AFORTI

CONSOLIDATED ANNUAL REPORT OF THE AFORTI GROUP

for 2020

Warsaw, 31 May 2021

AFORTI Finance AFORTI Exchange AFORTI Collections AFORTI Factor

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LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD OF THE PARENT COMPANY

Dear Sir or Madam,

I would like to present to you the Consolidated Annual Report of AFORTI Holding S.A., taking into account the most important developments in its activities in 2020.

It is my pleasure to inform you that companies from the AFORTI Group have been recognised in national rankings. AFORTI Collections S.A. was ranked 4th in the "2020 Debt Collection Leaders" ranking by Gazeta Finansowa, which we interpret as an appreciation of the development and quality of our services. AFORTI Exchange S.A. was listed among the most innovative representatives of the Polish financial and technological sector.

The entire year 2020 was marked by the pandemic situation in the world. Its effects were also noticeable in the AFORTI Group. The first quarter of the pandemic, causing many branches of the economy to come to a virtual standstill, resulted in an increase in the importance of the Group's debt recovery segment. The second quarter allowed us to calm our emotions and continue the steps taken to systematically develop and optimise the AFORTI Group. The focus on sales, which began there and continued in the third quarter, as a growth driver, i.e. acquiring new clients and providing the best possible service to existing clients, resulted in dynamic growth in the third quarter as well as the best ever fourth quarter of 2020.

These results would not have been possible without AFORTI Exchange S.A.'s entry into the Small Payment Institutions Register held by the Polish Financial Supervision Authority on 30 January. The licence obtained allowed the company to increase the scale of its operations, leading the fourth quarter to its best ever sales result and also making the entire year 2020 its best ever, despite the pandemic market environment.

Similarly, AFORTI Collections S.A., maintained the pace of growth of the first quarter, when it was the main driving force of the AFORTI Group, and continued to focus on the purchase of debt portfolios, which, backed by its know-how and the ability to value them correctly, allows a rapid recovery of the purchase price and the realisation of profits from the investments made.

The past year was the period in which we focused on the consistent implementation of the development strategy,

and increasing the recognition of the AFORTI brand. Experience acquired in the course of implementing the development strategy and many years of active work with clients from the SME sector led the Board of the Issuer to consider broader development of the Aforti Group both in Poland and abroad. The next challenge facing the Group is the acquisition of a company listed on the main

market of the London Stock Exchange. Observing emerging trends in the market for services dedicated to SMEs, the Aforti Group is also implementing new regulations and structural changes.

In summary, 2020 for the Aforti Group was first and foremost a year of dynamic change in an unfamiliar and hostile environment caused by the global COVID-19 pandemic. However, correct and timely decisions allowed us to both maintain employment, in line with our belief that people are our most valuable asset, and to achieve record growth and our best ever sales performance despite the ever-present constraints and difficulties. Many of the challenges we have undertaken and projects we have started are now continuing. We are full of hope that they will bring the expected results. In the meantime, I invite you to read this Report.

And let me take this opportunity to thank all those who support our activities and contribute to the success of the Aforti Group. First of all I would like to thank all our Shareholders and Bondholders for their trust and interest in the Company and Group. I would also like to thank the contractors and clients with whom and for whom we work. Finally, I would like to thank the Aforti Group's Employees and Associates for their efforts and commitment in achieving our goals on a daily basis.

Our Investor Relations Department also remains at your disposal, and if you have any questions you can contact them by email at: inwestorzy@afortiholding.pl.

Yours sincerely,

Klaudiusz Sytek,
President of the Management Board

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SELECTED CONSOLIDATED FINANCIAL DATA OF THE AFORTI CAPITAL GROUP for the period 01.01.2020 to 31.12.2020

1. Introduction

This section of the Aforti Group's Consolidated Annual Report for 2020 contains selected financial data for the main items of the balance sheet, income statement and cash flow statement. The values have been presented in Polish zloty and converted into euros in accordance as explained below.

The figures presented have been converted at the average euro exchange rate announced by the National Bank of Poland, in force on the balance sheet date.

Table 1 - Information on the Euro exchange rate used to convert selected financial data of the Issuer

	2020	2019
Euro exchange rate at balance sheet date 31.12	4,6148	4,2585

source: Issuer

2. Selected financial data: balance sheet, income statement, cash flow statement

Table 2- Selected financial data from the income statement for 2020 with comparative data for the previous year

Specification	PLN		EUR	
	01.01.2020 – 31.12.2020	**01.01.2019 – 31.12.2019**	**01.01.2020 – 31.12.2020**	**01.01.2019 – 31.12.2019**
Sales revenues	1 010 421 333,25	1 036 527 508,46	218 952 356,17	243 402 021,48
Profit (loss) on sales	(21 270 532,15)	(27 397 976,22)	(4 609 199,13)	(6 433 715,21)
Profit (loss) on operating activities	(30 867 544,01)	(30 659 989,76)	(6 688 815,12)	(7 199 715,81)
Profit (loss) on business activities	5 130 379,45	(11 301 398,13)	1 111 723,03	(2 653 844,81)
Depreciation	1 494 318,75	1 745 140,63	323 810,08	409 801,72
Gross profit (loss)	2 439 298,03	(12 886 962,32)	528 581,53	(3 026 174,08)
Net profit (loss)	3 666 292,92	242 005,20	794 464,10	56 828,74

source: Issuer

Table 3- Selected financial data from the 2020 balance sheet with comparative data for the previous year

Specification	PLN		EUR	
	01.01.2020 – 31.12.2020	01.01.2019 – 31.12.2019	01.01.2020 – 31.12.2020	01.01.2019 – 31.12.2019
Non-current assets	49 508 871,44	38 971 157,42	10 728 281,06	9 151 381,34
Current assets	197 441 263,58	150 517 902,08	42 784 359,79	35 345 286,39
Long-term receivables	235 294,83	267 847,28	50 987,00	62 897,10
Short-term receivables	55 452 338,85	43 069 358,81	12 016 195,47	10 113 739,30
Short-term liabilities	66 709 084,98	57 797 201,08	14 455 466,10	13 572 197,04
Long-term liabilities	131 020 278,61	93 482 855,29	28 391 323,27	21 952 061,83
Equity capital	58 418 767,10	56 383 775,56	12 659 003,01	13 240 290,14
Basic capital	9 042 514,00	7 801 915,00	1 959 459,56	1 832 080,54

source: Issuer

Table 4 - Selected financial data from the cash flow statement for 2020 with comparative data for the previous year

Specification	PLN		EUR	
	01.01.2020 – 31.12.2020	01.01.2019 – 31.12.2019	01.01.2020 – 31.12.2020	01.01.2019 – 31.12.2019
Net cash flows from operating activities	(34 243 160,61)	(25 093 572,24)	(7 420 291,37)	(5 892 584,77)
Net cash flows from investing activities	874 393,80	(8 453 593,48)	189 475,99	(1 985 110,60)
Net cash flows from financial activities	34 744 320,75	32 299 707,49	7 528 889,82	7 584 761,65
Total net cash flows	1 375 553,94	(1 247 458,22)	298 074,44	(292 933,71)

source: Issuer

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CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF THE AFORTI GROUP for the period 01.01.2020 to 31.12.2020

1. Introduction

General information

1. The consolidated financial statements comprise::

a) The parent company:

Aforti Holding S.A., with its registered office in 00-613 Warsaw, ul. Chałubińskiego 8, conducts business activities in the field of business consultancy and management. It was entered into the National Court Register on 22.05.2009 under the number 0000330108 in the District Court for the Capital City of Warsaw, 12th Economic Division under the name Advicone S.A.

b) Subsidiaries:

- **Aforti Ac sp. z o.o.** - The company provides accounting and bookkeeping services.
- **Aforti Collections S.A.** - a nationwide company specialising in the management of receivables using a wide range of debt collection tools. The company also deals with the acquisition and servicing of debt portfolios.
- **Aforti Exchange S.A.** - A functional currency exchange platform for companies, which offers wholesale rates for currencies, at the same time allowing for a convenient, cashless exchange.
- **Aforti Factor S.A.** - the company offers factoring products. It acquires undated receivables from clients for the delivery of goods and services, supporting effective management of receivables portfolio.
- **Aforti Finance S.A.** - This company specialises in granting non-bank loans to sole traders, civil law partnerships and limited liability companies.
- **Aforti Factor Romania IFN S.A.** - company registered in Romania, provides factoring services for the SME sector.
- **Aforti, UAB** - company registered in Lithuania. The company has not commenced operations yet.
- **Aforti Limited LCC** - a company registered in Cyprus, which has not commenced operations.
- **Aforti PLC** - a company registered in Great Britain, which will perform holding functions. The company is involved in the planned development of activities based on EMI licence.
- **Aforti Distribution Romania S.A.** - a company operating in Romania, which will offer financial intermediation services with particular focus on Aforti Group products.
- **Aforti Exchange Bulgaria AD** - a functional currency exchange platform for companies, on the territory of Bulgaria. The company has not yet commenced operations.

Company name	Registered office	Registration data	Share capital	Share of the Parent Company in the share capital
Aforti Holding S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000330108 REGON: 141800547 NIP: 525-245-37-55	9.042.514 PLN	------
Aforti Ac Sp. z o.o.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000313339 REGON: 141570047 NIP: 5242661216	4.680.000 PLN	100% shares
Aforti Collections S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000639964 REGON: 365362973 NIP: 7010620699	7.707.403 PLN	96.89% shares
Aforti Exchange S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000719620 REGON: 146332039 NIP: 9512360841	18.068.000 PLN	100% shares indirectly through Aforti PLC
Aforti Exchange Bulgaria A.D.	14, Tsar Osvoboditel Blvd., fl. 5, Sofia Landmark House Centre, 1000 Sofia, Republic of Bulgaria	UIC 204854594	500.000 BGN	90% of shares and indirectly through Aforti Exchange S.A. 10% of shares
Aforti Distribution Romania S.A.	17 Constantin Alexandru Rosetti (C.A. Rosetti) street, office 005, entresol, district 2, Bucharest, Romania	Trade Register no. J40/10043/2017 The unique registration code 37812805	4.165.425 RON	0.06% shares and indirectly 99.94% via Aforti Factor Romania IFN
Aforti Factor S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000274431 REGON: 14084631700000 NIP: 1070006505	20.701.383 PLN	90.77% of shares and indirectly 4.93% of shares through Aforti Finance S.A,
Aforti Finance S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000436229 REGON: 146346308 NIP: 5252540891	16.441.750 PLN	95.30% of shares and indirectly 2.27% through subsidiaries: Aforti Collections S.A., Aforti Factor S.A,
Aforti Factor Romania IFN S.A.	Romania, Bucharest, 020334, 2nd District, 4B Gara Herastrau Street, 10th floor, registered with the Bucharest Trade Registry Office, under	Trade Registry no. J40/5254/2018, Id No (tax no.): 39199589 registered in the Non-Banking Financial Institutions General Register held by the National Bank of Romania under no. RG-PJR-41-110339/26.10.2018	7.959.089 RON	99.998% of shares indirectly through Aforti Finance S.A., the remaining 0.002% of shares held by Mr Klaudiusz Sytek
Aforti, UAB	Mėsinių gatvė 5, Vilnius 01133, Lietuva	305207212	400.000 EUR	100% shares
Aforti Limited LCC	Arh. Makarioy III, 74, AMARANTON COURT, Floor 3, Mesa Geitonia, 4003, Limassol, Cypr	Trade Registry no. HE 388355 CUI: C388355	1.000 EUR	100% shares
Aforti PLC	No 1 Colmore Square, Birmingham, West Midlands, United Kingdom, B4 6AA	Company number 12821204	363.636 GBP	100% shares

2. The consolidated financial statements have been prepared for the period:
   for the period **01-01-2020** to **31-12-2020**

3. The consolidated financial statements have been prepared on the assumption that the Aforti Holding Group companies will continue as a going concern in the foreseeable future. The Board of Directors declares that there are no circumstances indicating a threat to the continuity of operations.

4. The financial and fiscal year adopted shall coincide with the calendar year and shall run for 12 consecutive full months.

5. The consolidated statements for 2019 are included as comparative figures in this report. The numerical information ensures that the figures of the financial statements for the preceding year are comparable with those for the financial year.

6. The company's consolidated financial statements are subject to audit pursuant to Article 64(1) of the Accounting Act.

Description of the preparation of the consolidated financial statements and comparative data

1. The consolidated financial statements include the statements of the parent company Aforti Holding SA and the statements of the subsidiaries controlled by the parent company. These statements are prepared as at 31.12.2020 and according to the same accounting principles.

The consolidated report for 2020 presents comparable financial data from the consolidated financial statements of the Aforti Holding Group as at 31 December 2019.

2. Subsidiaries

   Subsidiaries are entities that are trading companies for which the parent company has the power to govern their financial and operating policies so as to obtain economic benefits from their activities. Subsidiaries are fully consolidated from the date on which control is transferred to the parent company. They cease to be consolidated on the date on which control ceases.
   At the date control is obtained, the surplus of the value of the shares measured at cost over the value of the net assets acquired constitutes goodwill and is shown in the Assets of the Consolidated Balance Sheet as "Goodwill of subsidiaries".

The excess of the value of net assets acquired over the value of shares measured at cost is recognised in Liabilities in the Consolidated Balance Sheet as "Negative goodwill of subordinated undertakings".

3. Exclusion of reciprocal transactions

The consolidated financial statements shall exclude all mutual operations between the parent and subsidiary undertakings, in particular:

- mutual receivables and liabilities and other settlements of a similar nature,
- revenues and costs of economic operations between the undertakings
- profits or losses resulting from business transactions between the undertakings included in the value of assets to be consolidated,
- dividends earned or paid by subsidiary undertakings to the parent undertaking.

4. Method of equity consolidation

Share capital in the consolidated financial statements is the parent company's share capital. Equity in the consolidated financial statements includes only those portions of the relevant components of the subsidiary's equity that have arisen since the date the parent obtained control of the subsidiary.

5. Discussion of changes in accounting principles (policy) made with effect from the first day of the financial year, in particular the principles for grouping economic operations, methods of valuing assets and liabilities, making depreciation write-downs, determining the financial result and preparing separate financial statements.

These statements have been prepared in accordance with maintaining the comparability of the previous year's data. The accounting principles adopted by the Group have been applied continuously and are consistent with the accounting policies applied in the previous financial year.

Discussion of accounting principles (policies)

1 Basis for the preparation of the Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared in accordance with the practice applied by entities operating in Poland, based on the accounting principles arising from the provisions of the Accounting Act of 29 September 1994 (Dz. U. 2017 item 2342 as amended, in particular in accordance with Article 45 of the Act - Dz.U. 2018, item 395) and implementing regulations issued on its basis, as well as the Regulation of the Minister of Finance of 25 September 2009 on detailed principles for preparing consolidated financial statements of capital groups by entities other than banks, insurance companies and reinsurance companies (Journal of Laws of 2009, No. 169, item 1327).

The accounting principles adopted by the Companies have been applied consistently and are consistent with the accounting principles applied in the previous financial year. The parent company and the subsidiary apply the same accounting principles.

2 Revenue and expenses

Revenues and expenses are recognised on an accrual basis, i.e. in the financial year to which they relate, regardless of when the payment is received or made.

The companies keep cost records by nature and prepare separate and consolidated profit and loss accounts in the comparative version.

Revenue from the sale of products, goods and materials shall be recognised in the income statement.

Revenue from the sale of products, goods and materials is recognised in the income statement when the benefits of ownership of the products, goods and materials have been passed on to the buyer.

3 Interest

Interest income is recognised as it accrues (using the effective interest rate).

4 Consolidated cash flow statement

The consolidated cash flow statement has been prepared using the indirect method.

5 Intangible assets

Intangible assets are recorded at acquisition or production cost and are amortised on a straight-line basis using the appropriate amortisation rates.

6 Consolidation goodwill

Consolidation goodwill is determined as the excess of the value of shares measured at cost over the fair value of the net assets acquired. Goodwill is written down over five years in equal monthly amounts starting from the month in which the parent company assumes control of the subsidiary.

7 Fixed assets

The initial value of fixed assets is recognised in the books at acquisition prices or production costs, less depreciation and impairment losses.

The purchase price and production cost of fixed assets and fixed assets under construction include all their costs incurred by the entity for the period of construction, assembly, adaptation

and improvement up to the date of taking them into use, including the cost of servicing the liabilities incurred to finance them and the related exchange rate differences, less the related revenue.

The initial value, which is the purchase price or production cost of a fixed asset, is increased by the costs of its improvement, consisting in reconstruction, extension, modernisation or reconstruction, so that the value in use of the asset after completion of the improvement exceeds the value in use it had at the time of taking it into use.

Fixed assets are depreciated using the straight-line method. Depreciation begins in the month following the month in which the asset was brought into use.

Assets with an initial value of less than PLN 100 the company recognises directly in the costs of consumption of materials. Assets with an initial value of more than PLN 100 are classified by the company as fixed assets or intangible assets. The company includes assets with the initial value of PLN 100 or more to fixed assets or intangible assets and enters them to the balance sheet records of these assets. The Company makes depreciation write-offs on such assets.

8. Receivables, claims and liabilities other than those classified as financial assets and liabilities
Receivables are disclosed at the amount of required payment, observing the prudent valuation principle. The value of receivables is updated taking into account the degree of probability of their payment, by means of a revaluation write-off included, respectively, in other operating costs or in financial costs - depending on the type of receivables to which the revaluation write-off applies.

Liabilities are recognised in the books at the amount due.
Receivables and liabilities expressed in foreign currencies are recognised as at the day they arise at the average exchange rate of the National Bank of Poland announced for a given currency on the day preceding that day.

As at the balance sheet date, receivables and liabilities expressed in foreign currencies are valued at the average exchange rate for a given currency announced by the National Bank of Poland for that day.

9 Accruals and deferred income

Prepayments are made if they relate to future reporting periods. Group companies also settle significant costs related to the development of new types of activities as part of accruals; these

are settled over the period of the expected time of obtaining economic benefits, in accordance with the principle of matching revenues and costs for the financial statements.

Accruals are made at the amount of probable liabilities attributable to the current reporting period.

10 Minority capitals

Minority capitals represent the part of the share capital of subsidiaries corresponding to the share held by shareholders other than group entities covered by the consolidated financial statements in the share capital of those entities.

They are shown:

- in the consolidated balance sheet - minority capital;
- in the consolidated profit and loss account - minority profits (losses);
- in the consolidated cash flow statement prepared using the indirect method - minority profits (losses).

11 Provisions for liabilities

Provisions represent liabilities of uncertain timing or amount.

12 Classification of financial instruments

Financial instruments are recognised and measured in accordance with the Regulation of the Minister of Finance of 12 December 2001 on detailed rules for the recognition, valuation methods, scope of disclosure and manner of presentation of financial instruments. The principles for the valuation and disclosure of financial assets described in the following note do not apply to financial instruments excluded from the Regulation, including in particular shares in subordinated entities, rights and obligations under lease and insurance contracts, trade receivables and payables, and financial instruments issued by the Company that constitute its equity instruments.

Division of financial instruments

Financial assets are divided into:

- financial assets held for trading,
- loans granted and own receivables,
- financial assets held to maturity,
- available-for-sale financial assets.

Financial liabilities are divided into:

- financial liabilities held for trading,
- other financial liabilities.

13 Loans granted and own receivables

Loans granted and own receivables include, regardless of their maturity (payment date), financial assets created as a result of cash being provided directly to the other party to the contract. Loans granted and own receivables also include other debt financial instruments acquired in exchange for cash issued directly to the other party to the contract, if it is clear from the contract that the seller has not lost control over the financial instruments issued.

Loans granted and own receivables, which the Company intends to sell in the short term, are classified as financial assets held for trading.

Loans and receivables do not include loans and receivables acquired or payments made by the Company to acquire equity instruments of new issues, even if such acquisition is made in an initial public offering or in primary trading, or, in the case of rights to shares, also in secondary trading.

Loans granted and own receivables are measured at the amount due, taking into account the prudence principle. Loans granted and own receivables intended for sale within 3 months are valued at market value or otherwise stated fair value.

2. Consolidated Balance Sheet

Lp.	Title	31.12.2020	31.12.2019
A	FIXED ASSETS	**49 508 871,44**	**38 971 157,42**
I	Intangible assets	**2 481 790,37**	**2 133 358,05**
1	Costs of completed development work	1 653 834,52	1 335 637,14
2	Goodwill	327 161,78	436 215,70
3	Other intangible assets	27 102,29	311 618,33
4	Advances on non-material and legal values	473 691,78	49 886,88
II	Goodwill on consolidation	**32 202 044,47**	**13 486 291,26**
1	Goodwill on consolidation - subsidiaries	32 202 044,47	13 486 291,26
III	Tangible fixed assets	**1 655 699,48**	**2 518 394,85**
1	Fixed assets	1 653 142,32	2 515 851,85
a	land (including right of perpetual usufruct)	0,00	0,00
b	buildings, premises and civil and water engineering structures	608 291,27	374 659,01
c	plant and machinery	120 721,37	778 127,80
d	means of transport	798 334,33	1 191 158,28
e	other fixed assets	125 795,36	171 906,76
2	Fixed assets under construction	2 557,16	2 543,00
3	Advances on fixed assets under construction	0,00	0,00
IV	Long-term receivables	**235 294,83**	**267 847,28**
1	From related parties	69,58	0,00
2	From other undertakings in which the undertaking has an interest	0,00	0,00
3	From other undertakings	235 225,25	267 847,28
V	Long-term investments	**288 297,84**	**4 524 434,55**
1	Real estate	0,00	0,00
2	Intangible assets	0,00	0,00
3	Long-term financial assets	288 297,84	4 524 434,55
a	in related entities	118 633,02	3 004 870,00
	- shares or stocks	118 633,02	2 804 860,00
	- other securities	0,00	200 010,00
	- borrowings granted	0,00	0,00
	- other long-term financial assets	0,00	0,00
b	in other entities in which the entity has an interest	0,00	0,00
	- shares or stocks	0,00	0,00
	- other securities	0,00	0,00
	- loans granted	0,00	0,00
	- other long-term financial assets	0,00	0,00
c	in other undertakings	169 664,82	1 519 564,55
	- shares or stocks	0,00	718 090,69
	- other securities	94 271,15	444 945,20
	- loans granted	75 393,67	356 528,66
	- other long-term financial assets	0,00	0,00
4	Other long-term investments	0,00	0,00
VI	Long-term prepayments	**12 645 744,46**	**16 040 831,43**
1	Assets on account of deferred income tax	8 479 904,92	8 690 238,69
2	Other prepayments and accruals	4 165 839,54	7 350 592,74

B	CURRENT ASSETS	**197 441 263,58**	**150 517 902,08**
I	Inventories	**31 885,38**	**2 050,95**
1	Materials	0,00	0,00
2	Semi-finished products and work in progress	0,00	0,00
3	Finished products	0,00	0,00
4	Goods	0,00	0,00
5	Advances on deliveries	31 885,38	2 050,95
II	Short-term receivables	**55 452 338,85**	**43 069 358,81**
1	Receivables from related parties	11 638 972,76	19 181 808,04
a	trade receivables, payable within	37 281,68	2 141 177,12
	- up to 12 months	37 281,68	2 141 177,12
	- over 12 months	0,00	0,00
b	other	11 601 691,09	17 040 630,92
2	Receivables from other undertakings in which the undertaking has an interest in the capital	0,00	0,00
a	on account of deliveries and services, with payback period	0,00	0,00
	- up to 12 months	0,00	0,00
	- over 12 months	0,00	0,00
b	other	0,00	0,00
2	Receivables from other undertakings	43 813 366,08	23 887 550,77
a	for deliveries and services, maturing within	1 135 626,12	1 217 656,86
	- up to 12 months	1 135 626,12	1 217 656,86
	- over 12 months	0,00	0,00
b	on account of taxes, subsidies, customs duties, social and health insurance and other benefits	3 013 265,93	3 229 105,07
c	other	39 664 474,03	19 440 788,84
d	claimed in court	0,00	0,00
III	Short-term investments	**129 990 327,94**	**100 739 941,33**
1	Short-term financial assets	129 990 327,94	100 739 941,33
a	in related entities	63 044 842,95	22 007 444,69
	- shares or stocks	63 033 517,79	22 007 444,69
	- other securities	11 325,16	0,00
	- loans granted	0,00	0,00
	- other short-term financial assets	0,00	0,00
b	in other entities	64 974 779,88	78 137 345,47
	- shares or stocks	0,00	0,00
	- other securities	5 967 876,04	4 358 710,96
	- loans granted	59 006 903,84	73 778 634,51
	- other short-term financial assets	0,00	0,00
c	cash and other monetary assets	1 970 705,11	595 151,17
	- cash in hand and on bank accounts	1 970 525,46	594 938,09
	- other cash	179,65	213,08
	- other cash assets	0,00	0,00
2	other short-term investments	0,00	0,00
IV	**Short-term accruals and deferred income**	**11 966 711,41**	**6 706 550,99**
C	**Called-up subscribed capital (fund)**	0,00	**0,00**
D	**Own shares (capital stock)**	**36 356 935,00**	**20 583 495,00**
TOTAL ASSETS		**283 307 070,01**	**210 072 554,50**

Lp.	Title	31.12.2020	31.12.2019
A	EQUITY CAPITAL (FUND)	**58 418 767,10**	**56 383 775,56**
I	Share capital (fund)	**9 042 514,00**	**7 801 915,00**
II	Supplementary capital (fund)	**80 555 170,91**	**76 571 754,18**
	- surplus of the sale (issue) value over the nominal value of shares	**55 871 302,80**	**55 871 302,80**
III	Revaluation reserve (fund)	**0,00**	**0,00**
	- due to revaluation	0,00	**0,00**
IV	Other reserve capitals (funds)	**9 000 000,00**	**0,00**
	- established in accordance with the company's articles of association	0,00	**0,00**
	- for own shares (stocks)	9 000 000,00	**0,00**
V	Retained profit (loss) from previous years	**-44 077 286,65**	**-28 250 690,31**
VI	Net profit (loss)	**3 666 292,92**	**242 005,20**
VII	Net profit write-offs during the financial year (negative value)	**232 075,93**	**18 791,49**
B	Minority capitals	**-14 815 950,19**	**-11 163 027,07**
C	Negative goodwill of subsidiaries	**0,00**	**0,00**
I	Negative goodwill - subsidiaries	**0,00**	**0,00**
II	Negative goodwill - jointly controlled entities	**0,00**	**0,00**
D	LIABILITIES AND PROVISIONS FOR LIABILITIES	**239 704 253,10**	**164 851 806,01**
I	Provisions for liabilities	**168 129,95**	**0,00**
1	Provision for deferred income tax	0,00	0,00
2	Provision for pensions and similar benefits	0,00	0,00
	- long-term	0,00	0,00
	- short-term	0,00	0,00
3	Other provisions	168 129,95	0,00
	- long-term	0,00	0,00
	- short-term	168 129,95	0,00
II	Long-term liabilities	**131 020 278,61**	**93 482 855,29**
1	Towards related parties	1 747 580,35	100,00
2	Towards other undertakings in which the undertaking has an interest	0,00	0,00
3	Towards other undertakings	129 272 698,26	93 482 755,29
a	loans and borrowings	0,00	119 768,30
b	On account of issuance of debt securities	34 925 267,01	61 890 227,00
c	other financial liabilities	5 825 730,21	5 928 959,48
d	bills of exchange liabilities	88 521 305,09	7 932 683,25
e	other	395,95	17 611 117,26
III	Short-term liabilities	**66 709 084,98**	**57 797 201,08**
1	Towards related parties	546 000,00	1 864 948,42
a	on account of deliveries and services, payable within	0,00	614 930,62
	- up to 12 months	0,00	575 876,50
	- over 12 months	0,00	39 054,12
b	other	546 000,00	1 250 017,80
2	Liabilities to other undertakings in which the undertaking has an interest in the capital	0,00	0,00
a	on account of deliveries and services, maturing	0,00	0,00
	- up to 12 months	0,00	0,00

	- over 12 months	0,00	0,00
b	other	0,00	0,00
3	Towards other undertakings	66 163 084,98	55 932 252,67
a	credits and loans	368 331,04	739,21
b	on account of issue of debt securities	31 934 741,56	21 866 878,98
c	other financial liabilities	8 896 686,41	7 805 637,87
d	on account of deliveries and services, payable within	4 377 362,60	10 432 079,22
	- up to 12 months	4 377 362,60	10 432 079,22
	- over 12 months	0,00	0,00
e	advances received for deliveries	0,00	9 788,62
f	bills of exchange payable	14 680 196,64	8 698 998,00
g	on account of taxes, customs, insurance and other	5 310 857,31	5 170 718,83
h	on account of salaries and wages	377 306,77	415 246,15
i	other	217 602,65	1 532 165,78
4	Special funds	0,00	0,00
IV	Accruals and deferred income	**41 806 759,56**	**13 571 749,64**
1	Negative goodwill	0,00	0,00
2	Other accruals and deferred income	41 806 759,56	13 571 749,64
	- long-term	86 441,49	165 548,81
	- short-term	41 720 318,07	13 406 200,83
TOTAL LIABILITIES		**283 307 070,01**	**210 072 554,50**

Warsaw, 31-05-2021

Kamilla Sytek-Skonieczna
Person responsible for keeping the accounts

Klaudiusz Sytek,	Paweł Opoka,	Mateusz Niemczyk,
President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board

3. Consolidated Income Statement

Lp.	Title	01.01.2020 – 31.12.2020	01.01.2019 – 31.12.2019
A	**Net income from sales and equalized to them, of which:**	**1 010 421 333,25**	1 036 527 508,46
-	from related parties	0,00	0,00
I	Net income from sale of products	3 792 975,95	9 406 142,93
II	Change in products (increase - positive value, decrease - negative value)	0,00	0,00
III	Cost of manufacturing products for own needs of the entity	0,00	0,00
IV	Net income from sales of goods and materials	1 006 628 357,30	1 027 121 365,53
B	**Costs of operating activities**	**1 031 691 865,40**	**1 063 925 484,68**
I	Depreciation	1 494 318,75	1 745 140,63
II	Consumption of materials and energy	369 666,90	608 936,76
III	External services	12 364 170,02	16 231 821,47
IV	Taxes and charges, of which	2 065 021,13	3 936 524,63
-	- excise tax	0,00	0,00
V	Remuneration	6 156 085,72	7 136 116,63
VI	Social security and other benefits	933 187,81	1 378 049,77
-	- pensions	397 529,40	561 032,77
VII	Other costs by type	2 089 556,98	6 679 623,56
VIII	Value of goods and materials sold	1 006 219 858,10	1 026 209 271,23
C	**Profit (loss) on sales (A-B)**	**-21 270 532,15**	**-27 397 976,22**
D	**Other operating income**	**931 786,81**	**503 387,10**
I	Profit on disposals of non-financial fixed assets	122 842,99	154 110,43
II	Grants	0,00	0,00
III	Revaluation of non-financial assets	0,00	0,00
IV	Other operating income	808 943,83	349 276,67
E	**Other operating expenses**	**10 528 798,67**	**3 765 400,64**
I	Loss on disposal of non-financial fixed assets	42 188,42	139 635,87
II	Revaluation of non-financial assets	0,00	533 230,54
III	Other operating expenses	10 486 610,25	3 092 534,23
F	**Profit (loss) on operating activities (C+D-E)**	**-30 867 544,01**	**-30 659 989,76**
G	**Financial income**	**47 874 022,56**	**35 458 731,73**
I	Dividends and shares in profits, of which:	0,00	0,00
a)	from related parties, of which:	0,00	0,00
	- in which the entity has an equity interest	0,00	0,00
b)	from other undertakings, of which:	0,00	0,00
	- in which the entity has an equity interest	0,00	0,00
II	Interest, of which:	408 878,72	491 445,74
-	from related parties	0,00	0,00
III	Gain on disposal of investments	197 826,00	13 803 290,86
	- in related parties	0,00	0,00
IV	Revaluation of investments	43 676 225,43	11 237 643,33
V	Other	3 591 092,41	9 926 351,80
H	**Financial costs**	**16 096 864,98**	**16 100 140,10**
I	Interest, of which:	7 992 084,22	8 919 883,32
-	for related parties	0,00	0,00
II	Loss on disposal of financial assets, of which:	162 854,87	0,00

	- in related parties	0,00	0,00
III	Revaluation of financial assets	18 453,65	687 707,40
IV	Other	7 923 472,25	6 492 549,38
I	Profit (loss) on the sale of all or part of shares in subordinated undertakings	**4 220 765,88**	**0,00**
J	Profit (loss) on business activities (F+G-H+/-I)	**5 130 379,45**	**-11 301 398,13**
K	Write-down of goodwill	**2 691 081,42**	**1 585 564,19**
I	Goodwill write-down - subsidiaries	2 691 081,42	1 585 564,19
II	Write-down of goodwill - partially owned subsidiaries	0,00	0,00
L	Write-down of negative goodwill	**0,00**	**0,00**
I	Write-down of negative goodwill - subsidiaries	0,00	0,00
II	Write-down of negative goodwill - jointly controlled entities	0,00	0,00
M	Profit (loss) on shares in subordinates accounted for using the equity method	**0,00**	**0,00**
N	Gross profit (loss) (J-K+L+/-M)	**2 439 298,03**	**-12 886 962,32**
O	Income tax	**25 485,87**	**-2 727 979,57**
P	Other obligatory charges against profit (increase in loss)	**0,00**	**0,00**
Q	Minority profits (losses)	**-1 252 480,76**	**-10 400 987,95**
R	Net profit (loss) (N-O-P+/-Q)	**3 666 292,92**	**242 005,20**

Warsaw, 31-05-2021

Kamilla Sytek-Skonieczna
Person responsible for keeping the accounts

Klaudiusz Sytek,	Paweł Opoka,	Mateusz Niemczyk,
President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board

4. Consolidated Cash Flow Statement

Lp.	Title	01.01.2020 – 31.12.2020	01.01.2019 – 31.12.2019
A	Cash flow from operating activities		
I	Net profit (loss)	**3 666 292,92**	**242 005,20**
II	Total adjustments	**(37 909 453,53)**	**(25 335 577,43)**
1	Minority profits (losses)	(1 252 480,76)	(10 400 987,95)
2	Profit (loss) on shares in entities accounted for using the equity method	0,00	0,00
3	Depreciation	1 494 318,75	1 745 140,63
4	Write-offs of goodwill	2 691 081,42	1 585 564,19
5	Write-offs of negative goodwill	0,00	0,00
6	Foreign exchange gains (losses)	0,00	0,00
7	Interest and shares in profits (dividends)	7 583 205,49	8 428 437,58
8	Profit (loss) on investment activity	(43 773 397,24)	(13 823 929,78)
9	Change in the state of reserves	168 129,95	(66 943,16)
10	Change in inventories	(29 834,43)	(250,95)
11	Change in the state of receivables	(13 335 113,97)	(10 437 030,44)
12	Change in short-term liabilities, except for loans and credits	13 045 658,59	25 044 932,98
13	Change in the state of accruals	26 369 936,47	(1 757 567,83)
14	Other adjustments	(30 870 957,80)	(25 652 942,71)
III	Net cash flows from operating activities (I ± II)	**(34 243 160,61)**	**(25 093 572,24)**
B	Cash flow from investing activities		
I	Inflows	**2 234 138,29**	**74 943,12**
1	Sales of intangible and tangible fixed assets	624 681,76	74 943,12
2	Sales of investments in real estate and intangible assets	0,00	0,00
3	From financial assets, of which	1 609 456,53	0,00
a)	in related entities	237 645,61	0,00
b)	in other entities	1 371 810,92	0,00
-	disposal of financial assets	706 765,53	0,00
-	dividends and shares in profits	0,00	0,00
-	repayment of long-term loans granted	281 134,99	0,00
-	interest	0,00	0,00
-	other inflows from financial assets	383 910,40	0,00
4	Other investment inflows	0,00	0,00
II	Expenditure	**1 359 744,49**	**8 528 536,60**
1	Acquisition of intangible and tangible fixed assets	1 359 744,49	2 331 450,21
2	Investments in real estate and intangible assets	0,00	0,00
3	On financial assets, of which:	0,00	5 215 379,18
a)	in related parties	0,00	4 240 420,00
b)	in other undertakings	0,00	974 959,18
-	acquisition of financial assets	0,00	618 430,52
-	granted long-term loans	0,00	356 528,66
4	Dividends and other shares in profits paid to minority shareholders	0,00	981 707,20

5	Other investment expenditure	0,00	0,00
III	Net cash flows from investment activity (I-II)	**874 393,80**	**(8 453 593,48)**
C	Cash flow from financial activity		
I	Proceeds	**61 314 315,97**	**112 450 338,19**
1	Net proceeds from the issue of shares and other equity instruments and capital contributions	0,00	1 415 971,00
2	Loans and borrowings	10 029 115,86	27 912 122,95
3	Issue of debt securities	1 762 752,00	48 388 000,00
4	Other financial inflows	49 522 448,11	34 734 244,25
II	Expenses	**26 569 995,22**	**80 150 630,70**
1	Acquisition of own shares (equities)	0,00	0,00
2	Dividends and other payments to owners	0,00	0,00
3	Distribution of profit, other than payments to owners	0,00	0,00
4	Repayments of credits and loans	0,00	0,00
5	Redemption of debt securities	10 580 800,00	40 155 359,36
6	On account of other financial liabilities	0,00	0,00
7	Payments of liabilities under finance lease agreements	110 799,11	371 796,42
8	Interest	7 992 084,22	8 919 883,32
9	Other financial expenses	7 886 311,90	30 703 591,60
III	Net cash flows from financing activities (I-II)	**34 744 320,75**	**32 299 707,49**
D	Total net cash flows (A.III ± B.III ± CIII)	**1 375 553,94**	**(1 247 458,22)**
E	Balance sheet change in cash, of which	**1 375 553,94**	**(1 247 458,22)**
-	change in cash due to exchange differences	0,00	0,00
F	Cash and cash equivalents at the beginning of the period	**595 151,17**	**1 842 609,39**
G	Cash at the end of the period (F±E), of which:	**1 970 705,11**	**595 151,17**
-	with limited disposability	0,00	0,00

Warsaw, 31-05-2021

Kamilla Sytek-Skonieczna
Person responsible for keeping the accounts

Klaudiusz Sytek,	Paweł Opoka,	Mateusz Niemczyk,
President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board

5. Statement of changes in consolidated equity

Lp.	Title	01.01.2020 – 31.12.2020	01.01.2019 – 31.12.2019
I.	Equity (own fund) at the beginning of the period (OB)	**56 383 775,56**	**4 816 282,12**
-	changes in accounting principles (policies)	0,00	0,00
-	corrections of fundamental errors	0,00	0,00
I.a.	Equity at the beginning of the period (OB), adjusted	**56 383 775,56**	**4 816 282,12**
1	Share capital (fund) at the beginning of the period	**7 801 915,00**	**7 801 915,00**
1.1.	Changes in share capital (fund)	1 240 599,00	0,00
a	increase (due to)	1 240 599,00	0,00
-	issue of shares	1 240 599,00	0,00
-	contribution in kind	0,00	0,00
b	decrease (relative to)	0,00	0,00
-	redemption of shares	0,00	0,00
	.....	0,00	0,00
1.2.	Share capital (fund) at the end of the period	**9 042 514,00**	**7 801 915,00**
2	Supplementary capital (fund) at the beginning of the period	**76 571 754,18**	**6 803 898,96**
2.1.	Changes in supplementary capital (fund)	3 983 416,73	69 767 855,22
a	increase (due to)	14 224 015,73	69 767 855,22
-	issue of shares above nominal value,	0,00	54 586 356,00
-	from profit distribution (statutory)	14 224 015,73	13 940 900,22
-	from profit distribution (above the statutory minimum value)	0,00	0,00
-	issue of shares (stock issue) - pending registration	0,00	1 240 599,00
b	decrease (relative to)	10 240 599,00	0,00
-	coverage of loss	0,00	0,00
-	transfer to share capital (registration of series D shares)	10 240 599,00	0,00
2.2.	Supplementary capital (fund) at the end of the period	**80 555 170,91**	**76 571 754,18**
3	Opening balance of revaluation reserve capital (fund) - changes in adopted accounting principles (policy)	**0,00**	**0,00**
3.1.	Changes in revaluation reserve (fund)	0,00	0,00
a	increase (relative to)	0,00	0,00
b	decrease (relative to)	0,00	0,00
3.2.	Revaluation reserve (fund) at the end of the period	**0,00**	**0,00**
4	Other reserve capitals (funds) at the beginning of the period	**0,00**	**0,00**
4.1.	Changes in other reserve capitals (funds)	9 000 000,00	0,00
a	increase (relative to charges against profits)	9 000 000,00	0,00
-	increase due to transfer from reserve capital	0,00	0,00
b	decrease (relative to)	0,00	0,00
-	payment of dividend	0,00	0,00
4.2.	Other reserve capitals (funds) at the end of the period	**9 000 000,00**	**0,00**
5	Retained profit (loss) from previous years at the beginning of the period	**-28 250 690,31**	**-10 110 001,77**
5.1.	Retained profit from previous years at the beginning of the period	**0,00**	**0,00**
-	changes in accounting principles (policy)	**0,00**	**0,00**

-	adjustments of fundamental errors	0,00	-56 552,32
5.2.	Profit from previous years at the beginning of the period, corrected	-1 038 259,52	-56 552,32
a	increase (due to)	260 796,69	320 469,93
-	distribution of profits from previous years	260 796,69	320 469,93
b	Decrease	-777 462,83	1 302 177,13
-	coverage of losses	-777 462,83	320 469,93
-	payment of dividend	0,00	**981 707,20**
5.3.	Retained profit from previous years at the end of the period	**0,00**	**-1 038 259,52**
5.4	Loss from previous years at the beginning of the period (-)	-27 212 430,79	-10 110 001,77
-	changes in accounting principles (policy)	0,00	0,00
-	adjustments of fundamental errors	-1 863 377,30	0,00
5.5.	Loss from previous years at the beginning of the period, corrected	-29 075 808,09	-10 110 001,77
a	increase (relative to)	14 224 015,73	13 940 900,22
-	transferring parent company profit to supplementary capital	14 224 015,73	13 940 900,22
b	decrease (relative to)	777 462,83	3 161 528,80
-	.....	**0,00**	**3 161 528,80**
5.6.	Retained loss from previous years at the end of the period	**-44 077 286,65**	**-27 212 430,79**
5.7	Profit (loss) from previous years at the end of the period	**-44 077 286,65**	**-28 250 690,31**
6.	Net result	3 898 368,85	260 796,69
a	net profit	3 666 292,92	242 005,20
b	net loss (negative value)	0,00	0,00
c	Write-offs on profit (negative value)	**232 075,93**	**18 791,49**
II	Equity (own fund) at the end of the period (BZ)	**58 418 767,11**	**56 383 775,56**
III	Equity (own fund), after proposed distribution of profit (coverage of loss)	**58 418 767,11**	**56 383 775,56**

Warsaw, 31-05-2021

Kamilla Sytek-Skonieczna
Person responsible for keeping the accounts

Klaudiusz Sytek,
President of the Management Board

Paweł Opoka,
Vice-President of the Management Board

Mateusz Niemczyk,
Vice-President of the Management Board

Additional information and explanations

I.

1. Changes during the financial year in fixed assets:

Gross value	Land	Buildings, premises and engineering structures	Plant and machinery	Means of transport	Other	Fixed assets under construction	Total	Land
Balance at the beginning of the year	**0,00**	**413 822,77**	**1 780 039,95**	**1 880 262,47**	**316 102,76**	**2 543,00**	**0,00**	**4 392 770,95**
Total increases, of which	0,00	476 680,34	-476 628,71	249 263,90	45 578,52	14,16	0,00	294 908,21
- from purchase	0,00	0,00	0,00	248 627,01	0,00	0,00	0,00	248 627,01
- lease	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- transfer	0,00	476 680,34	-476 628,71	636,89	44 637,06	14,16	0,00	45 339,74
- ST in subsidiaries at the time of acquisition	0,00	0,00	0,00	0,00	941,46	0,00	0,00	941,46
Total decreases, of which:	0,00	0,00	465 464,85	688 393,27	12 147,86	0,00	0,00	1 166 005,98
- sale	0,00	0,00	459 043,71	688 393,27	0,00	0,00	0,00	1 147 436,98
- liquidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- transfer	0,00	0,00	6 421,14	0,00	0,00	0,00	0,00	6 421,14
Balance at the end of the year	**0,00**	**890 503,11**	**837 946,39**	**1 441 133,10**	**349 533,42**	**2 557,16**	**0,00**	**3 521 673,17**
Write-off								
Balance at beginning of year	**0,00**	39 163,76	**1 001 912,14**	**689 104,19**	**144 196,00**	**0,00**	**0,00**	**1 874 376,09**
Total increases, of which	0,00	243 048,08	171 603,71	333 917,01	84 994,76	0,00	0,00	833 563,56
- depreciation	0,00	168 909,41	170 482,06	333 917,01	54 716,23	0,00	0,00	728 024,71
- transfer	0,00	74 138,67	1 121,65	0,00	29 337,07	0,00	0,00	104 597,39
- ST in subsidiaries at the time of acquisition	0,00	0,00	0,00	0,00	941,46	0,00	0,00	941,46
Total decreases, of which:	0,00	0,00	456 290,83	380 222,43	5 452,70	0,00	0,00	841 965,96
- sale	0,00	0,00	234 000,95	380 222,43	0,00	0,00	0,00	614 223,38
- liquidation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at the end of the year	**0,00**	**282 211,84**	**717 225,02**	**642 798,77**	**223 738,06**	**0,00**	**0,00**	**1 865 973,69**

Net value at the beginning of the year	**0,00**	**374 659,01**	**778 127,81**	**1 191 158,28**	**171 906,76**	**2 543,00**	**0,00**	**2 518 394,86**
Net value at the end of the year	**0,00**	**608 291,27**	**120 721,37**	**798 334,33**	**125 795,35**	**2 557,16**	**0,00**	**1 655 699,48**

2. Changes during the financial year in intangible assets:

Gross value	Costs of completed development work	Goodwill	Software	Prepayments for intangible assets	Total
Balance at the beginning of the year	1 363 061,07	545 269,62	1 589 500,98	49 886,88	3 547 718,55
Increases due to:	691 514,65	0,00	647,94	954 565,61	1 646 728,20
- purchase	156 551,87	0,00	0,00	954 565,61	1 111 117,48
- transfer	534 962,78	0,00	647,94	0,00	535 610,72
- Intangible assets in subsidiaries at the moment of acquisition	0,00	0,00	0,00	0,00	0,00
Decrease	0,00	0,00	4 850,00	530 760,71	535 610,71
- transfers	0,00	0,00	4 850,00	530 760,71	535 610,71
Balance at the end of the year	**2 054 575,72**	**545 269,62**	**1 585 298,92**	**473 691,78**	**4 658 836,04**
Write-off					
As at the beginning of the year	27 423,93	109 053,92	1 277 882,45	0,00	1 414 360,30
Increases due to:	373 317,27	109 053,92	284 569,43	0,00	766 940,62
- Depreciation	373 317,27	109 053,92	283 922,37	0,00	766 293,56
- transfer	0,00	0,00	647,06	0,00	647,06
- Intangible assets in subsidiaries at the time of acquisition	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	4 255,25	0,00	4 255,25
Balance at the end of the year	**400 741,20**	**218 107,84**	**1 558 196,63**	**0,00**	**2 177 045,67**

Net value at the beginning of the year	**1 335 637,14**	**436 215,70**	**311 618,53**	**49 886,88**	**2 133 358,25**
Net value at the end of the year	**1 653 834,52**	**327 161,78**	**27 102,29**	**473 691,78**	**2 481 790,37**

3. Changes during the financial year in long-term investments:

Lp.	**Movement in non-current financial assets (gross amount)**	**Long-term Financial Assets**
1	Opening balance sheet	**4 524 434,55 zł**
2	Increases	**0,00 zł**
a	acquisition of shares	
b	loans granted	
c	acquisition of other securities	
3	Decreases	**4 236 136,71 zł**
a	sale of securities	1 268 774,74 zł
b	transfer of	2 686 226,98 zł
c	repayment of loans granted	281 134,99 zł
4	Closing balance sheet	**288 297,84 zł**

4. The amount of impairment losses made during the financial year, separately for long-term non-financial assets and long-term financial assets;

As at 31.12.2020 there are none.

5. The amount of costs of development work completed and the amount of goodwill, and an explanation of the period over which they are written off, as defined in Articles 33(3) and 44b(1) respectively

Companies in the Aforti Group carry out development work in the field of modern IT solutions. Some of the work has been completed. As at the balance sheet date the cost of completed development work amounted to PLN 1,653,834.52. The companies make write-offs in the period of 5 years in accordance with Article 33.3

On 31.12.2018 the merger of Aforti Collections SA with Lifebelt sp. z o.o. by transferring all assets of Lifebelt sp. z o.o. to Aforti Collections SA was registered in the National Court Register pursuant to art.492 § 1 point 1 of the Commercial Companies Code. (Acquired Company) to Aforti Collections (Acquiring Company)). The merger was effected using the acquisition method, as a result of which goodwill in the amount of PLN 545,269.62 was created, which is being written off over a period of 5 years.

As at the date of taking control by the parent company over the subsidiary, as well as on the dates of strengthening control as a result of several significant transactions or transactions occurring at significant intervals, goodwill from consolidation was determined as the surplus of the value of shares valued at acquisition price over the fair value of net assets acquired. Goodwill is written down over a period of 5 years.

The amount of goodwill at the balance sheet date for each entity included in the consolidated financial statements is shown in the table:

Aforti Ac Sp. z o.o.	0,00 zł
Aforti Exchange S.A.	594 708,36 zł
Aforti Finance S.A.	9 017 028,12 zł
Aforti Factor S.A.	22 590 307,99 zł

6. Value of land in perpetual use:

As at 31.12.2020 there are none.

7. Value of tangible fixed assets not depreciated or amortised by the entity, used under rental, lease or other agreements, including lease agreements

As at 31.12.2020 there are none.

8. Securities or rights held, including share certificates, convertible debt securities, warrants and options

As at 31.12.2020 there are none.

9. Data on write-downs of receivables

The value of the allowance created in 2020 for loans granted is PLN 5,554,111.72 and the allowance for receivables is PLN 15,294,566.23

10. Ownership structure of share capital.

Share capital (basic) in the consolidated financial statements is the parent company's share capital.

Ownership structure of the share capital of Aforti Holding S.A.-as at 31.12.2020

Name	Status as at 01.01.2020	Increase	Decrease	Status as at 31.12.2020	number of shares [units]
Share capital, of which:	7 801 915,00 zł	1 240 599,00 zł	0,00 zł	9 042 514,00 zł	9 042 514
A series shares	100 000,00 zł			100 000,00 zł	100 000
B series shares	170 000,00 zł			170 000,00 zł	170 000
C series shares	30 000,00 zł			30 000,00 zł	30 000
D series shares	49 450,00 zł			49 450,00 zł	49 450
E series shares	2 394 630,00 zł			2 394 630,00 zł	2 394 630
F series shares	271 000,00 zł			271 000,00 zł	271 000
G series shares	3 026 835,00 zł			3 026 835,00 zł	3 026 835
H series shares	1 760 000,00 zł			1 760 000,00 zł	1 760 000
I series shares	0	1 240 599,00		1 240 599,00 zł	1 240 599

Shares of all series have the nominal value of PLN 1. There are no preference shares.

The supplementary capital amounts to PLN 80,555,170.91, including the share premium of PLN 55,871,302.80.

On 22 October 2019, an Extraordinary General Meeting of Shareholders of Aforti Holding S.A. was held, which decided to issue series I bearer shares. The share capital increase related to the private subscription was registered on 24 January 2020 in the National Court Register. The capital was increased by 1,240,599 (in words: one million two hundred and forty thousand five hundred and ninety nine) series I shares with a nominal value of PLN 1.00 (in words: one zloty) per share.

At the date of this report the share capital of Aforti Holding S.A. amounts to PLN 9,042,514.00 (in words: nine million forty-two thousand five hundred and fourteen zloty) and is divided into 9,042,514 (in words: nine million forty-two thousand five hundred and fourteen) shares with the nominal value of PLN 1.00 (in words: one zloty) each.

Only those components of the subsidiaries' equity which arose from the date on which the parent obtained control over them, in particular the financial result, were included in the equity in the consolidated financial statements.

11. Data on provisions by purpose

Name	Status as at 01.01.2020	Increase	Usage	Status as at 31.12.2020
Reserves	**0,00 zł**	**168 129,95 zł**	**0,00 zł**	**168 129,95 zł**
provision VAT - adjustment of the ratio for the year 2020	0,00 zł	164 673,00 zł	0,00 zł	164 673,00 zł
other	0,00 zł	3 456,95 zł	0,00 zł	3 456,95 zł

12. Breakdown of long-term liabilities by balance sheet item, with expected repayment period (PLN)

Long-term liabilities:	**131 020 278,61 zł**
Towards related parties	1 747 580,35 zł
Towards other undertakings, of which:	129 272 698,26 zł
loans and borrowings	0,00 zł
- over 1 year up to 3 years	*0,00 zł*
relative to the issue of debt securities	34 925 267,01 zł
- over 1 year up to 3 years	*34 925 267,01 zł*
relative to other financial liabilities	5 825 730,21 zł
- over 1 year up to 3 years	*5 825 730,21 zł*
relative to promissory notes	88 521 305,09 zł
- over 1 year up to 3 years	*88 521 305,09 zł*
relative to other	395,95 zł
- over 1 year up to 3 years	*395,95 zł*

13. Liabilities secured on the entity's assets (indicating their nature and form of security)

As at 31.12.2020 there are none.

14. A list of significant items of prepaid and accrued income, including the amount of prepaid expenses that represent the difference between the value of financial assets received and the obligation to pay for them

a/ active accruals and deferred income:

Name	Status as at 01.01.2020	Status as at 31.12.2020
active accruals and deferred income	**6 706 550,99 zł**	**11 966 711,41 zł**
bond service costs	1 158,23 zł	935,18 zł
Foreign projects	0,00 zł	597 281,42 zł
Advertising and marketing services	2 143 645,64 zł	129 999,87 zł
API project	406 020,79 zł	124 797,54 zł
Discounting of bills of exchange	2 717 536,34 zł	10 480 563,92 zł
Direct debt collection costs	168 682,72 zł	479 778,60 zł
Other	1 269 507,27 zł	153 354,88 zł

b/ Passive accruals and deferred income:

Passive accruals and deferred income	Status as at 01.01.2020	Increase	Usage	Status as at 31.12.2020
RMP - debt collection	10 685 536,05	45 587 247,73	17 029 971,02	39 242 812,76
other	2 886 213,59	271 652,99	593 919,78	2 563 946,80

c/ The amount of prepaid expenses that represent the difference between the value of financial assets received and the obligation to pay for them

As at 31.12.2020 there are none.

15. The assets or liabilities shown under more than one balance-sheet item, their relationship between those items; in particular, the division of receivables and payables into long-term and short-term portions

Other financial liabilities	**14 722 416,62 zł**
long-term liability	*5 825 730,21 zł*
short-term liability	*8 896 686,41 zł*
Liabilities from the issue of debt securities	**66 860 008,56 zł**
long-term liability	*34 925 267,01 zł*

short-term liability	*31 934 741,56 zł*
Liabilities under bills of exchange	**103 201 501,73 zł**
long-term liability	*88 521 305,09 zł*
Short-term liability	*14 680 196,64 zł*

16. The total amount of contingent liabilities, including guarantees and sureties granted by the undertaking, including avals, not disclosed in the balance sheet, with an indication of the liabilities secured on the undertaking's assets and the nature and form of such collateral; contingent liabilities in respect of pensions and similar benefits and to affiliated or associated undertakings

The total amount of Aforti Holding's contingent liabilities as at the balance sheet date was: PLN 25,045,415.65, consisting of an amount of PLN 18,042,959.86 due to the guarantee of investment promissory notes issued by Group companies in 2020, and an amount of PLN 7,002,455.79 as a guarantee of the agreement concluded between Aforti Finance S.A. and the per- to - per platforms.

Contingent liabilities in respect of pensions and similar benefits do not exist as at the balance sheet date of 31.12.2020

17. Assets other than financial instruments measured at fair value

As at 31.12.2020 there are none.

II.

1. material and territorial structure of net revenue from sales of goods and products.

Specification of revenues	**2020 r.**	**2019 r.**
Revenues from sales:	**1 010 421 333,25**	**1 036 527 508,46**
- Net sales revenues	3 792 975,95	9 406 142,93
- Change in products (increase - positive value, decrease - negative value)	0,00	0,00
- Net income from sales of goods and materials	1 006 628 357,30	1 027 121 365,53
Other operating income:	**931 786,81**	**503 387,10**
- Gain on disposal of non-financial fixed assets	122 842,99	154 110,43
- Revaluation of non-financial assets	0,00	0,00
- Other	808 943,83	349 276,67
Financial income:	**47 874 022,56**	**35 458 731,73**

- Interest	408 878,72	491 445,74
- Gain on disposal of investments	197 826,00	13 803 290,86
- Revaluation of investments	43 676 225,43	11 237 643,33
- Other	3 591 092,41	9 926 351,80
Profit (loss) on sale of all or part of shares of subordinated undertakings	**4 220 765,88**	**0,00**
Total income:	**1 063 447 908,51**	**1 072 489 627,30**

Revenue breakdown by country:

Specification of revenues	**Poland**	**Romania**
Revenues from sales:	**1 009 873 521,64**	**547 811,61**
- Net sales revenues	3 245 164,34	547 811,61
- Change in products (increase - positive value, decrease - negative value)	0,00	0,00
- Net income from sales of goods and materials	1 006 628 357,30	0,00
Other operating income:	**896 197,53**	**35 589,28**
- Gain on disposal of non-financial fixed assets	87 542,22	35 300,77
- Revaluation of non-financial assets	0,00	0,00
- Other	808 655,32	288,51
Financial income:	**47 834 795,28**	**39 227,28**
- Interest	408 878,72	0,00
- Gain on disposal of investments	197 826,00	
- Revaluation of investments	43 636 998,15	39 227,28
- Other	3 591 092,41	
Profit (loss) on sale of all or part of shares of subordinated undertakings	**4 220 765,88**	**0,00**
Total income:	**1 062 825 280,34**	**622 628,17**

2. The amount and explanation of the reasons for write-downs of fixed assets

In 2020, they do not occur.

3. The amount of inventory write-downs

In 2020, they do not occur.

4. Information about income, costs and results of operations discontinued during the financial year or expected to be discontinued in the following year;

In 2020, they do not occur.

5. Settlement of the difference between the income tax base and the gross financial result (profit, loss);

	capital gains	other
Balance sheet profit/loss	**-11 461 041,77**	**13 900 339,80**
tax revenue from collections	0,00	36 863,45
gratuitous use	0,00	16 500,00
sale of shares (costs and income)	778 005,00	0,00
interest on bonds	297,50	0,00
Loan disbursements Preparation fee	0,00	268 941,02
other	0,00	2 171,02
REVENUE +	**778 302,50**	**324 475,49**
dividend received	0,00	0,00
Release of provisions	0,00	559 979,28
released non-tax provisions	0,00	198 134,08
revaluation of investments	0,00	45 275 898,15
Release of provisions for interest	0,00	0,00
accrued interest - not received	297,50	343 862,04
other	0,00	178 976,56
lease costs	0,00	0,00
adjustment of the fixed asset value - furniture lease	0,00	0,00
written-off balances of terminated lease agreements	0,00	0,00
sale of receivables package	0,00	0,00
adjustment of costs from previous years	0,00	0,00
balance sheet revenue concerning debt collection	0,00	2 069 943,57

remuneration related to development works - technical account	0,00	249 537,46
accrued exchange rate gains	0,00	1 772 627,38
financial revenue shares acquired for contribution in kind	0,00	0,00
Exemption from the payment of social security contributions	0,00	50 125,33
REVENUE -	**297,50**	**50 699 083,85**
Social insurance	0,00	43 222,41
Civil law contracts	0,00	17 768,19
Lease instalments	0,00	126 638,42
Tax amortisation of completed development work	0,00	1 470 622,95
sale of shares (costs and revenues)	778 005,00	0,00
holding services over the limit	0,00	0,00
other	0,00	183 830,83
COSTS from previous years +	**778 005,00**	**1 842 082,80**
enforcement costs	0,00	218 648,52
Amortisation and depreciation - finance leases	0,00	149 884,00
lease payments	0,00	0,00
representation costs	0,00	1 983,36
costs of previous years	0,00	782,28
accrued interest - unpaid	0,00	220 260,45
budgetary interest	0,00	305 813,07
car liquidation	0,00	0,00
Write-down of receivables	0,00	1 280 221,81
Establishment of revaluation write-downs on receivables	0,00	4 952 301,01
past due receivables	0,00	0,00
costs - sale of receivables package	0,00	0,00
costs of the following year	0,00	67 866,57
External services -purchase (notary fees to PCC)	0,00	7 659,25
PCC, notarial services, fees -purchase	0,00	484 166,63
non-taxable goods and services tax	0,00	29 147,00
salaries and wages from previous years	0,00	455 087,86

costs related to debts resulting from purchased debt portfolios	0,00	1 570 024,73
revaluation of financial assets	0,00	1 638 900,00
expenses not related to revenues	0,00	0,00
car expenses	0,00	95 143,18
holding services over limit	0,00	0,00
debt financing surplus	0,00	0,00
non-tax amortisation of completed development work	0,00	483 278,24
unrealised exchange rate differences	0,00	983 946,36
Other P&L	0,00	426 554,09
Fin. costs - shares acquired for contribution in kind	0,00	0,00
Financial intermediation	626 217,25	-626 217,25
Share and bond servicing	1 428 878,41	159 725,59
Interest on bonds	1 793 299,04	-1 793 299,04
Discount on bills of exchange	1 280 148,20	-1 280 148,20
surplus relating to equity income	2 529 002,30	0,00
surplus relating to other income	0,00	1 720 420,74
COSTS -	**7 657 545,19**	**11 552 150,26**
404-02 Civil-law contracts	0,00	54 459,62
remuneration paid in previous years - RMK	0,00	213 402,19
405-01 Social security	0,00	215 582,14
insurance premiums paid in the previous years - RMK	0,00	0,00
other	0,00	292,80
402-8 Holding invoice (Art.15e) > 3.000.000	0,00	0,00
COSTS - temporary	**0,00**	**483 736,75**
Lease instalment	0,00	0,00
ZUS contributions	0,00	0,00
salaries and contracts paid Zkec	0,00	0,00
donation	0,00	0,00
OTHER	**0,00**	**0,00**
TAX INCOME	**-3 803 496,58**	**-26 280 464,35**

6. The cost of tangible assets under construction, including interest and exchange differences which increased the cost of tangible assets under construction during the financial year;

In 2020, they do not occur.

7. Interest and exchange differences which increased the purchase price of goods or the cost of products during the financial year;

In 2020, they do not occur.

8. Expenditures on non-financial fixed assets incurred in the last year and planned for the next year; expenditures incurred and planned for environmental protection;

In 2020, the Group incurred expenditure on fixed assets and intangible assets in the amount of PLN 1,359,744.49. The Group did not incur expenditure on environmental protection. In 2021, the Group plans to continue development work in the field of IT.

9. The amount and nature of particular items of income or expense that are unusual or incidental

In 2020, they do not occur.

III.

Explanatory notes for financial statement items expressed in foreign currencies - exchange rates adopted for their valuation

As at the balance sheet date of 31.12.2020, the Group Companies measured financial statement items denominated in foreign currencies at the exchange rate:

Name of the currency	Currency code	Average course
US DOLLAR	1 USD	3,7584
EURO	1 EUR	4,6148
SWISS FRANC	1 CHF	4,2641
POUND STERLING	1 GBP	5,1327
ROMANIAN LEU	1 RON	0,9479
LEV (BULGARIA)	1 BGN	2,3595

in accordance with Table No. 255/A/NBP/2020 of 2020-12-31.

IV.

Explanatory notes to the cash flow statement

1. Cash used in the cash flow statement

At the beginning and end of the reporting period, cash recognised in the financial statements included only own cash. There is no restricted cash in the Group.

2. The breakdown of the Group's activities for the purposes of the cash flow statement

a/ operating activities:

included the provision of business and management consultancy services, online currency sales, debt collection, financial intermediation services and factoring

b/ investment activities:

included the acquisition and disposal of intangible assets and fixed assets, the granting of long-term loans and the acquisition of financial assets

c/ financial activities:

included proceeds from the issue of debt securities, promissory notes, loans and borrowings, other financial proceeds including interest and expenditure on payment of liabilities under lease agreements, repayment of loans and borrowings, payment of interest, repurchase of debt securities, proceeds from repayment of instalments of loans granted including interest, expenditure on granting loans.

V.

1. Contracts entered into by the entity not included in the balance sheet to the extent necessary to assess their impact on the entity's assets, financial position and profit or loss

In 2020, they do not occur.

2. Significant transactions entered into by the entity on terms other than at arm's length with related parties

There were transactions with related parties in the Aforti Holding Group in 2020, they were concluded at arm's length.

3. **Remuneration, including profit-sharing remuneration, paid or due to members of the management, supervisory or administrative bodies of commercial companies (for each group separately) for the financial year**

Remuneration	Rok 2020
Members of the Management Board	360 000,00 zł
- including from profit distribution	0,00 zł
Managing persons	0,00 zł
- of which from the distribution of profit	0,00 zł
Members of supervisory bodies	0,00 zł
- including from profit distribution	0,00 zł
Remuneration total	360 000,00 zł

4. **Loans and benefits of a similar nature granted to members of the management, supervisory or administrative bodies of commercial companies (for each group separately), with an indication of the interest rate conditions and repayment dates, as well as liabilities incurred on their behalf by virtue of guarantees and sureties of all kinds**

During the reporting period, the Company did not grant any loans, credits, advances or guarantees to members of the board of directors, managers or members of supervisory bodies.

5. **Remuneration of the auditor or the entity authorised to audit financial statements paid or due for the financial year**

On 18 December 2019, the Company's Supervisory Board adopted a resolution to appoint the auditor: "Eureka Auditing Sp. z o.o." al. Marcinkowskiego 22, 61-827 Poznań, KRS 0000183841, an entity authorised to audit financial statements entered in the list of KIBR under number 137, to audit the financial statements of Aforti Holding S.A. for the 12-month period ending 31 December 2019 and 31 December 2020 to issue a written audit report containing the auditor's opinion on the audit of that report, and a resolution to audit the Aforti Holding Group's consolidated financial statements for the 12-month period ending 31 December 2019 and 31 December 2020 to issue a written audit report containing the auditor's opinion on the audit of that report. For the performance of the service the Company will pay the amount of PLN 13,000.00 and PLN 13,000.00 net respectively for the audit of the individual statements and the amounts of PLN 10,000.00 and PLN 10,000.00 net for the audit of the consolidated statements plus VAT.

Aforti Holding S.A. did not conclude any other agreements with the entity authorized to audit financial statements, nor did it acquire any other services from him, including other certification services or tax consulting services.

VI.

1. **Information about income and costs due to errors made in previous years and charged to equity capital (fund) in the financial year, specifying their amounts and nature;**

In 2020, Aforti Holding adjusted income from the sale of certificates by PLN 261,183.13 and the cost of shares and certificates sold in previous years by PLN 2,175,749.44. As a result of this adjustment, income tax decreased by PLN 328,056.41.

In 2020, Aforti Finance wrote off the balances of loans cancelled in previous years, with a value of PLN 462,125.36.

2. **Information about material events occurring after the balance sheet date which are not included in the financial statements and their effect on the entity's property, financial position and profit or loss;**

In 2020, they do not occur.

3. **Changes made during the financial year to accounting principles (policies), including valuation methods, if they have a significant effect on the entity's property, financial situation and financial result, their reasons and the amount of the financial result and changes in equity caused by the changes, and a presentation of the change to the way the financial statements are prepared, together with the reasons for the change.**

In 2020, Aforti Finance has changed its Accounting Policy with regard to the accounting of income on loans for an origination fee and an administration fee, which have been spread evenly over the life of the loan, and with regard to the principles of loan provisioning. From 2020 onwards, provisions are created in accordance with the table below:

Number of days	Write-off of loan balance
Overdue:	
1-60 days	0%
61-90 days	10%
91-180 days	50%
More than 180 days	100%

In previous years, write-downs were made when overdue amounts exceeded 180 days.

Other accounting policies were not changed and continued in accordance with the valuation methods previously adopted, these policies were applied continuously and are consistent with the accounting policies applied in the previous financial year.

4. **Numerical information, including explanatory notes, securing comparability of the data in the financial statements for the preceding year with those for the financial year**

In 2020, they do not occur..

VII.

1. **Information about joint ventures that are not consolidated**

In 2020, they do not occur.

2. **The name and registered office of the entity preparing the consolidated financial statements at the highest level of the group of which the company is a subsidiary**

Aforti Holding is the top-level parent company in the capital group.

Warsaw, 31-05-2021 r.

Kamilla Sytek-Skonieczna
Person responsible for keeping the accounts

Klaudiusz Sytek,	Paweł Opoka,	Mateusz Niemczyk,
President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board

4

REPORT OF THE MANAGEMENT BOARD OF THE PARENT COMPANY ON THE ACTIVITIES OF THE AFORTI GROUP IN 2020

1. BASIC INFORMATIONS

1.1 GENERAL DATA OF THE PARENT COMPANY

The AFORTI Capital Group ("Group", "AFORTI Group", "Capital Group") is headed by Aforti Holding S.A. ("Company"), whose shares are listed on the NewConnect market operated by the Warsaw Stock Exchange S.A.

Table 2 - General information on the Parent Company

Full name:	**AFORTI Holding Spółka Akcyjna**
Registered office address:	ul. Chałubińskiego 8, 00-613 Warszawa
Telephone:	+48 22 647 50 00
Fax:	+48 22 205 08 19
Website address:	www.aforti.pl
E-mail address:	biuro@aforti.pl; inwestorzy@afortiholding.pl
KRS:	0000330108, Sąd Rejonowy w Warszawie XII Wydział Gospodarc
NIP:	525-245-37-55
REGON:	141800547

source: Company

Aforti Holding S.A. was established on 15 April 2009.

The parent company Aforti Holding S.A. and the other entities of the Group were established for an indefinite period. All the companies operate on the basis of the Commercial Companies Code and other generally binding legal regulations, as well as on the basis of company agreements.

1.2 STRUCTURE OF THE CAPITAL GROUP

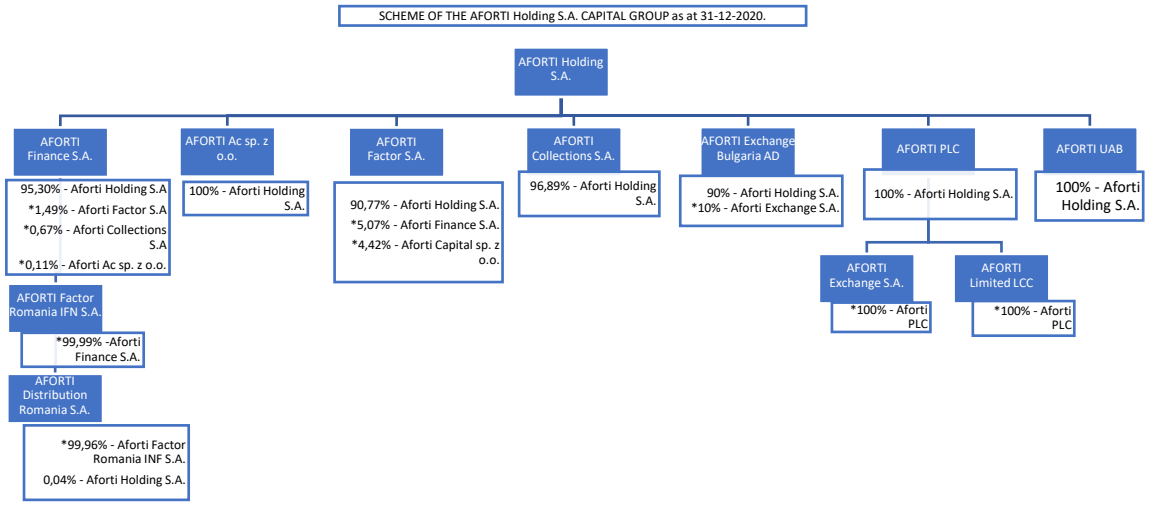
Aforti Holding S.A. is a public company acting as a parent company and as such does not carry out operations for entities outside its Capital Group, while acting as a holding company.

At 31 December 2020, the AFORTI Group comprised:

- Aforti Holding S.A. – the dominant entity
- Aforti Finance S.A.
- Aforti Factor Romania IFN S.A.
- Aforti Collections S.A.
- Aforti Factor S.A.
- Aforti Ac sp. z o.o.
- Aforti Exchange S.A.
- Aforti Distribution Romania S.A.
- Aforti PLC

- Aforti Exchange Bulgaria A.D.
- Aforti, UAB
- Aforti Limited LCC

Figure 1 - Structure of the AFORTI Capital Group



source: Company

Table 3 - Information on subsidiaries of Aforti Holding S.A. as at 31.12.2020

Company name	Registered office	Registration data	Share capital	Share of the Parent Company in the share capital
Aforti Holding S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000330108 REGON: 141800547 NIP: 525-245-37-55	9.042.514 PLN	100% shares
Aforti Ac Sp. z o.o.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000313339 REGON: 141570047 NIP: 5242661216	4.680.000 PLN	96.89% shares
Aforti Collections S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000639964 REGON: 365362973 NIP: 7010620699	7.707.403 PLN	100% shares indirectly through Aforti PLC
Aforti Exchange S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000719620 REGON: 146332039 NIP: 9512360841	18.068.000 PLN	90% of shares and indirectly through Aforti Exchange S.A. 10% of shares
Aforti Exchange Bulgaria A.D.	14, Tsar Osvoboditel Blvd., fl. 5, Sofia Landmark House Centre, 1000 Sofia, Republic of Bulgaria	UIC 204854594	500.000 BGN	0.06% shares and indirectly 99.94% via Aforti Factor Romania IFN
Aforti Distribution Romania S.A.	17 Constantin Alexandru Rosetti (C.A. Rosetti) street, office 005, entresol, district 2, Bucharest, Romania	Trade Register no. J40/10043/2017 The unique registration code 37812805	4.165.425 RON	90.77% of shares and indirectly 4.93% of shares through Aforti Finance S.A,
Aforti Factor S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000274431 REGON: 14084631700000 NIP: 1070006505	20.701.383 PLN	95.30% of shares and indirectly 2.27% through subsidiaries: Aforti Collections S.A., Aforti Factor S.A,

Aforti Finance S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000436229 REGON: 146346308 NIP: 5252540891	16.441.750 PLN	99.998% of shares indirectly through Aforti Finance S.A., the remaining 0.002% of shares held by Mr Klaudiusz Sytek
Aforti Factor Romania IFN S.A.	Romania, Bucharest, 020334, 2nd District, 4B Gara Herastrau Street, 10th floor, registered with the Bucharest Trade Registry Office, under	Trade Registry no. J40/5254/2018, Id No (tax no.): 39199589 registered in the Non-Banking Financial Institutions General Register held by the National Bank of Romania under no. RG-PJR-41-110339/26.10.2018	7.959.089 RON	100% shares
Aforti, UAB	Mėsinių gatvė 5, Vilnius 01133, Lietuva	305207212	400.000 EUR	100% shares
Aforti Limited LCC	Arh. Makarioy III, 74, AMARANTON COURT, Floor 3, Mesa Geitonia, 4003, Limassol, Cypr	Trade Registry no. HE 388355 CUI: C388355	1.000 EUR	100% shares
Aforti PLC	No 1 Colmore Square, Birmingham, West Midlands, United Kingdom, B4 6AA	Company number 12821204	363.636 GBP	100% shares

source: Company

It should be pointed out that the Aforti Group's consolidated financial statements include the following entities:

Consolidated entities

Aforti Holding S.A. – the dominant entity

Aforti Finance S.A.

Aforti Factor Romania IFN S.A.

Aforti Collections S.A.

Aforti Factor S.A.

Aforti Ac sp. z o.o.

Aforti Exchange S.A.

Aforti Distribution Romania S.A.

Aforti PLC

1.3 OBJECT OF BUSIENSS

Aforti Holding S.A. is the entity at the head of the AFORTI Capital Group. As a holding company, its activity is focused on providing support to its subsidiaries in the area of marketing and promotion, investor relations, legal advice, IT services, providing "back office" services, and ensuring that the company's operations are in line with the expectations of its clients.

As a holding company, its activity is focused on providing support to subsidiaries in the areas of marketing and promotion, investor relations, legal advice, IT services, administrative support (including leasing office equipment, car fleet management, loan support, etc.). Moreover, the Issuer supervises and implements the adopted development strategy. An important aspect of the company's activity is also active search for entities that could be subject to acquisition, complementing the portfolio of services for entrepreneurs provided by the Aforti Group.

In accordance with the Polish Classification of Business Activities (PKD), the Company operates in the following areas (as indicated in the National Court Register):

1) 64, 20, Z, Activities of holding companies
2) 70, 22, Z, Other business consultancy and management
3) 82, 11, Z, Administrative office support service activities
4) 64, 91, Z, Leasing finansowy
5) 64, 92, Z, Other forms of credit granting
6) 64, 99, Z, Other financial service activities n.e.c, except insurance and pension funding
7) 66, 19, Z, Other activities auxiliary to financial services, except insurance and pension funds
8) 69, 20, Z, Accounting and bookkeeping activities; tax consultancy
9) 70, 10, Z, Activities of head offices and holding companies, except financial holdings
10) 64, 30, Z, Activities of trusts, funds and similar financial institutions

The business profile of the individual subsidiaries is as follows:

Aforti Ac sp. z o.o. – the company provides accounting and bookkeeping services.

Aforti Collections S.A. – a nationwide company specialising in the management of receivables using a wide range of debt collection tools. The company also deals with the acquisition and servicing of debt portfolios.

Aforti Exchange S.A. – a functional currency exchange platform for businesses that offers wholesale currency exchange rates while allowing for a convenient, cashless exchange.

Aforti Factor S.A. – the company offers factoring products. It acquires from clients undated receivables from the supply of goods and services, supporting effective management of the receivables portfolio.

Aforti Finance S.A. – the company specialises in granting non-bank loans to sole traders, civil law partnerships and limited liability companies.

Aforti Factor Romania IFN S.A. – a company registered in Romania, provides factoring services to the SME sector.

Aforti, UAB – the company registered in Lithuania. The company has not yet commenced operations.

Aforti Limited LCC – a company registered in Cyprus which has not commenced operations.

Aforti PLC – a company registered in the UK that will perform holding functions. The Company is involved in the planned development of its EMI licence business and the planned indirect public listing of Aforti Exchange S.A., which it owns. The Company has commenced efforts to raise capital for the above project from October 2020.

Aforti Distribution Romania S.A. – a company operating in Romania that will offer financial intermediation services with a particular focus on Aforti Group products.

Aforti Exchange Bulgaria AD – a functional currency exchange platform for companies, in Bulgaria.

1.4 SHARE CAPITAL

On 22 October 2019, the Extraordinary General Meeting of Aforti Holding S.A. was held, which decided to issue series I bearer shares. The share capital increase related to the private subscription was registered on 24 January 2020 in the National Court Register (EBI RB 10/2020). The capital was increased by 1,240,599 (in words: one million two hundred and forty thousand five hundred and ninety-nine) series I shares with a nominal value of PLN 1.00 (in words: one zloty) per share.

At the date of this report, the share capital of Aforti Holding S.A. amounts to PLN 9,042,514.00 (in words: nine million forty-two thousand five hundred and fourteen zloty) and is divided into 9,042,514 (in words: nine million forty-two thousand five hundred and fourteen) shares with a nominal value of PLN 1.00 (in words: one zloty) each, including:

- 100.000 (in words: one hundred thousand) A series bearer shares,
- 170.000 (in words: one hundred and seventy thousand) series B bearer shares,
- 30.000 (in words: thirty thousand) series C bearer shares,
- 49.450 (in words: forty nine thousand four hundred and fifty) series D bearer shares,
- 2.394.630 (in words: two million three hundred and ninety-four thousand six hundred and thirty) series E bearer shares,
- 271.000 (in words: two hundred and seventy-one thousand) series F bearer shares,
- 3.026.835 (in words: three million twenty-six thousand eight hundred and thirty-five) series G bearer shares,
- 1.760.000 (in words: one million seven hundred and sixty thousand) series H bearer shares,
- 1.240.599 (in words: one million two hundred and forty thousand five hundred and ninety nine) series I bearer shares.

The total number of votes resulting from all issued shares disclosed in the National Court Register is 9,042,514 (in words: nine million forty-two thousand five hundred and fourteen) votes at the Company's General Meeting of Shareholders.

As at 31 December 2020, the share capital amounted to PLN 9,042,514.00 and was divided into:

Table 4 - Share capital structure of Aforti Holding S.A.

Series and type of shares	Number of shares	Nominal value 1 share	Total nominal value
A, ordinary bearer	100.000	1,00 PLN	100.000,00 PLN
B, ordinary bearer	170.000	1,00 PLN	170.000,00 PLN
C, ordinary bearer	30.000	1,00 PLN	30.000,00 PLN
D, ordinary bearer	49.450	1,00 PLN	49.450,00 PLN
E, ordinary bearer	2.394.630	1,00 PLN	2.394.630,00 PLN
F, ordinary bearer	271.000	1,00 PLN	271.000,00 PLN
G, ordinary bearer	3.026.835	1,00 PLN	3.026.835,00 PLN
H, ordinary bearer	1.760.000	1,00 PLN	1.760.000,00 PLN
I, ordinary bearer	1.240.599	1,00 PLN	1.240.599,00 PLN
TOTAL	**9.042.514**	-	**9.042.514,00 PLN**

source: Company

The surplus of the share issue price over the nominal value, together with retained earnings allocated to capital, forms reserve capital, which as at 31 December 2020 amounted to PLN 80,555,170.91.

1.5 SHARES AND SHAREHOLDING STRUCTURE OF THE PARENT COMPANY AFORTI HOLDING S.A.

Securities of AFORTI Holding S.A. debuted on the NewConnect market of the Warsaw Stock Exchange S.A. (WSE) on 19 August 2011.

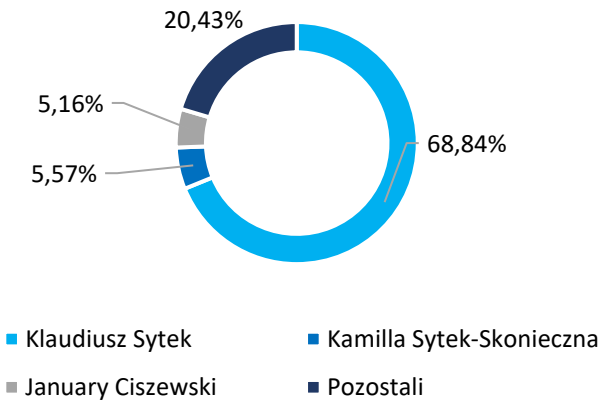
As at 31.12.2020, the shareholding structure of the Company was as follows:

Table 5 - Shareholder structure of Aforti Holding S.A. as at 31.12.2020

Shareholder	Number of shares	Share in the share capital	Number of votes	Share in the total number of votes at the GM
Klaudiusz Sytek*	6 224 617	6 224 617	68,84%	68,84%
Kamilla Sytek - Skonieczna	503 907	503 907	5,57%	5,57%
January Ciszewski	466 500	466 500	5,16%	5,16%
Pozostali (free float)	1 847 490	1 847 490	20,43%	20,43%
TOTAL	9 042 514	9 042 514	100,0%	100,0%

** directly and indirectly through the companies Aforti Exchange S.A., Aforti Collections S.A., Aforti Factor S.A.*
source: Company

Graph 1 - Shareholder structure of Aforti Holding S.A. as at 31.12.2020.



source: Company

On 24 January 2020, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register issued a decision pursuant to which amendments to the Company's Articles of Association, adopted by the Extraordinary General Meeting on 22 October 2019, were entered in the register of entrepreneurs maintained for the Company - including an increase in the Company's share capital to PLN 9,042,514.00 (EBI Current Report No. 12/2020).

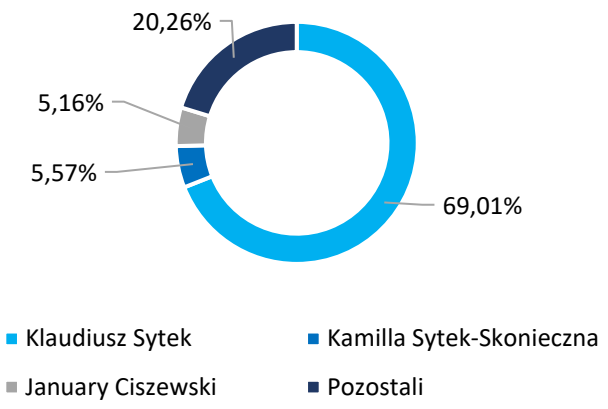
As at the date of this report, the shareholder structure of the Company is as follows:

Table 6 - Shareholding structure of Aforti Holding S.A. as at the date of the management report from activity

Shareholder	Number of shares	Share in the share capital	Number of votes	Share in the total number of votes at the GM
Klaudiusz Sytek*	6 238 175	6 238 175	69,01%	69,01%
Kamilla Sytek - Skonieczna	503 907	503 907	5,57%	5,57%
January Ciszewski	466 500	466 500	5,16%	5,16%
Pozostali (free float)	1 832 482	1 832 482	20,26%	20,26%
TOTAL	9 042 514	9 042 514	100,0%	100,0%

** directly and indirectly through the companies Aforti Exchange S.A., Aforti Collections S.A., Aforti Factor S.A., source: Company*

Graph 2 - Shareholding structure of Aforti Holding S.A. as at the date of the Management Board's report on operations



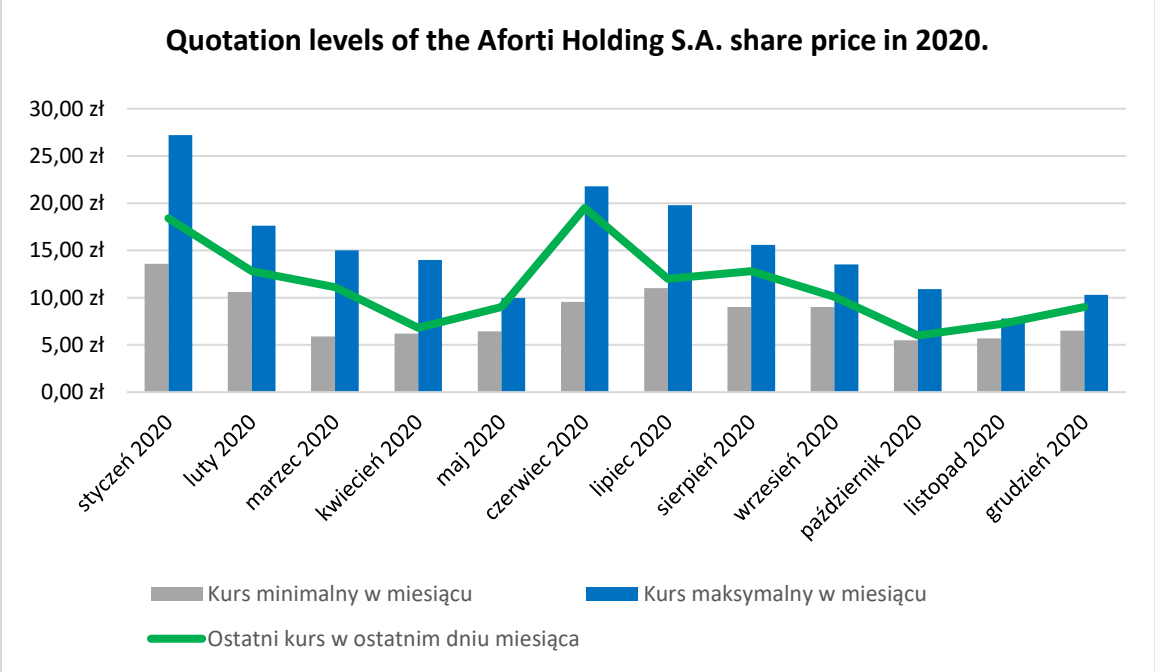
source: Company

Quotations of AFORTI Holding S.A. shares in the period from 01.01.2020 to 31.12.2020

In 2020, the Company's share price decreased by 59.46 per cent from the highest level of PLN 22.20 recorded in January to PLN 9.00 in December 2020.

The Company's last highest share price was recorded in January 2020 at PLN 24.80.

Graph 3 - Aforti Holding S.A. share price in 2020

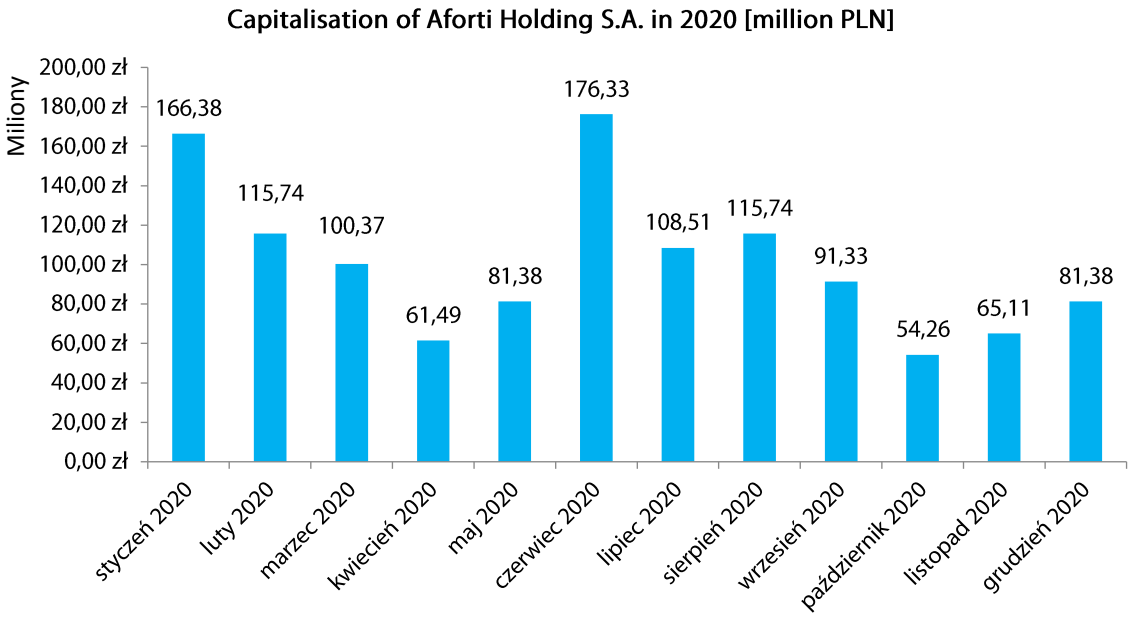


source: Company

Company capitalisation in the 2020 period

In 2020, Aforti Holding S.A.'s capitalisation decreased by 51.09 per cent from PLN 166.38 million to PLN 81.38 million.

Graph 4 - Capitalisation of Aforti Holding S.A. in 2020



source: Company

1.6 PARENT COMPANY AUTHORITIES

During the 2020 period, the composition of the Company's management and supervisory bodies was as follows:

Table 7 - Composition of the Management Board of Aforti Holding S.A. from 01.01.2020 to 31.12.2020.

ZARZĄD w okresie od 01.01 – 31.12.2020 r.			
Name	Function	Term of mandate	
		From	To
Klaudiusz Sytek	President of the Management Board	15.06.2020	15.06.2023
Paweł Opoka	Vice-President of the Management Board	15.05.2018	15.05.2024
Mateusz Niemczyk	Vice-President of the Management Board	08.05.2019	08.05.2022

source: Company

Table 11 - Composition of the Supervisory Board of Aforti Holding S.A. from 01.01.2020 to 31.12.2020.

RADA NADZORCZA w okresie od 01.01 do 31.12.2020 r.			
Name	Function	Term of mandate	
		From	To
Kamilla Sytek - Skonieczna	Chairperson of the Supervisory Board	25.06.2020	25.06.2023
Dawid Pawłowski	Supervisory Board Member	25.06.2020	25.06.2023
Ludwik Sobolewski	Supervisory Board Member	25.06.2020	25.06.2023
Olga Chojecka-Szymańska	Supervisory Board Member	25.06.2020	25.06.2023
Krzysztof Rabiański	Supervisory Board Member	25.06.2020	25.10.2023

1.7 BRANCHES OWNED BY THE PARENT COMPANY

The Company does not have any branches.

As at the end of the period covered by this report, the Company had offices in Warsaw, Kraków, Rybnik, Rzeszów, Szczecin and Lublin. These branches are commercial offices, are not separate entities, are not listed in the entry to the National Court Register, do not have legal personality, and are dependent on Aforti Holding S.A., operating under the same name. The indicated branches do not prepare separate financial statements, therefore they are not self-balancing entities.

2. INFORMATION ON EVENTS MATERIALLY AFFECTING THE GROUP'S OPERATIONS DURING AND AFTER THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

In the opinion of the Company's Management Board, in 2020, as in previous years, the activities of the AFORTI Capital Group were most influenced by the activities of its subsidiaries, which is related to the fact that Aforti Holding S.A., as the parent company, does not conduct business and commercial activities for entities outside the Group. Aforti Holding's tasks are focused around back office services for its subsidiaries. The company provides legal services, marketing and promotion, investor relations, legal advice, IT services, providing administrative "back office" services (including leasing of office equipment, car fleet management, loan support, etc.).

In April 2018. The Company published an updated Aforti Group development strategy (ESPI Report 11/2018 dated 05.04.2018). The updated Strategy was based on three pillars:

1. Group development in Poland
2. Group development through foreign expansion
3. Group development through the flotation of its subsidiaries

During the fiscal year just ended, the companies in the Aforti Group increased their share capital through private placements of bearer shares with disenfranchisement of existing shareholders.

Table 8 - Information on the amount of share capital of AFORTI Group companies in 2020 after the increase

Spółka	Organ	Data	Kapitał zakładowy po podwyższeniu
Aforti Collections S.A.	Extraordinary General Meeting of Shareholders	31.03.2020 r.	7.707.403,00 zł
Aforti Exchange S.A.	Extraordinary General Meeting of Shareholders	31.03.2020 r.	18.068.000,00 zł
Aforti Factor S.A.	Extraordinary General Meeting of Shareholders	11.12.2020 r.	20.701.383,00 zł
Aforti Ac sp. z o.o.	Extraordinary General Meeting of Shareholders	18.12.2020 r.	4.680.000,00 zł

source: Company

In 2020, the AFORTI Group focused on activities related to the implementation of the Group's strategy in a situation of epidemic risk and related obstacles. The focus was on developing factoring and debt collection activities as the industries with the greatest potential, and in line with the current market situation and the progressive slowdown of the economy, lending activities were curtailed from Q3 2020.

At the same time, in order to effectively implement the adopted development strategy, the Aforti Group focused its activity, among others, on searching for an institutional investor.

Work has also begun on updating the Aforti Group's existing strategy for the coming years, i.e. 2021-2023.

One of the highlights of 2020 was the registration of the share capital increase with the National Court Register on 24 January 2020. (RB EBI 10/2020). On 13 April 2021, the National Depository for Securities S.A. decided to register 1,240,599 series I ordinary bearer shares. These shares, by decision of the Management Board of the Warsaw Stock Exchange S.A. of 22 April 2021, were introduced into the alternative trading system on the NewConnect market. On 29 April 2021, the WSE Management Board set the first day of trading of series I shares at 10 May 2021.

In addition, in Q4 2020, the method of financing subsidiaries was changed in the Aforti Group, gradually moving away from internal financing directly from the Holding to self-financing of the operating companies through the investment departments created to raise external capital.

Additionally, the Management Board of the Company, with reference to the report (RB ESPI 14/2020) published on 9 April 2020, concerning a resolution of the Company's Management Board regarding, issuing an opinion on the prices of shares of Aforti Holding S.A. and issuing a recommendation to the Company's General Meeting of Shareholders regarding the purchase of own shares, and the adoption of a resolution on 20 April 2020 by the Company's Supervisory Board and its

positive recommendation to the Company's General Meeting of Shareholders regarding the purchase of own shares in accordance with the resolution of the Management Board of Aforti Holding S.A. of 08 April 2020, informs that the General Meeting of Shareholders of Aforti Holding S.A, adopted a resolution to authorise the Issuer's Management Board to acquire a total of up to 200,000 of the Company's own shares, where the total maximum payment for the acquired shares, including the cost of acquisition, will be no more than PLN 9,000,000.00, with the proviso that the buy-back will last no longer than until 25 June 2021. On 17 August 2020, the Issuer's Management Board adopted the Own Share Buyback Programme and, by means of a current report, announced to the public

On 14 January 2021, the Issuer announced in a current report that it had started to buy back its own shares on 13 January 2021, where it purchased a total of 1,450 own shares on the NewConnect market, representing 0.02% of the Company's share capital and 0.02% of the total number of votes at the Issuer's GM, at an average purchase price of approximately PLN 9.19 per share. In the following days of February, the Issuer continued to buy back its own shares:

- on 16.02.2021 950 units at an average price of PLN 8. 76 per 1 share;
- on 17.02.2021 1,000 units at an average price of PLN 7. 90 per share;
- on 18.02.2021 1,000 units at an average price of PLN 8.40 per share;
- on 19.02.2021, 1400 units at an average price of PLN 8. 41 per 1 share;
- on 23.02.2021 1600 units at the average price of PLN 8. 08 per 1 share;

As at the date of publication of this report, the Issuer holds a total of 7,400 treasury shares, representing 0.08% of the Company's share capital and 0.08% of the total number of votes at the Issuer's GM, the average purchase price was approximately PLN 8.47.

On 22 April 2020, the Issuer signed a letter of intent with a company listed on the main market of the London Stock Exchange ("LSE"), pursuant to which both companies agreed to make all efforts in order for Aforti Holding S.A. to acquire shares in LSE in exchange for shares in Aforti Exchange S.A. By virtue of acquiring the shares in question, Aforti Holding S.A. would become the majority shareholder in the British company, while at the same time indirectly being the controlling shareholder for Aforti Exchange S.A. (RB ESPI 18/2020). However, due to the expiry of the deadline specified in the letter of intent as the date for completion of the transaction, which affected the Company's evaluation of the transaction, the Issuer decided not to proceed with the company listed on the main market of the London Stock Exchange, as reported on 08 July 2020. (RB ESPI 40/2020).

On 15 May 2020, the shareholders of Aforti Finance Romania IFN S.A. passed a resolution to change its name from the current one to Aforti Factor Romania IFN S.A. The shareholders also made a decision regarding the commitment of the company's Board of Directors to change the profile of the company's activities, allowing for the provision of factoring services to entrepreneurs, and a decision regarding the temporary suspension of lending activities. As a result of these changes, Aforti Factor Romania IFN S.A. will provide factoring services to the SME sector and have a better adjusted balance

sheet structure for the period of the expected economic slowdown, i.e. short-term assets and long-term liabilities.

On the same day, the shareholders of Aforti Exchange Romania S.A. (i.e. the Issuer and Aforti Exchange S.A.) adopted a resolution to change its name from the current one to Aforti Distribution Romania S.A. The shareholders of Aforti Exchange Romania S.A. made a decision concerning the commitment of the Board of Directors of the company to change the profile of its activity, allowing for the provision of financial intermediation services on the territory of Romania with particular focus on the products of Aforti Capital Group. The change in the scope of activities was caused by the 2nd Payment Services Directive introduced in Romania, which imposed an obligation on Aforti Exchange Romania S.A. to obtain a payment institution licence. The company's management decided to focus on the implementation of the new business profile and to temporarily suspend its foreign exchange operations until the said licence is obtained.

On 01 June 2020 the Issuer entered into an Investment Agreement with Mr January Ciszewski, as Investor, for the Investor's potential investment in Aforti Holding S.A., consisting of the Investor's subscription for shares of the Company from a new issue of K series, in the Company's increased share capital, in a number of up to 800,000 shares for an issue price of PLN 45.00 per share by way of a private subscription with the exclusion of preemptive rights of existing shareholders, and the introduction of K series shares to trading in the Alternative Trading System in the NewConnect market.

On 17 June 2020 the Issuer signed a letter of intent with the main shareholder of the Cypriot entity, pursuant to which the Parties agreed to make all arrangements for the acquisition by Aforti Holding S.A. of a total of up to 100% of the shares of the Cypriot entity, upon fulfilment of the conditions, including, among others, obtaining an E-Money Institution licence.

On 27 April 2021, Aforti PLC, a subsidiary of the Issuer, announced that it has fulfilled the conditions to acquire a 9.90% stake in an EU electronic money institution licensed under the applicable EU directives on payment services and electronic money (EMI). This will enable the appointment of a new board of directors in EMI and allow it to commence operations. Upon satisfaction of further conditions of the EMI share purchase agreement, including, but not limited to, obtaining approval from local EU regulatory authorities, Aforti PLC will be entitled to acquire the remaining shares in EMI.

The acquisition of EMI is part of the Aforti Group's strategy to become a pan-European provider of comprehensive financial solutions for Small and Medium Enterprises.

On the other hand, on 22 July 2020. (RB ESPI 43/2020), the Company entered into an agreement with a broker operating on the UK market - EGR Corporate Broking Ltd, based in London. Under the Agreement, the broker is to effect an indirect public listing of the Issuer's subsidiary, Aforti Exchange S.A., based in Warsaw, on the Main Market of the London Stock Exchange and to raise up to €5 million in a private placement, as well as a further £4.5 million in an initial public offering on the LSE. Under the Agreement, EGR Corporate Broking Ltd, will act as exclusive financial adviser and lead broker.

On 18 August 2020, the Issuer formed a wholly-owned subsidiary entity under the name of AFORTI PLC, based in the United Kingdom. The purpose of the formation of the UK entity is to continue the process by which Aforti Exchange S.A., the Issuer's wholly-owned subsidiary for its foreign exchange business, will seek indirect admission to trading on the London Stock Exchange's ("LSE") Standard Main Market List and to access further capital market funding to develop its foreign exchange business in Central and Eastern Europe.

On 27 August 2020, the Issuer's subsidiary Aforti Collections S.A. entered into a significant debt portfolio purchase agreement with DeltaWise OÜ, a Talin-based entity operating in the debt collection sector. Under the agreement, Aforti Collections acquired a portfolio of due consumer loans with a total nominal value of PLN 8,231,334.

As of September 1, 2020, the Issuer withdrew from the implementation of the provisions of the said letter of intent and ceased to be a direct party to it. Aforti Holding S.A. informs that with the consent of the main shareholder of the Cypriot entity, a subsidiary of Aforti PLC became a party to the letter of intent, on terms identical to the original terms. In Q4 2020, Aforti PLC, in cooperation with the aforementioned broker, commenced work on raising capital through a private placement.

On 29 September 2020, the Issuer's subsidiary, Aforti Finance, purchased from Aforti Exchange S.A. 1175 ADR shares (representing 68.87% of all shares in the company) at a nominal price of RON 2295 per share, and purchased from Aforti Holding S.A. 530 ADR shares (representing 31.07% of all shares in the company) at a nominal price of RON 2295 per share. Following the transaction, Aforti Exchange S.A. is no longer a shareholder of ADR, while the Issuer remains in possession of one ADR share.

On 30 September 2020, Aforti Factor Romania's subsidiary IFN S.A., purchased from Aforti Finance S.A., 1705 shares in ADR (representing 99.96% of all shares in the company) at a nominal price of RON 2295 per share. Following the transaction, Aforti Finance S.A. is no longer a direct shareholder of ADR, while the Issuer remains in possession of one ADR share (representing 0.04% of all shares in the company).

On 30 September 2020, by current report no. 62/2020, the Issuer published the first of five required by changes in the law (Article 16 of the Act of 30 August 2019 on amendments to the Act - Code of Commercial Companies) summoning shareholders to submit documents of series I shares to the Company for their dematerialisation and registration in the National Depository of Securities S.A. The Issuer, in accordance with the regulations, renewed the aforementioned call with subsequent current reports on: 9 October 2020, 3 November 2020, 19 November 2020 and 7 December 2020.

On 27 November 2020, the Issuer's subsidiary Aforti Collections S.A. entered into a significant debt portfolio purchase agreement with an entity operating in the Polish debt collection sector.

Under the agreement, Aforti Collections acquired a portfolio of receivables resulting from compensation for the costs of debt recovery, statutory interest for delay in commercial transactions (including time-barred receivables) with a total nominal value of PLN 29,839,118.25.

On 29 September 2020, the Issuer acquired from its subsidiary, Aforti Exchange S.A. 1,174,475 shares of Aforti Finance S.A., a company based in Warsaw, at a price of approximately PLN 7.97 per share. Following the transaction Aforti Exchange S.A. does not directly hold any shares in Aforti Finance S.A.

On 10 December 2020, the Issuer sold 1,000 shares of Aforti Limited LCC, based in the based in the United Kingdom, 1,000 shares in Aforti Limited LCC based in Cyprus (representing 100% of the company's share capital) at a price of €15 per share. Following the transaction, Aforti Holding S.A. does not directly hold any shares in Aforti Limited LCC.

Also on 10 December 2020, the Issuer's Board of Directors adopted a resolution on revaluating the value of shares in Aforti Exchange S.A. based in Warsaw. The Management Board of the Company, taking into account the data prepared on the basis of an estimation report, assessed the value of 18,068,000 shares of Aforti Exchange S.A. (representing 100% of the company's capital) at PLN 141,800 thousand. On 11 December 2020, the Issuer subscribed for 36,363,500 new issue shares of Aforti PLC, a company with its registered office in the United Kingdom, with the total value of GBP 27,272,625, constituting an increase in the share capital of this company in exchange for a non-cash contribution made by the Issuer in the form of 100% of the shares of Aforti Exchange S.A. After the transaction, Aforti Holding S.A. directly holds 100% of the shares of Aforti PLC, which directly holds 100% of the shares of Aforti Exchange S.A. The actions taken will allow the continuation of activities carried out by a UK broker aimed at indirectly float the Issuer's subsidiary, Aforti Exchange S.A. with its registered office in Warsaw.

Aforti Exchange S.A., based in Warsaw, on the Main Market of the London Stock Exchange and to raise up to EUR 5 million through a private placement and a further GBP 4.5 million through an initial public offering on the LSE.

On 30 December 2020 the Issuer disposed of 226,380 shares in its subsidiary Aforti Capital sp. z o.o. with its registered office in Warsaw, constituting 100% of its share capital, at a price of approximately PLN 51.90 per share. After the transaction Aforti Holding S.A. does not directly hold any shares in Aforti Capital sp. z o.o. These changes are aimed at streamlining the organisational structure of the Issuer's Capital Group.

3. THE IMPACT OF THE SARS-CoV-2 CORONavirus EPIDEMIC AND THE COVID-19 INFECTION ON THE OPERATIONS AND FINANCIAL RESULTS OF THE COMPANY AND ITS GROUP

The Company and its Group have maintained operational continuity. During the period from March to June 2020, the majority of employees and associates of the Company and its Group worked remotely. In the following months, a hybrid working model was introduced combining remote working with working in the Company's offices. Necessary safety procedures were also put in place:

face-to-face meetings with clients were minimised in favour of telephone and electronic communication, visits to foreign subsidiaries were suspended, and generally recommended health and safety rules and solutions were implemented to reduce the risk of virus infection.

Given the dynamically changing environment, the Company's management cannot reliably determine the impact of the spread of the SARS-CoV-2 coronavirus and the COVID-19 infection caused by it on the Company's and its Group's operations and financial performance and business prospects. It should be emphasised that the continuity of the Company's and its Group's operations has not been interrupted at present. The Company and its subsidiaries are currently adjusting their activities to the observed and anticipated market needs.

4. INFORMATION ON THE EXPECTED DEVELOPMENT OF THE GROUP

The Company's planned development is based on the development of the AFORTI Capital Group. The primary objective of the Group's development strategy, which is headed by Aforti Holding S.A., is to determine and expand the direction of its future operations, systematically increasing the scale and profitability of its activities, with a view to creating value for its shareholders in the long term. The company plans its development in three aspects: development of the Aforti Group within Poland, development of the Aforti Group through foreign expansion, and development of the Aforti Group by taking its subsidiaries public.
All of the above will be implemented in a flexible manner.

5. MAJOR ACHIEVEMENTS OF THE UNIT IN RESEARCH AND DEVELOPMENT

In 2020, some Group companies were active in research and development in the area of modern IT solutions. Their development and implementation in the future will support the growth of these companies. In 2020, some of the work was successfully completed. In the following years, the Group Companies plan to continue development work in the field of IT.

6. CURRENT AND PROJECTED FINANCIAL POSITION OF THE GROUP

At the end of 2020, the consolidated financial statements show a profit of PLN 3,666,292.92.
Below is a synthetic presentation of the main items of the Group's consolidated income statement (in PLN) for 2020.

Table 13 - Selected financial data of the AFORTI Group

Net income from sales	1 010 421 333,25
Operating expenses	-1 031 691 865,40
Other operating income	931 786,81
Other operating expenses	-10 528 798,67
Financial income	47 874 022,56
Financial expenses	-16 096 864,98
Profit (loss) on sale of shares in subsidiaries	4 220 765,88
Write-downs on goodwill	2 691 081,42
Gross profit	2 439 298,03
income tax	25 485,87
Minority profits (losses)	-1 252 480,76
Net profit	3 666 292,92

source: Company

The consolidated report includes:

a) The parent company:

Aforti Holding S.A. based in Warsaw

b) Subsidiary companies:

- **Aforti Finance S.A.** based in Warsaw
- **Aforti Exchange S.**A. based in Warsaw
- **Aforti Ac Sp. z o.o.** based in Warsaw
- **Aforti Factor S.A.** based in Warsaw
- **Aforti Collections S.A.** based in Warsaw
- **Aforti Distribution Romania S.A.** based in Bucharest
- **Aforti Factor Romania IFN S.A.** based in Bucharest
- **Aforti PLC** based in Birmingham.

Due to the lack of operational activity and the immateriality of the results, the company's financial results were not consolidated:

- **Aforti, UAB** based in Vilnius
- **Aforti Exchange Bulgaria A.D.** based in Sofia
- **Aforti Limited LCC** based in Limassol,

The consolidated profit and loss account for 2020 includes the results of operations achieved by Aforti Capital sp. z o.o. up to the date of disposal of shares by the parent company - i.e. 30.12.2020

7. INFORMATION ON OWN SHARES HELD BY THE PARENT COMPANY AND GROUP UNDERTAKINGS

The Company did not acquire any treasury shares during the 2020 financial year. As at the balance sheet date, the Company did not hold any treasury shares. As at the date of publication of this report, the Issuer holds a total of 7,400 treasury shares, representing 0.08% in the Company's share capital and 0.08% in the total number of votes at the Issuer's General Meeting of Shareholders, the average purchase price was approximately PLN 8.47, purchased as part of the buyback of treasury shares.

8. INFORMATION ON FINANCIAL INSTRUMENTS REGARDING THE RISKS ASSOCIATED WITH THEM

The main financial instruments used by the Group include, on the assets side: available-for-sale financial assets, own receivables, receivables from loans granted, factoring receivables, receivables from purchased debt portfolios, cash, and on the liabilities side: debt securities bonds, promissory notes, lease liabilities, trade liabilities. The main purpose of these financial instruments is to raise funds for the Group's operations. Other financial instruments such as trade receivables and trade payables arise directly in the course of the Group's business.

The main risks arising from the Group's financial instruments include:

- interest rate risk - the risk associated with debt securities issued, promissory notes issued. Interest rates/discounts are dependent on the development of interest rates in the market, which may expose the Group to the risk of changes in cash flows as a result of changes in interest rates.
- liquidity risk - the risk that the Group may have difficulty in meeting its obligations in respect of liabilities that are settled by the issue of cash.
- credit risk - the risk that the Group will incur a financial loss if a counterparty or the other party to a financial instrument fails to meet its contractual obligations. Credit risk is primarily associated with accounts receivable.
- market risk - changes in market prices, such as foreign exchange rates, interest rates and equity prices, which may affect the Group's results and the value of financial instruments held.

The Group's risk management policies are designed to identify and analyse the risks to which the Group is exposed, to set appropriate limits and controls, and to monitor risks and the extent to which limits are matched. The risk management policies are reviewed on a regular basis
to take account of changing market conditions and changes in the way the Group operates.

The Group's objective is to maintain a balance between continuity and flexibility of funding to ensure ongoing payment of liabilities - without being exposed to potential losses.

8.1. RISK FACTORS ASSOCIATED WITH THE BUSINESS AND THE ENVIRONMENT IN WHICH THE GROUP OPERATES

Market risk connected with the macroeconomic situation of Poland and the European market Market risk may occur in each of the Group's companies. The incurrence of a loss or the occurrence of an unfavourable financial change is connected with general economic factors shaping the macro environment of entrepreneurs. The Group's development is correlated with the general economic situation in Poland. The main factors of a general economic nature influencing the activity of the companies include: the level of GDP for Poland and the rate of its change, the inflation rate, the level of investment by business entities and the degree of indebtedness of business entities, as well as fiscal regulations. The Management Board of Aforti Holding S.A. tries to minimise the risk in question by constantly monitoring the economic situation both at home and abroad.

¬ Interest rate risk

The risk associated with issued debt securities. Interest rates are dependent on the development of interest rates in the market, which may expose the Group to the risk of changes in cash flows due to changes in interest rates.

¬ Operational risk

Operational risk refers to the possibility of losses resulting from inadequate or unreliable internal procedures, human and system errors and legal risk. The companies
of the Aforti Group are currently developing a system for the management and control of risks occurring in the companies and introducing principles for managing these risks. Operational risk management is a complex process that is subject to development, so it cannot be ruled out that operational risks may arise in the future that could affect the Aforti Group's results. The Aforti Group revises the most important procedures used in its structure at specific intervals, in order to reduce the risk in question.

¬ Regulatory risk (Polish and EU)

Legal risk, which is a category of operational risk, is the probability of incurring tangible and intangible losses resulting from non-compliance with laws and regulations. The legal environment of the Group's operations is characterised by high dynamics of change, primarily in the context of the adaptation of national law to European Union standards. In connection
legislative policy, doubts as to the interpretation of given changes often arise. The ambiguity of regulations may give rise to the risk of administrative or financial penalties in the event of an incorrect legal interpretation being adopted. In order to minimise the above risk, the Group conducts constant monitoring of legal regulations and adjusts its activities to the regulations in force.

¬ Risk related to interpretation of tax regulations

The Company, like all business entities, is exposed to imprecise provisions in legal and tax regulations, which may cause discrepancies in interpretation, in particular with regard to operations related to income tax, tax on civil law transactions and VAT within the Group's operations. As a result, there is a risk that despite the Group's application of current accounting standards, the interpretation of the Tax Office relevant to the Company may differ from that adopted by the Group.

¬ IT risk

All Aforti Group companies are exposed to IT risk. The IT systems used may become the target of attacks by cyber criminals. IT risk increases as the interdependence of customers, partners and outsourced operations increases within the organisation.

In order to minimise the risk, the Companies take measures to increase the functionality of the current systems and to enhance its security.

¬ Risk of investing in subsidiaries

Aforti Holding S.A. is the parent entity of its subsidiaries, in which, in accordance with the assumption of the main shareholder, the Company holds and will hold more than 50 per cent of the shares in their share capitals. The Company's Management Board strives to minimise this risk by actively monitoring the market of services for companies and selecting services and management staff in such a way as to fulfil the assumed assumptions of the Capital Group development strategy.

¬ Credit risk

Credit risk arises in all areas of the Group's operations. It is primarily the risk of inappropriate assessment of the clients' ability to undertake credit obligations of individual companies. In addition, the Aforti Group Companies use external financing in the form of investment bills. In the event of an increase in interest rates in Poland, the Company must take measures to keep its financial instruments competitive with those offered by other institutions, which is why the Companies monitor the market and maintain an active policy of managing receivables and liabilities.

Liquidity risk

Liquidity risk is associated with the loss of ability to meet current and future obligations. It is also a type of reflection of credit risk in the other party to the contract. Aforti Group companies that are creditors of credit exposures may lose liquidity as a result of the loss of liquidity or bankruptcy of their

debtors. In order to prevent such situations, the Aforti Group applies appropriate monitoring of debtors.

¬ Behavioural risk of key management personnel

The Company's business is heavily influenced by the experience, skills and quality of the Board of Directors and strategic executives in its subsidiaries. The experience and know-how they have acquired over the years ensures the effectiveness of the Group's long-term development strategy. In the case of key management employees, the indicated risk is minimised by implementing an appropriate remuneration structure and a modern management model, which encourages management to an increased level of commitment.

¬ Risk associated with the development of the Aforti Group's activities outside of Poland.

The Aforti Group conducts its activities not only in Poland, but also abroad. In the future it intends to expand into other countries, and is therefore exposed to additional risks. In order to reduce this risk, the companies monitor the current legislation, laws and regulations, adapting their foreign operations to the current regulations in each country.

¬ Risks related to personal data processing

The Companies' activities require the processing of personal data that is transferred to them. It cannot be excluded that all data received is correct. It may happen that the data transmitted may concern other persons, which may lead to an increase in complaints and negative opinions about the Companies' activities.

¬ Risk of money laundering

The Aforti Group Companies, like other businesses, in connection with their activities, are exposed to the risk of money laundering. In order to avoid this, the Companies apply appropriate security measures to avoid the risks. In this regard, a specialised department is set up to supervise the regularity of transactions between the Group companies and their customers.

¬ Risk of misestimating the fair value of purchased debt portfolios

Aforti Collections S.A., in conducting its operations, purchases debt portfolios for its own account. In the event of lower revenues than assumed, the company may incur a loss as a result of revaluation of the purchased portfolios. In order to mitigate the risk in question, the Company performs a thorough analysis of all possible information on a given debt portfolio, and in justified cases does not purchase such portfolios.

¬ Debt risk

The purchase of debt packages requires a large one-off expense. To purchase receivables, Aforti Collections relies on external financing. The company has used bond issues and in the future may use investment bills, as do other Aforti Group companies. In connection with loans and factoring, the companies support themselves with external financing. A material deterioration in liquidity could result in an inability to pay interest and repurchase of debt.

¬ Currency risk

Currency risk applies to Aforti Exchange S.A and the foreign companies in the Aforti Group. This is the risk of a situation arising where, after converting exchange rates at the date of the preparation of the financial statements, revenues and expenses expressed in domestic currency may differ, which may lead to an increased loss or profit.

¬ Transfer pricing risk

Aforti Group companies enter into transactions with related parties. The tax authorities may investigate these transactions for market conditions. There is a risk that comparable transactions to those carried out at the Companies will not be available on the market, which may lead the tax authorities to question the parameters of these transactions.

¬ Competition risk

The companies in the Aforti Group operate in areas of strong growth, which makes them more exposed to competitive risk. The Aforti Group companies try to adapt their offerings, both in terms of products and prices, to the prices and products found on the market, so as not to reduce the competitiveness of their offerings.

¬ Risks related to the implementation of International Financial Reporting Standards Companies whose securities are admitted to trading on the regulated market of the WSE are required to prepare consolidated financial statements in accordance with International Financial Reporting Standards. In connection with the planned transition of Aforti Holding to the main floor of the Warsaw Stock Exchange in the future, the Company has undertaken to prepare its consolidated financial statements in accordance with IFRS. Despite the amendments to the Accounting Act Accounting Act was amended, there are still differences between IFRS and Polish accounting principles. The Company's adoption of IFRS may adversely affect the results of Group through the differences that exist between IFRS and the Accounting Act.

8.2. RISK FACTORS RELATED TO THE CAPITAL MARKET

Risk of insufficient liquidity and volatility of the Company's shares,

The Company's shares have been listed in the Alternative Trading System on the NewConnect market since 19 August 2011 and the value of trading in these instruments has fluctuated over that time. The Company seeks to minimise this risk by maintaining a transparent information policy and continuous and open communication with investors and the Polish capital market supervisory authorities.

Risk related to suspension or exclusion of trading in shares on New Connect

In justified cases, pursuant to the Alternative Trading System Rules, the ATS Organiser may suspend or exclude financial instruments from trading. This risk concerns all Issuers whose shares are listed on the NewConnect market. The Company tries to minimise this risk by conducting a transparent information policy in accordance with the applicable legal regulations and by continuous and open communication with the Polish capital market supervisory institutions.

Risk of administrative penalties imposed on the Company by the KNF (The Commission for Financial Supervision) for non-performance of obligations under the law.

The Company seeks to minimise this risk by establishing an investor relations department where employed specialists constantly monitor legal regulations related to the obligations of public companies, ensuring that they are properly fulfilled by the Company. In addition, the Company uses the support of specialised law firms in matters of doubt.

Risk related to issuance of corporate bonds

The Company issued corporate bonds until the end of the first half of 2019, in line with its business model. The Company pays its obligations related to these instruments on an ongoing basis. The Company's management makes every effort to minimise the risks affecting its assets and economic situation by pursuing a responsible policy of managing receivables and liabilities in order to maintain a safe level of liquidity and profitability.

Risks related to investment promissory notes

Following a change in the legislation relating to the issuance of corporate bonds, which has adversely affected their profitability, the Group has decided to support its operations through investment promissory notes. The Group's liabilities related to these financial instruments are settled on an ongoing basis. As in the case of corporate bonds, the Boards of Directors of the Companies make every effort to minimise the risks affecting its assets and economic situation by pursuing a responsible policy of managing receivables and liabilities in order to maintain a safe level of liquidity and profitability.

9. THE GROUP'S OBJECTIVES AND FINANCIAL RISK MANAGEMENT

The main objectives pursued through financial risk management are to increase the achievement of budgetary and strategic objectives, ensuring long-term liquidity. The main financial risks that the AFORTI Group may incur are currency and credit risks.

Credit risk

In carrying out its business activities, the Group relies on foreign capital in the form of issuing corporate bonds. In the event of an increase in interest rates in Poland, the Group must take action to maintain the competitiveness of its debt instruments against financial instruments offered by other financial institutions. The Group constantly monitors the financial market
and reacts to significant changes in interest rates, pursues an active policy of managing its receivables and liabilities, maintaining them at a safe level.

Foreign exchange risk

This risk does not apply directly to the Company's activities due to occasional and insignificant transactions expressed in foreign currencies.
The indicated risk may occur in the case of the Issuer's subsidiaries that operate abroad and use peer-to-peer platforms through which transactions are made in foreign currencies. It should be mentioned that this risk in their case is incidental and related to the terms of cooperation with the counterparties of these companies. The Issuer's subsidiaries try to limit this risk by appropriate selection of verified counterparties, appropriate security provisions in the concluded agreements.

GROUP STATEMENT ON NON-FINANCIAL INFORMATION

The Aforti Group did not meet the size criteria indicated in Art. 55.2b of the Accounting Act of 29 September 1994 (Journal of Laws 1994 No. 121, item 591, i.e.) in 2020 or in the previous year. Therefore, the Parent Company does not prepare this Group's statement on non-financial information.

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Klaudiusz Sytek – President of the Management Board

Aforti Holding S.A.
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Paweł Opoka – Vice-President of the Management Board

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Mateusz Niemczyk - Vice-President of the Management Board

5

STATEMENT ON CORPORATE GOVERNANCE

Information on compliance with the principles contained in Exhibit 1 to Resolution No. 293/2010 of the WSE Management Board of 31 March 2010, as amended, entitled "Best Practices of Companies Listed on NewConnect" in accordance with § 5.6.3 of Appendix 3 to the ASO Rules. "Best Practices of Companies Listed on NewConnect" in accordance with § 5 item 6.3 of Appendix 3 to the ASO Rules.

l.p.	Rule	Application of the principle by the Issuer	Comment
1	The Company should pursue a transparent and effective information policy using both traditional methods and modern technologies and latest communication tools ensuring fast, secure and broad access to information. Using such methods to the broadest extent possible, the Company should ensure adequate communication with investors and analysts, also using modern Internet communication methods, enable on-line broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on its website.	YES	The issuer applies all provisions of this section with the exception of the transmission of the General Meeting via Internet, recording the proceedings and making it public on its website. In the opinion of the Management Board, the costs related to related to the technical service of transmitting and recording General Meetings of the Company are disproportionately high in relation to the in relation to achievable benefits.
2	The company should ensure effective access to information necessary to assess the situation and prospects of the company and how it operates.	YES	
3	The company shall maintain a corporate website and publishes on it	YES	
	3.1. basic information about the company and its activities (homepage),	YES	
	3.2. a description of the issuer's activities stating the activities from which the issuer derives most of its revenue,	YES	The Issuer's website does not indicate the type of activity from which the Company derives most of its revenue, but the information This information can be found in the EBI reports which the Company publishes on its website.
	3.3. a description of the market on which the issuer operates and of the issuer's position in that market,	YES	
	3.4. professional CVs of the members of the company's governing bodies	YES	
	3.5. information known to the management board based on a statement by a member of the supervisory board on any relationship of a member of the supervisory board with a shareholder who holds shares representing not less than 5% of all votes at the company's general meeting	YES	
	3.6. the company's corporate documents,	YES	

	3.7. outline of the company's strategic plans	YES	
	3.8. published forecasts of financial results for the current financial year, including assumptions for these forecasts and corrections to these forecasts (in the event that the issuer publishes forecasts),	NO	In the opinion of the Management Board of the Company, the dynamically increasing scale of activity of the Issuer and external factors related to related to its market environment limit the possibility of precise determination of the Issuer's financial result forecast. Considering the above, the publication of financial forecasts would be burdened with too much risk and could mislead investors misleading.
	3.9. the issuer's shareholding structure, including major shareholders and free-float shares free float	YES	
	3.10. details and contact details of the person responsible for responsible within the company for investor relations and contacts with the media,	NO	The Issuer provides a dedicated e-mail address for Investors and Shareholders.
	3.11. (deleted)		
	3.12. current and periodic reports published,	YES	
	3.13. calendar of scheduled publication dates financial periodic reports, dates of general meetings, as well as meetings with investors and analysts, and press conferences,	YES	
	3.14. information on corporate events such as the payment of dividends and other events leading to the acquisition or limitation of rights of shareholders, including the timing and principles of such operations. This information should be posted in time for investors to take their investment decisions,	YES	To date, the Issuer has not recorded any such events. Should the described corporate events occur, the Issuer will immediately post such information.
	3.15. (deleted)		
	3.16. questions from shareholders on issues on the agenda submitted before and during the general meeting together with answers to those questions,	YES	To date, no situation has arisen in which Shareholders have asked the questions indicated. In case of their occurrence, the Issuer will publish their content on its website together with the answer provided.
	3.17. information on the reasons for cancellation of the general meeting, change of date or agenda with justification,	YES	
	3.18. information about the adjournment of the General Meeting and the reasons for the adjournment,	YES	
	3.19. information on the entity with which the company has signed a contract for the provision of Authorised Adviser services, with indication of the name, website address, telephone numbers and e-mail address of the Adviser,	Not applicable	Currently, the Company does not use services of an Authorised Adviser. If in the future the Company decides to enter into an agreement with an Authorised Adviser, the required information will be posted on the website.
	3.20. Information about the entity which performs the function of animator of the issuer's shares,	YES	
	3.21. The information document (prospectus) of the company, published within the last 12 months,	YES	

4	The Company shall maintain a corporate website, at the issuer's option, in Polish or English. Current and periodical reports should be posted on the website at least in the same language as that in which they are published in accordance with the regulations applicable to the issuer.	YES	
5	The Company should pursue an information policy with particular consideration to the needs of retail investors. For this purpose, the Company should use, in addition to its corporate website, the investor relations section on www.GPWInfoStrefa.pl, which is dedicated to a given company.	NO	In the opinion of the Board of Directors, the information provided through its own website and the published EBI and ESPI reports is sufficient for investors to assess the company.
6	The issuer should maintain current contacts with representatives of the Authorised Adviser in order to enable them to correctly perform their duties towards the issuer. The company should appoint a person responsible for contacts with the with the Authorised Adviser.	Not applicable	The Company does not currently have an agreement with an Authorised Adviser. If the situation changes in the future, the Company will receive ongoing contacts.
7	In case an event occurs in the company which in the issuer's opinion, is significant to the Authorised Adviser's performance of its obligations, the issuer shall immediately notify of this fact to the Authorised Adviser.	Not applicable	
8	The issuer should provide the Authorised Adviser with access to all documents and information necessary to carry out its obligations as Authorised Adviser.	Not applicable	
9	The issuer provides in the annual report:		
	9.1. information on the total amount of remuneration of all members of the management board and of the supervisory board,	YES	
	9.2. information about the remuneration of the Authorised Adviser received from the issuer for providing services to the issuer in each respect.	Not applicable	
10	Management board and supervisory board members should attend the general meeting be present so as to be able to give substantive replies to the questions put in the general meeting.	YES	
11	At least twice a year, the issuer, with the cooperation of the Authorised Adviser, should organise a publicly accessible meeting with investors, analysts and the media.	YES	The Issuer holds regular quarterly meetings with investors, as well as occasional meetings with journalists and analysts.
12	A resolution of the general meeting on an issue of shares with pre-emptive rights should specify the issue price or the mechanism for determining it, or oblige the competent authority to determine it before the date on which the pre-emptive rights are determined, in time to enable an investment decision to be taken.	YES	
13	Resolutions of the general meeting should ensure that the necessary time gap is maintained between decisions causing specific corporate events and the dates on which the rights of shareholders arising from those corporate events are determined.	YES	
13a	If the management board of the issuer receives from a shareholder holding at least half of the share capital or at least half of all the votes in the company, information about convening an extraordinary general meeting by him/her according to the	YES	

	procedure referred to in Article 399 §3 of the Commercial Companies Code, the issuer's management board shall immediately perform the actions it is required to perform in relation to the organisation and holding of a general meeting. and conduct the general meeting. This rule also applies when the registration court authorises shareholders to convene an extraordinary general meeting pursuant to Article 400 § 3 of the Code of Commercial Partnerships and Companies.		
14	The record date and the payout date shall be set so that the interval between them is as short as possible, and in any case no longer than 15 working days. A longer period between these dates needs to be specifically justified.	YES	To date, the Issuer has not recorded any such events. Should the described corporate events occur, the Issuer will immediately post such information.
15	A resolution of the general meeting concerning a conditional dividend may only contain such conditions the fulfilment of which, if any, will occur before the date on which the right to dividend is established.	YES	To date, the Issuer has not recorded any such events.
16	The Issuer publishes monthly reports within 14 days of the end of the month. A monthly report should include at least: - information about the occurrence of trends and events in the issuer's market environment which, in the issuer's opinion, may have a significant impact on the issuer's financial standing and performance in the future, - a summary of all information published by the issuer in the form of a current report in the period covered by the report, - information on the realisation of the issue objectives, if such realisation took place, even in part, during the period covered by the report, - investor's calendar, including events that are to take place in the coming month that are relevant to the issuer and that are material from the point of view of investors' interests, in particular the date of publication of periodic reports, planned general meetings, opening of subscriptions, meetings with investors or analysts and the expected date of publication of an analytical report.	NO	Although the Issuer does not publish monthly reports containing the range of data indicated in this document, it provides investors at the beginning of each month with information of the estimated financial and operating results of its subsidiaries.
16a	In case of violation by the issuer of the information obligation specified in Exhibit 3 to the Alternative Trading System Rules ("Current and periodical information provided in the alternative trading system in the NewConnect market"), the issuer should promptly publish, in the procedure appropriate for presentation of current reports in the NewConnect market, information explaining the situation.	YES	

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STATEMENTS BY THE MANAGEMENT BOARD

1. THE MANAGEMENT BOARD DECLARATION ON THE RELIABILITY OF THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Management Board of AFORTI Holding S.A. on the basis of § 5, section 7.1, item 5) of Annex 3 to the Regulations of the Alternative Trading System "Current and periodic information provided within the alternative trading system of the NewConnect market" declares that, to the best of its knowledge, the annual consolidated financial statement and comparable data were prepared in accordance with the Issuer's applicable regulations and that they reflect in a true, reliable and clear manner the material and financial situation of the Issuer's Capital Group and its financial result.

I also represent that the report on the activity of the Issuer's Capital Group presents a true picture of the situation of the Issuer's Capital Group, including the description of basic risks and threats.

Warsaw, 31 May 2021

Klaudiusz Sytek,	Paweł Opoka,	Mateusz Niemczyk,
President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board

2. DECLARATION OF THE MANAGEMENT BOARD ON THE APPOINTMENT OF THE AUDIT FIRM

The Management Board of AFORTI Holding S.A. on the basis of §5, section 7.1. point 6) of Appendix no. 3 to the Regulations of the Alternative Trading System "Current and periodic information provided within the alternative trading system at the NewConnect market" states that the choice of the auditing company which audited the annual consolidated financial statement was made in accordance with regulations, including those concerning the choice and procedure for choosing the auditing company, and indicates that the auditing company and members of the team carrying out the audit met conditions for the preparation of an impartial and independent report on the audit of the annual consolidated financial statement in accordance with binding regulations, professional standards and principles of professional ethics.

Warsaw, 31 May 2021

Klaudiusz Sytek,	Paweł Opoka,	Mateusz Niemczyk,
President of the Management Board	Vice-President of the Management Board	Vice-President of the Management Board