



AFORTI



**CONSOLIDATED ANNUAL REPORT
OF THE AFORTI CAPITAL GROUP
FOR 2021**

Warsaw, July 07 2022

Table of Contents

LETTER FROM THE PRESIDENT OF MANAGEMENT BOARD OF PARENT COMPANY	4
SELECTED CONSOLIDATED FINANCIAL DATA OF THE AFORTI CAPITAL GROUP FOR THE PERIOD FROM 01/01/2021 TO 31/12/2021	7
1. Introduction	8
2. Management Board’s position and opinion of the Supervisory Board on the auditing firm’s opinion with expressed reservations	9
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF THE CAPITAL GROUP FOR THE PERIOD FROM 01.01.2021 TO 31.12.2021	11
1. Introduction	12
4. Consolidated cash flows.....	33
5. Statement of changes in consolidated equity	36
REPORT OF THE MANAGEMENT BOARD OF AFORTI HOLDING S.A. ON BUSINESS OPERATIONS in 2021	59
1. GENERAL INFORMATION	60
1.1 GENERAL DATA ON THE PARENT COMPANY	60
1.2 CAPITAL GROUP’S STRUCTURE	60
1.3 PRZEDMIOT DZIAŁALNOŚCI.....	62
1.4 SHARE CAPITAL	64
1.5 SHARES AND SHAREHOLDING STRUCTURE OF PARENT COMPANY - AFORTI HOLDING S.A.	65
1.6 PARENT COMPANY AUTHORITIES.....	68
1.7 BRANCHES (ESTABLISHMENTS) OWNED BY THE PARENT COMPANY	69
2. INFORMATION ABOUT EVENTS SIGNIFICANTLY INFLUENCING THE ACTIVITY OF THE ENTITY WHICH TOOK PLACE DURING THE FINANCIAL YEAR AND ALSO AFTER ITS COMPLETION UNTIL THE DATE OF APPROVAL OF THE FINANCIAL STATEMENTS.....	69
3. THE IMPACT OF THE SARS-CoV-2 CORONAVIRUS EPIDEMIC AND THE COVID-19 INFECTION AND OUTBREAK OF WAR IN UKRAINE ON THE OPERATIONS AND FINANCIAL RESULTS OF THE COMPANY AND ITS GROUP	74
4. INFORMATION ON THE FORESEEABLE DEVELOPMENT OF THE AFORTI CAPITAL GROUP UNDERTAKING.....	75
5. MAJOR ACHIEVEMENTS OF THE UNIT IN RESEARCH AND DEVELOPMENT	75
6. THE CURRENT AND PROJECTED COMPANY FINANCIAL SITUATION OF OF THE AFORTI CAPITAL GROUP UNDERTAKING	75
7. INFORMATION ON OWN SHARES HELD BY THE PARENT COMPANY AND ENTITIES IN CAPITAL GROUP	78
8. INFORMATION ON FINANCIAL INSTRUMENTS REGARDING THE RISKS ASSOCIATED WITH THEM .	78
8.1. RISK FACTORS ASSOCIATED WITH THE BUSINESS AND THE ENVIRONMENT IN WHICH THE COMPANY OPERATES	78

8.2. RISK FACTORS RELATED TO THE CAPITAL MARKET	82
9. THE CAPITAL GROUP OBJECTIVES AND FINANCIAL RISK MANAGEMENT	83
CAPITAL GROUP STATEMENT OF NON-FINANCIAL INFORMATION	84
THE MANAGEMENT BOARD DECLARATIONS	91
1. DECLARATION OF THE MANAGEMENT BOARD ON THE APPOINTMENT OF THE AUDIT FIRM	92
2. STATEMENT OF MANAGEMENT BOARD ON RELIABILITY OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS	93

1

LETTER FROM THE PRESIDENT OF MANAGEMENT BOARD OF PARENT COMPANY

Ladies and gentlemen,

As each year, I am pleased to introduce you to the content of the annual report of AFORTI Group. Year 2021 should be considered as the next stage of AFORTI's activity which went down in history. With a high degree of certainty, it was an exceptional year, both in terms of events which occurred as well as in terms of the results we obtained. I would like to answer telegraphically and summarize to you the past months of our work.

First quarter of 2021 started with the successive work on the implementation of the AFORTI.BIZ project.



As an initial step, the subsidiary AFORTI PLC and a company which is a holder of an E-Money Institution (EMI) license have concluded a share purchase agreement. Soon after, in March 2021, AFORTI Exchange which is a currency exchange company was ranked among the 70 most innovative representatives of the Polish finance and technology sector. This quarter of business year 2021 was finished by achieving by Aforti Group a record in the financial results and as a result, our sales revenues amounted to PLN 435 million!

The winning streak also continued in the 2nd quarter, at that time, net sales revenues amounted to over 510 million PLN! In this period, the AFORTI Collections company was ranked on the 4th place in the overall ranking "Debt Collection Market Leaders" prepared by Gazeta Finansowa.

However, the key event of the quarter was the next phase associated with international expansion. In April, AFORTI PLC acquired a 9.9% stake in an EU EMI licensed company, bringing us much closer to offering services to customers across the European Union.

Furthermore, we are pleased to see more success in third quarter where AFORTI Holding was among the largest Polish companies of 2021 out of 2,000 active companies and we ranked satisfactorily 313th position.

During this period, we also shared with you the Group's strategy for 2021-2023, and we make good on our promises. In August, we celebrated our 10th anniversary of being listed on the NewConnect market, an important date for us and another milestone on AFORTI's road to success. This quarter was crowned with another, increasingly higher, sales result of PLN 607 million.

Despite this, the most important events happened in the last 4th quarter, where AFORTI Collections obtained the CESSIO Laurel. The Company has achieved the second position in the category “Outsourcing - Serwis Wierzytelności”.

In October 2022, the AFORTI Holding’s shares were listed on the Bucharest Stock Exchange. With this symbolic ringing of the stock exchange bell, we started the next chapter of our expansion into the countries of Central and Eastern Europe.

After the initial public offering the Bucharest Stock Exchange was quickly followed by launch of factoring activities for clients in Romania which allowed us on financing the first invoices. At the same time, AFORTI Exchange enjoyed further success, taking 2nd place in the online exchange category in the ranking of the 100 Largest Polish Payment Companies.

However, in my view the greatest success of 2021 should be certainly consider the event of activation of the EMI license, which entitles AFORTI Group to completely develop its activities internationally. We are currently following several audits of our companies, including in Cyprus, as well as meetings with Central Banks.

We've had quite an exceptional year behind us! I very much hope that in 2023 I will be able to share with you more very good news from AFORTI!

I encourage you to read the consolidated annual report 2021 and Company’s separate annual report 2021.

Kind regards,

A handwritten signature in blue ink, appearing to read "Sytek", written over a horizontal line.

Klaudiusz Sytek,

the President of the Management Board

2

SELECTED CONSOLIDATED FINANCIAL DATA OF THE AFORTI CAPITAL GROUP FOR THE PERIOD
FROM 01/01/2021 TO 31/12/2021

1. Introduction

This part of the consolidated annual financial report of the AFORTI Group includes selected financial data referred to the basic items of balance sheet statement and profit and loss and the cash flow statement. A values have been expressed in polish zloty (PLN) and converted into euro as explained below.

The data presented were converted into EUR at the NBP mid-rate announced, that are in force as at the balance sheet date.

Table 1 - Information on the euro exchange rate at which selected financial data of the AFORTI Group

źródło: Emitent

	2021	2020
Euro exchange rate as of the balance sheet date 31.12	4,5994	4,6148

Specification		PLN		EUR
	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Sale revenue	2 219 682 433,67	1 010 421 333,25	482 602 607,66	218 952 356,17
Operating profit (loss)	-21 597 603,14	(21 270 532,15)	-4 695 743,61	(4 609 199,13)
Profit (loss) on operating activities	-25 544 682,25	(30 867 544,01)	-5 553 916,22	(6 688 815,12)
Profit (loss) on business activities	-25 544 682,25	5 130 379,45	-5 553 916,22	1 111 723,03
Amortisation	1 236 617,54	1 494 318,75	268 864,97	323 810,08
Gross profit (loss)	-68 576 763,87	2 439 298,03	-14 909 936,92	528 581,53
Net profit (loss)	-64 737 813,39	3 666 292,92	-14 075 273,60	794 464,10
Specification		PLN		EUR
	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Fixed assets	30 223 515,08	49 508 871,44	6 571 186,48	10 728 281,06
Current asset	98 233 473,64	197 441 263,58	21 357 888,78	42 784 359,79
Long-term receivables	10 302 042,06	235 294,83	2 239 866,52	50 987,00
Short-term receivables	56 331 788,76	55 452 338,85	12 247 638,55	12 016 195,47

Short-term liabilities	108 934 061,72	66 709 084,98	23 684 407,04	14 455 466,10
Long-term liabilities	119 573 169,84	131 020 278,61	25 997 558,34	28 391 323,27
Equity	-63 512 403,53	58 418 767,10	-13 808 845,40	12 659 003,01
Primary capital (share capital)	9 042 514,00	9 042 514,00	1 966 020,35	1 959 459,56
Specification		PLN		EUR
	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020	01.01.2021 – 31.12.2021	01.01.2020 – 31.12.2020
Net cash flows from operating activities	-24 357 891,24	(34 243 160,61)	-5 295 884,51	(7 420 291,37)
Net cash flow from investment activities	-4 713 470,50	874 393,80	-1 024 801,17	189 475,99
Cash flow from financial activities	29 791 751,63	34 744 320,75	6 477 312,61	7 528 889,82
Net cash flows total	720 389,89	1 375 553,94	156 626,93	298 074,44

2. Management Board's position and opinion of the Supervisory Board on the auditing firm's opinion with expressed reservations

In line with the opinion delivered by certified auditor who filed a reservation regarding limited scope of the Parent Company's audit, which is a consequence of the banks' failure to issue written documents to the auditors including the data required by the auditor.

Company preserves due diligence and used all possible procedures to obtain the balance confirmations in question from the banks where Company has opened bank accounts. In order to confirm the balances in the accounts as of the balance sheet date, the Company has provided the auditor with confirmations of bank account balances which were sent to the Company via electronic banking. The balance of the Parent Company's funds as of 31.12.2021 is the same as indicated in the balance sheet, i.e. amounts to PLN 985,088.41.

In the opinion of the Company's Board of Directors and the auditor itself, the audit evidence obtained by the auditor is sufficient to draw up an opinion. Company, however, disagrees with the auditor's

reservation, as the balances presented to the expert were issued by the banks in accordance with current legal requirements and constitute evidence of the contents contained therein.

In addition, the Issuer does not agree that there is significant uncertainty regarding going concern on his continuation of activity. AFORTI Capital Group is achieving all the goals pursued, as defined in its development strategy for 2021 - 2023.

In 2021, the subsidiary in the Issuer's Group has acquired a stake in an EU institution that holds an EMI license. Which allows the license to be passported to EU countries. The EMI license allows issuing means of payment in the form of electronic money, processing transfers on behalf of clients and providing other services.

In June 2022, the first transaction has taken place in Romania under the institution of passporting on the basis of EMI license, allowing the company to start operations. This is another step to implement the development strategy, which presumes the expansion of operations to more EU countries by the end of 2023.

In addition, the above reservations do not have a significant impact on the Issuer's consolidated annual financial statements. The Supervisory Board of the Company, after reviewing the audit report of the auditing firm, reservations and the position of the Management Board, fully agrees with the position of the Management Board.

3

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF THE CAPITAL GROUP FOR THE PERIOD
FROM 01.01.2021 TO 31.12.2021

1. Introduction

General information

1. The consolidated statement includes:

a) Parent company:

- **Aforti Holding S.A. with registered office in Warsaw (00-613), Chałubińskiego 8 Street**
- KRS: 0000330108
- REGON: 141800547
- NIP: 525-245-37-55

b) Jednostki zależne:

- **Aforti Ac sp. z o.o.** – with registered office in Warsaw (00-613), Chałubińskiego 8 Street
KRS: 0000313339
REGON: 141570047
NIP: 5242661216
- **Aforti Collections S.A.** – with registered office in Warsaw (00-613), Chałubińskiego 8 Street
KRS: 0000639964
REGON: 365362973
NIP: 7010620699
- **Aforti Exchange S.A.** – with registered office in Warsaw (00-613), Chałubińskiego 8 Street
KRS: 0000719620
REGON: 146332039
NIP: 9512360841
- **Aforti Factor S.A.** – with registered office in Warsaw (00-613), Chałubińskiego 8 Street
KRS: 0000274431
REGON: 14084631700000
NIP: 1070006505
- **Aforti Finance S.A.** – with registered office in Warsaw (00-613), Chałubińskiego 8 Street
KRS: 0000436229
REGON: 146346308
NIP: 5252540891
- **Aforti Factor Romania IFN S.A.** – with registered office in Romania, Bucharest, 020334, 2nd District, 4B Gara Herastrau Street
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
- **Aforti PLC** – with registered office in 10 Orange Street, Haymarket, London, England, WC2H 7DQ
Company number 12821204

- **Aforti Distribution Romania S.A.** – with registered office in 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
2. The consolidated financial statements have been prepared for the following period
from 01-01-2021 to 31-12-2021
 3. Due to the existence of the risks and uncertainties described in this note, the Management Board of the Parent Company has prepared the consolidated financial statements taking into account the measurement uncertainty with regard to ongoing activities. In order to neutralize the risk of continuation activity, actions have been taken to continue operations in the foreseeable future, thus the consolidated financial statements have been prepared on a going concern basis.

As presented in the financial statements, the Group's operations are financed through financial instruments, which include loans, bonds and notes, as well as leasing and peer-to-peer platforms. As at the balance sheet date, short-term financial liabilities are due for repayment in 2022 and amount to PLN 88.3 million, and current assets to PLN 194.3 million. With the start of war in Ukraine, rising inflation and interest rates, there is also a risk that it may be difficult to refinance such obligations. The Management Board recognises this risk, which may involve a significant risk to the going concern. Management is faced with the task of securing financing for the Group. The Management Board is constantly working on obtaining financing in accordance with the assumptions of the budget for 2022, by the end of May 2022 the level of acquired financing amounted to PLN 41.3 million.

In 2021, in order to extend the maturities of debt facilities, the Board introduced 48-month borrowings in addition to the existing 24- and 36-month long-term facilities. As a result, long-term financing raised in 2021 accounted for 66% of total borrowings in 2021, with 48-month borrowings accounting for 30 p.p.

The Management Board monitors the risks on an ongoing basis and adjusts its actions accordingly, it should be emphasized that the value of maturing financial liabilities in 2022 is 52% lower than the financing obtained in 2021 (PLN 182.5 million), and the value of financial liabilities maturing in 2023 is PLN 52.9 million, which is a decrease of 40% compared to 2022.

In the opinion of the Management Board, there are also measures available to offset the negative impact of the above risks on the Group's financial performance. These measures include, among other things, cost savings in relation to those assumed in the budget as well as the implementation of sales above the budgeted levels, which will result in higher sales revenue. These actions, according to the Management Board, will adequately and sufficiently ensure that the financial targets for 2022 are met to ensure the Group's liquidity.

At the same time, one should take into account the completion of the investment process in the EMI project, which was the most capital-intensive process, as well as obtaining, at the turn of 2021/2022, the operational activation of the EMI license and passporting the business to EU countries as well as launching operations in Romania and the planned start-up of operations in other CEE countries. The aforementioned projects are characterized by much higher profitability than in Poland resulting from much lower competition and, at the same time, a relatively low level of investment.

The Management Board, with regard to the most prospective business which is the EMI business, is considering launching a review of strategic options for this project, within the scope of which it is considering either winning an industry partner from Western Europe interested in entering the markets of Central and Eastern Europe, or industry financial partners interested in developing payment services and the so-called "challenger banks" as well as institutional financial investors.

The valuation of the EMI project is based on the valuation methodology of competing projects such as N26, Revolut, Monzo and sales transactions to industry investors Akcenta and Ebury.

In conclusion, despite the risks mentioned above, the Management Board of the Company, on the basis of the prepared budget for 2022, including the analyses and operating scenarios mentioned above, as well as the financing already obtained in 2022 confirming the implementation of the budget plans, is of the opinion that sufficient preventive measures have been taken and prepared in order to neutralize the risks mentioned above and ensure the implementation of the Group's plans, and therefore has prepared the accompanying separate financial statements on a going concern basis.

4. The adopted fiscal and tax year coincide with the calendar year and last 12 consecutive full months.
5. The consolidated statements for the year 2020 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 fiscal year.

6. The Group's consolidated financial statements are required to be audited under Article 64(1) of the Accounting Act.

A description of method of preparation of consolidated financial statement and comparable data

1. The consolidated financial statements include the report of the parent company Aforti Holding SA and the reports of the subsidiaries controlled by the parent company. These statements were prepared as at 31.12.2021 and according to the same accounting principles.

The 2021 consolidated report presents comparable financial data from the Aforti Holding Group's consolidated financial statements as of December 31, 2020.

2. **Subsidiary companies**

Subsidiaries are entities that are commercial companies with respect to 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 the parent company assumes control over them. They cease to be consolidated on the date on which control is ceased.

As of the date of obtaining control, the excess of the value of the shares measured at cost over the value of the net assets acquired constitutes goodwill and is reported in the Consolidated Balance Sheet Assets as "Goodwill of subsidiaries".

The excess of the acquired net asset value over the value of the shares measured at cost is recorded in Liabilities on the Consolidated Balance Sheet as "Negative goodwill of subsidiaries".

3. **Exclusion of reciprocal transactions**

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

- a mutual receivables and liabilities and other settlements of a similar nature,
- revenues and costs of business operations between entities,
- gains or losses arising from business transactions between entities, included in the value of assets subject to consolidation,
- dividends accrued or paid by subsidiaries to the parent company.

4. Capital consolidation method

A basic capital in the consolidated financial statements is the parent company's share capital.

Included in equity in the consolidated financial statements are only those portions of the respective 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 made with effect from the first day of the financial year, in particular such as the principles for grouping of economic operations, methods of valuation of assets and liabilities, depreciation, determination of financial result and preparation of individual financial statements.

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

Discussion of accounting principles (policies)

1. Basis of 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 accounting principles arising from the provisions of the Accounting Act of 29 September 1994 (Journal of Laws of 01.02.2021, item 217, as amended) and secondary legislation issued on its basis, as well as the Regulation of the Minister of Finance of 25 September 2009 on detailed principles of preparing consolidated financial statements of capital groups by entities other than banks, insurance and reinsurance companies. amendments) and implementing regulations issued on its basis, as well as the Regulation of the Minister of Finance of 25 September 2009 on detailed rules for preparing consolidated financial statements of capital groups by entities other than banks, insurance and reinsurance companies (Journal of Laws of 29.03.2017, item 676).

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

2. Revenues and expenses

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

The Company keep the record of expenses based on their nature and calculation and consolidated income statements on a comparative basis.

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

3. Interest

Przychody odsetkowe są ujmowane w momencie ich naliczenia (przy zastosowaniu efektywnej stopy procentowej).

4. Consolidated Cash Flow Statement

The consolidated cash flow statement was prepared using the indirect method.

5. Intangible assets

Intangible assets are recorded in the books at acquisition cost or cost incurred to produce them and are amortized on a straight-line basis using appropriate amortization rates.

6. Goodwill on consolidation

Consolidation goodwill is determined as a surplus of the value of shares valued at acquisition price over the fair value of the acquired net assets. Goodwill is subject to write-downs for 5 years in equal monthly amounts starting from the month when the parent company took control over the subsidiary.

7. Fixed assets

The initial value of fixed assets is recognized in the books at the purchase price or production cost, less depreciation write-offs, as well as write-offs due to permanent loss of their validity.

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 until the date of commissioning, including the cost of servicing the liabilities incurred to finance them and the related exchange rate differences, less revenue in this respect.

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

Fixed assets are depreciated using the straight-line method. Depreciation begins the next month after the asset is accepted for use.

Assets of the initial value of less than PLN 100 are charged directly to the cost of consumption of materials. Assets with initial value above PLN 100 are classified by the company as fixed assets or intangible assets. The company classifies assets with the initial value of PLN 100 or more as tangible or intangible assets and enters them into the balance sheet records of these assets. From this type of assets the Company makes depreciation write-offs.

8. Long-term financial assets

Shares (stocks) in other entities and other investments classified as fixed assets are valued: at purchase prices less impairment losses.

9. Short-term financial assets

Interests and shares - including in subordinates, minority stakes of shares in subsidiaries and associates, held for sale, not classified as non-current assets, are measured at fair value, in particular:

a) where the Company has sold a portion of shares similar to the shares that will continue to be recognized, or other Group Companies have entered into transactions for such shares, the prices prevailing in the actual transactions are the best estimate of the fair value of the portion of the financial assets that will continue to be recognized;

b) if the Company does not have the price referred to in item a), it shall select the best method of fair value measurement of the shares in the subsidiaries and associates, which will take into account the specific nature of the entity, its useful life, the scope of its operations, the competitive conditions in the market in which it operates, so that the measurement of the shares' value is reliable and market-based.

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

Other securities classified as short-term investments are securities that are due, payable or intended for sale within 12 months of the balance sheet date or the date they were established, issued or acquired. These are: short-term investments other than shares and stocks in the form of securities such as bonds, NBP treasury bills, investment certificates, rights to shares, subscription warrants, mortgage bonds, debentures, investment fund units and others not classified as long-term financial assets.

Short-term investments are valued at market value. Short-term investments for which no active market exists are valued at fair value.

10. Receivables, claims and liabilities other than those classified as financial assets and liabilities

Receivables are recognized at the amount due, subject to the prudent valuation principle. Receivables are revalued taking into account the probability of their repayment, by means of revaluation write-offs charged to other operating costs or financial costs, as appropriate, depending on the type of receivables to which the revaluation write-off relates.

Liabilities are recorded in the books at the amount that needs to be paid.

Receivables and liabilities expressed in foreign currencies are reported as at the day they arise according to the average exchange rate of the National Bank of Poland announced for a given currency on the day preceding this 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.

11. Revaluation write-downs

Revaluation allowances are made for receivables and short-term financial assets (excluding shares and holdings) whose collectability is doubtful, taking into account the degree of probability of their payment, in accordance with the following principles:

(a) on debts reported to the liquidator or commissioner in bankruptcy proceedings, from debtors in liquidation or in bankruptcy,

b) należności od dłużników w przypadku oddalenia wniosku o ogłoszenie upadłości, jeżeli majątek dłużnika nie wystarcza na zaspokojenie kosztów postępowania upadłościowego,

(c) up to the amount of the claim determined by the provisions of the arrangement as the amount to be written off, or in full, in the event that the counterparty is in default in the payment of the agreed instalments of the arrangement,

12. Provisions and assets for income tax

Provision for income tax is created in the amount of income tax payable in the future due to positive temporary differences. Temporary positive differences increase the basis for calculating income tax in the future.

The amount of the deferred income tax provision is determined taking into account the income tax rates applicable in the year when the tax obligation arose, i.e. in the year of realization of temporary differences.

When establishing the reserve, the balance of negative difference settlements (if any) booked on the account "Deferred tax assets" as at the last day of the previous financial year should be taken into account.

Deferred income tax assets are determined in the amount to be deducted from income tax in the future due to negative temporary differences which will reduce the tax base in the future and tax loss to be deducted in the future years, applying the prudence principle - the Company creates deferred income tax assets for half of the tax loss which, in accordance with the law, may be deducted in the following 5 years.

13. Accruals and deferred income

Prepayments are made if they relate to future reporting periods. The companies of the Capital Group also account for significant costs related to the development of new types of activities within the scope of accruals; they are settled for the period of expected economic benefits, in accordance with the principle of matching revenues and costs for the financial statements.

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

14. Minority capitals

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

They are demonstrated as follows:

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

15. Provisions for liabilities

Provisions for losses and liabilities are measured at a reasonable, reliably estimated value. Provisions are recognized for: certain or highly probable - future losses or liabilities whose

amount can be reliably estimated. Provisions are charged to other operating expenses or financial expenses depending on the circumstances from which the loss arises.

16. Classification of financial instruments

Financial instruments are recognized and measured in accordance with the Regulation of the Minister of Finance dated 12 December 2001 on detailed rules governing the recognition, methods of valuation, 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 subsidiaries, rights and obligations under lease agreements and insurance, 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:

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

Financial liabilities are divided into:

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

Financial assets are entered into the books as at the date of concluding the contract at the purchase price, i.e. at the fair value of expenses incurred or other assets transferred in exchange, and financial liabilities - at the fair value of the amount received or the value of other assets received. Transaction costs incurred by the entity are included in determining fair value at that date.

Financial assets, including classified derivatives, are measured no later than at the end of the reporting period at a reliably determined fair value without reducing it by transaction costs that the entity would incur to dispose of the assets or otherwise derecognize them, unless the amount of such costs would be significant, except:

- a. pożyczek udzielonych i należności własnych, których jednostka nie przeznaczą do sprzedaż;
- b. financial assets held to maturity;

- c. financial assets for which there is no market price determined by an active regulated market or whose fair value cannot be determined in any other reliable way;
- d. składników aktywów finansowych objętych zabezpieczeniem (pozycji zabezpieczanych).

Financial liabilities, except for hedged items, are measured no later than at the end of the reporting period at adjusted cost. If the value of the financial liability cannot be determined at the adjusted purchase price or the value shows insignificant differences from the fair value, the financial liabilities are measured at the end of the reporting period at the fair value of the amount received or the value of other assets received.

17. Loans granted and own receivables

Loans granted and own receivables include, irrespective of their maturity date, financial assets created as a result of cash being provided directly to the other party to a contract. Loans granted and own receivables also include other debt financial instruments acquired in exchange for cash paid 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 granted 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 valued at amounts due, while observing the prudence principle. Loans granted and own receivables held for sale in the period up to 3 months are valued according to market value or otherwise stated fair value.

Warsaw, June 30, 2022




Kamilla Sytek-Skonieczna

Person responsible for maintaining the accounting records



Klaudiusz Sytek,
President of the Board



Paweł Opoka,
vice-President of the Board



Mateusz Niemczyk,
vice-President of the Board

2. Consolidated Balance sheet

No.	Title	2021	2 020
A	FIXED ASSETS	30 223 515,08	49 508 871,44
I	Intangible asset	2 220 697,87	2 481 790,37
1	Costs of finished development works	1 501 139,95	1 653 834,52
2	Value of the Company	218 107,86	327 161,78
3	Other intangible assets	10 968,78	27 102,29
4	Advances for intangible assets	490 481,28	473 691,78
II	Tangible fixed assets	0,00	32 202 044,47
1	Fixed assets	0,00	32 202 044,47
a	land (including a perpetual usufruct right)	810 611,74	1 655 699,48
b	buildings, premises and civil engineering structures	784 477,01	1 653 142,32
c	technical equipment and machinery	0,00	0,00
d	means of transport	291 894,97	608 291,27
e	other tangible assets	132 701,54	120 721,37
2	Capital work in progress	297 062,31	798 334,33
3	Advances for the capital work in progress	62 818,19	125 795,36
III	Long-term receivables	26 134,73	2 557,16
1	From related entities	0,00	0,00
2	From other entities in which the entity has a share in the capital	10 302 042,06	235 294,83
3	From other entities	0,00	69,58
IV	Long-term investments	0,00	0,00
1	Immovable property	10 302 042,06	235 225,25
2	Intangible assets	5 625 558,32	288 297,84
3	Long-term financial assets	0,00	0,00
a	in related entities	0,00	0,00
	- stocks or shares	5 625 558,32	288 297,84
	- other securities	118 121,94	118 633,02
	- granted loans	118 121,94	118 633,02
	- other long-term financial assets	0,00	0,00
b	in other entities in which the entity has a share in the capital	0,00	0,00

	- stocks or shares	0,00	0,00
	- other securities	0,00	0,00
	- granted loans	0,00	0,00
	- other long-term financial assets	0,00	0,00
c	in other entities	0,00	0,00
	- stocks or shares	0,00	0,00
	- other securities	5 507 436,38	169 664,82
	- granted loans	5 453 601,10	0,00
	- other long-term financial assets	0,00	94 271,15
4	Other long-term investments	53 835,28	75 393,67
V	Long-term accruals and prepayments	0,00	0,00
1	Deferred tax assets	0,00	0,00
2	Other accruals and prepayments	11 264 605,09	12 645 744,46
B	CURRENT ASSETS	9 945 920,12	8 479 904,92
I	Inventory	1 318 684,97	4 165 839,54
1	Materials	98 233 473,64	197 441 263,58
2	Semi-finished products and works-in-progress	4 603,97	31 885,38
3	Finished products	0,00	0,00
4	Goods	0,00	0,00
5	Advances on deliveries	0,00	0,00
II	Short-term receivables	4 603,97	31 885,38
1	Receivables from related entities	56 331 788,76	55 452 338,85
a	for supplies and services, with a repayment period:	84 590,71	11 638 972,76
	- up to 12 months	35 978,32	37 281,68
	- above 12 months	35 978,32	37 281,68
b	other	0,00	0,00
2	Receivables from other entities in which the entity has a share in the capital	48 612,39	11 601 691,09
a	for supplies and services, with a repayment period:	0,00	0,00
	- up to 12 months	0,00	0,00
	- above 12 months	0,00	0,00
b	other	0,00	0,00
3	Receivables from other entities	56 247 198,05	43 813 366,08

a	for supplies and services, with a repayment period:	998 549,84	1 135 626,12
	- up to 12 months	998 549,84	1 135 626,12
	- above 12 months	0,00	0,00
b	for taxes, subsidies, customs, social and health insurance, and other benefits	3 415 368,79	3 013 265,93
c	other	51 681 718,00	39 664 474,03
d	claimed in court	151 561,42	0,00
II	Short-term investments	33 465 737,58	129 990 327,94
1	Short-term financial assets	33 465 737,58	129 990 327,94
	in related entities	0,00	63 044 842,95
	- stocks or shares	0,00	63 033 517,79
	- other securities	0,00	11 325,16
	- granted loans	0,00	0,00
	- other short-term financial assets	0,00	0,00
b	in other entities	30 774 642,55	64 974 779,88
	- stocks or shares	0,00	0,00
	- other securities	4 174 779,67	5 967 876,04
	- granted loans	26 156 346,83	59 006 903,84
	- other short-term financial assets	443 516,05	0,00
c	cash and cash equivalents	2 691 095,03	1 970 705,11
	- cash in hand and on accounts	2 691 012,16	1 970 525,46
	- other types of cash	82,87	179,65
	- other cash equivalents	0,00	0,00
2	Other short-term investments	0,00	0,00
IV	Short-term accruals and prepayments	8 431 343,33	11 966 711,41
C	Called up share capital (fund)	0,00	0,00
D	Own shares (stocks)	66 419 892,00	36 356 935,00
TOTAL ASSETS		194 876 880,72	283 307 070,02

Lp.	Tytuł	2021	2 020
A	OWN CAPITAL (FUND)	-63 512 403,53	58 418 767,10
I	Share capital (fund)	9 042 514,00	9 042 514,00
II	Supplementary capital (fund), including:	64 036 594,71	80 555 170,91
	- surplus of the sale value (issue value) over the nominal value of shares (stocks)	55 871 302,80	55 871 302,80
III	Revaluation capital (fund)	0,00	0,00
	- for revaluation of the fair value	0,00	0,00
IV	Other supplementary capitals (funds)	9 000 000,00	9 000 000,00
	- created in accordance with the articles of association of the company	0,00	0,00
	- for own shares (stocks)	9 000 000,00	9 000 000,00
V	Profit (loss) from previous years	-83 924 627,93	-44 077 286,65
VI	Net profit (loss)	-64 737 813,39	3 666 292,92
VII	Exchange differences from conversion	3 070 929,08	232 075,93
B	Minority capitals	9 170 466,00	-14 815 950,19
C	Negative goodwill of the subordinated entities	0,00	0,00
I	Negative goodwill - subsidiaries	0,00	0,00
II	Negative goodwill - interdependent entities	0,00	0,00
D	LIABILITIES AND PROVISIONS FOR LIABILITIES	249 218 818,25	239 704 253,10
I	Provisions for liabilities	43 000,00	168 129,95
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	43 000,00	168 129,95
	- long-term	0,00	0,00
	- short-term	43 000,00	168 129,95
II	Long-term liabilities	119 573 169,84	131 020 278,61
1	To related entities	600,00	1 747 580,35
2	To other entities in which the entity has a share in the capital	0,00	0,00
3	To other entities	119 572 569,84	129 272 698,26

a	credits and loans	96 115 837,81	0,00
b	from the issue of debt securities	2 444 098,37	34 925 267,01
c	other financial liabilities	167 564,84	5 825 730,21
d	bills of exchange	20 845 068,82	88 521 305,09
e	other	0,00	395,95
III	Short-term liabilities	108 934 061,72	66 709 084,98
1	To related entities	0,00	546 000,00
a	for supplies and services, with a maturity period	0,00	0,00
	- up to 12 months	0,00	0,00
	- above 12 months	0,00	0,00
b	other	0,00	546 000,00
2	Liabilities to other entities in which the entity has a share in the capital	0,00	0,00
a	for supplies and services, with a maturity period:	0,00	0,00
	- up to 12 months	0,00	0,00
	- above 12 months	0,00	0,00
b	other	0,00	0,00
3	To other entities	108 934 061,72	66 163 084,98
a	credits and loans	49 159 034,34	368 331,04
b	from the issue of debt securities	1 911 244,51	31 934 741,56
c	other financial liabilities	5 088 437,74	8 896 686,41
d	for supplies and services, with a maturity period	4 890 449,32	4 377 362,60
	- up to 12 months	4 890 449,32	4 377 362,60
	- above 12 months	0,00	0,00
e	advances received for deliveries	0,00	0,00
f	bills of exchange	37 784 830,91	14 680 196,64
g	for taxes, customs, insurance and others	9 313 000,39	5 310 857,31
h	for remuneration	298 199,72	377 306,77
i	other	488 864,79	217 602,65
4	Special funds	0,00	0,00
IV	Accruals and prepayments	20 668 586,69	41 806 759,56
1	Negative goodwill	0,00	0,00
2	Other accruals and prepayments	20 668 586,69	41 806 759,56

- long-term	162 434,09	86 441,49
- short-term	20 506 152,60	41 720 318,07
TOTAL LIABILITIES	194 876 880,72	283 307 070,01

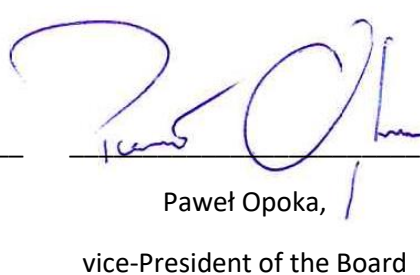
Warsaw, 30-06-2022



Kamilla Sytek-Skonieczna
Person responsible for maintaining the accounting records



Klaudiusz Sytek,
President of the Board



Paweł Opoka,
vice-President of the Board



Mateusz Niemczyk,
vice-President of the Board

3. Consolidated profit and loss account

No.	Title	2021	2 020
A	Net revenues from sales and equalised with them, including:	2 219 682 433,67	1 010 421 333,25
-	from related entities	0,00	0,00
I	Net revenues from sales of products	3 966 059,67	3 792 975,95
II	Change in the condition of products (increase - positive value, decrease - negative value)	0,00	0,00
III	Costs of manufacturing products for the entity's own needs	0,00	0,00
IV	Net sale revenue from sales of goods and materials	2 215 716 374,00	1 006 628 357,30
B	Operating expenses	2 241 280 036,81	1 031 691 865,40
I	Amortisation and depreciation	1 236 617,54	1 494 318,75
II	Material and energy consumption	363 748,33	369 666,90
III	Outsourced services	14 121 640,61	12 364 170,02
IV	Taxes and charges, including:	2 876 469,01	2 065 021,13
-	- excise duty	0,00	0,00
V	Remuneration	4 881 119,62	6 156 085,72
VI	Social security and other benefits, including:	919 845,91	933 187,81
0,00	- pensions	229 810,72	397 529,40
VII	Other costs by type	2 075 228,53	2 089 556,98
VIII	Value of sold goods and materials	2 214 805 367,26	1 006 219 858,10
C	Profit (loss) on sales (A-B)	-21 597 603,14	-21 270 532,15
D	Other operating revenue	1 176 646,98	931 786,81
I	Profit on the disposal of non-financial fixed assets	54 754,56	122 842,99
II	Subsidies	36 000,00	0,00
III	Revaluation of non-financial assets	0,00	0,00
IV	Other operating revenue	1 085 892,42	808 943,83
E	Other operating costs	5 123 726,09	10 528 798,67
I	Loss on the disposal of non-financial fixed assets	209 878,64	42 188,42
II	Revaluation of non-financial assets	0,00	0,00
III	Other operating costs	4 913 847,45	10 486 610,25
F	Operating profit (loss) (C+D-E)	-25 544 682,25	-30 867 544,01

G	Financial revenue	8 176 396,02	47 874 022,56
I	Dividends and shares in profits, including:	0,00	0,00
a)	from related entities, including:	0,00	0,00
	- <i>in which the entity has a share in the capital</i>	0,00	0,00
b)	from other entities, including:	0,00	0,00
	- <i>in which the entity has a share in the capital</i>	0,00	0,00
II	Interest, including:	697 810,22	408 878,72
-	<i>from related entities</i>	0,00	0,00
III	Profit on the disposal of financial assets, including:	6 628 626,15	197 826,00
	- in related entities	0,00	0,00
IV	Revaluation of financial assets	0,00	43 676 225,43
V	Other	849 959,65	3 591 092,41
H	Financial costs	19 006 433,17	16 096 864,98
I	Interest, including:	7 874 565,26	7 992 084,22
-	<i>for related entities</i>	0,00	0,00
II	Loss on the disposal of financial assets, including:	0,00	162 854,87
	- in related entities	0,00	0,00
III	Revaluation of financial assets	-243 048,81	18 453,65
IV	Other	11 374 916,72	7 923 472,25
I	Profit (loss) on sale of all or part of shares of subordinates	0,00	4 220 765,88
J	Profit (loss) from business activities (F+G-H+/-I)	-36 374 719,40	5 130 379,45
K	Write-down of goodwill	32 202 044,47	2 691 081,42
I	Write-down of goodwill - subsidiaries	32 202 044,47	2 691 081,42
II	Write-down of goodwill - joint 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 - joint subsidiaries	0,00	0,00
M	Profit (loss) from shares in subordinates accounted for using the equity method	0,00	0,00
N	Gross profit (loss) (J-K+L+/-M)	-68 576 763,87	2 439 298,03
O	Income tax	-1 395 707,88	25 485,87

P	Other mandatory reductions in profit (increases in loss))	0,00	0,00
Q	Minority profits (losses)	-2 443 242,60	-1 252 480,76
R	Net profit (loss) (N-O-P+/-Q)	-64 737 813,39	3 666 292,92

Warszawa, dn. 30-06-2022



Kamilla Sytek-Skonieczna
Person responsible for maintaining the accounting records



Klaudiusz Sytek,
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Mateusz Niemczyk,
vice-President of the Board

4. Consolidated cash flows

No..	Tytuł	2021	2020
A	Cash flow from operating activities		
I	Net profit (loss)	(64 737 813,39)	3 666 292,92
II	Total adjustments	40 379 922,17	(37 909 453,53)
1	Minority profits (losses)	(2 443 242,60)	(1 252 480,76)
2	Profit (loss) from shares in entities accounted for using the equity method	0,00	0,00
3	Amortization	1 236 617,54	1 494 318,75
4	Write-offs of goodwill	32 202 044,47	2 691 081,42
5	Write-offs of negative goodwill	0,00	0,00
6	Foreign exchange gains (losses)	422 003,09	0,00
7	Interest and shares in profits (dividends)	7 176 755,04	7 583 205,49
8	Profit (loss) from investment activities	(6 716 550,88)	(43 773 397,24)
9	Change in reserves	(125 129,95)	168 129,95
10	Change in inventory	27 281,41	(29 834,43)
11	Change in the state of receivables	19 928 494,81	(13 335 113,97)
12	Change in short-term liabilities, except for loans and credits	(5 499 651,55)	13 045 658,59
13	Change in prepayments and accruals	(16 221 665,41)	26 369 936,47
14	Other adjustments	10 392 966,20	(30 870 957,80)
III	Net cash flows from operating activities (I ± II)	(24 357 891,22)	(34 243 160,61)
B	Cash flows from investing activities		
I	Inflows	2 701 205,28	2 234 138,29
1	Disposal of intangible assets and property, plant and equipment	369 030,01	624 681,76
2	Disposal of investments in real estate and intangible assets	0,00	0,00
3	From financial assets, including:	2 332 175,27	1 609 456,53
a)	in affiliated companies	922 000,00	237 645,61
b)	in other entities	1 410 175,27	1 371 810,92
-	Disposal of financial assets	910 470,30	706 765,53
-	dividends and shares in profits	0,00	0,00
-	repayment of long-term loans granted	115 829,54	281 134,99
-	interest	0,00	0,00
-	other inflows from financial assets	383 875,43	383 910,40
4	Other inflows from investments	0,00	0,00

II	Expenses	7 414 675,78	1 359 744,49
1	Acquisition of intangible and tangible assets	603 348,78	1 359 744,49
2	Investments in real estate and intangible assets	0,00	0,00
3	For financial assets, including:	6 811 327,00	0,00
a)	in affiliated companies	0,00	0,00
b)	in other entities	6 811 327,00	0,00
-	acquisition of financial assets	6 811 327,00	0,00
-	long-term loans granted	0,00	0,00
4	Dividends and other shares in profits paid to minority shareholders	0,00	0,00
5	Other investment expenses	0,00	0,00
III	Net cash flows from investment activities (I-II)	(4 713 470,50)	874 393,80
C	Cash flows from financing activities		
I	Proceeds	88 226 305,11	61 314 315,97
1	Net proceeds from issuance of shares (share issues) and other equity instruments and capital contributions	0,00	0,00
2	Loans and advances	78 781 494,89	10 029 115,86
3	Issue of debt securities	0,00	1 762 752,00
4	Other financial inflows	9 444 810,22	49 522 448,11
II	Expenses	58 434 553,47	26 569 995,22
1	Acquisition of own shares (stocks)	62 631,75	0,00
2	Dividends and other distributions to owners	0,00	0,00
3	Other than distributions to owners, profit distribution expenses	0,00	0,00
4	Repayment of loans and credits	6 805 859,86	0,00
5	Redemption of debt securities	19 417 000,00	10 580 800,00
6	On account of other financial liabilities	0,00	0,00
7	Payments of liabilities under finance lease agreements	109 930,34	110 799,11
8	Interest	7 874 565,26	7 992 084,22
9	Other financial expenses	24 164 566,26	7 886 311,90
III	Net cash flows from financing activities (I-II)	29 791 751,64	34 744 320,75
D	Total net cash flows (A.III ± B.III ± CIII)	720 389,92	1 375 553,94
E	Balance sheet change in cash, including:	720 389,92	1 375 553,94
-	change in cash due to exchange rate differences	0,00	0,00

F	Cash at the beginning of the period	1 970 705,11	595 151,17
G	Cash at the end of the period (F±E), including:	2 691 095,03	1 970 705,11
-	of limited disposability	1 642,85	

Warsaw, June 30, 2022



Kamilla Sytek-Skonieczna
Person responsible for maintaining the accounting records



Klaudiusz Sytek,
President of the Board



Paweł Opoka,
vice-President of the Board



Mateusz Niemczyk,
vice-President of the Board

5. Statement of changes in consolidated equity

No.	Title	2021	2 020
I.	Equity (fund) at the beginning of the period (BO)	58 418 767,11	56 383 775,56
-	changes in accounting principles (policy)	0,00	0,00
-	adjustments of fundamental errors	0,00	
I.a.	Equity (fund) at beginning of period (BO), after adjustments	58 418 767,11	56 383 775,56
1	Share capital (fund) at the beginning of the period	9 042 514,00	7 801 915,00
1.1.	Changes in basic capital (fund)	0,00	1 240 599,00
a	increase (due to)	0,00	1 240 599,00
-	issuance of shares (issue of shares)	0,00	1 240 599,00
-	in-kind contribution	0,00	0,00
b	decrease (due to)	0,00	0,00
-	redemption of shares	0,00	
###	0,00	
1.2.	Basic capital (fund) at the end of the period	9 042 514,00	9 042 514,00
2	Supplementary capital (fund) at the beginning of the period	80 555 170,91	76 571 754,18
2.1.	Changes in supplementary capital (fund)	-16 518 576,20	3 983 416,73
a	increase (due to)	22 884 909,56	14 224 015,73
-	issuance of shares above par value,	0,00	
-	from profit distribution (statutory)	22 884 909,56	14 224 015,73
-	from profit distribution (above the statutorily required minimum value)	0,00	
-	issuance of shares (share issue) - pending registration	0,00	
b	decrease (due to)	39 403 485,76	10 240 599,00
-	coverage of loss	39 403 485,76	
-	transfer to basic capital (registration of series D shares)	0,00	10 240 599,00
2.2.	Supplementary capital (fund) at the end of the period	64 036 594,71	80 555 170,91
3	Revaluation reserve (fund) at the beginning of the period - changes in adopted accounting principles (policies)	0,00	0,00
3.1.	Changes in revaluation reserve (fund)	0,00	0,00
a	increase (due 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	9 000 000,00	0,00
4.1.	Changes in other reserve capitals (funds)	0,00	9 000 000,00
a	increase (due to write-offs from profit)	0,00	9 000 000,00
-	increase (due to transfer from reserve capitals)	0,00	
b	decrease (due to)	0,00	0,00
-	payment of dividends	0,00	
4.2.	Other reserve capitals (funds) at the end of the period	9 000 000,00	9 000 000,00
5	Profit (loss) from previous years at the beginning of the period	-44 077 286,65	-28 250 690,31
5.1.	Profit from previous years at the beginning of the period	0,00	
-	changes in accounting principles (policies)	0,00	
-	adjustments of fundamental errors	-1 041 178,98	
5.2.	Profit from previous years at the beginning of the period, after adjustments	-1 041 178,98	-1 038 259,52
a	increase (due to)	3 652 339,36	260 796,69
-	distribution of profit from previous years	3 652 339,36	260 796,69
b	decrease	0,00	-777 462,83
-	coverage of losses	0,00	-777 462,83
-	dividend payment	0,00	
5.3.	Profit from previous years at the end of the period	2 611 160,38	0,00
5.4	Loss from previous years at the beginning of the period (-)	-44 077 286,65	-27 212 430,79
-	changes in accounting principles (policy)	0,00	
-	adjustments of fundamental errors	-19 573 592,10	-1 863 377,30
5.5.	Loss from previous years at the beginning of the period, after adjustments	-63 650 878,75	-29 075 808,09
a	increase (due to)	22 884 909,56	14 224 015,73
-	transfer of profit of parent company to supplementary capital	22 884 909,56	14 224 015,73
b	decrease (due to)	0,00	777 462,83
-	0,00	
5.6.	Loss from previous years at the end of the period	-86 535 788,31	-44 077 286,65
5.7	Profit (loss) from previous years at the end of the period	-83 924 627,93	-44 077 286,65
6.	Net result	-61 666 884,31	3 898 368,85

a	net profit	-64 737 813,39	3 666 292,92
b	net loss (negative value)	0,00	
c	Deductions from profit (negative value)	3 070 929,08	232 075,93
II	Capital (fund) at the end of the period (BZ)	-63 512 403,53	58 418 767,11
III	Capital (fund), after taking into account the proposed distribution of profit (coverage of loss)	-63 512 403,53	58 418 767,11

Warsaw, June 30, 2022



Kamilla Sytek-Skonieczna
Person responsible for maintaining the accounting records



Klaudiusz Sytek,
President of the Management Board



Paweł Opoka,
Vice President of the Management Board



Mateusz Niemczyk,
Vice President of the Management Board

6. Additional information and explanations

I.

1. Changes in fixed assets during the financial year:

<u>Gross value</u>	Land	Buildings, premises and engineering structures	Technical equipment and machinery	Means of transport	Other	Capital work in progress	Total	<u>Gross value</u>
Balance at the beginning of the year	0,00	886 503,71	821 200,45	1 440 496,21	316 614,57	2 557,16	0,00	3 467 372,10
Total increase, including:	0,00	0,00	97 238,49	93 812,00	1 706,50	96 570,10	0,00	289 327,09
- from the purchase	0,00	0,00	97 238,49	93 812,00	1 706,50	26 123,00	0,00	218 879,99
- lease	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- transfer	0,00	0,00	0,00	0,00	0,00	70 447,10	0,00	70 447,10
Total decrease, including:	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- sale	0,00	472 681,25	61 563,37	686 181,96	37 954,95	72 992,53	0,00	1 331 374,06
- liquidation	0,00	463 406,15	34 049,54	686 181,96	0,00	0,00	0,00	1 183 637,65
- transfer	0,00	0,00	27 513,83	0,00	1 370,00	0,00	0,00	28 883,83
Balance at the end of the year	0,00	9 275,10	0,00	0,00	856,93	72 992,53	0,00	83 124,56
	0,00	413 822,46	856 875,57	848 126,25	280 366,12	26 134,73	0,00	2 425 325,13
Redemption								
Balance at the beginning of the year	0,00	278 212,44	700 479,08	642 161,88	190 819,21	0,00	0,00	1 811 672,61
Total increase, including:	0,00	171 704,68	86 625,42	285 643,04	59 859,27	0,00	0,00	603 832,41
- amortisation for the financial year	0,00	171 704,68	73 182,42	285 643,04	59 859,27	0,00	0,00	590 389,41
Total decrease, including:	0,00	0,00	13 443,00	0,00	0,00	0,00	0,00	13 443,00

- sale	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
- liquidation	0,00	327 989,63	62 930,47	376 740,98	33 130,55	0,00	0,00	800 791,63
Balance at the end of the year	0,00	261 192,47	35 416,64	376 725,63	0,00	0,00	0,00	673 334,74
	0,00	0,00	27 513,83	0,00	1 370,00	0,00	0,00	28 883,83
Net value at the beginning of the year	0,00	121 927,49	724 174,03	551 063,94	217 547,93	0,00	0,00	1 614 713,39
Net value at the end of the year								
Balance at the beginning of the year	0,00	608 291,27	120 721,37	798 334,33	125 795,36	2 557,16	0,00	1 655 699,49
Total increase, including:	0,00	291 894,97	132 701,54	297 062,31	62 818,19	26 134,73	0,00	810 611,74

2. Changes in intangible assets during the financial year:

<u>Gross value</u>	<u>Costs of completed development work</u>	<u>Goodwill</u>	<u>Software-wanie</u>	<u>Advances for intangible assets</u>	<u>TOTAL</u>
Balance at the beginning of the year	2 054 575,72	545 269,62	1 568 798,92	473 691,78	4 642 336,04
Increases due to:	353 721,13	0,00	14 625,00	369 843,79	738 189,92
- purchase	0,00	0,00	14 625,00	369 843,79	384 468,79
- transfer	353 721,13	0,00	0,00	0,00	353 721,13
- Intangible assets in subsidiaries at the time of acquisition	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	718,51	353 054,29	353 772,80
- transfers	0,00	0,00	208,51	353 054,29	353 262,80
Balance at the end of the year	2 408 296,85	545 269,62	1 582 705,41	490 481,28	5 026 753,16
Depreciation					
Balance at the beginning of the year	400 741,20	218 107,84	1 541 696,63	0,00	2 160 545,67
Increases due to:	506 415,70	109 053,92	30 758,51	0,00	646 228,13
- Depreciation	506 415,70	109 053,92	30 758,51	0,00	646 228,13
- transfers	0,00	0,00	0,00	0,00	0,00
- Intangible assets in subsidiaries at the time of acquisition	0,00	0,00	0,00	0,00	0,00
Decreases	0,00	0,00	718,51	0,00	718,51
Balance at the end of the year	907 156,90	327 161,76	1 571 736,63	0,00	2 806 055,29

Net value at the beginning of the year	1 653 834,52	327 161,78	27 102,29	473 691,78	2 481 790,37
Net value at the end of the year	1 501 139,95	218 107,86	10 968,78	490 481,28	2 220 697,87

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

Item	Changes in long-term financial assets	Long-term financial assets
1	Opening balance sheet	288 297,84 zł
2	Increases	5 453 601,10 zł
a	acquisition of shares/stocks	5 453 601,10 zł
b	granted loans	
c	acquisition of other securities	
3	revaluation of shares/stocks	116 340,62 zł
a	Decreases	94 271,15 zł
b	sale of shares/stocks	511,08 zł
c	bond repayment	21 558,39 zł
4	repayment of granted loans	5 625 558,32 zł

4. The amount of write-offs revaluing fixed assets during the financial year, separately for long-term non-financial assets and long-term financial assets;

As of 31.12.2021, the Company has written off goodwill from consolidation in the amount of PLN 25,094,016.22.

5. Amounts of costs of completed development works and the amount of goodwill, as well as the explanation of their writing-off period, referred to in Article 33 (3) and 44b (1)

Aforti Group companies are conducting development work on modern IT solutions. Part of the work has been completed. As of the balance sheet date, the value of Costs of completed development work amounts to PLN 1,501,139.95. The companies make write-downs over a period of 5 years in accordance with Article 33.3.

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

As of the date on which a parent company acquires control of a subsidiary, as well as on the days on which control is strengthened as a result of several significant transactions or transactions occurring at significant intervals, goodwill from consolidation has been determined as the excess of the value of the shares measured at cost over the fair value of the net assets acquired. Goodwill is written off over a period of 5 years.

The amount of goodwill from consolidation as of the balance sheet date is PLN 0.

6. Values of land in perpetual usufruct:

There are none as of 31.12.2021.

7. Values of assets not amortised or not depreciated by the entity used under lease agreements and others,

There are none as of 31.12.2021.

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

There are none as of 31.12.2021.

9. Data on write-offs revaluating the receivables

The value of the allowance created in 2021 on loans granted is PLN 2,099,464.27, the released allowance is PLN 476,376.44, and the allowance for receivables is PLN 20,392,769.49.

10. Ownership structure of the share capital

The basic capital in the consolidated financial statements is the parent company's share capital.

Struktura własności kapitału podstawowego Aforti Holding S.A.– stan na dzień 31.12.2021r.

Name	Name	As of 1.01.2021	Increase	Decrease	As of 31.12.2021	number of shares [pcs]
Share capital, including:	Basic capital which includes:	9 042 514,00 zł	0,00 zł	0,00 zł	9 042 514,00 zł	9 042 514
Series A shares	Akcje serii A	100 000,00 zł			100 000,00 zł	100 000
Series B shares	Akcje serii B	170 000,00 zł			170 000,00 zł	170 000
Series C shares	Akcje serii C	30 000,00 zł			30 000,00 zł	30 000
Series D shares	Akcje serii D	49 450,00 zł			49 450,00 zł	49 450
Series E shares	Akcje serii E	2 394 630,00 zł			2 394 630,00 zł	2 394 630
Series F shares	Akcje serii F	271 000,00 zł			271 000,00 zł	271 000

Series G shares	Akcje serii G	3 026 835,00 zł			3 026 835,00 zł	3 026 835
Series H shares	Akcje serii H	1 760 000,00 zł			1 760 000,00 zł	1 760 000
Series I shares	Akcje serii I	1 240 599,00 zł			1 240 599,00	1 240 599

Shares of all series have a nominal value of PLN 1. The shares are not preferred.

Supplementary capital is PLN 64,036,594.71, including the share premium of PLN 55,871,302.80.

As of the date of this report, the amount of share capital of Aforti Holding S.A. is PLN 9,042,514.00 (in words: nine million forty-two thousand five hundred and fourteen zlotys) 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.

Only those components of subsidiaries' equity that have arisen since the date the parent company took control of them, in particular the financial result, have been included in equity in the consolidated financial statements.

11. Data on the reserves by purpose of their creation

Name	As of 1.01.2021	Increase	Decrease	As of 31.12.2021
Reserves	168 129,95 zł	43 000,00 zł	168 129,95 zł	43 000,00 zł
VAT provision- adjustment of the proportion for the year 2020	164 673,00 zł	0,00 zł	164 673,00 zł	0,00 zł
for the audit of financial statements	0,00 zł	43 000,00 zł	0,00 zł	43 000,00 zł
other	3 456,95 zł	0,00 zł	3 456,95 zł	0,00 zł

12. Distributions of long-term liabilities by balance sheet item, with expected repayment period

Long-term liabilities:	119 573 169,84 zł
To related entities	600,00 zł
To other entities, including:	119 572 569,84 zł
<i>relative to credits and loans</i>	96 115 837,81 zł
- <i>from more than 1 to 2 years</i>	96 115 837,81 zł
- <i>from more than 2 to 4 years</i>	2 444 098,37 zł
<i>from issue of debt securities</i>	2 444 098,37 zł
- <i>from more than 1 to 3 years</i>	167 564,84 zł
<i>z from other financial liabilities - lease</i>	167 564,84 zł
- <i>from more than 1 to 3 years</i>	20 845 068,82 zł
<i>promissory note obligations</i>	20 845 068,82 zł
- <i>from more than 1 to 3 years</i>	0,00 zł

13. Liabilities secured on the entity's assets (with indication of its nature and form of security)

As of 31.12.2021 there are: registered pledge on receivables of Aforti Finance for the benefit of Peer-to-Peer platform, the obligation is paid, the creditor, however, up to the date of this report has not released the collateral and registered pledge on the portfolio of receivables of Aforti Collections

14. list of significant accruals and prepayments, including the amount of accrued costs constituting a difference between the value of financial assets received and the obligation to pay for them

a/ accruals and deferred income:

Name	As of 01.01.2021	As of 31.12.2021
Prepaid expenses	11 966 711,41 zł	8 431 343,33 zł

Bond service costs	935,18 zł	0,00 zł
Foreign projects	597 281,42 zł	270 612,30 zł
Advertising and marketing services	129 999,87 zł	0,00 zł
API project	124 797,54 zł	0,00 zł
Discounting of bills of exchange	10 480 563,92 zł	4 991 977,01 zł
Direct costs of debt collection	479 778,60 zł	983 647,03 zł
Other	153 354,88 zł	2 185 106,99 zł

b/ accruals:

Short-term prepayments and accruals	As of 01.01.2021	As of 31.12.2021
RMP - debt collection	39 242 812,76	19 991 686,56
other	2 563 946,80	676 900,13

c/ amount of prepaid expenses representing the difference between the value of financial assets received and the liability to pay for them

There are none as of 31.12.2021.

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

Other financial liabilities - lease	284 731,73 zł
<i>long-term liability</i>	<i>167 564,84 zł</i>
<i>short-term liability</i>	<i>117 166,89 zł</i>
On issue of debt securities	4 355 342,88 zł
<i>long-term liability</i>	<i>2 444 098,37 zł</i>

<i>short-term liability</i>	1 911 244,51 zł
promissory note obligations	58 629 899,73 zł
<i>long-term liability</i>	20 845 068,82 zł
<i>short-term liability</i>	37 784 830,91 zł
liabilities due to loans and borrowings	145 274 872,15 zł
<i>long-term liability</i>	96 115 837,81 zł
<i>short-term liability</i>	49 159 034,34 zł

16. Total amount of contingent liabilities, including guarantees and sureties granted by the entity, also bills of exchange, not shown in the balance sheet, with an indication of liabilities secured on the entity's assets, and the nature and form of those securities; contingent liabilities for pensions and similar benefits, and related and associated entities

As at the balance sheet date of 31.12.2021, the total amount of liabilities under investment promissory notes issued by companies of the Issuer's capital group in 2020 amounted to PLN 1,559,002.12.

Contingent liabilities and contingent liabilities for pensions and similar benefits do not exist at the balance sheet date of 31.12.2021.

17. Assets that are not financial instruments are valued according to their fair value

There are none as of 31.12.2021.

19. Cash accumulated on the VAT account

The balance of cash on the VAT account as at 31.12.2021 was PLN 1.642,85.

II.

1. Material and territorial structure of net revenues from sales of goods and products

Specification of revenues	2021	2020
Sales revenue:	2 219 682 433,67	572 012 031,39
- Net income from sales	3 966 059,67	26 288 509,05
- Change in products (increase - positive value, decrease - negative value)	0,00	
- Net income from sales of goods and materials	2 215 716 374,00	545 723 522,34
Other operating income:	1 176 646,98	1 040 775,48
- Profit on disposal of non-financial fixed assets	54 754,56	26 380,16
- Grants	36 000,00	
- Revaluation of non-financial assets	0,00	
- Other	1 085 892,42	1 014 395,32
Financial income:	8 176 396,02	27 431 905,31
- Interest	697 810,22	480 512,29
- Profit on disposal of investments	6 628 626,15	9 330 441,60
- Revaluation of investments	0,00	4 565 403,27
- Other	849 959,65	13 055 548,15
Profit (loss) on sale of all or part of shares of subsidiaries	0,00	0,00
Total income:	2 229 035 476,67	600 484 712,18

2. Amount and explanation of the reasons for write-offs revaluating fixed assets

There are none in 2021.

3. Amount of write-offs revaluating inventory

There are none in 2021.

4. Information on revenues, costs and results of operations discontinued in the financial year or to be discontinued in the following year;

There are none in 2021.

5. Settlements of the differences between the income tax base and a gross financial result (profit, loss);

	total	capital gains	other
Balance sheet profit/loss	-68 576 763,86	-11 194 407,08	-57 382 356,78
tax revenue from collections	0,00	0,00	1 072 086,47
other	0,00	0,00	1 699,92
REVENUE +	1 073 786,39	0,00	1 073 786,39
released non-tax provisions	0,00	0,00	478 867,36
revaluation of investments	0,00	0,00	34 410 059,85
Release of provisions for interest	0,00	0,00	0,00
accrued interest - not received	0,00	0,00	14 460,36
other	0,00	0,00	166 742,73
balance income related to debt collection	0,00	0,00	3 186 994,97
remuneration related to development works - technical account	0,00	0,00	0,00
accrued interest	0,00	0,00	30 629,54
REVENUE -	38 287 754,81	0,00	38 287 754,81
Civil-law contracts	0,00	0,00	6 334,00
Lease installment	0,00	0,00	118 619,49
Tax amortization of completed development work	0,00	0,00	1 150 624,74
other	0,00	0,00	849 884,61

COSTS from previous years +	2 125 462,84	0,00	2 125 462,84
enforcement costs	0,00	0,00	0,00
Amortization - financial lease	0,00	0,00	148 043,90
representation costs	0,00	0,00	160 510,58
costs of previous years	0,00	0,00	161,78
accrued interest - unpaid	0,00	0,00	69 634,32
budget interest	0,00	0,00	147 956,06
Written off receivables	0,00	0,00	1 640 475,00
Creation of receivables revaluation allowances	0,00	0,00	2 200 287,41
External services -purchase (notarial for PCC)	0,00	0,00	13 549,59
PCC, notary services, fees-purchase	0,00	0,00	376 082,42
non-deductible value added tax	0,00	0,00	-23 062,21
salaries and wages from previous years	0,00	0,00	363 563,31
costs related to debt resulting from packages of acquired receivables	0,00	0,00	2 117 005,19
revaluation of financial assets	0,00	0,00	100 823,14
expenses unrelated to revenues	0,00	0,00	446 221,55
automobile expenses	0,00	0,00	48 302,48
non-tax amortization of completed development work	0,00	0,00	506 415,70
unrealized exchange rate differences	0,00	0,00	-278 048,15
Other NKUP	0,00	0,00	550 290,07
fin. costs - Shares acquired for non-cash contribution	0,00	1 350 705,00	0,00
Financial intermediation	0,00	3 529 978,87	-509 526,06

Share and bond servicing services	0,00	2 382 085,33	-2 382 085,33
Interest on bonds	0,00	1 235 158,22	-1 235 158,22
Discount on bills of exchange	0,00	7 385 974,99	-7 385 974,99
surplus relating to capital revenues	0,00	-6 813 847,40	0,00
surplus relating to other income	0,00	0,00	3 296 217,09
COSTS -	9 441 739,65	9 070 055,02	371 684,63
404-02 Civil-law contracts	0,00	0,00	16 422,00
405-01 Social insurance	0,00	0,00	169 151,85
other	0,00	0,00	86 524,83
COSTS - temporary	272 098,68	0,00	272 098,68
OTHER	0,00	0,00	0,00
TAX PROFIT	-98 202 356,79	-2 124 352,06	-96 078 004,74
loss from previous years = deductible	-1 120 550,29	-1 120 550,29	0,00
TAX PROFIT	-97 081 806,50	-1 003 801,77	-96 078 004,74

6. Costs of production of capital work in progress, including interest and exchange rate differences which increased the costs of production of capital work in progress in the financial year;

There are none in 2021.

7. Interest and exchange rate differences which increased the purchase price of goods or costs of manufacturing the products in the financial year;

W roku 2021 nie występują

There are none in 2021.

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

In 2021, the Group incurred expenses for fixed assets and intangible assets in the amount of PLN 603,348.78. The Group did not incur expenses for environmental protection. In 2022, the Group plans to continue IT development work.

9. Amount and nature of individual items of revenue or costs of extraordinary value or which occurred incidentally

There are none in 2021.

. III.

Explanatory notes for the items in the financial statement expressed in foreign currencies; rates adopted for their valuation

As of the balance sheet date of December 31, 2021, Group companies have valued financial statement items denominated in foreign currencies at the exchange rate:

Currency name	Currency code	Average rate
US dollar	1 USD	4,0600
euro	1 EUR	4,5994
Swiss franc	1 CHF	4,4484
pound sterling	1 GBP	5,4846
Romanian leu	1 RON	0,9293
lev (Bulgaria)	1 BGN	2,3516

in accordance with Table No. 254/A/NBP/2021 dated 2021-12-31

IV.

Explanatory notes to the cash flow statement

1. Cash included in the cash flow statement

At the beginning and at the end of the accounting period cash recognised in the financial statement included only own cash. The Company has no restricted cash.

2. Division of the Company's activities for the purposes of the cash flow statement

a/ operational activity:

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

b/ investment activities:

covered the purchase and disposal of financial assets, intangible assets and tangible fixed assets, granting long-term loans and repayments of these loans.

c/ financial activities:

included proceeds from the issuance of debt securities, promissory notes, loans and borrowings, other financial proceeds including interest and expenses from the payment of obligations under lease agreements, repayment of loans and borrowings, payment of interest, redemption of debt securities, proceeds from repayment of installments of loans granted with interest, expenses from granting loans.

V.

1. Agreements concluded by the entity which are not included in the balance sheet to the extent necessary to assess their impact on the property and financial situation, as well as financial results of the entity

There are none in 2021.

In 2021 there were transactions with related parties in Aforti Holding S.A.; they were made on market conditions.

2. Remuneration, including profit-based remuneration, paid or due to the members of management, supervisory or administration bodies of commercial companies (for each group separately) for the financial year

Remuneration	Rok 2021
Members of the Management Board	837 000,00 zł
- including from the distribution of profits	0,00 zł
Managing Directors	0,00 zł
- including from the distribution of profits	0,00 zł
Members of supervisory bodies	0,00 zł
- including from the distribution of profits	0,00 zł
Total remuneration	837 000,00 zł

3. Loans and benefits of similar nature granted to members of management, supervisory or administration bodies of commercial companies (for each group separately) with the indication of interest rates and repayment terms, as well as liabilities incurred on their behalf under guarantees and sureties of any type

In the accounting period the Company did not grant loans, credits, advances and guarantees to the members of the Management Board, Managing Directors and members of supervisory bodies.

4. Remuneration of a statutory auditor or an entity authorised to audit financial statements, paid or due for the financial year

On March 1, 2022, the Company's Supervisory Board adopted a resolution on the appointment of the auditor: "UHY ECA Audyt Sp. z o.o. Sp.k." Połczyńska 31a, (01-377) Warsaw, KRS 0000418856, an audit company entered in the list of entities authorized to audit financial statements under registration number 3115, to audit the financial statements of Aforti Holding S.A. for the 12-month period ending December 31, 2021 December 31, 2021 and December 31, 2022 to issue a written audit report

containing the auditor's opinion on the audit of that report, and a resolution to audit the consolidated financial statements of the Aforti Holding Group for the 12-month period ending December 31, 2021 and December 31, 2022 to issue a written audit report containing the auditor's opinion on the audit of that report. For the performance of services the Company will pay respectively PLN 27,000.00 and PLN 27,000.00 net for the audit of separate financial statements and PLN 16,000.00 net and PLN 16,000.00 net for the audit of consolidated financial statements plus value added tax.

Aforti Holding S.A. has not entered into any other agreements with an entity authorized to audit financial statements and has not purchased any other services from it, including other attestation services or tax advisory services.

VI.

1. Information on revenues and costs related to errors made in previous years, recognised in the financial year as own capital (fund), specifying their amounts and types;

In 2021, Aforti Holding adjusted the costs of previous years by the amount of PLN 860,000.00.

In 2021, Aforti Finance wrote off interest on liabilities from previous years in the amount of PLN 181,178.98.

The consolidated statements include an adjustment of the negative value of minority capital from previous years in the amount of PLN 19,413,470.93

2. information on significant events that occurred after the balance sheet date and were not included in the financial statements, and their impact on the entity's property, financial situation and financial result;

There were none in 2021.

- 3. changes in accounting principles (policy) made in the financial year, including valuation methods, if they have a significant impact on property or financial situation and financial result of the entity, their causes and the amount of the financial result and changes in own capital (fund) caused by the changes, and the presentation of the change in the manner of preparation of the financial statement, together with its reasons;**

the Company has not made changes in the valuations methods adopted before, the accounting principles has been applied continuously and are consistent with the accounting principles applied in the previous financial year.

- 4. figures, together with an explanation, that ensure comparability of the data in the financial statement for the preceding year with the statement for the financial year**

There were none in 2021.

VII.


- 1. Information on joint ventures that are not subject to consolidation**

There were none in 2021.

- 2. Name and registered office of the entity preparing consolidated financial statements at the highest level of capital group of which the Company is a subsidiary**

Aforti Holding S.A. is an ultimate parent entity in the capital group.

Warsaw, June 30, 2022



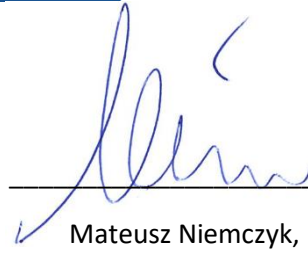
Kamilla Sytek-Skonieczna
Person responsible for maintaining the accounting records



Klaudiusz Sytek,
President of the Management
Board



Paweł Opoka,
Vice-President of the
Management Board



Mateusz Niemczyk,
Vice-President of the
Management Board

4

REPORT OF THE MANAGEMENT BOARD OF AFORTI HOLDING S.A. ON BUSINESS OPERATIONS in
2021

1. GENERAL INFORMATION

1.1 GENERAL DATA ON THE PARENT COMPANY

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

Table 2 - General data of the Parent Entity

Name (Company)	AFORTI Holding Spółka Akcyjna
REGISTERED OFFICE ADDRESS:	00-613 Warszawa, 8 Chałubińskiego Street
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, District Court in Warsaw XII Commercial Division o National Court Register
NIP:	525-245-37-55
REGON:	141800547

source: Company

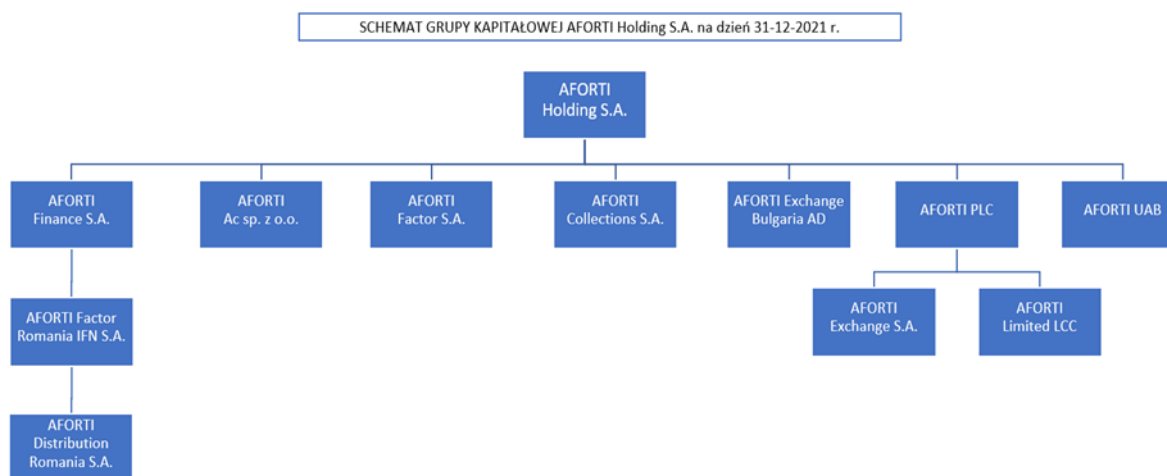
AFORTI Holding S.A. was established on April 15, 2009.

Aforti Holding S.A. as a parent company and the other Capital Group entities have been incorporated for an indeterminate period of time. All Capital group entities act pursuant to the Commercial Companies Code and other legal regulations in force as well on the basis of statutes/articles of association and partnership agreements.

1.2 CAPITAL GROUP'S STRUCTURE

Aforti Holding S.A. is a public company having the status of a parent which include a holding company function and does not per se run any business operations for entities in its Capital Group.

Rysunek 1 - Struktura Grupy Kapitałowej AFORTI



Source: Company

Table 3 - Information on subsidiaries of Aforti Holding S.A. as of December 31, 2021.

Nazwa spółki	Siedziba	Dane rejestrowe	Kapitał zakładowy	Udział Jednostki Dominującej w kapitale zakładowym
Aforti Holding S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000330108 REGON: 141800547 NIP: 525-245-37-55	9.042.514 PLN	0,08 % akcji
Aforti Ac Sp. z o.o.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000313339 REGON: 141570047 NIP: 5242661216	4.680.000 PLN	100 % udziałów
Aforti Collections S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000639964 REGON: 365362973 NIP: 7010620699	7.707.403 PLN	96.89 % akcji
Aforti Exchange S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000719620 REGON: 146332039 NIP: 9512360841	18.068.000 PLN	100 % akcji pośrednio przez 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 % akcji oraz pośrednio przez Aforti Exchange S.A. 10 % akcji
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 % akcji oraz pośrednio 99,94 % przez Aforti Factor Romania IFN
Aforti Factor S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000274431 REGON: 14084631700000 NIP: 1070006505	22.738.500 PLN	91,60 % akcji oraz pośrednio 4,49 % akcji przez Aforti Finance S.A., 96,30 % akcji oraz pośrednio 2,27 % poprzez spółki zależne: Aforti Collections S.A., Aforti Factor S.A., Aforti AC sp. z o.o.,
Aforti Finance S.A.	ul. Chałubińskiego 8, 00 – 613 Warszawa	KRS: 0000436229 REGON: 146346308 NIP: 5252540891	16.441.750 PLN	
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 % akcji pośrednio przez Aforti Finance S.A., pozostałe 0,002 % akcji posiada Pan Klaudiusz Sytek
Aforti, UAB	Mėsinių gatvė 5, Vilnius 01133, Lietuva	305207212	400.000 EUR	100 % akcji
Aforti Limited LCC	Arh. Makariy III, 74, AMARANTON COURT, Floor 3, Mesa Geitonia, 4003, Limassol, Cypr	Trade Registry no. HE 388355 CUI: C388355	1.000 EUR	100 % udziałów pośrednio poprzez Aforti PLC
Aforti PLC	10 Orange Street, Haymarket, London, England, WC2H 7DQ	Company number 12821204	413.495,52 GBP	82,20 % akcji

Source: Company

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

The undertakings included in the consolidation are as follows:

I. Podmioty objęte konsolidacją

- Aforti Holding S.A. – podmiot dominujący
- 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

Due to the lack of operational activity and insignificance of the results, the financial results of these companies were included in consolidation:

- Aforti, UAB with registered office in Vilnius,
- Aforti Exchange Bulgaria A.D. with registered office in Sofia,
- Aforti Limited LCC with registered office in Limassol.

1.3 PRZEDMIOT DZIAŁALNOŚCI

Aforti Holding S.A. (hereinafter referred to as: „Issuer”, „Company”) is a parent company of the AFORTI Capital Group. As a holding company, its activities are focused on providing support to subsidiaries, including in the field of marketing and promotion, investor relations, legal advice, IT services, providing administrative "back office" (including leasing of office equipment, car fleet management, loan support, etc.). In addition, the Issuer oversees and implements the adopted development strategy. An important aspect of the Company's operations is also the active search for entities that could be subject of acquisition, supplementing the portfolio of services for entrepreneurs provided by the Aforti Group. The Company is also supporting the development of subsidiaries inter alia obtaining income by Aforti Holding S.A. from the sale of minority shares.

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

- 1) 64, 20, Z, Activities of financial holding companies
- 2) 70, 22, Z, Other business and management consultancy
- 3) 82, 11, Z, Service activities related to administrative office support
- 4) 64, 91, Z, Financial leasing
- 5) 64, 92, Z, Other forms of granting loans
- 6) 64, 99, Z, Other financial service activities not elsewhere classified, excluding insurance and pension funding
- 7) 66, 19, Z, Other activities supporting financial services, excluding insurance and pension funds
- 8) 69, 20, Z, Accounting and book-keeping activities; tax consultancy
- 9) 70, 10, Z, Activities of head offices and holding companies, excluding financial holdings
- 10) 64, 30, Z, The activities of trusts, funds and similar financial institutions.

As of December 31, 2021, the business profile of the various subsidiaries was as follows:

As at the date of publication of this Report, the structure of the Aforti Capital Group includes the entities listed below:

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

Aforti Collections S.A. – a nationwide company specializing 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 dedicated for businesses activities that offers wholesale exchange rates while allowing for convenient, non-cash exchanges.

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

Aforti Finance S.A. – company specializes in granting non-bank loans for entrepreneurs having sole proprietorship, for civil law partnerships and limited liability companies.

Aforti Factor Romania IFN S.A. – company registered in Romania which provides factoring services for the SME sector.

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

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

Aforti PLC – company registered in the United Kingdom, which will perform functions of holding company. The Company is engaged in a planned expansion of its license of electronic money institution

(EMI) and planned indirect public offering of Aforti Exchange S.A. of which is the owner. Beginning in October 2020, the Company began efforts to raise capital in the beginning of October 2020 for the abovementioned project.

Aforti Distribution Romania S.A. – a company operating in Romania, which will offer financial intermediation services with focus on products of Aforti Group. At present the company do not run any business operations.

Aforti Exchange Bulgaria AD – a functional currency exchange platform for companies, in Bulgaria. Currently the company do not run any business operations.

At the time of submission of this application the AFORTI Distribution Romania S.A. company was not included in (established in Romania) in the Capital Group structure. The AFORTI Distribution Romania S.A. is not yet operational.

In order to implement the Company's strategy, the Company made a decision on the simplification of the Aforti Group. As a result of the actions taken by the Issuer, on March 28, 2022 the Company received information about liquidation of the AFORTI Distribution Romania S.A.

1.4 SHARE CAPITAL

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) B series bearer shares,
- 30,000 (in words: thirty thousand) series C bearer shares,
- 49,450 (in words: forty nine thousand four hundred and fifty) D series bearer shares,
- 2.394.630 (in words: two million three hundred and ninety four thousand six hundred and thirty) E series bearer shares,
- 271,000 (in words: two hundred and seventy-one thousand) F series 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) H series 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 1 - Share capital structure of Aforti Holding S.A.

Series and type of shares	Number of shares	Nominal value	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 the retained earnings allocated to capital, forms reserve capital, which as at 31 December 2021 amounted to PLN 103 440 080,47.

1.5 SHARES AND SHAREHOLDING STRUCTURE OF 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 August 19, 2011.

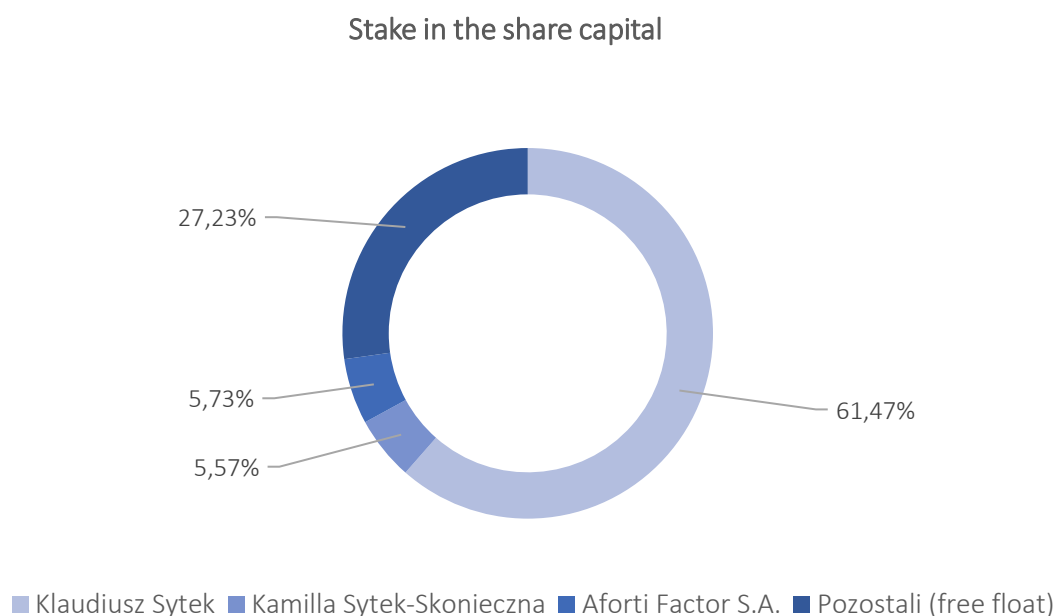
As at 31.12.2021, the Company's shareholder structure was as follows:

Table 4 - Shareholder structure of Aforti Holding S.A. as at 31.12.2021

Shareholder	Number of shares	Share in the share capital	Number of votes	Share in the total number of votes at the GM
Klaudiusz Sytek	5 558 760	5 558 760	61,47%	61,47%
Kamilla Sytek - Skonieczna	503 907	503 907	5,57%	5,57%
Aforti Factor S.A.	517 814	517 814	5,73%	5,73%
Other (free float)	2 462 033	2 462 033	27,23%	27,23%
TOTAL	9 042 514	9 042 514	100,00%	100,00%

The figures relate to the situation at 31.12.2021
source: Issuer

Chart 1 - Shareholder structure of Aforti Holding S.A. as at 31.12.2021



source: Company

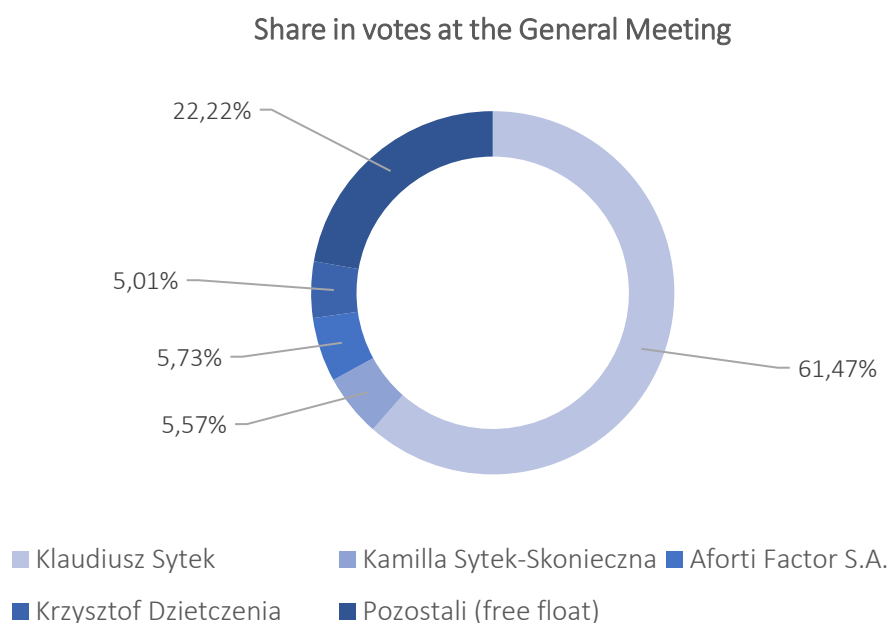
As of the date of this report, the shareholder structure of the Company is as follows:

Table 2 - Shareholder structure of Aforti Holding S.A. as at the date of the management report on operations

Shareholder	Number of shares	Share in the share capital	Number of votes	Share in the total number of votes at the GM
Klaudiusz Sytek	5 558 760	5 558 760	61,47%	61,47%
Kamilla Sytek - Skonieczna	503 907	503 907	5,57%	5,57%
Aforti Factor S.A.	517 814	517 814	5,73%	5,73%
Krzysztof Dzieczenia	453 268	453 268	5,01%	5,01%
Other (free float)	2 008 765	2 008 765	22,22%	22,22%
TOTAL	9 042 514	9 042 514	100,00%	100,00%

The figures relate to the situation at 31.12.2021
source: Company

Chart 1 - Shareholder structure of Aforti Holding S.A. as at the date of the management report on operations



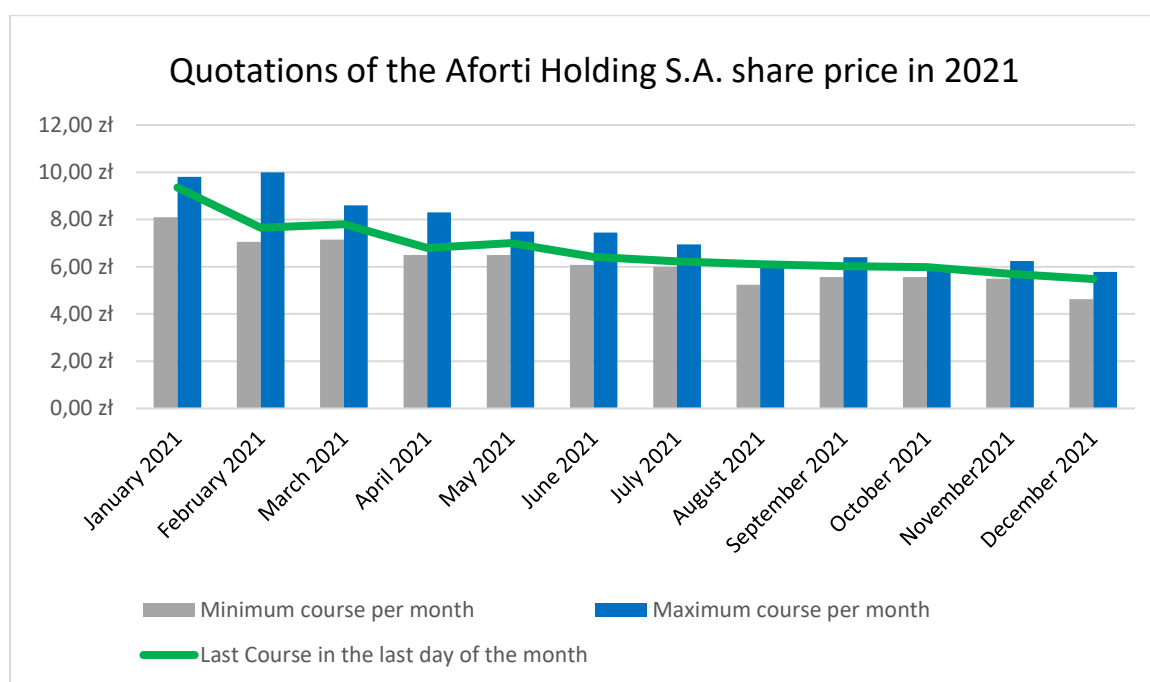
source: Company

Quotations of AFORTI Holding S.A. shares in the period from 01.01.2021 – 31.12.2021

In 2021, the Company's share price decreased by 41,02% from the lowest level of PLN 8,10 recorded in January to PLN 4,62 in December 2021.

The Company's last highest share price was recorded in January 2021 at PLN 10.

Chart 3 - Quotations of the Aforti Holding S.A. share price in 2021

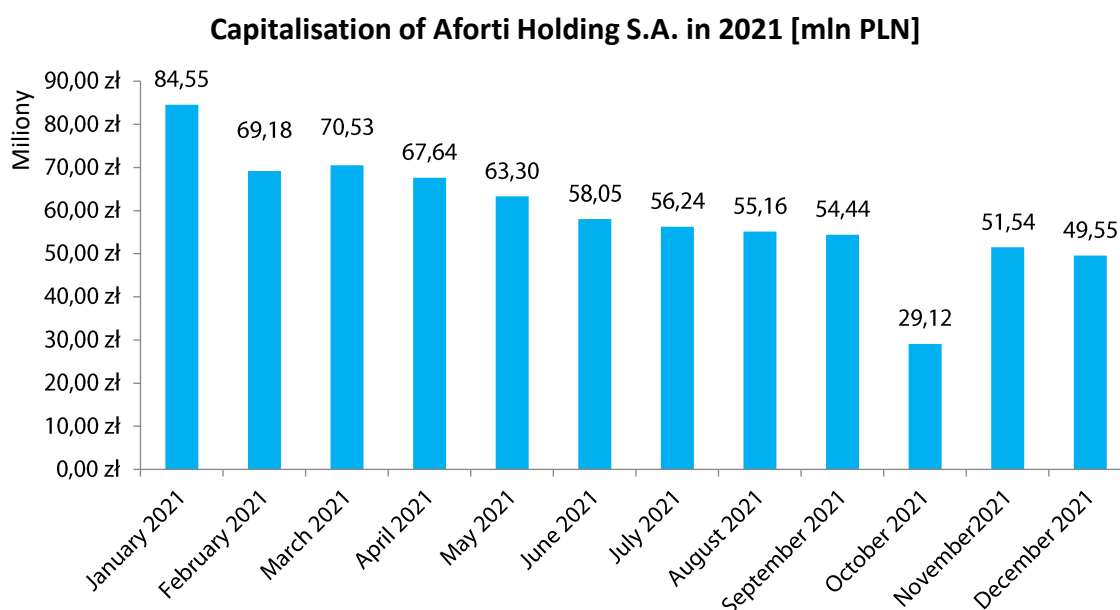


source: Company

Company capitalisation in the 2021 period

In 2021, Aforti Holding S.A.'s capitalisation decreased by 41,40 per cent from PLN 84,55 million to PLN 49,55 million.

Chart 4 - Capitalisation of Aforti Holding S.A. in 2021



source: Company

1.6 PARENT COMPANY AUTHORITIES

W okresie 2021 roku skład organów zarządzających oraz nadzorujących Spółki przedstawiał się następująco:

Table 6 - Composition of the Board of Directors of Aforti Holding S.A. from 01.01.2021 to 31.12.2021

Board of Directors

Name and Surname	Position	Term	
		From	To
Klaudiusz Sytek	Prezes Zarządu	15.06.2020	15.06.2023
Paweł Opoka	Wiceprezes Zarządu	16.05.2021	15.05.2024
Mateusz Niemczyk	Wiceprezes Zarządu	08.05.2019	08.05.2022*

Źródło: Emitent

* the Management Board member's mandate expires on the date of the General Meeting of Shareholders of AFORTI Holding S.A. approving the financial statements for the last full financial year of holding the position of Management Board member.

source: Company

Table 7 - Composition of the Supervisory Board of Aforti Holding S.A. from 01.01.2021 to 31.12.2021

Supervisory Board			
Name and Surname	Role	Term of office	
		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
Olga Chojecka-Szymańska	Supervisory Board Member	25.06.2020	25.06.2023
Ludwik Sobolewski	Supervisory Board Member	25.06.2020	25.06.2023
Krzysztof Rabiański	Supervisory Board Member	25.06.2020	25.06.2023

1.7 BRANCHES (ESTABLISHMENTS) 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, Cracow, Szczecin, Lublin, Rzeszów and Rybik. 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 ABOUT EVENTS SIGNIFICANTLY INFLUENCING THE ACTIVITY OF THE ENTITY WHICH TOOK PLACE DURING THE FINANCIAL YEAR AND ALSO AFTER ITS COMPLETION UNTIL THE DATE OF APPROVAL OF THE FINANCIAL STATEMENTS

In 2021, in the Management Board's view, as in previous years the greatest impact on the activity of AFORTI Capital Group have had activities of its subsidiaries, which is related to the fact that Aforti Holding S.A. as the parent entity does not conduct business and commercial activities for entities outside the Group. Aforti Holding's tasks which revolve around servicing the so-called back office for its subsidiaries, to which it provides legal services, marketing and promotion, investor relations, legal advice, IT support, providing administrative "back office" services (including office equipment leasing, car fleet management, loan support, etc.).

On April 28, 2021, the Issuer's Management Board adopted the document "AFORTI Capital Group Strategy for the years 2021 - 2023".

The primary purpose of developing and adopting the Group Development Strategy for years 2021-2023, headed by Aforti Holding S.A. is to determine and expand the directions of its further operation, to

systematically increase the scale and profitability of its operations, and in the long run, to build value for its shareholders.

The core pillars of strategy are as follows:

- debt collection pillar
- platform for business services – AFORTI.BIZ
- asset management pillar

The Issuer intends to develop the activity of its Capital Group by building a multiproduct platform AFORTI.BIZ dedicated to SME and micro companies, offering services related to: currency exchange, factoring, running multi-currency accounts, currency transfers.

The functionality of the AFORTI.BIZ platform will be based on the EMI license.

. In order to meet the expectations of AFORTI's investors, the Issuer intends to introduce a full product offering for managing clients' assets. The activities of Aforti Collections S.A. will be developed by purchasing debt portfolios and developing the scale of debt and fee-based collection.

The Issuer intends to continue its territorial expansion into foreign markets through its presence in 11 countries of Central and Eastern Europe.

The Issuer strives to build the most transparent business structure possible. The Capital Group's activities are aimed at obtaining stable external institutional financing in order to change the financing structure of its operations.

The Board of Directors of the Issuer notes that execution of the strategic goals of the Aforti Group presented above may affect its economic, asset and financial situation, as well as further prospects of its development.

COMPANY	BODY	DATE	SHARES	NEW CAPITAL SHARE
Aforti Collections S.A.	Extraordinary General Meeting	21.10.2021	Series G	PLN 7 824 312,00
	Extraordinary General Meeting	15.12.2021	Series H	PLN 8 115 625,00
	Extraordinary General Meeting e	15.12.2021	Series I – a conditional share capital increased by the minimum amount of PLN 100 000., the maximum amount of PLN 925 000	
Aforti Exchange S.A.	Extraordinary General Meeting	23.12.2021	Series H	PLN 19 766 596,00
Afofri Factor S.A.	Annual general meeting	29.01.2021	Series N	PLN 21 583 736,00
	Extraordinary General Meeting	26.02.2021	Series O	PLN 21 995 500,00
	Extraordinary General Meeting	31.03.2021	Series P	PLN 22 738 500,00
	Extraordinary General Meeting	20.12.2021	Series R	PLN 27 023 665,00
Aforti Finance S.A.	Extraordinary General Meeting	03.12.2021	Series M	PLN 18 231 750,00

In 2021, the subsidiaries of AFORTI Holding S.A. increased the company's share capital.

Table 3 - Information on the amount of share capital of AFORTI Group companies in 2021 after the increase of share capital

source: Company

One of the most significant events of 2021 was the conclusion on 27 January 2021 by Aforti PLC, the Issuer's dedicated subsidiary which is based in United Kingdom, a conditional agreement to purchase a controlling interest in an EU electronic money institution. Aforti PLC concluded a conditional agreement to purchase a controlling interest in an EU electronic money institution licensed under applicable EU directives on payment services and electronic money ("EMI") (RB ESPI 5/2021). AFORTI PLC, a subsidiary of the Issuer, completed the passporting process of the activated EMI license, which will allow it to develop operations in 11

countries of Central and Eastern Europe. As well continued work that was aimed at commencing operating activities, as well as meeting subsequent conditions of the EMI share purchase agreement, including following approval from local EU regulators. Aforti PLC and the Issuer, as indirect applicant, have applied to local regulatory authorities for approval of the purchase of a 9.90% stake by Aforti PLC. Further, the Issuer on 27 April 2021. (RB ESPI 23/2021) has learned that the Central Bank of Cyprus has issued a positive decision allowing the purchase of a stake by Aforti PLC. Subsequently, as the process of verification of the application for activation of the EMI license by the Licensing Department of the Central Bank of Cyprus was completed and the EMI license was finally activated (RB ESPI 63/2021), the Cypriot company submitted the passportization application to the Central Bank of Cyprus. Passport system will enable to provide services such as foreign exchange, factoring, multi-currency accounts, foreign currency transfers (RB ESPI 64/2021).

In addition, Aforti PLC - a subsidiary of the Company - based in the United Kingdom, conducted 6 rounds of offering new issue shares under a private placement. The total number of newly issued shares acquired amounted to 4,895,722 with the total value of GBP 4,520,221.72.

As at 31 December 2021, Aforti Holding S.A. directly holds 33,988,187 Aforti PLC shares representing 82.20% of the share capital, while individual investors hold 7,361,365 Aforti PLC shares representing 17.80% of the share capital for a total value of GBP 7,361,365.

Due to the application submitted by the Issuer to the Management Board of the Warsaw Stock Exchange S.A. ("Exchange") for determining the first trading date of 1,240,599 series I ordinary bearer shares of PLN 1 each, the WSE Management Board set the first day of trading in the NewConnect alternative trading system at 10 May 2021. The shares were marked by the National Depository for Securities with the code "PLMNTHL00024". As a condition for the above, on 10 May 2021, the aforementioned shares were assimilated with shares listed by the Issuer in the alternative trading system with the code "PLMNTHL00016". (RB EBI 24/2021). On 8 October 2021, following an application submitted by Aforti Holding S.A. to the Bucharest Stock Exchange (BSE), the BSE issued a decision to admit bonds issued by Aforti Holding S.A. to trading on the Bucharest Multilateral Trading System. (RB EBI 46/2021). As a result of the above, on 12 October 2021 trading began in bonds issued by Aforti Holding S.A. in the Multilateral Trading System of the Bucharest Stock Exchange Bucharest Stock Exchange. The funds raised from the bond issue, worth RON 2 million, will be used to finance Aforti's operations in Romania. The bond issue is part of the company's expansion strategy in Central and Eastern European countries.

The Issuer's subsidiary AFORTI Factor Romania IFN S.A. executed its first factoring agreement in Romania and financed its first invoices on December 27, 2021. This is a first factoring agreement in the AFORTI Capital Group outside Poland jurisdiction. Thus, the factoring company started its operations in Romania and reached its target for 2021.

Subsequent to the end of the balance sheet year, the Company is continuing its operations and implementation of the Group Development Strategy for years of 2021-2023.

Following the submission of a letter of intent in early 2022 (RB ESPI 3/2022), on April 28, 2022 the Company and the Issuer's subsidiary, Aforti Collections S.A., entered into an Investment Agreement with the shareholders of For-Net S.A. (RB ESPI 11/2022). The object of For-Net S.A. activity is the provision of services in the debt collection industry in Poland. In the Investment Agreement the parties defined the terms and conditions for making an investment in the company, consisting of the acquisition of 100% of For-Net S.A. shares by Aforti Collections S.A. The parties have defined the terms and conditions for making an investment consisting of the acquisition by Aforti Collections S.A. of 100% of the shares in For-Net S.A. with a value of over 11 M PLN in exchange for the acquisition of new issue shares in the increased share capital of Aforti Collections S.A. by the current shareholders of the Company and its financing.

The investment can be made only if the conditions referred below are complied with:

- company For-Net Inwestycje sp. z o.o. enters into an agreement to purchase the Company's Series R Bonds;
- company will terminate all collaboration agreements with Affiliates of the Company's shareholders except for accounting service agreements and premises lease agreements;
- the Company's General Meeting will adopt resolutions on: electing a new Supervisory Board of the Company, increasing the share capital through the issue of new shares to be offered exclusively to the Investor;
- the Company shall enter into a loan agreement with For-Net Inwestycje sp. z o.o. on the terms and conditions approved by the Investor;
- the Investor will enter into an agreement with the Company for the subscription of new issue shares;
- Investor's General Meeting shall pass an appropriate resolutions;
- no material adverse change will occur by the closing date

In addition, the Parties to the Investment Agreement also agreed that:

- principles of corporate governance, including non-competition and personal powers with respect to the appointment of Supervisory Board Members.
- restrictions on disposal of the Investor's shares, i.e. each shareholder of the Company who is a party to the Investment Agreement is prohibited from disposing of and encumbering new issue shares of the Investor until 30 May 2025;
- priority right to purchase the Investor's shares for the Issuer in the event that a party to the Investment Agreement intends to sell them by May 30, 2027.

In addition, the Parties shall have the right to withdraw from the investment agreement in the event of non-performance of its provisions by either Party.

In 2022, the Issuer continues to trade the Issuer's bonds on the Bucharest Stock Exchange. In 2021, the minimum quotation rate for the period indicated above was RON 95.00 and the maximum rate was RON 106.42.

Subsequently, on April 28th 2022, the parties fulfilled further conditions of the Investment Agreement, i.e. an Extraordinary General Meeting of Shareholders of Aforti Collections S.A. was held on May 25th 2022, where a resolution was passed on increasing the share capital by issuing 2,107,029 J-series ordinary bearer shares. The issue was taken up by all the existing shareholders of For-Net S.A., who in return made a contribution in kind in the form of 100% of shares in For-Net S.A. with a value in excess of PLN 11 million.

3. THE IMPACT OF THE SARS-CoV-2 CORONAVIRUS EPIDEMIC AND THE COVID-19 INFECTION AND OUTBREAK OF WAR IN UKRAINE ON THE OPERATIONS AND FINANCIAL RESULTS OF THE COMPANY AND ITS GROUP

The Company and its Group have maintained operational continuity. In 2021 the majority of employees and associates of the Company and its Group worked remotely or in hybrid modes. Necessary safety procedures were also introduced: face-to-face meetings with clients were reduced to a minimum 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.

Taking into account the dynamically changing environment, the Company's Management Board cannot reliably determine the impact of the spread of the SARS-CoV-2 coronavirus and the COVID-19 infection on the Company's and its Capital Group's operations, financial results and prospects 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.

On February 24, 2022, war started in Ukraine, which has significant implications for global financial markets, exchange rates, fuel prices, inflation, and business behaviour. In the first days of the war, the situation in both world and local markets was very unstable, and turbulence in bank transactions was also evident. The development of warfare is unpredictable, which has a direct impact on economic changes. Increases in inflation and interest rates provide opportunities to increase the profitability of the AFORTI Capital Group; on the other hand, market volatility, carries the risk of losses, in case of unfavourable conditions in the economy or investor concerns. The Issuer's subsidiary company operating in the foreign exchange market, due to currency price fluctuations and turbulence in banking transactions, significantly increased its turnover and transaction margins. At present, the impact of the war on the results of the Company and the entire AFORTI Capital Group cannot be reliably determined.

4. INFORMATION ON THE FORESEEABLE DEVELOPMENT OF THE AFORTI CAPITAL GROUP UNDERTAKING

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.

The above presumptions will be implemented in a flexible manner.

5. MAJOR ACHIEVEMENTS OF THE UNIT IN RESEARCH AND DEVELOPMENT

In 2021, some part of the 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 2021, 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. THE CURRENT AND PROJECTED COMPANY FINANCIAL SITUATION OF THE AFORTI CAPITAL GROUP UNDERTAKING

At the end of 2021, the consolidated financial statements show a profit of PLN 748,110.19.

Below is a synthetic presentation of the most important items of the Company's income statement (in PLN) for 2021.

Table 8 - Selected financial data of Aforti Holding S.A.

Net revenue from sales	2 219 682 433,67
Operating costs	-2 241 280 036,81
Other operating revenue	1 176 646,98
Other operating expenses	-5 123 726,09
Financial revenues	8 176 396,02
Financial expenses	-19 006 433,17
Write-offs of goodwill	32 202 044,47
Gross profit	-68 576 763,87
Income tax	-1 395 707,88
Minority profit (loss)	-2 443 242,60
Net profit	-64 737 813,38

source: Company

The consolidated financial statements comprise as follows:

a) Parent entity:

Aforti Holding S.A. with registered office in Warsaw;

b) Subsidiaries:

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

Due to the lack of operational activity and insignificance of the results, the financial results of these companies were not included in consolidation:

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

Due to the existence of the risks and uncertainties described in this note, the Management Board of the Parent Company has prepared the consolidated financial statements taking into account the measurement uncertainty with regard to ongoing activities. In order to neutralize the risk of continuation activity, actions have been taken to continue operations in the foreseeable future, thus the consolidated financial statements have been prepared on a going concern basis.

As presented in the financial statements, the Group's operations are financed through financial instruments, which include loans, bonds and notes, as well as leasing and peer-to-peer platforms. As at the balance sheet date, short-term financial liabilities are due for repayment in 2022 and amount to PLN 88.3 million, and current assets to PLN 194.3 million. With the start of war in Ukraine, rising inflation and interest rates, there is also a risk that it may be difficult to refinance such obligations. The Management Board recognises this risk, which may involve a significant risk to the going concern. Management is faced with the task of securing financing for the Group. The Management Board is constantly working on obtaining financing in accordance with the assumptions of the budget for 2022, by the end of May 2022 the level of acquired financing amounted to PLN 41.3 million.

In 2021, in order to extend the maturities of debt facilities, the Board introduced 48-month borrowings in addition to the existing 24- and 36-month long-term facilities. As a result, long-term financing raised in 2021 accounted for 66% of total borrowings in 2021, with 48-month borrowings accounting for 30 p.p.

The Management Board monitors the risks on an ongoing basis and adjusts its actions accordingly, it should be emphasized that the value of maturing financial liabilities in 2022 is 52% lower than the financing obtained in 2021 (PLN 182.5 million), and the value of financial liabilities maturing in 2023 is PLN 52.9 million, which is a decrease of 40% compared to 2022.

In the opinion of the Management Board, there are also measures available to offset the negative impact of the above risks on the Group's financial performance. These measures include, among other things, cost savings in relation to those assumed in the budget as well as the implementation of sales above the budgeted levels, which will result in higher sales revenue.

These actions, according to the Management Board, will adequately and sufficiently ensure that the financial targets for 2022 are met to ensure the Group's liquidity.

At the same time, one should take into account the completion of the investment process in the EMI project, which was the most capital-intensive process, as well as obtaining, at the turn of 2021/2022, the operational activation of the EMI license and passporting the business to EU countries as well as launching operations in Romania and the planned start-up of operations in other CEE countries. The aforementioned projects are characterized by much higher profitability than in Poland resulting from much lower competition and, at the same time, a relatively low level of investment.

The Management Board, with regard to the most prospective business which is the EMI business, is considering launching a review of strategic options for this project, within the scope of which it is considering either winning an industry partner from Western Europe interested in entering the markets of Central and Eastern Europe, or industry financial partners interested in developing payment services and the so-called "challenger banks" as well as institutional financial investors.

The valuation of the EMI project is based on the valuation methodology of competing projects such as N26, Revolut, Monzo and sales transactions to industry investors Akcenta and Ebury.

In conclusion, despite the risks mentioned above, the Management Board of the Company, on the basis of the prepared budget for 2022, including the analyses and operating scenarios mentioned above, as well as the financing already obtained in 2022 confirming the implementation of the budget plans, is of the opinion that sufficient preventive measures have been taken and prepared in order to neutralize the risks mentioned above and ensure the implementation of the Group's plans, and therefore has prepared the accompanying separate financial statements on a going concern basis.

7. INFORMATION ON OWN SHARES HELD BY THE PARENT COMPANY AND ENTITIES IN CAPITAL GROUP

Aforti Holding S.A., has adopted on August 17, 2020 the Share Buyback Program (the "Program") and further on January 14, 2021 announced that the commencement of implementation of the programme has started (RB ESPI 4/2021).

The first buybacks have taken place on:

- 1) January 13, 2021 - 680 units at the average price of PLN 8.89 per share.
- 2) January 14, 2021 - 770 pieces at the average price of PLN 9.45 per share.

Subsequent buybacks took place on:

- 3) 16 February 2021, 950 units at an average price of PLN 8.76 per share. (RB ESPI 7/2021)
- 4) 17 February 2021, 1000 shares at an average price of PLN 7.90 per share. (RB ESPI 8/2021)
- 5) 18 February 2021, 1000 shares at an average price of PLN 8.40 per share. (RB ESPI 10/2021)
- 6) 19 February 2021, 1400 shares at an average price of PLN 8.41 per share. (RB ESPI 11/2021)

As of the last day of buyout, i.e. 23 February 2021, the Issuer held 7,400 own shares, representing 0.08% of the Issuer's share capital and 0.08% of the total number of votes at the General Meeting.

As of the day of preparing this report, the Issuer holds 7,400 own shares, which constitutes 0.08% of the Issuer's share capital and 0.08% of the total number of votes at the General Meeting.

During the financial year 2021, the subsidiaries of AFORTI Holding S.A. did not make any acquisitions of their own shares. The entities in the Capital Group does not hold of their own shares.

The company parent's share held by its subsidiaries included in the consolidated financial statements were disclosed in the line "Own Shares".

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

The companies from Aforti Group, like other financial institutions, are exposed to a number of typical risks associated with financial activities. In order to avoid or minimize particular risks, the Company introduces procedures under the risk management system and internal control system. In addition, the Company issues debt financial instruments and assesses and calculates the risk related to their service. The Company controls its financial flows in order to ensure timely payment of liabilities.

8.1. RISK FACTORS ASSOCIATED WITH THE BUSINESS AND THE ENVIRONMENT IN WHICH THE COMPANY 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 general economic factors 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 economic 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

Interest rate risk is the risk arising from mismatches in interest rates on both the asset and liability sides. Based on the magnitude of interest rates, business entities receive loans, invest funds and value assets. As a result, the asset and financial situation of the business can become uncertain.

- 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 Aforti Group companies are currently developing a system to manage and control the risks occurring in the companies and are 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 risk factors may arise in the future that could affect the Aforti Group's results. The Aforti Group revises at specific intervals the most important procedures used in its structure in order to reduce the risk in question.

- Regulatory risk (Polish and EU)

Legal risk, which is a category of operational risk, is the likelihood of tangible and intangible losses arising from failure to comply with laws and regulations. The legal environment of the Company's operations is characterised by high dynamics of change, primarily in the context of adapting domestic law to European Union standards. . In connection with the legislative policy pursued, doubts as to the interpretation of given changes frequently 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 Company constantly monitors the 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 interpretation discrepancies, in particular with regard to operations connected with income tax, tax on civil law transactions and VAT within the business activity conducted by the Company. In view of the above,

there is a risk that despite the Company's application of current accounting standards, the interpretation of the Tax Office relevant to the Company may differ from that adopted by the Company.

- 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 seeks to minimise this risk by actively monitoring the market for services for companies and selecting services and management staff in such a way as to be able to implement the adopted assumptions of the Capital Group's development strategy.

- Credit risk

Ryzyko kredytowe powstaje we wszystkich obszarach działalności Grupy. Jest to przede wszystkim ryzyko niewłaściwej oceny zdolności do zaciągania zobowiązań kredytowych przez klientów z poszczególnych Spółek. Dodatkowo, Spółki z Grupy Kapitałowej Aforti korzystają z finansowania zewnętrznego w postaci weksli inwestycyjnych. W przypadku wzrostu stóp procentowych w Polsce, Spółka musi podejmować działania, aby utrzymać konkurencyjność swoich instrumentów finansowych względem tych oferowanych przez inne instytucje, dlatego też Spółki monitorują rynek oraz prowadzą aktywną politykę zarządzania należnościami i zobowiązaniami.

- 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 operations are strongly influenced by the experience, skills and quality of work of the Board of Directors and strategic executives in the subsidiaries. The experience and know-how they have acquired over

the years ensures the effectiveness of the Company's long-term development strategy. In the case of key management staff, the aforementioned risk is minimised by implementing an appropriate remuneration structure and a modern management model, which encourages the management staff to an increased level of commitment.

- Risks 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 mitigate the risk, the companies monitor the applicable laws, acts and regulations, adapting their foreign operations to the regulations in force in individual countries.

- 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 transferred data 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 business entities, are exposed to the risk of money laundering in connection with their operations. 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 incorrect estimation of fair value of purchased debt portfolios

In conducting its operations, Aforti Collections S.A. 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 companies in the Aforti Group. In connection with loans and factoring, the companies support themselves with external financing. A significant deterioration in liquidity may result in an inability to pay interest and redeem 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 of the Aforti Group operate in high growth areas, which makes them more exposed to competition 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 associated with 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 Aforti Holding's planned future move to the main floor of the Warsaw Stock Exchange, the Company has undertaken to prepare its consolidated financial statements in accordance with IFRS. Despite the amendments to the Accounting Act, there are still differences between IFRS and Polish accounting principles. The application of IFRS by the Company may adversely affect the Company's results due to the differences 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 related to the possibility of administrative penalties being imposed on the Company by the PFSA for failure to fulfil obligations under legal regulations

The Company seeks to minimise the aforementioned risk by creating an investor relations department, in which employed specialists constantly monitor legal regulations related to 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.

- Ryzyko związane z emisją obligacji korporacyjnych

The Company in Poland issued corporate bonds until the end of the first half of 2019 and in 2020 conducted one issue of corporate bonds in Romania, in accordance with the adopted 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 the Company's property 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 and loans

Following a change in the legislation relating to the issuance of corporate bonds, which adversely affected their profitability, the Company decided to support its operations through investment promissory notes. The Company's obligations related to these financial instruments are settled on an ongoing basis. As in the case of corporate bonds, the Company's Management Board 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.

9. THE CAPITAL GROUP OBJECTIVES AND FINANCIAL RISK MANAGEMENT

The primary objectives pursued through financial risk management are to enhance the achievement of budgetary and strategic objectives and to ensure long-term liquidity.

The main financial risks that the Company may incur are currency and credit risks.

- Credit risk

In carrying out its business activities, the Company uses foreign capital in the form of issuing corporate bonds. In the event of an increase in interest rates in Poland, the Company must take action to maintain the competitiveness of its debt instruments against financial instruments offered by other financial institutions. The Company 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

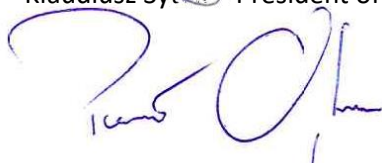
This risk applies to the Company's operations due to occasional transactions denominated in foreign currencies. The aforementioned risk may occur in the case of the Issuer's subsidiaries which operate abroad and use peer-to-peer platforms through which transactions are made in foreign currencies. It should be noted that this risk in their case is incidental and related to the terms of cooperation with the contractors of these companies. Subsidiaries of the Issuer try to limit this risk by appropriate selection of proven contractors, appropriate protective provisions in contracts concluded.

CAPITAL GROUP STATEMENT OF NON-FINANCIAL INFORMATION

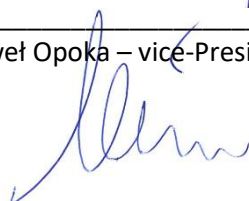
In 2021, nor in the previous year, Aforti Holding S.A. did not meet the size criteria indicated in 55, section 2b) of the Accounting Act of 29 September 1994 (Journal of Laws 1994 No. 121, item 591, i.e.). Accordingly, the Parent Company is not obliged to prepare the said statement on non-financial information.



Klaudiusz Sytek - President of the Board



Paweł Opoka – vice-President of the Board



Mateusz Niemczyk - vice-President of the Board

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5

STATEMENT ON THE APPLICATION OF 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 ATS Rules. "Best Practices of Companies Listed on NewConnect" in accordance with § 5 item 6.3 of Appendix 3 to the ATS Rules.

I.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	YES		

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		
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	
	3.22. w przypadku wprowadzenia w spółce programu motywacyjnego opartego na akcjach lub podobnych instrumentach - informację na temat prognozowanych kosztów, jakie poniesie spółka w związku z jego in case of introduction by the Company incentive scheme based on shares or similar instruments - information about the projected cost to be incurred by the company from to its introduction	Not applicable	Currently the company does not planning to introduce an employee incentive scheme based on shares or similar instruments.
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 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.	YES	

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:		
16a	- 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,		

6

THE MANAGEMENT BOARD DECLARATIONS

1. 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 6.1, item 6) 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 the choice of the auditing company which audited the annual financial statement was made in accordance with regulations, including those on 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 audit report on the annual financial statements in accordance with applicable regulations, professional standards and ethical principles

Warszawa, June 30, 2022

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

2. STATEMENT OF MANAGEMENT BOARD ON RELIABILITY OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS

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 financial statement and comparable data were prepared in accordance with the regulations binding on the Issuer and that they reflect in a true, reliable and clear manner the Issuer's property and financial situation and its financial result. Furthermore, I hereby declare that the Report on the Issuer's activity presents a true picture of the Issuer's situation, including the description of the main threats and risks.

Warsaw, June 30, 2022



Klaudiusz Sytek,
President of the Management
Board



Paweł Opoka,
Vice-President of the
Management Board



Mateusz Niemczyk,
Vice-President of the
Management Board