Polipak Sp. z o.o.

Financial Statements
for the period
from 1 January 2024 to 31 December 2024

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INTRODUCTION TO THE FINANCIAL STATEMENTS
GENERAL INFORMATION

1. Business name, head office, core business

The Company was formed by transformation of: Przedsiębiorstwo Produkcyjno-Handlowe "GG PLAST" Grzegorz Nowak i Wspólnicy Spółka Jawna (general partnership).

On 2 May 2005, the Company was registered with the District Court in Poznań, 21st Commercial Division of the National Court Register (at present: District Court in Poznań - Nowe Miasto and Wilda, 9th Commercial Division of the National Court Register), and entered into the National Company Register under the National Court Register number KRS 233546 with the name "GG Plast" Sp. z o.o.

On 26 June 2006, the Company's business name was changed to Polipak Sp. z o.o.

Registered address of Polipak Spółka z o.o.:
ul. Fabryczna 7
63-000 Środa Wielkopolska

The Company's core business is manufacturing of polyethylene packaging dedicated for a large number of market segments. Packaging types include primarily garbage bags, frozen food and ice bags, as well as film bags for industrial uses. The following is the identification of the Company's business activity as per the Polish Classification of Economic Activity: 2222 Z.

2. Composition of the Company's Board of Directors

As at 31 December 2024, the Company's executive and management body was composed of:

Tomasz Tramś - President of the Board of Directors

The President of the Board of Directors acting independently is authorised to represent the Company.

3. Company's shareholders

As at 31 December 2024, the following were the Company's shareholders:

Sarantis Polska Spółka Akcyjna of Piaseczno holding 193 000 shares with the value of PLN 193 000 000.00;

4. Business name of a parent

Sarantis Polska S.A.

5. Business name of an ultimate parent

GR Sarantis SA, Greece

6. Entity authorised to audit

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
ul. Inflancka 4A
00-189 Warsaw

7. Presentation rules

These Financial Statements cover the period of 12 months from 1 January through 31 December 2024. These Financial Statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) endorsed by the European Union, and cover the periods from 1 January through 31 December 2024 and comparative data from 1 January through 31 December 2023.
Presented herein, a statement of financial position conforms to all requirements of IFRS as adopted by the EU, and gives a true and fair view of the Company's financial and economic position as at 31 December 2024 and comparative data as at 31 December 2023, statement of profit and loss and other comprehensive income, cash flow statement, and statement of changes in equity for the years ended 31 December 2024 and comparative data as at 31 December 2023.

8. Declaration of the Board of Directors

1) The Board of Directors of Polipak Spółka z o.o. declares to the best of their knowledge that the annual Statement of Financial Position and comparative figures have been prepared in accordance with the International Financial Reporting Standards endorsed by the European Union. The statements present in a true, reliable and clear manner the Company's financial and economic position as well as the Company’s financial result and other comprehensive income, while the Director’s annual Report offers a true description of the Company's development, achievements and situation, including the description of basic risks and exposures.

2) The entity authorised to audit the financial statements has been selected in accordance with legal regulations. The entity as well as the statutory auditor who performed the audit fulfilled the criteria for issuing an unbiased and independent audit report in accordance with applicable national legal regulations.

Środa Wielkopolska

Board of Directors:

Tomasz Tramś President of the Board of Directors

Podpis jest prawidłowy
Dokument podpisany przez
Tomasz Tramś
Data: 2025.06.17 13:47:44 CEST

Nikolaos Bazigos Vice President of the Board of Directors

NIKOLAOS BAZIGOS
17.06.2025 15:01

9. Basis for preparation, and accounting policies

Basis for preparation of separate Financial Statements

These separate Financial Statements of Polipak Spółka z o.o. have been prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the European Union and effective for annual periods beginning 1 January 2024.

These Financial Statements have been prepared based on the accrual principle with the assumption that the Company will continue as a going concern in the foreseeable future.

For complete presentation and understanding of the Company's financial and economic position, comparative data in the form of the statement of financial position prepared as at 31 December 2023 as well as the statement of comprehensive income, cash flow statement, and statement of changes in equity for 2032 are provided.

The following are fundamental accounting policies adopted by the Company:

1. A calendar year is the Company's financial year.

2. Within the framework of its accounting policies, the Company applies the IAS/IFRS benchmark treatment to present its statements in a manner that is reliable and useful.

3. Presentation currency - the statements are presented in the Polish currency (PLN) rounded to the nearest zloty. PLN is the Company's functional currency.

4. “Accounting policies”, “Inventory count instructions” and internal regulations of the Board of Directors all govern cost records and allocation, stock-taking, measurement of assets, equity and liabilities, and procedures and rules adopted for data protection in IT systems in place at the Company.

5. Separate operating guidelines govern preparation, circulation and control of accounting source documents.

Judgments and estimates

The preparation of the financial statements in accordance with IFRS requires the Board of Directors to make judgments, estimates and assumptions that significantly affect the adopted policies and presented amounts of assets, equity, liabilities, income, and expenses.

The estimates and associated assumptions are based on historical expertise and other factors that are considered reasonable under the circumstances, and the results of which provide grounds for assessing carrying values of assets, equity, and liabilities, which are not apparent from other sources. Actual values may differ from estimated values.

The estimates and associated assumptions are reviewed on an on-going basis. Revisions to estimates are recognised for current periods.

The following are significant accounting estimates and assumptions about the future, and other sources of uncertainty as at the date of these Financial Statements, which represent a major risk that a material adjustment to the carrying amount of assets and liabilities would be required in the next financial period:

Assessment of impairment of property, plant and equipment:
In each reporting period, the Company performs an analysis to determine whether there are any indications of impairment of property, plant and equipment. If such indications exist, the Company conducts an impairment test in accordance with the adopted accounting policies. Key estimates used by the Board of Directors to measure recoverable amounts refer to future cash flows that depend on a number of factors, including revenue and expense projections and an adopted discount rate.

See note 1 for detailed information.

Estimation of the useful life of an asset:
The Company estimates the useful life of property, plant, equipment and intangible assets. Estimates are reviewed at least once a year, with due consideration given to new circumstances and market conditions.

Property, plant and equipment measured at fair value:
Fair value measurements of land and buildings are performed by an independent approved real estate appraiser. The measurement frequency depends on changes in fair value relative to carrying value. If a change is significant, a re-measurement is performed.

Right-of-use assets:
The key areas where the Company applies estimates about right-of-use assets are: assessment whether a transaction contains a lease, assessment of terms and conditions for extending a lease term, and determination of a discount rate.

See note 14.4 for detailed information.

Deferred tax assets:

A deferred tax asset or liability is recognized for temporary differences between book value of an asset or a liability and its tax base at the applicable tax rate. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which they can be used. When assessing the recoverability of deferred tax assets, the Company takes into account future taxable profits. Accounting judgments require assumptions to be made about future events, such as the probability that future taxable profits will be available against which losses can be utilized.

See note 5 for detailed information.

Property, plant and equipment

Items of property, plant and equipment, except investment land, buildings, structures and civil engineering constructions, are measured at cost which is acquisition cost or production cost, and direct costs attributable to bringing the asset into use.

Production cost includes all expenditure directly attributable to producing and installing the assets, reasonable indirect costs, costs of dismantling and removing the asset, which are required to be incurred to bring the assets into use.

Items of property, plant and equipment are subject to depreciation and impairment. Costs of major overhauls, repairs and regular inspection programs are recognized under property, plant and equipment, and depreciated in accordance with relevant economic lives.

Costs of day-to-day maintenance and servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated on straight-line basis over the estimated useful life of the asset; the following are useful lives for particular groups of property, plant and equipment:

Group	Useful life
Buildings and structures	20 – 60 years
Machines and equipment	5 – 20 years
Motor vehicles	2 – 10 years
Other property, plant and equipment	2 – 20 years

An asset is subject to depreciation when it is available for use, i.e. when it is adapted to the location and conditions necessary for it to be capable of starting operation.
Depreciation of an asset begins on the first day of the month following the one in which the asset was accepted for use. Economic lives and depreciation methods are revised on a yearly basis, leading to an adjustment, if any, of the depreciation charges in the subsequent years.

Items of property, plant and equipment, which are of negligible value, are subject to a simplified procedure, whereby they are subject to one-off depreciation charge. Items of property, plant and equipment of negligible value are those whose acquisition cost does not exceed PLN 10,000.00.

If there have been events or changes, which indicate that the carrying amount of property, plant and equipment, may not be recoverable, the assets are reviewed for impairment.

If there is any indication that the asset may be impaired and the carrying amount of the asset exceeds its recoverable value, then the value of the asset is reduced to its recoverable value by an impairment loss. The recoverable value of items of property, plant and equipment is higher of their net selling price or value in use.

Impairment losses are disclosed in the statement of comprehensive income under operating expenses.
Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as a difference between the net revenue and the carrying amount of the item, and disclosed as income or expense in the statement of comprehensive income.

A revaluation model is applied to measure buildings, structures, civil engineering constructions, and land. The fair value is determined by an independent real estate appraiser in accordance with adopted principles. A measurement by the appraiser is performed once every three to five years, provided that market conditions do not change significantly. Otherwise, the fair value is measured in the last quarter of an accounting year.

Land and building revaluation surpluses are credited to other comprehensive income and recognized in the aggregate amount in equity. An increase in the fair value of buildings and land is recognized as revenue to the extent that it reverses a revaluation decrease previously recognized under costs of the period. A decrease in the fair value is recognized under costs of the period. However, the revaluation decrease is recognized in other comprehensive income up to the amount of a revaluation surplus previously accumulated in equity.

Accumulated in equity, the surplus arising from the change in the fair value of the asset is transferred to retained earnings from previous years when the asset is removed from the statement of financial position. The item of property, plant and equipment may be removed from the statement of financial position when it is disposed of, retired, or abandoned. Gains or losses arising from the disposal, retirement or abandonment of the assets are determined as a difference between the sales revenue and the net value of the assets. These gains or losses are recognized in profit or loss as other operating income or expenses.

In the reporting period, the Company revalued the land and real properties based on the appraisal report prepared by the independent real estate appraiser. In accordance with IAS 16 (39) and (40), results of the revaluation are presented in the profit and loss account as other comprehensive income and recognized in revaluation reserve.
See notes 1, 3, and 4 for detailed information.

Property, plant and equipment – components

Investment items of property, plant and equipment, which comprise parts or components with varying economic lives, are identified at the time that the asset is provided for use, and separately depreciated. Those parts are identified as components whose initial value measured at cost including acquisition cost and/or production cost exceeds PLN 10,000.00

The following are significant parts identified as components:
- sealing unit for COEMTER machines
- sealing units for sealing machines
- rolls for the ELBA machine and rolls for a blanking die
- screws for extruders
- batteries for CROWN forklifts

The following useful lives are applied:

• sealing unit for Coemter machines	6 months
• sealing units for sealing machines	9 months
• rolls for the ELBA machine	20 months
• rolls for the blanking die	14 months
• screws for extruders	14 months
• batteries for forklifts	24 months

Lease

For each contract entered into, the Company decides whether the contract is, or contains, a lease. A lease is defined as a contract or a part of a contract which conveys the right to control the use of an identified asset (an underlying asset) for a period of time in exchange for consideration. For this purpose, the following basic aspects are analysed:
- whether a contract is for an identified asset that is either explicitly specified in the contract or implicitly specified at the time that the asset is made available for use to the Company;

- whether the Company has the right to obtain substantially all the economic benefits from the use of the identified asset throughout the entire period of use to the extent specified by the contract;
- whether the Company has the right to direct the use of the identified asset throughout the period of use.

At a commencement date, the Company recognises a right-of-use asset and a lease liability. The right to the use is initially measured at acquisition cost consisting of the initial value of the lease liability, initial direct costs, estimated costs for dismantling an underlying asset, and lease payments made at or before the commencement date less lease incentives.

The Company depreciates the right-of-use asset on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If there is any indication that the asset may be impaired, the right-of-use assets are tested for impairment in accordance with IAS 36.

Lease payments included in the value of the lease liability consist of fixed lease payments, variable lease payments that depend on an index or rate, amounts expected to be payable under residual value guarantees, and payments for purchase options if the exercise of the options is reasonably certain.

In subsequent periods, the lease liability is reduced by the amount of lease payments made, and increased by interest. The lease liability is re-measured to reflect changes to the contract, reassessment of the lease term, exercise of the purchase option, guaranteed residual value and lease payments that are dependent on an index or rate. The general rule is that re-measurement of the liability is shown as an adjustment to the right-of-use assets.

The Company applies practical expedients that are permitted by the standard for short-term leases and leases with a low-value underlying asset. For such contracts, instead of recognizing right-of-use assets and lease liabilities, the Company recognizes lease payments in profit or loss on a straight-line basis over the lease term.

The Company presents the right-of-use assets in the same line item of the statement of financial position in which the Company shows underlying assets, that is in property, plant and equipment.

Intangible assets

Intangible assets are recognized when it is probable that future economic benefits that might be directly attributable to the assets will flow to the entity.

Initially, intangible assets are stated at acquisition cost or production cost.

Intangible assets are measured at acquisition cost or production cost less accumulated amortisation and impairment losses.

Intangible assets with definite useful lives are amortised when they are ready for use, i.e. when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management, over the course of its estimated economic life. Amortisation periods and the amortisation rates are revised not less often than at the financial year-end, and an adjustment, if any, of amortisation charges is performed in subsequent periods.

Intangible assets with indefinite useful lives are not amortised. Their value is reduced by impairment losses, if any.

The following are economic lives applied for intangible assets:

Group	Economic life
Concessions, licences and the like	2 – 10 years
Computer software	2 – 50 years

Intangible assets are tested for impairment if there are circumstances indicating that the carrying amount may not be recoverable. If there is any indication that the asset may be impaired and the carrying amount of the asset exceeds its recoverable value, then the value of the asset is reduced to its recoverable value and is the higher of: its net selling price or value in use.

Software maintenance costs incurred in subsequent periods are charged to expense of the period as incurred.

Construction in progress

Construction in progress is considered a fixed asset and represents a fixed asset in the course of its construction, assembly, improvement, reconstruction or extension of the existing asset.
Construction in progress is measured at the amount of aggregate costs attributable to the acquisition (purchase) or construction of new investments, and costs incurred to improve, reconstruct or extend the asset that is already in use, starting from site preparation until the asset is brought into use, directly related to acquisition or internal generation of the asset. Where the asset is purchased, costs related to assembly and adaptation of the asset for use, incurred until the asset is brought into use, are classified as construction in progress.
The value of construction in progress is reduced by impairment losses.

Borrowing costs that are directly attributable to the purchase, construction or production of the asset are activated as part of the acquisition cost or production cost of the asset. Borrowing costs include interest and foreign exchange gains or losses, as well as cost of guarantees incurred in relation to borrowings.

Investment property

An investment property asset is land and or a building, or part of a building, or both held by the Company as a source of rental income or for capital appreciation or both, provided, however, that an investment property is not used in the production or supply of goods or services or for administrative purposes, or held for sale in the ordinary course of business.

In accordance with IAS 40, land and real properties that are considered investments are measured at fair value using an appraisal done by an independent expert, and are not depreciated.

The gain or loss arising from changes in the fair value of investment property is recognized in profit or loss for the period in which it arises as other operating income or expenses.

An investment property is eliminated from the statement of financial position on disposal or when the investment property is permanently abandoned and no future economic benefits are expected. The gain or loss on disposal is calculated as the difference between the sales revenue and the net value of the asset. The gain or loss is recognized in profit or loss as other operating income or operating expenses for the period in which the investment property was derecognised or disposed of, when the buyer gains control over the item of property, land, and equipment that is disposed of.

See note 4 for detailed information.

Interests in other entities

Interests in other entities are measured at their acquisition cost less impairment losses.

Financial assets

The Company measures financial assets at fair value as at the acquisition date, that is most often at fair value of the payment made. Transaction costs are included by the Company in initial value of all financial assets, except assets that are measured at fair value through profit or loss. The only exception is trade receivables that are measured by the Company at their transaction price as defined by IFRS 15, except for trade receivables that are due in more than one year and contain significant financing component as defined by IFRS 15.

For measurement purposes, subsequent to initial recognition, the Company classifies financial assets other than derivative hedging instruments into the following categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income;
- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

The categories above define principles for measurement at a balance sheet date and for recognition of gains and losses in profit/loss or in other comprehensive income. The Company classifies a financial asset into a relevant category based on a business model in place at the Company for managing the financial asset and on contractual cash flow characteristics of the asset.

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

- a financial asset is held under the business model whose objective is to hold financial assets in order to collect contractual cash flows;
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company classifies the following to the category of financial assets measured at amortised cost:

- loans;
- trade and other receivables (except those to which the rules set in IFRS 9 do not apply);
- debt securities.

The financial asset classes above are presented in a statement of financial position divided into non-current assets and current assets in the following line items: "Loans and receivables", "Trade and other receivables" and "Other financial assets". Current receivables are measured at the amount due as the effect of discounting would be negligible.
As amounts are insignificant, the Company does not present interest income as a separate line item but includes interest income in finance income.

Impairment losses for financial assets measured at amortised cost, less gains on impairment loss reversal, are recognised by the Company in profit or loss as "Losses due to expected credit losses".

Gains or losses arising from the exclusion of assets in this category from the statement of financial position are recognized by the Company in profit or loss as “Gain (loss) from derecognition of financial assets measured at amortised costs”. Other gains and losses from financial assets recognised in profit or loss, including foreign exchange gains or losses, are presented as finance income or finance cost.

A financial asset is measured at fair value through profit or loss if both of the following conditions are met:

- a financial asset is held under the business model whose objective is both to collect contractual cash flows and to sell financial assets;
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, impairment gains and losses, and foreign exchange gains and losses for such assets are calculated and recognised in profit or loss in the same way as they are for financial assets measured at amortised cost. Other fair value changes in these assets are recognized through other comprehensive income. On derecognition of a financial asset measured at fair value through other comprehensive income, cumulative gains and losses previously recognized in other comprehensive income are reclassified from equity to profit or loss.

In the reporting period, the Company did not hold financial assets to include in this measurement category.
A financial asset is measured at fair value through profit or loss if the asset does not satisfy the criteria to be measured at amortised cost or at fair value through other comprehensive income and is not an equity instrument that, at initial recognition, was designated to be measured at fair value through other comprehensive income. Moreover, the Company includes in this category those financial assets that, at initial recognition, were designated to be measured at fair value through profit or loss as they satisfied the criteria set in IFRS 9.

This category includes:

- all derivative instruments disclosed in the statement of financial position in the separate “Derivative financial instruments” line item, except derivative hedging instruments that are recognized in accordance with the hedge accounting;
- shares of companies other than subsidiaries and associate companies;
- participation units and certificates of investment funds.

The instruments within this category are measured at fair value, while measurement effects are presented in profit or loss as “Finance income” or “Finance cost”, respectively. Gains and losses arising from the measurement of financial assets reflect fair value changes with fair value established using prices valid at a balance sheet date on an active market, or using valuation techniques where there is no active market for a financial instrument.

Equity instruments measured at fair value through other comprehensive income include investments in equity instruments that are not financial assets held for trading or contingent consideration in a business combination, for which equity instruments the Company made an irrevocable election at initial recognition to present subsequent fair value changes of these equity instruments in other comprehensive income. The irrevocable election is made by the Company on a case-by-case basis and separately for particular equity instruments.

In this category, the Company presents shares and stock of companies other than subsidiaries and associate companies, disclosed in the “Other financial assets” line item of the statement of financial position.

Cumulative gains and losses from measuring at fair value, previously recognized through other comprehensive income, are not subject to reclassification to profit and loss in any circumstances whatsoever, including derecognition thereof. Dividends from equity instruments classified into this category are recognised in profit or loss as “Finance income” once conditions set by IFRS 9 for recognizing income from dividends are satisfied, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets included in the category of financial assets measured at amortised cost and in the category of financial assets measured at fair value through other comprehensive income due to the business model or their cash flow characteristics are subject to assessment as at each balance sheet date to recognize expected credit losses, irrespective of whether or not there are any indication that the asset may be impaired. The assessment method and the method for estimating an expected credit loss allowance vary according to a financial asset class:

- for trade receivables, the Company uses a simplified approach that allows it to recognise lifetime expected losses on an instrument. A loss allowance is estimated based on groupings with receivables grouped according to past-due periods. A loss allowance is estimated primarily based on historical default rates and a relationship between past-due events and actual collection from past 5 years, with due consideration given to available information about the future.
- for other classes of assets, as far as instruments are concerned for which an increase in credit risk since initial recognition is not significant or credit risk is low, the Company first of all assumes a loss arising from 12 month default. Where an increase in credit risk since initial recognition is significant a lifetime loss is recognised for the instrument.

The Company assumes that a significant increase in risk occurs if payments are 30 days past due.

The Company assumes that an event of default occurs if payments are 90 days past due.

Inventories

Inventories are measured at the lower of acquisition cost or production cost, or net realisable value, allowing for economic obsolesce. Net realisable value represents a selling price in the ordinary course of business, less costs necessary to make the sale.

Inventory cost and expense is measured using the weighted average cost method.

Production cost of intermediate products and finished products includes direct costs, primarily those of materials, increased by other direct and indirect costs determined based on normal production capacity.
Tangible current assets that lost their functional qualities or became obsolete are measured not later than at a balance sheet date at their net realisable value. Net realisable value represents an estimated selling price in the ordinary course of business, determined not later than at a balance sheet date as a net price for which an asset can be sold.

Impairment losses recognized for tangible current assets and resulting from measurement at net selling prices instead of acquisition cost or production cost are charged to costs of the period. If a reason for the impairment loss ceases to exist, the fully or partially recovered value of the inventory is credited to operating income not later than at a balance sheet date.

Receivables

Trade and other receivables are recognised when they become due and payable to the Company. Trade and other receivables are disclosed in the amount expected to be paid, less doubtful debt allowances.

Bad debts are charged to comprehensive income at the time when they are considered uncollectible.

Cash and cash equivalents

Cash comprises cash at banks. The Company has no cash in hand.
Cash equivalents are short-term investments of high liquidity that are readily convertible into known amounts of cash, and subject to insignificant risk of value changes.

Cash is stated at face value which corresponds with its value measured at acquisition cost.

Accruals, prepayments and deferred income

Current accruals and prepayments cover accrued expenses and prepaid expenses. Prepayments include expenses relating to periods following the period in which they were incurred. Consequently, the expenses increase costs of subsequent periods. They are deferred only if they meet the definition of assets.

Deferred income includes all income received in the period other than the period to which it relates. Deferred income includes subsidies received for the acquisition or generation of property, plant and equipment. A subsidy, which relates to a cost item, is calculated according to the project progress and recognised as income proportionally to the costs which the subsidy is to compensate.

A subsidy, which relates to an asset, is gradually recognised in profit as the revenue through periods proportionally to depreciation charges for that asset.

For the financial position presentation purposes, the Company does not reduce the carrying value of the assets by the value of subsidies, but discloses the subsidies as deferred income under "Accrued expenses and deferred income".

Equity

Equity is established by the Company in accordance with the binding regulations, i.e. applicable acts and the Company's Articles of Association.
Share capital arises from the Company's shares taken up by the Company's shareholders and is recognised at its face value, in the amount constituting the product of the number of shares taken up and properly paid up and the face value of one share as per the Company’s Articles of Association and the relevant entry into the National Court Register.

Other capital includes capital from accumulated other comprehensive income, which capital is classified into the following categories: share capital; supplementary capital intended for compensation of losses, if any; reserve capital intended for the Company's development; and other reserve capital.
Undistributed profit for prior years and the profit for the current year are presented in a statement of financial position as retained earnings.

Financial liabilities

Financial liabilities are disclosed in the following line items of a statement of financial position:

- loans, credit facilities and other debt instruments;
- lease liabilities (except IFRS 9);
- trade and other payables, and
- derivative financial instruments.

At an acquisition date, the Company measures financial liabilities at fair value, that is most often at fair value of amounts received. The Company includes transaction costs in the initial value of all financial liabilities, except liabilities measured at fair value through profit or loss.

Following initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated to be measured at fair value through profit or loss. Derivative instruments other than hedging instruments are included by the Company in financial liabilities measured at fair value through profit or loss.
Current trade payables are measured at amounts to be paid, as the effect of discounting would be negligible.

Gains and losses from measuring financial liabilities are presented in profit or loss from the financing activities.

Loans and credit facilities are classified as current liabilities unless the Company has the right to defer their repayment for at least 12 months after the balance sheet date.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a legal or constructive obligation arising from future events, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate can be made of the amount of the obligation. The timing and amount of a liability may be uncertain.
Provisions are made for things such as:

- warranties given to provide after-sale support of products and services;
- pending lawsuits and litigation;
- restructuring, only if the Company is required to carry out the restructuring under separate regulations, or binding agreements have been made regarding the restructuring process.

Provisions are not recognized for future operating losses.
The amount of the provision is the best estimate of the expenditures required to settle the present obligation, based on most reliable evidence available on the date on which the financial statements are prepared, including evidence as to risks and uncertainties. Where the effect of the time value of money is material, a provision is measured by discounting expected future cash flows to their present value, using a discount rate that reflects current market assessment of the time value of money and risks, if any, specific to the liability. Where discounting is used, any provision increase reflecting the passage of time is recognised as finance cost.
Where the expenditure required to settle a provision is expected to be reimbursed, the reimbursement is treated as a separate asset when it is virtually certain that the reimbursement will be actually received.
The value of such asset cannot exceed the provision.
Where the outflow in settlement of the present obligation is unlikely, no contingent liability is recognised in the statement of financial position except for contingent liabilities identifiable in a business combination under IFRS 3.

Any possible inflows of economic benefits to the Company, which do not yet meet the criteria to quality as assets, are classified as contingent assets, of which information is disclosed in additional explanatory notes.

Employee benefits

Disclosed in the statement of financial position, employee benefits payable and provisions for employee benefits comprise the following items:

- current employee benefits arising from wages and salaries, including bonuses, and social insurance contributions;
- provisions for accrued holiday entitlement;
- other non-current employee benefits, under which the Company includes services anniversary awards and retirement gratuity.

Current employee benefits
Current employee benefits payable are measured on an undiscounted basis and are reported in the statement of financial position at the amount to be paid.

Provisions for accrued holiday entitlement
The Company sets up a provision for costs of accumulating compensated absences, which the Company will have to pay as a result of the unused entitlement that has accumulated as at the balance sheet date. The provision for accrued holiday entitlement is classified as a current provision and is not discounted.

Retirement gratuity and service anniversary awards
In line with the payroll system in place at the Company, the Company's employees are entitled to service anniversary awards and retirement gratuities. Service anniversary awards are paid out to employees upon completion of a certain number of years of service (10 or 20 years) after a relevant resolution is adopted by the Board of Directors. A retirement gratuity is a one-off benefit, paid out when the employee retires. The amounts of retirement gratuity and service anniversary awards depend on the length of service and average remuneration of the employee.
The Company sets up a provision for future liabilities arising from retirement gratuities and anniversary service awards to allocate costs to the period in which the benefits become vested.
The present value of the provisions at each balance sheet date is estimated using actuarial methods. Accrued provisions are future discounted payments to be paid and relate to the period until the balance sheet date. Demographics data and information on employee turnover are based on historical data.
The effect of the measurement of the provision for future liabilities arising from retirement gratuities and service anniversary awards is recognized in profit or loss.

Foreign currency transactions

The Company performs currency translation as follows:

(a) on an on-going basis when receivables and liabilities are posted – at the relevant average rate of exchange of the National Bank of Poland at the date preceding the sale or purchase transaction date. At the same time, revenue from the sales invoiced to business partners in foreign currencies, equal to the amounts of receivables, as well as purchases of supplies and services are translated using the same exchange rate.

(b) on an on-going basis when money flows, to post receivables received or liabilities paid, loans/credit facilities contracted or repaid, and inflows and outflows of foreign currencies in hand or on a foreign currency bank account. Translation is made using the rate of exchange actually used for the foreign operation, or the relevant average rate of exchange of the National Bank of Poland at the date preceding the date when receivables are received/liabilities are paid, unless the nature of the operation indicates that any other rate of exchange should be applied.

(c) as at the balance sheet date for monetary items that relate to assets and liabilities expressed in foreign currencies, in order to revalue such items measured in PLN on account of changes in exchange rates, using the relevant average rate of exchange of the National Bank of Poland as at the balance sheet date.

Foreign exchange gains and losses arising from the settlement of such transactions and from the measurement of the monetary assets and liabilities as at the balance sheet date at the average rates of the National Bank of Poland at that date, are recognized at net value under finance income or finance cost in the statement of comprehensive income. Non-monetary items that are measured at historical cost in foreign currency are translated at the historical exchange rate at the date of the transaction.

The following are exchange rates adopted for measurements of balance-sheet items:

Exchange rate as at	**31.12.2024**	**31.12.2023**
EUR	4,273	4,348
USD	4,1012	3,935

Sales revenue recognition

The Company applies IFRS 15 “Revenue from contracts with customers” which establishes a uniform framework for recognition of revenue from sales of goods or services. The standard provides a five-step model to determine the timing and amount of revenue recognition in accounting books.

First of all, the Company identifies a contract made a the customer, and then identifies performance obligations separated in the contract. Subsequently, a total amount of consideration for the performance of the contract is determined that is then allocated to each separate performance obligation on a relative selling price basis. Ultimately, revenue is recognized when a given performance obligation is satisfied, i.e. when control of a product, good, material or service transfers to the customer.

The Company’s revenue comes primarily from the sale of products and to the lesser extent from the sale of goods and materials. Relevant revenue is usually recognized at the time of delivery because it is when risks and rewards pass to the customer. The Company manufactures polyethylene film dedicated for many market segments. The core product range (including primarily garbage bags and freezer bags) is intended for households. Another group of products includes industrial packaging used across several sectors.

Consideration for products, goods and materials is recognized at fair value and includes all and any trade rebates, refunds and other variable consideration components that may affect the final amount of revenue. The Company includes variable consideration components only to the extent that it is highly probable that a significant reversal in the amount thereof will not occur.
Where products, goods, materials or services have already been delivered but an invoice is not yet issued, the Company recognizes a contract asset. On the other hand, when a customer made an

advance payment but the Company has not yet satisfied the Company's contractual obligations, a contract liability is recognized which is subsequently derecognized once the obligations are fulfilled.

All trade receivables are recognized when the Company has an unconditional right to receive the payment from a customer.

Pass-through expenses are stated at net value once they are reduced by relevant cost items.

Income tax

Income tax comprises current and deferred tax.
Liabilities arising from current tax result from the calculation of tax payable on taxable income according to general rules and rates specified in the Corporate Income Tax Act, in force in the given tax year, including deferred tax.

Deferred tax reflects the net tax effect of temporary differences between the carrying amount of an asset or liability and its tax base.

Deferred tax assets and liabilities are measured at binding tax rates that are expected to be applied when temporary differences realise, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are recognised regardless of when they are to be realised.
In the balance sheet, deferred tax assets and liabilities are offset for the purpose of presentation in the financial statements.

10. Effect of new standards and interpretations on the Company's Financial Statements

Amendments to standards or interpretations effective and applied by the Company from 2024.

1. Standards and interpretations effective for the first time from or after 1 January 2024 , and their effect on the Company's Statements. Amendments endorsed by the European Commission.

Amendment to IAS 1 "Presentation of financial statements"
The IASB has primarily clarified the following two aspects of the criteria for classifying a liability as either current or non-current:

- it has been clarified that the classification depends on rights a company has as at a balance sheet date;
- management's intentions to defer settlement or settle early are not taken into account.

The amendment is effective for annual periods beginning on or after 1 January 2024.
Given that the Company already applies polices that are aligned with the amended standard, the amendment had no effect on the Company's Financial Statements in 2024.

Amendment to IFRS 16 "Lease"
The amendment clarifies requirements for the measurement of a lease liability in a sale and leaseback. The amendment is to prevent the improper recognition of any amount of the gain or loss that relates to the retained right of use where lease payments are variable and do not depend on an index or rate.

The amendment is effective for annual periods beginning on or after 1 January 2024.
As the Company does not enter into transactions the amendment applies to, the amendment has no effect on the Company's financial statements.

Amendments to IAS 7 "Statement of cash flows" and IFRS 7 "Financial instruments disclosures"
The amendments have clarified properties of supplier finance arrangements (so-called reverse factoring arrangements) and established an obligation to disclose information on supplier arrangements, including terms and conditions thereof, amounts of liabilities, payment dates, and information on liquidity risk.

The amendments are effective for annual periods beginning on or after 1 January 2024.

2. Standards and interpretations adopted by the IASB and endorsed by the European Union, but not yet effective as at the reporting date.

As at the date of this report, there are no standards and/or interpretations that are adopted by the IASB and endorsed by the European Union but not yet effective as at the reporting date.

3. Standards and interpretations adopted by the IASB but not yet endorsed by the European Union.

At present, IFRSs endorsed by the European Union do not differ significantly from regulations adopted by the International Accounting Standards Board (IASB), except for the following standards, amendments to standards, and interpretations:

- IFRS 18 "Presentation and disclosures in financial statements" that sets out overall requirements for the presentation and disclosure in financial statements, and is effective from 1 January 2027;

- IFRS 19 "Subsidiaries without public accountability" that provides a voluntary reduced disclosure framework some selected eligible entities may apply to disclosures in financial statements, and is effective from 1 January 2027;

- Amendments to IFRS 9 and IFRS 7 that concern recognition of financial instruments and disclosures in financial statements, and are effective from 1 January 2026;

- Annual improvements to a number of standards, including IFRS 1 with improvements concerning hedge accounting; IFRS 7 with improvements concerning gain or loss on derecognition, and credit risk disclosures; IFRS 9 with improvements concerning derecognition of lease liabilities and a transaction price; IFRS 10 with improvements concerning determination of the "de facto agent"; and IAS 7 with clarification of the presentation of cash flows with related entities. The amendments are effective from 1 January 2026.

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" that concern the lack of exchangeability; the amendments are effective from 1 January 2025.

- IFRS 14 "Regulatory deferral accounts" that is effective for annual periods beginning on or after 1 January 2016; the European Commission decided not to launch the endorsement process for this interim standard to be applied across the European Union until the final IFRS 14 is issued.

The Company intends to begin applying the new standards as of their relevant effectives dates.

Środa Wielkopolska

Person entrusted with keeping books:
Patrycja Prusakiewicz-Błaszczuk

Podpis jest prawidłowy
Dokument podpisany przez
Patrycja Prusakiewicz-
Błaszczuk
Data: 2025.06.17 13:17:34
CEST

Board of Directors:

Tomasz Tramś - President of the Board of Directors

Podpis jest prawidłowy
Dokument podpisany przez
Tomasz Tramś
Data: 2025.06.17 13:59:01 CEST

Nikolaos Bazigos - Vice President of the Board of Directors

NIKOLAOS BAZIGOS
17.06.2025 15:02

STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 DECEMBER 2024

ASSETS		Note	31 December 2024	31 December 2023
A	**Fixed assets**			
I	Property, plant and equipment	1	208 433 499	198 113 329
II	Intangible assets	2	7 014 103	8 055 257
III	Land, including the right of perpetual usufruct of land	3	9 934 000	7 022 000
IV	Investment properties	4	15 291 000	20 045 000
V	Financial assets in other entities		0	0
V	Deferred tax assets	5	0	0
Total fixed assets			**240 672 602**	**233 235 586**
B	**Current assets**			
I	Inventories	7	22 849 263	28 442 214
II	Trade receivables from other entities, and other receivables	8	22 697 065	19 217 572
	including: VAT receivable		*5 481 731*	*4 195 365*
III	Trade receivables from related entities	8	4 009 324	4 610 799
IV	Current income tax receivables		936 320	1 078 209
V	Current prepayments and accrued income	9	1 431 765	1 355 872
VI	Cash and cash equivalents	11	11 228 511	14 135 943
Total current assets			**63 152 248**	**68 840 610**
Total assets			**303 824 849**	**302 076 195**

EQUITY AND LIABILITIES

		Note	31 December 2024	31 December 2023
A	**Equity**			
I	Share capital	12	193 000 000	188 000 000
II	Contributions to share capital	12	0	5 000 000
III	Share premium	12	3 607 059	3 607 059
IV	Retained earnings:	12	32 602 460	35 376 392
Total equity			**229 209 519**	**231 983 450**
B	**Non-current liabilities**			
I	Loans and credit facilities	14	0	0
II	Loans and credit facilities payable to related entities	14	0	0
III	Other non-current liabilities	14	796 035	970 856
IV	Deferred income tax liability	5	1 404 615	763 319
V	Employee benefits payable and provisions for employee benefits	6	930 042	729 229
VI	Lease liabilities	14	342 925	110 956
VII	Non-current accrued expenses and deferred income	9	33 843 471	35 999 084
Total non-current liabilities			**37 317 087**	**38 573 443**
C	**Current liabilities**			
I	Trade and other payables	16	31 124 633	26 658 620
	including: *VAT payable*		*0*	*0*
	personal income tax		*373 341*	*293 273*
	Social Insurance Institution		*1 460 063*	*1 355 448*
	special funds		*289*	*46 881*
II	Trade payables to related entities	16	20 536	0
III	Loans and credit facilities payable	14	0	0
IV	Loans and credit facilities payable to related entities	14	0	0
V	Lease liabilities	14	162 265	100 200
VI	Current income tax payable	16	0	0
VII	Employee benefits payable and provisions for employee benefits	16	2 779 030	2 335 664
VIII	Current accrued expenses and deferred income	9	3 211 780	2 424 819
Total current liabilities			**37 298 244**	**31 519 302**
Total equity and liabilities			**303 824 849**	**302 076 195**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2024

		Note	01.01.2024 31.12.2024	01.01.2023 31.12.2023
Continuing operations				
I	Revenue from sales of products	17	239 337 258	198 929 682
II	Revenue from sales of commodities and materials	17	3 022 230	1 032 790
III	Revenue from sales of services	17	0	0
A	**Sales revenue**		**242 359 488**	**199 962 472**
B	**Other operating income**	18	**3 715 343**	**4 829 442**
I	Increase/decrease in product inventories		(4 706 359)	(684 541)
II	Production cost of products for own purposes		0	220 718
III	Amortisation and depreciation		(13 732 112)	(8 911 637)
IV	Consumption of materials and energy		(158 324 091)	(142 285 644)
V	External services		(29 938 616)	(21 512 849)
VI	Taxes and charges		(1 204 495)	(1 066 111)
VII	Payroll		(24 775 954)	(20 258 060)
VIII	Social insurance contributions and other benefits		(6 535 226)	(5 341 571)
IX	Other costs by type		(1 022 773)	(759 816)
X	Value of goods and materials sold		(2 445 825)	(316 480)
XI	Other operating expenses	19	(10 425 702)	(3 303 374)
C	**Total operating expenses**		**(253 111 153)**	**(204 219 365)**
Gain on operating activities			**(7 036 322)**	**572 548**
I	Finance income	20	111 042	20 996
II	Finance cost	21	(567 648)	(8 467 423)
D	**Net finance income and cost**		**(456 606)**	**(8 446 427)**
Earnings before tax			**(7 492 928)**	**(7 873 878)**
Income tax		**22**	**368 749**	**140 029**
Net profit or loss			**(7 124 179)**	**(7 733 849)**
	Other comprehensive income:	12	4 305 980	0
	Items not transferred to profit or loss			
	Revaluation of property, plant and equipment		5 316 025	0
	Income tax relating to items not transferred to financial profit or loss		(1 010 045)	0
Total comprehensive income			**(2 818 199)**	**(7 733 849)**

CASH FLOW STATEMENT
for the year ended 31 December 2024

	Note	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Gross profit on continuing operations		**(7 792 928)**	**(7 873 878)**
Adjustments by:			
Amortisation and depreciation		13 732 112	8 911 637
Foreign exchange gain (loss)		179	(261)
Interest and profit sharing (dividends)		0	7 364 297
Gain (loss) on disposal of property, plant and equipment		(56 853)	0
Increase/decrease in provisions		644 179	4 389
Increase/decrease in inventories		5 592 951	5 048 786
Increase/decrease in receivables	23	(2 739 586)	12 473 022
Increase/decrease in liabilities	23	5 594 320	5 291 123
Increase/decrease in prepayments and accruals		(1 444 544)	(7 384 290)
Income tax paid		0	0
Income tax refunded		141 889	784 653
Loss on valuation of investment property	23	7 731 382	0
Other adjustments		76 412	(304 455)
Net cash from operating activities		**21 779 514**	**24 315 022**
Investing activities			
Inflows from sales of property, plant, equipment and intangible assets		89 512	0
Inflows from sales of financial assets		0	0
Acquisition of property, plant, equipment and intangible assets	23	(24 612 332)	(13 925 335)
Prepayments for fixed assets		0	0
Acquisition of financial assets		0	0
Net cash from investing activities		**(24 522 820)**	**(13 925 335)**
Loans and credit facilities		0	96 000 000
Repayment of loans and credit facilities received		0	(95 057 359)
Payments under financial lease contracts		(164 126)	(151 855)
Interest paid		0	(8 570 483)
Dividends and other payments to shareholders		0	0
Inflows from increasing share capital		0	12 000 000
Cost of issuing new shares		0	(971 978)
Net cash from financing activities		**(164 126)**	**3 248 325**
Increase/decrease in cash and cash equivalents		(2 907 432)	13 638 012
Effect of exchange rates changes on the foreign currency cash balance		(179)	261
Balance-sheet increase/decrease in cash		(2 907 611)	13 638 273
Cash and cash equivalents as at 1 January		**14 135 943**	**497 931**
Cash and cash equivalents as at 31 December		**11 228 511**	**14 135 943**
Restricted access cash		**245 449**	**662 011**

STATEMENT ON CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share capital	Share capital (portion un-registered at the balance sheet data)	Share premium	Retained earnings	Total equity
Equity as at 1 January 2024	**188 000 000**	**5 000 000**	**3 607 059**	**35 376 392**	**231 983 450**
Comprehensive income	0		0	4 305 980	4 305 980
Net profit/loss for the period	0		0	(8 543 479)	(8 543 479)
Cost of issuing new shares	0		0	0	0
Increase in share capital	5 000 000		0	0	5 000 000
Contributions to share capital	0	(5 000 000)	0	0	(5 000 000)
Reserve capital in the form of shares	0		0	44 268	44 268
Transfer of profit or loss from the prior period to capital	0		0	0	0
Equity as at 31 December 2024	**193 000 000**	**0**	**3 607 059**	**31 183 160**	**227 790 219**
Equity as at 1 January 2023	**1 000 000**	**0**	**3 607 059**	**44 082 219**	**48 689 277**
Comprehensive income	0		0	0	0
Net profit/loss for the period	0		0	(7 733 849)	(7 733 849)
Cost of issuing new shares	0		0	(971 978)	(971 978)
Increase in share capital	187 000 000		0	0	187 000 000
Contributions to share capital	0	5 000 000	0	0	5 000 000
Reserve capital in the form of shares	0		0	0	0
Transfer of profit or loss from the prior period to capital	0		0	0	0
Equity as at 31 December 2023	**188 000 000**	**5 000 000**	**3 607 059**	**35 376 392**	**231 983 450**

ADDITIONAL INFORMATION AND EXPLANATION TO THE FINANCIAL STATEMENTS

Note 1. Property, plant and equipment

	31.12.2024	31.12.2023
Buildings, structures, premises and civil engineering constructions	73 784 477	70 280 963
Technical equipment and machinery	107 175 033	112 748 639
Motor vehicles	4 606 280	4 779 381
Other property, plant and equipment	1 646 578	2 190 267
Construction in progress	21 221 132	8 114 077
Total property, plant and equipment	**208 433 499**	**198 113 329**

The following is the gross value of fully depreciated items of property, plant and equipment that are still in use:

as at 31 December 2024	13 239 348
as at 31 December 2023	13 096 944

In accordance with IFRS 16, the Company recognizes the right-of-use assets for lease contracts for Arval's passenger cars in its statement of financial position as at 31 December 2024.

The following is the carrying value of the aforementioned motor vehicles:

as at 31 December 2024	500 829
as at 31 December 2023	208 391

The following is the depreciation cost for particular groups of the right-of-use assets in 2024:

Motor vehicles	165 721
Total depreciation	**165 721**

1.1. Tangible fixed assets – real estate

The Company presents its items of property, plant and equipment classified to Group 1 and Group 2 – land and buildings – using the revaluation model for measurement, which model is based on the fair value of the items.

The valuation was prepared on 18 April 2025 by certified property valuers Krystyna Roszak de Tolkmitt and Beata Okińczyc-Tarasiuk, acting on behalf of SAWYER Doradztwo Gospodarcze Sp. z o.o. The value stated in the valuation report was valid as of 31 December 2024.

The income approach was applied to determine the value of the property, based on the estimated future income that the property is expected to generate, taking into account a capitalisation rate appropriate for the local market conditions and the specific type of property.

The following assumptions were adopted in the report:

a) the estimated market rental rates per 1 m² of usable floor area were as follows:

- office rental space: PLN 40.10/m²
- social/amenity space: PLN 32.30/m²
- warehouse / production / workshop space: PLN 20.30/m²

b) based on the analysis of the local real estate market, a capitalisation rate of 6.5% was adopted, which was considered market-justified and appropriate for the type and location of the valued property.

As of 31 December 2024, the revaluation of the property resulted in an increase in the gross carrying amount of fixed assets by PLN 2,404,025.00. This increase was recognised in other comprehensive income and presented in the statement of financial position under retained earnings, as revaluation reserve.

Carrying amount of real estate recognized under the revaluation model

Assets	**31.12.2024**	**31.12.2023**
Buildings and structures	72 826 000	70 786 000
Total property, plant and equipment	**72 826 000**	**70 786 000**

Historical cost of the real estate – information required under IAS 16.77 (e)

The carrying amount of the same real estate that would have been recognized had it been measured using the historical cost model (less accumulated depreciation and impairment):

Assets	**31.12.2024**	**31.12.2023**
Buildings and structures	70 417 958	70 781 983
Total property, plant and equipment	**70 417 958**	**70 781 983**

Increase/decrease in items property, plant and equipment by category:

	Buildings & structures	**Technical equipment & machinery**	**Motor vehicles**	**Other property, plant, and equipment**	**Construction in progress**	**Total**
Net carrying value as of 01 January 2024	**70 280 963**	**112 748 639**	**4 779 382**	**2 190 077**	**8 114 077**	**198 113 329**
Increase (acquisition, development, lease)	0	0	458 159	20 371 814	20 371 814	20 829 973
Decrease (disposal, retirement)(-)	0	-169 917	-186 122	0	0	-356 039
Transfer to investment property (-)	0	0	0	0	0	0
Revaluation to fair value (+/-)	2 404 025	0	0	0	0	2 404 025
Transfer to property, plant and equipment/acceptance for use	2 835 011	3 898 846	466 032	78 471	-7 264 760	13 600
Depreciation (-)	-1 735 523	-9 302 536	-911 171	-622 160	0	-12 571 389
Impairment losses (-)	0	0	0	0	0	0
Reversal of impairment losses	0	0	0	0	0	0
Net currency translation gains/losses (+/-)	0	0	0	0	0	0
Net carrying value as at 31 December 2024	**73 784 476**	**107 175 033**	**4 606 280**	**1 646 578**	**21 221 132**	**208 433 499**

	Buildings & structures	Technical equipment & machinery	Motor vehicles	Other property, plant, and equipment	Construction in progress	Total
Net carrying value as of 01 January 2023	**70 786 000**	**39 426 560**	**3 635 353**	**2 513 129**	**81 626 452**	**197 987 494**
Increase (acquisition, development, lease)	0	0	75 479	0	8 876 620	8 952 099
Decrease (disposal, retirement)(-)	0	-73 499	-44 411	0	0	-117 910
Transfer to investment property (-)	0	0	0	0	0	0
Revaluation to fair value (+/-)	0	0	0	0	0	0
Transfer to property, plant and equipment/acceptance for use	1 161 968	79 077 989	1 817 026	259 060	-82 388 995	-73 043
Depreciation (-)	-1 667 005	-5 682 320	-704 065	-581 922	0	-8 635 312
Impairment losses (-)	0	0	0	0	0	0
Reversal of impairment losses	0	0	0	0	0	0
Net currency translation gains/losses (+/-)	0	0	0	0	0	0
Net carrying value as at 31 December 2023	**70 280 963**	**112 748 639**	**4 779 382**	**2 190 267**	**8 114 077**	**198 113 329**

On 22 April 2020, the Company entered into the long-term rental agreement number 972/22042020 for passenger cars with Arval Service Lease Polska Sp. z o.o., which agreement is classified as a lease contract for balance sheet purposes.

The following are future minimum lease payments as at the balance sheet date:

As at 31 December 2024	**Payments under lease contracts, due**			
	within 1 year	between 1 to 5 years	after 5 years	total
Future minimum lease payments	263 294	617 746	0	881 040
Finance costs (-)				0
Current value of future minimum lease payments	**263 294**	**617 746**	**0**	**881 040**

As at 31 December 2023	**Payments under lease contracts, due**			
	within 1 year	between 1 to 5 years	after 5 years	total
Future minimum lease payments	103 622	113 281	0	216 903
Finance costs (-)				0
Current value of future minimum lease payments	**103 622**	**113 281**	**0**	**216 903**

In December 2023, the Company extended the agreement no. 972/22042020 for long-term lease of passenger cars by 6 months so the agreement ended on 20 November 2024 instead of 20 May 2024. In November 2023, the agreement was extended for additional 4 years.

The Company does not recognize liabilities arising from short-term leases and leases with a low-value underlying asset. In addition, contingent lease payments are not included in the value of liabilities. The following are costs related to these items in the reporting period from 1 January through 31 December 2024:

	01.01.2024 - 31.12.2024
Short-term lease	0
Lease of low-value assets	0
Variable lease payments	0
Total	**0**

In the period from 1 January through 31 December 2024, there was no income from sub-lease of right-of-use assets.

Impairment losses

As the Company experienced decline in operating results in the financial year under the review, the Company conducted the impairment test for property, plant , and equipment based on value in use. The test was conducted in line with the model approach of estimating the recoverable amount of a cash-generating unit (CGU) under IAS 36 “Impairment of assets”.
The recoverable value of property, plant, and equipment was measured using discounted cash flows (DCFs) based on 4-year projections of cash flows and residual value.

Major assumptions underlying the model and coming from recent approved budgets included the following:

a) projection period: 4 years, for which an average revenue growth rate of 3.7% was assumed;
b) terminal growth rate: 4.0%;
c) discount rate (WACC): 10.80%;
d) annual operating (EBIT) margins maintained in the projection period at 1.6% to 3.9% in accordance with the management’s assumptions
e) recognition of replacement costs, operating expenses, and changes in selling prices.

As at the test date, a recoverable amount of the CGU exceeded the carrying value of property, plant, and equipment by PLN 24.4 million; therefore, no need was identified for recognizing any impairment loss.

Sensitivity analysis

Determined based on historical data from recent years adjusted for changes expected in operating return, budgeted operating income before taxes and interest (EBIT) was the key assumption adopted by the Board of Director for calculating cash flow projections.

The management concluded that the reasonably possible change in the key assumption, i.e. the discount rate, may result in the carrying value higher than the recoverable amount.

The sensitivity analysis found out that the carrying value of property, plant, and equipment would equal the recoverable amount at the discount rate of 11.8% (with other assumptions remaining unchanged). This means that the safety margin is 1.0 pp.
Additionally, the analysis showed that the carrying amount of tangible fixed assets would equal their recoverable amount if the EBIT margin decreased to 2.84%.

Note 2. Intangible assets

Increase/decrease in intangible assets

	Development work	Software	Total
Net carrying value as of 01 January 2024	**3 455 385**	**4 599 872**	**8 055 257**
Increase (acquisition, development, lease)	0	119 568	119 568
Decrease (disposal, retirement)(-)	0	0	0
Revaluation to fair value (+/-)	0	0	0
Amortisation (-)	-351 955	-808 768	-1 160 723
Impairment losses (-)	0	0	0
Reversal of impairment losses	0	0	0
Net currency translation gains/losses (+/-)	0	0	0
Net carrying value as at 31 December 2024	**3 103 430**	**3 910 672**	**7 014 103**

	Development work	Software	Total
Net carrying value as of 01 January 2023	**1 062 247**	**1 683 244**	**2 745 491**
Increase (acquisition, development, lease)	2 457 302	3 128 790	5 586 091
Decrease (disposal, retirement)(-)	0	0	0
Revaluation to fair value (+/-)	0	0	0
Amortisation (-)	-64 164	-212 161	-276 325
Impairment losses (-)	0	0	0
Reversal of impairment losses	0	0	0
Net currency translation gains/losses (+/-)	0	0	0
Net carrying value as at 31 December 2023	**3 455 385**	**4 599 872**	**8 055 257**

The value of development work consists of expenditures the Company incurred on development work connected with the projects subsidized by the National Centre for Research and Development.

Note 3. Land.

The Company owns land with the total area of 5.5842 ha located in Środa Wielkopolska, ul. Fabryczna 7, which are valued at fair value.

The valuation was prepared on 18 April 2025 by property valuers Krystyna Roszak de Tolkmitt and Beata Okińczyc-Tarasiuk, acting on behalf of SAWYER Doradztwo Gospodarcze Sp. z o.o. The value stated in the valuation report was valid as of 31 December 2024.

The income approach was also applied to determine the value of the land, based on the assumptions described above in Note 1.

As of 31 December 2024, the revaluation of the property resulted in an increase in the carrying amount of fixed assets by PLN 2,912,000.00. This increase was recognised in other comprehensive income and reported in the statement of financial position under retained earnings, as revaluation reserve.

Increase/decrease in the land:

	Land	Total
Net carrying value as of 01 January 2024	**7 022 000**	**7 022 000**
Increase (acquisition, development, lease)	0	0
Decrease arising from transfer to investment property (-)	0	0
Revaluation to fair value (+/-)	2 912 000	2 912 000
Amortisation/depreciation (-)	0	0
Impairment losses (-)	0	0
Reversal of impairment losses	0	0
Net currency translation gains/losses (+/-)	0	0
Net carrying value as at 31 December 2024	**9 934 000**	**9 934 000**

	Land	Total
Net carrying value as of 01 January 2023	**7 022 000**	**7 022 000**
Increase (acquisition, development, lease)	0	0
Decrease arising from transfer to investment property (-)	0	0
Revaluation to fair value (+/-)	0	0
Amortisation/depreciation (-)	0	0
Impairment losses (-)	0	0
Reversal of impairment losses	0	0
Net currency translation gains/losses (+/-)	0	0
Net carrying value as at 31 December 2023	**7 022 000**	**7 022 000**

Carrying amount of land recognized under the revaluation model

Assets	**31.12.2024**	**31.12.2023**
Land	9 934 000	7 022 000
Total:	**9 934 000**	**7 022 000**

Historical cost of land – information required under IAS 16.77 (e)

The carrying amount of the same land that would have been recognized had it been measured using the historical cost model:

Assets	**31.12.2024**	**31.12.2023**
Land	6 935 971	6 935 971
Total:	**6 935 971**	**6 935 971**

Note 4. Investment property

An investment property asset is land, a building, or part of a building, or both held by the Company as a source of rental income or for capital appreciation or both, provided, however, that an investment property is not used in the production or supply of goods or services or for administrative purposes, or held for sale in the ordinary course of business.

Land, buildings and structures classified to groups 0 to 2 and located in Środa Wielkopolska, ul. Harcerska 16, are presented in these Financial Statements in accordance with IAS 40 as investment property and measured at fair value.

The investment property is not depreciated.

On 17 December 2024, the above-mentioned land presented as the investment property and theretofore held in perpetual usufruct was purchased by the Company.

As of the balance sheet date, the Company the Company rents some of the investment properties to two tenants. One of the rental agreements terminated on 28 February 2025, and the other on 30 April 2025. The agreements did not meet the condition for being disclosed in the books as lease granted.

The valuation was prepared on 23 April 2025 by property valuers Krystyna Roszak de Tolkmitt and Beata Okińczyc-Tarasiuk, acting on behalf of SAWYER Doradztwo Gospodarcze Sp. z o.o. On 26 May 2025, through a supplement to the valuation report, the valuers determined the value of the investment properties as of 31 December 2024.

The valuation was carried out using the comparative approach, applying the adjusted average price method. This method involves determining the market value of the appraised property based on a set of at least a dozen comparable properties that were subject to sale transactions.

The valuation in the report was carried out in accordance with the following procedure:

a. thirteen market transactions involving developed land properties with characteristics similar to the subject properties were analysed. The unit of comparison adopted for the valuation was 1 m² of usable floor area of the buildings.
b. market characteristics distinguishing the properties were identified, such as location, usable floor area of the buildings, technical condition, fit-out standard and functionality, land development, and land tenure.
c. an assessment of the impact of the identified market characteristics on the variation in transaction prices was conducted, and scoring ranges were established for each of the adopted market prices.
d. the lower and upper bounds of the total correction coefficients were calculated as follows:
    - lower coefficient = 0.75,
    - upper coefficient = 1.37.
e. a correction coefficient was determined for the appraised property, resulting in a total adjustment factor of 1.14.
f. due to a limited property right, namely an easement allowing access to neighbouring properties across the appraised land, a correction factor of 0.95 was applied in the final value calculation.

The measurement as at 31 December 2024 decreased the gross carrying value of property, plant, and equipment by PLN 7 731 382.00. The decrease was recognized in the profit and loss account as revaluation loss on investment property, that is as other operating expense.

Increase/decrease in the investment property:

	Right of perpetual usufruct of the land	Buildings and structures	Total
Net carrying value as of 01 January 2024	**2 445 000**	**17 600 000**	**20 045 000**
Increase (acquisition, development, lease)	2 977 382	0	2 977 382
Decrease (disposal, retirement)(-)	0	0	0
Revaluation to fair value (+/-)	57 618	-7 789 000	-7 731 382
Impairment losses (-)	0	0	0
Reversal of impairment losses	0	0	0
Net currency translation gains/losses (+/-)	0	0	0
Net carrying value as at 31 December 2024	**5 480 000**	**9 811 000**	**15 291 000**

	Right of perpetual usufruct of the land	Buildings and structures	Total
Net carrying value as of 01 January 2023	**2 445 000**	**17 600 000**	**20 045 000**
Increase (acquisition, development, lease)	0	0	0
Decrease (disposal, retirement)(-)	0	0	0
Revaluation to fair value (+/-)	0	0	0
Impairment losses (-)	0	0	0
Reversal of impairment losses	0	0	0
Net currency translation gains/losses (+/-)	0	0	0
Net carrying value as at 31 December 2023	**2 445 000**	**17 600 000**	**20 045 000**

Carrying amount of investment property recognized under the revaluation model

Assets	**31.12.2024**	**31.12.2023**
Land	5 480 000	2 445 000
Buildings and structures	9 811 000	17 600 000
Total	**15 291 000**	**20 045 000**

Historical cost of investment property – information required under IAS 16.77 (e)

The carrying amount of the same investment property that would have been recognized had it been measured using the historical cost model (less accumulated depreciation and impairment):

Assets	**31.12.2024**	**31.12.2023**
Land	3 668 792	711 410
Buildings and structures	11 117 533	11 117 533
Total	**14 806 325**	**11 828 943**

Note 5. Deferred tax liabilities and assets, increase/decrease for each deferred tax liability/asset type:

	As at 01.01.2024	Increase/decrease:		as at 31.12.2024
		profit or loss	other comprehensive income	
Deferred tax liabilities	**2 424 151**	**-116 537**	**1 010 045**	**3 317 659**
foreign exchange gains or losses on valuation of receivables	0	0	0	0
foreign exchange gains or losses on valuation of cash	50	-50	0	0
foreign exchange gains or losses on valuation of liabilities	6 132	2 645	0	8 778
liabilities arising from purchase bonuses	73 985	46 143	0	120 128
difference between the right of use and liability	0	0	0	0
difference between depreciation for balance-sheet and tax purposes	2 343 984	-165 275	1 010 045	3 188 754
Deferred tax assets	**1 660 832**	**252 212**	**0**	**1 913 044**
foreign exchange gains or losses on valuation of cash	0	34	0	34
foreign exchange gains or losses on valuation of liabilities	0	0	0	0
foreign exchange gains or losses on valuation of receivables	10 306	2 759	0	13 065
unpaid remuneration and burdens	137 184	-71 272	0	65 912
other unpaid employee benefits	317 603	71 978	0	389 581
unpaid interest and charges on liabilities arising from loans and credit facilities	0	0	0	0
difference between the right of use and liability	526	303	0	829
provision for bad debts	117 516	4 002	0	121 518
provision for services	22 934	7 228	0	30 163
provision for slow-moving inventory	0	16 089	0	16 089
asset for 2023-2024 tax losses	0	185 370	0	185 370
asset for costs of debt financing beyond the limit	1 054 763	35 721	0	1 090 484
Total deferred income tax	**763 319**	**-368 749**	**1 010 045**	**1 404 615**

	As at 01.01.2023	Increase/decrease:		as at 31.12.2023
		profit or loss	other comprehensive income	
Deferred tax liabilities	**1 701 312**	**722 839**	**0**	**2 424 151**
foreign exchange gains or losses on valuation of receivables	0	0	0	0
foreign exchange gains or losses on valuation of cash	0	50		50
foreign exchange gains or losses on valuation of liabilities	6 026	106		6 132
liabilities arising from purchase bonuses	88 753	-14 768	0	73 985
difference between the right of use and liability	0		0	0
difference between depreciation for balance-sheet and tax purposes	1 606 533	737 451		2 343 984
Deferred tax assets	**797 963**	**862 869**	**0**	**1 660 832**
foreign exchange gains or losses on valuation of cash	104	-104	0	0
foreign exchange gains or losses on valuation of liabilities	0		0	0
foreign exchange gains or losses on valuation of receivables	2 919	7 387	0	10 306
unpaid remuneration and burdens	123 171	14 014	0	137 184
other unpaid employee benefits	288 888	28 714		317 603
unpaid interest and charges on liabilities arising from loans and credit facilities	234 903	-234 903	0	0
difference between the right of use and liability	644	-118	0	526
provision for bad debts	122 544	-5 029	0	117 516
provision for services	24 790	-1 856	0	22 934
asset for costs of debt financing beyond the limit	0	1 054 763	0	1 054 763
Total deferred income tax	**903 349**	**-140 029**	**0**	**763 319**

In the statement of financial position, deferred tax assets and deferred tax liabilities are disclosed per account balance of both these values.

Note 6. Employee benefits payable and provisions for employee benefits

	31.12.2024	31.12.2023
Payroll liabilities	**1 658 639**	**1 393 292**
Provisions for employee benefits	**2 050 432**	**1 671 600**
including: non-current	930 042	729 229
current	1 120 391	942 372
	3 709 072	**3 064 893**

The table below shows increases/decreases in provisions for employee benefits:

	as at 01.01.2024	decrease	increase	as at 31.12.2024
Provisions for employee benefits	***1 671 600***	***(1 671 600)***	***2 050 432***	***2 050 432***
for accrued holiday entitlement	*803 970*	*(803 970)*	*1 015 435*	*1 015 435*
for retirement gratuities	*236 701*	*(236 701)*	*204 330*	*204 330*
for service anniversary awards	*630 929*	*(630 929)*	*830 667*	*830 667*

Note 7. Inventories

The inventories include feedstock and materials (34.0%), commodities, semi-finished products and finished products (66.0%).

	31.12.2024	31.12.2023
Materials	7 771 558	10 148 493
Commodities	2 772 954	0
Finished products	7 276 469	10 630 807
Semi-finished products	5 028 282	7 662 214
	22 849 263	**28 442 214**

As at 31 December 2024 and 31 December 2023, the Company's inventories were not pledged by the Company to secure its liabilities.

7.1. Allowances for inventories

As at the balance sheet date, the Company performs an inventory age structure analysis for materials, commodities and products in warehouses, and makes an individual assessment of whether they are likely to be used in the nearest future or of a realizable price as at the balance sheet date, and, on the basis thereof, the Company makes a decision on making a write-down.

As at the balance sheet date, the Company made an inventory write-down of PLN 84 648.00 recognized in the profit and loss account as other operating expenses.

The value of eliminated inventories was PLN 277 570.48 in the period from 1 January through 31 December 2024 versus PLN 268 008.26 in the same period of the year 2023.

Note 8. Trade and other receivables

	31.12.2024	31.12.2023
Trade receivables from related entities	**4 009 324**	**4 610 799**
Trade receivables from other entities	17 725 903	15 606 312
Allowances for receivables	(639 567)	(618 505)
Other receivables	128 998	34 400
VAT receivable	5 481 731	4 195 365
Total receivables from other entities	**22 697 065**	**19 217 572**

Trade receivables are recognised at originally invoiced amounts. Receivables are usually due within 30, 45 or 60 days. Allowances for receivables are made based on case-by-case assessment of probability of receiving payment.

8.1. Allowances for receivables

The Company performs value adjustments of trade receivables at each balance sheet date.
In determining the recoverability of trade receivables, changes in trade receivables from the date of granting the trade credit until the date of preparing the financial statements are taken into account. Credit risk concentration occurs for clients who are in arrears with payment for commodities they received.

In addition to allowances made on an individual basis, the Company estimates general provisions for credit losses, assuming a significant increase in risk for receivables that are more than 90 days past their due date. As at 31 December 2024, a relevant provision of PLN 21 062.00 was made.

The amount of PLN 618 505.12 represents the allowance created in 2022 for deliveries that proved to be fraud. The Company is still waiting for relevant authorities in France and Poland to finalize proceedings.

8.2. Increase/decrease in allowances: creation and reversal of allowances for receivables

	1.01.2024-31.12.2024	1.01.2023-31.12.2023
Allowances for receivables as at the beginning of the period	**618 505**	**644 971**
Creation of allowances	0	0
Reversal of allowances	0	-26 466
Measurement of expected credit losses in line with IFRS 9	21 062	0
Allowances for receivables as at the end of the period	**639 567**	**618 505**

8.3. Age structure analysis for trade receivables which are past due but not impaired:

	Past due but collectible				
As at:	**<30 days**	**31-60 days**	**61-90 days**	**91-120 days**	**> 120 days**
31 December 2024	34 439	307 080	274 397	24 578	619 167
31 December 2023	1 173 023	23 572	(309)	31 306	623 823

8.4. Currency structure of current trade and other receivables

	31.12.2024	31.12.2023
Receivables in local currency	19 006 824	17 737 110
Receivables in foreign currencies	7 699 565	6 091 261
	26 706 389	23 828 371

	31.12.2024	31.12.2023
Receivables in EUR	7 699 565	5 879 572
Receivables in USD	0	211 689
	7 699 565	6 091 261

The above-presented structure of the receivables exposes the Company to foreign currency risk, which the Company tries to mitigate, primarily by balancing currency items of receivables and payables stated in foreign currencies. The following are realised foreign exchange losses and gains recognised in the Statement of Comprehensive Income under finance cost or income, respectively:

	Finance income	Finance cost
for the period from 1 January through 31 December 2024	111 042	567 648
for the period from 1 January through 31 December 2023	1 025 815	1 271 234

Note 9. Other assets, equity and liabilities

Prepayments and accrued income - assets	**31.12.2024**	**31.12.2023**
Insurance	2 996	4 588
Licences	9 482	7 269
Subscription	1 057	4 239
VAT to be settled over time	745 689	859 582
Other	672 541	444 193
	1 431 765	**1 355 872**

Accruals and deferred income - liabilities	**31.12.2024**	**31.12.2023**
Deferred income		
Subsidies to finance fixed assets	42 061	52 436
Advance payments and sales to be settled in next periods	447 763	48 361
POIR.01.01.01-00-03/0379/19 - subsidy to support the purchase of fixed assets	33 405 679	35 422 549
POIR.01.01.01-00-0783/19 - subsidy to support the purchase of fixed assets	2 649 396	2 779 850
Other accruals and deferred income	510 352	120 706
including: settlement of finance cost	*0*	*0*
	37 055 251	**38 423 902**

Deferred income	**31.12.2024**	**31.12.2023**
non-current	33 843 471	35 999 084
current	3 211 780	2 424 819
	37 055 251	**38 423 902**

Subsidies received by the Company are recognised as deferred income in “Accruals and deferred income”.

Between 2016 and 2020, the Company received funding from the National Labour Office to subsidize jobs through the purchase of forklift trucks, IT equipment, and a control panel with a touchpad, in the total net amount of PLN 177 290.48, of which the revenue of PLN 42 060.96 remained unsettled as at 31 December 2024.

Pursuant to the agreement of 27 September 2019, as part of the project number POIR.01.01.-00-03/0379/19 subsidized by the National Centre for Research and Development, the Company received the subsidy for the development and implementation of high-performance automated and robotic technology for manufacturing knurled eco-friendly garbage bags from three-layer free-blown extruded film. The eligible cost of the project is PLN 90 225 418.75, including PLN 42 127 098.75 in subsidy. The project is divided into two parts: industrial research and development work. The eligible cost for industrial research is PLN 24 147 725.00, including PLN 15 696 021.25 in subsidy. For development work, the eligible cost is PLN 66 077 693.75, including PLN 26 437 077.50 in subsidy. As at 31 December 2024, the revenue of PLN 33 405 678.98 remained unsettled.

Pursuant to the agreement number POIR.01.01.01-00.0783/19 of 16 April 2020, the Company received a subsidy from the National Centre for Research and Development for a line to manufacture high quality reprocessed granules from the Company’s own waste from the production of printed film in a closed-loop system. The eligible cost of the project is PLN 7 811 125.00, including PLN 4 300 825.00 in subsidy. The project is divided into two parts: industrial research and development work. The eligible cost for industrial research is PLN 4 705 500.00, including PLN 3 058 575.00 in subsidy. The eligible cost development work is PLN 3 105 625.00, including PLN 1 242 250.00 in subsidy. As at 31 December 2024, the revenue of PLN 2 649 395.81 remained unsettled.

The Company started settling the subsidy for the purchase of assets under both projects subsidized by the National Centre for Research and Development, including depreciation of fixed assets in 2023.

As at the balance sheet date, there were no unsatisfied conditions capable of contributing to the necessity for returning the subsidies.

Note 10. Transactions with related entities

During the period covered by the financial statements, the Company conducted transactions with related parties. All transactions were carried out on an arm's length basis, in accordance with the market price principle, and on terms comparable to those applied in transactions with unrelated parties.

	Gain on operating activities	
Sales to:	**01.01.2024-31.12.2024**	**01.01.2023-31.12.2023**
Sarantis Polska S.A.	34 820 141	29 187 438
Gr. Sarantis SA	7 823 841	10 637 286
Sarantis Bulgaria	1 249 757	0
Sarantis Czech Republic s.r.o.	11 632 277	7 407 746
Sarantis D.o.o.	9 258 606	4 344 350
SARANTIS d.o.o. Banja Luka	722 445	0
Sarantis Hungary KFT	2 292 280	1 557 589
Sarantis Romania SA	10 794 429	5 445 470
Stella Pack S.A.	200 683	0
Total	**78 694 459**	**58 579 878**

	Receivables	
	31.12.2024	**31.12.2023**
Sarantis Polska S.A.	1 495 069	2 352 490
Gr. Sarantis SA	390 251	812 138
Sarantis Bulgaria	150 997	0
Sarantis Czech Republic s.r.o.	730 837	458 896
Sarantis D.o.o.	562 704	563 730
Sarantis Hungary KFT	134 219	109 848
Sarantis Romania SA	509 547	313 697
Stella Pack S.A.	35 700	0
Total	**4 009 324**	**4 610 799**

	Purchase (costs, assets)	
Purchase from:	**01.01.2024-31.12.2024**	**01.01.2023-31.12.2023**
Sarantis Polska S.A.	216 792	4 169 000
Gr. Sarantis SA	389 904	1 160 775
GG Plast Technology G. Nowak Sp.k.	0	128 983
Stella Pack S.A.	1 286 791	0
Total	**1 893 487**	**5 458 759**

	Liabilities	
	31.12.2024	**31.12.2023**
Gr. Sarantis SA	10 966	0
Stella Pack S.A.	9 571	0
Total	**20 536**	**0**

	31.12.2024			31.12.2023		
Loans advanced to:	**Advanced in the period**	**Repaid in the period**	**Accumulated balance**	**Advanced in the period**	**Repaid in the period**	**Accumulated balance**
Sarantis Polska S.A.	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**

	31.12.2024			31.12.2023		
Loans received from:	**Advanced in the period**	**Repaid in the period**	**Accumulated balance**	**Advanced in the period**	**Repaid in the period**	**Accumulated balance**
Sarantis Polska S.A.	0	0	0	96 000 000	(180 000 000)	0
Total	**0**	**0**	**0**	**96 000 000**	**(180 000 000)**	**0**

Note 11. Cash and cash equivalents

Cash:	**31.12.2024**	**31.12.2023**
at banks	11 224 595	14 076 962
deposited on the account of the Company Employee Benefit Fund	3 916	34 156
deposited on the account for project no. POIR.01.01-00-03/0379/19	0	24 824
deposited on the account for project no. POIR.01.01-00-0783/19	0	0
	11 228 511	**14 135 943**
in local currency	10 635 408	14 006 239
in foreign currencies	593 104	129 704
	11 228 511	**14 135 943**
Cash in EUR	593 104	129 704
Cash in USD	0	0

The Company has no restricted access funds in addition to funds deposited on the Company's VAT accounts and Employee Benefit Fund account. As far as cash is concerned, concentration of credit risk is limited; the Company maintains cash in several recognised financial institutions.

The Company has no cash in hand.

Note 12. Share capital

As at 31 December 2024, the share capital of Polipak Sp. z o.o. was PLN 193 000 000.00 and comprised:

1 930 000 shares of PLN 100 each, owned by Sarantis Polska S.A. of Piaseczno	193 000 000

	31.12.2024	**31.12.2023**
Supplementary capital which is the share premium	3 607 059	3 607 059

Pursuant to the Company's Articles of Association of 11 April 2005, executed in the form of a notary's deed entered into the Roll of Deeds under no. A/2903/2005, the supplementary capital is the surplus of assets value over the par value of the shares of PPH "GG Plast" Grzegorz Nowak i Wspólnicy Spółka jawna PPH "GG Plast" Grzegorz Nowak i Wspólnicy Spółka jawna transformed into GG Plast spółka z o.o.

Retained earnings include the following items:

Retained earnings	**31.12.2024**	**31.12.2023**
supplementary capital	21 111 450	28 845 299
reserve capital	7 537 000	7 537 000
revaluation reserve	11 033 921	6 727 942
other reserve capital in the form of shares	44 268	0
net profit/loss	(7 124 179)	(7 733 849)
undistributed profit of prior years	0	0
Total retained earnings	**32 602 460**	**35 376 392**

The revaluation reserve was PLN 9 174 971.39 as at the 31 December 2024 and showed the following increases/decreases in the periods concerned:

	31.12.2024	**31.12.2023**
Opening balance	**6 727 942**	**6 727 942**
Revaluation of property, plant and equipment	5 316 025	0
Deferred tax liability relating to revaluation of fixed assets, on items not transferred to profit or loss	(1 010 045)	0
Closing balance	**11 033 921**	**6 727 942**

The revaluation reserve from the revaluation of the property, plant and equipment comes from the revaluation of land, buildings and structures.

The revaluation increased the carrying value of assets located in Środa Wielkopolska, ul. Fabryczna 7, and the resulting surplus was transferred directly to other comprehensive income and disclosed in its total amount in revaluation reserve. A difference between the carrying value of the revalued assets and their tax base is a temporary difference, a deferred tax liability is recognized in other comprehensive income.

The revaluation reduced the carrying value of investment assets located in Środa Wielkopolska, ul. Harcerska 16, and the resulting loss is recognised in the profit and loss account as under other operating expenses.

In the event that a revalued item of plant, property or equipment is sold, an effectively realised portion of revaluation reserve associated with an asset is transferred directly to retained earnings. The revaluation reserve is not available for distribution.

The Company monitors the level of capital based on the carrying amount of equity, manages capital to ensure the Company's ability to continue as a going concern and to ensure owners the expected rate of return.

Reserve capital

The Company was creating its reserve capital from a portion of its profit generated in previous years and was accumulating such capital for a long period of time. As at 31 December 2024 the reserve capital was PLN 7 537 000.00.

Supplementary capital

Built up over years, supplementary capital was created by the Company as decided by the Meeting of Shareholders, out of a portion of the Company's profit.

On 17 May 2024, the Ordinary Meeting of Shareholders adopted the resolution on distribution and allocation of profit for 2023, deciding to transfer the said profit in whole to the Company's supplementary capital. As at 31 December 2024, the Company's supplementary capital was PLN 21 111 499.98

Note 13. Proposed distribution of the Company's profit for 2024

The Company's Board of Directors proposes to fully cover the net loss of PLN 7 124 178.77 for 2024 from the Company's supplementary capital.

Note 14. Financial liabilities

14.1. Loans and credit facilities payable

As at 31 December 2024, the Company had no liabilities due to loans and credit facilities received from other entities.

<u>As at 31 December 2024, the Company had open credit lines with the following banks to finance day-to-day operations:</u>

1. BNP Paribas Bank Polska S.A.

Overdraft facility under multi-purpose credit line agreement no. WAR/3012/16/141/CB of 01 July 2016, under which agreement the Bank granted the line of PLN 10 000 000 to the Company for the purpose of financing day-to-day operations. In subsequent years, the maximum limit was increased up to PLN 22 000 000.00.

By Annex No. 7 of 29 February 2024, the limit has been reduced down to the maximum amount of PLN 11 000 000.00
As at 31 December 2024, the credit line was not used by the Company.

2. Bank Millennium S.A.

On 15 October 2024, the Company dissolved the multi-product line agreement no. 12040/18/M/04 of 04 December 2018 made with Bank Millennium S.A.

14.2. Loans payable to related entities

As at 31 December 2024, the Company had no loans or credit facilities payable to related entities.

14.3. Other non-current liabilities

In the “Other non-current liabilities” line item, the Company presents the fee for the use of the converted land for non-agricultural or non-forest purposes; the initial value of the fee arising from the decision of the County Governor of Środa Wielkopolska was PLN 1 748 210.36, while the relevant balances as at 31 December were as follows:

	31.12.2024	**31.12.2023**
	796 035	970 856
	796 035	**970 856**

14.4. Lease

On 22 April 2020, the Company entered into the long-term rental agreement number 972/22042020 for passenger cars with Arval Service Lease Polska Sp. z o.o., which agreement is classified as a lease contract for balance sheet purposes.

The following are future minimum rental payments and the net current value of minimum payments:

Liabilities:	**31.12.2024**	**31.12.2023**
Liabilities due within 1 year	263 294	103 622
Liabilities due between 1 to 5 years	617 746	113 281
Liabilities due after 5 years	0	0
	881 040	**216 903**

Net current value:	**31.12.2024**	**31.12.2023**
Liabilities due within 1 year	162 265	100 200
Liabilities due between 1 to 5 years	342 925	110 956
Liabilities due after 5 years	0	0
	505 189	**211 156**

The total cost of interest on lease and rental liabilities was PLN 9 534.51 in 2024.

Note 15. Financial instruments

The value of financial assets presented in the statement of financial position relates to the following categories of financial instruments specified in IFRS 9:

IFRS 9:

1 – measured at amortised cost (MAC)
2 – measured at fair value through other comprehensive income (MFV-CI)
3 – measured at fair value through profit or loss (MFV-PL)
4 – capital instruments measured at fair value through other comprehensive income (CIMFV-CI)
5 – hedging instruments (HI)

Financial asset class	Financial instrument categories as per IFRS 9					Total
	MAC	MFV-CI	MFV-PL	CIMFV-CI	HI	
As at 31.12.2024						
Fixed assets:						
Receivables and loans	0	0	0	0	0	**0**
Derivative financial instruments	0	0	0	0	0	**0**
Other non-current financial assets	0	0	0	0	0	**0**
Current assets:						
Trade and other receivables	26 706 389	0	0	0	0	**26 706 389**
Loans	0	0	0	0	0	**0**
Derivative financial instruments	0	0	0	0	0	**0**
Cash and cash equivalents	11 228 511	0	0	0	0	11 228 511
Total financial asset categories	**37 934 900**	**0**	**0**	**0**	**0**	**37 934 900**

Financial asset class	Financial instrument categories as per IFRS 9					Total
	MAC	MFV-CI	MFV-PL	CIMFV-CI	HI	
As at 31.12.2023						
Fixed assets:						
Receivables and loans	0	0	0	0	0	**0**
Derivative financial instruments	0	0	0	0	0	**0**
Other non-current financial assets	0	0	0	0	0	**0**
Current assets:						
Trade and other receivables	23 828 372	0	0	0	0	**23 828 372**
Loans	0	0	0	0	0	**0**
Derivative financial instruments	0	0	0	0	0	**0**
Cash and cash equivalents	14 135 943	0	0	0	0	14 135 943
Total financial asset categories	**37 964 315**	**0**	**0**	**0**	**0**	**37 964 315**

The value of financial liabilities presented in the statement of financial position relates to the following categories of financial instruments specified in IFRS 9:

IFRS 9:

1 – measured at amortised cost (MAC)
2 – measured at fair value through profit or loss (MFV-PL)
3 – financial guarantee contract (FGC)
4 – contingent consideration in a business combination (CC-BC)
5 – hedging instruments (HI)

Financial liability class	**Financial instrument categories as per IFRS 9**					**Total**
	MAC	**MFV-PL**	**FGC**	**CC-BC**	**HI**	
As at 31.12.2024						
Non-current liabilities:						
Loans, credit facilities, and other derivative financial instruments	0	0	0	0	0	**0**
Other liabilities	796 035	0	0	0	0	**796 035**
Current liabilities:						
Trade and other payables	31 145 169	0	0	0	0	**31 145 169**
Loans, credit facilities, and other debt instruments	0	0	0	0	0	**0**
Derivative financial instruments	0	0	0	0	0	**0**
Total financial liability categories	**31 941 204**	**0**	**0**	**0**	**0**	**31 941 204**

Financial liability class	**Financial instrument categories as per IFRS 9**					**Total**
	MAC	**MFV-PL**	**FGC**	**CC-BC**	**HI**	
As at 31.12.2023						
Non-current liabilities:						
Loans, credit facilities, and other derivative financial instruments	0	0	0	0	0	**0**
Other liabilities	970 856	0	0	0	0	**970 856**
Current liabilities:						
Trade and other payables	26 658 620	0	0	0	0	**26 658 620**
Loans, credit facilities, and other debt instruments	0	0	0	0	0	**0**
Derivative financial instruments	0	0	0	0	0	**0**
Total financial liability categories	**27 629 475**	**0**	**0**	**0**	**0**	**27 629 475**

Note 16. Current trade and other payables

	31.12.2024	31.12.2023
Trade payables to related entities	20 536	0
Other payables to related entities	0	0
Total current payables to related entities	**20 536**	**0**
Trade and other payables	31 124 633	26 658 620
including: VAT payable	0	0
personal income tax	*373 341*	*293 273*
Social Insurance Institution	*1 460 063*	*1 355 448*
Special funds	*289*	*46 881*
Total current payables to other entities	**31 124 633**	**26 658 620**
Total current payables	**31 145 169**	**26 658 620**

Trade payables bear no interest and are settled within various deadlines. Trade payables relating to feedstock such as granules, reprocessed granules, colorants and additives, cardboard boxes, or labels are usually due within 30-90 days.

Other payables are usually due within 14 or 30 days.
Interest on late payments is paid upon a receipt of a relevant note, within a relevant deadline.

Personal income tax payables are those resulting from tax returns for December 2024, while the Social Insurance Institution liabilities are relating to payroll accruals for November 2024 and December 2024.

Currency structure of current trade and other payables

	31.12.2024	31.12.2023
Local currency payables	24 996 951	21 487 329
Foreign currency payables	6 148 218	5 171 291
	31 145 169	**26 658 620**

	31.12.2024	31.12.2023
Payables in EUR	6 148 218	4 655 804
Payables in USD	0	(7 705)

Note 16.1 - Current income tax payable

	31.12.2024	31.12.2023
income tax	0	0
including: corporate income tax	*0*	*0*

Note 16.2 - Current employee benefits payable

	31.12.2024	31.12.2023
employee benefits	2 779 030	2 335 664
including: current provisions for other payables arising from accrued holiday entitlement	*1 015 435*	*803 970*

Note 17. Sales revenue

The Company conducts a single type of business activity that is considered its core business and consists of manufacturing plastic packaging. Sales revenue is revenue from sales of products, which constitutes 98.8% of the total revenue.

Offered by the Company, the product range is uniform in terms of its type, process characteristics, and methods for satisfying customers' needs. Products are manufactured through a uniform process and aimed for a similar group of customers on both domestic and foreign market.

Due to the uniform nature of the products:

a) all revenue is recognised as part of one revenue stream in accordance with IFRS 15;
b) no product segments are identified for the purpose of IFRS 8 as the entire operating activity constitutes one reporting segment.

Relevant revenue is recognized at the time of delivery because it is when risks and rewards pass to a purchaser.

The following division into two geographic segments applies: domestic operations and operations within or outside the European Union.

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Revenue from sales of products	239 337 258	198 929 682
Revenue from sales of commodities and materials	3 022 230	1 032 790
Revenue from sales of services	0	0
	242 359 488	**199 962 472**
Domestic sales revenue	81 286 461	63 120 116
Foreign sales revenue	161 073 027	136 842 356
	242 359 488	**199 962 472**

As far as revenue from sales of products is concerned, the following table shows a structure of clients that represent the largest percentage of the Company's total revenue:

Client	2024	
	PLN	%
Sarantis PL	34 795 380	14.36
Lidl PL	16 859 977	6.96
I.T.S. B.V.	16 483 567	6.80
Jeronimo Martins Polska S.A.	16 341 875	6.74

Client	2023	
	PLN	%
Sarantis PL	29 260 379	14.63
Lidl PL	19 410 466	9.71
Helmut Krapp GmbH	19 530 243	9.77
GR Sarantis	10 643 809	5.32

Note 18. Other operating income

18.1. Other operating income

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Revenue on disposal of assets:	**89 512**	**0**
revenue on the sale of fixed assets	89 512	0
Subsidies:	**2 400 424**	**2 778 130**
wage and salary subsidies	141 316	160 482
settlement of revenue for project no. POIR.01.01.01-00-03/0379/19	2 016 870	2 230 859
settlement of revenue for project no. POIR.01.01.01-00-0783/19	236 470	364 329
depreciation of fixed assets in the part financed with the energy efficiency support and with the support from the State Labour Office	5 768	22 460
Other operating income	**1 225 407**	**2 051 311**
reversal of allowances for receivables	0	80 958
income from sales of services	502 529	322 580
income from increased value of inventory	0	0
inventory differences – increase	533 878	1 511 969
other	189 000	135 804
Attributable to continuing operations	**3 715 343**	**4 829 441**
Attributable to discontinued operations	0	0

Other operating income includes revenues and gains that are not directly connected with the Company's operating activity.

This category includes wage and salary subsidies for the disabled persons employed, financial support from the Labour Office, gains on the sale of property, plant and equipment, damages received, and reimbursement of property and personal insurance premiums overpaid, reversal of allowances for receivables, increases in inventory, and rental income on investment property.

18.2. Other operating income – rental income on real property

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Rental income on real property	502 529	322 580
Income from recharging costs to tenants	709 253	796 127
Total income	**1 211 782**	**1 118 707**
Direct operating costs relating to:		
rental income-generating properties	709 253	796 127
properties that generated no rental income in the period	1 240 047	1 315 606
Total direct operating costs:	**1 949 299**	**2 111 733**

Note 19. Other operating expenses

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Costs on disposal of assets:	**146 365**	**0**
costs on the sale of fixed assets	146 365	0
Other operating expenses	**10 279 336**	**3 303 374**
donations	75 731	23 865
bad debt written off	5 318	91 852
allowance for receivables	21 062	0
retirement of fixed assets	196 073	117 910
elimination of inventories	277 570	218 819
maintenance cost of investment property	1 240 047	1 315 606
accounts receivable insurance costs	38 377	56 403
contractual penalties	174	22 804
provisions for elimination of inventory	84 678	0
revaluation loss on investment property	7 731 382	0
inventory differences - negative	486 699	1 009 241
other	122 225	446 874
Attributable to continuing operations	**10 425 702**	**3 303 374**
Attributable to discontinued operations	0	0

Other operating expenses include costs and losses that are not directly connected with the Company's operating activities. This category includes losses on the sale of fixed assets, donations to other entities, whether in kind or in cash.

Other operating expenses include also costs of allowances for receivables, impairment losses, as well as retirement cost of fixed assets and elimination cost of inventories.

Note 19. Finance income

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Interest income	**110 933**	**20 445**
interest on receivables	0	0
interest on bank deposits	110 933	20 445
Other finance income	**109**	**552**
other	109	552
Attributable to continuing operations	**111 042**	**20 996**
Attributable to discontinued operations	**0**	**0**

Finance income includes interest income on depositing, and income from investing in various financial instruments. Finance income includes also foreign exchange gains and interest on receivables.

Note 21. Finance cost

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Interest expense	**10 524**	**7 378 056**
interest on loans and credit facilities, including overdraft facilities	0	7 364 297
lease interest	9 535	5 877
interest on liabilities	990	7 882
Other finance cost	**557 123**	**1 089 367**
foreign exchange losses	540 649	586 432
bank fees and charges	15 402	104 588
cost of commission fees for sureties and guarantees	0	396 825
other	1 073	1 522
Attributable to continuing operations	**567 648**	**8 467 423**
Attributable to discontinued operations	0	0

Finance cost includes costs of using external sources of finance, interest, and other costs payable under lease agreements entered by the Company, interest on, and fees arising from factoring arrangements, and interest on late payment of liabilities. Finance cost includes also foreign exchange losses.

Note 22. Income tax

Income tax is calculated on gross profit, taking into account the net deferred tax effect of temporary differences between the carrying amount of assets and liabilities and their tax bases.

Current tax and deferred tax assets and liabilities are calculated using the tax rate of 19% which applies at present and at the balance sheet date and is expected to apply when temporary differences are expected to realise.

Deferred tax assets are recognised for deductible temporary differences and unrealised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be realised.

Deferred tax liabilities are recognised for all taxable temporary differences. Liabilities are recognised when the Company has a (legal or constructive) obligation arising from future events, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate can be made of the amount of the obligation.

The deferred tax liabilities are reviewed as at the balance sheet date and adjusted to reflect the current best estimate as at that date.

The following are primary components of tax expenses for the years ended 31 December 2024 and 31 December 2023:

	Period ended 31.12.2024	**Period ended 31.12.2023**
Current income tax	0	0
Income tax – amended tax returns filed in the current period	0	0
Origination/reversal of temporary differences	(368 749)	(140 029)
Income tax disclosed in the statement of comprehensive income	**(368 749)**	**(140 029)**

A difference between the tax amount disclosed in the statement of comprehensive income and the tax amount calculated at the relevant rate on profit before taxation results from the following items:

	Period ended 31.12.2024	**Period ended 31.12.2023**
Gross profit	(7 492 928)	(7 873 878)
Tax at a rate of 19% applicable in Poland	0	0
Tax effect of non-deductible costs and non-taxable income	(368 749)	(140 029)
Current tax expenses	0	0

As at 31 December 2024, the Company recognized a deferred tax asset of PLN 1 090 484.00 for cost of debt financing, and an asset of PLN 185 370.00 for 2023-2024 tax losses.

Unused tax losses and costs of debt financing that may be carried forward are PLN 6 715 019.11 as at the balance sheet date.

The relevant maturities are as follows:

	Period ended 31.12.2024	**Period ended 31.12.2023**
up to 1 year	0	0
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	6 092 827	4 086 469
4 to 5 years	622 193	6 184 232
Total unused tax losses and costs of debt financing	**6 715 019**	**10 270 701**

The Company conducts business activity that receives public aid under the support decision issued by Wałbrzyska Specjalna Strefa Ekonomiczna “INVEST-PARK” Sp. z o.o. in accordance with the Act of 10 May 2018 on supporting new investments and pursuant to the relevant implementation regulation.

The support decision no. DOW-4/2020 was issued on 27 March 2020 and remains effective until 27 March 2030. Under the decision, income obtained from particular activity is eligible for corporate income tax exemption up to the maximum amount for public aid which is PLN 21 401 250.00 and calculated as the product of the aid intensity and eligible expenditure.

As at the balance sheet date of 31 December 2024, the Company did not generate income eligible for tax emption because the Company’s activity, which is covered in the support decision, generated a tax loss. Therefore, public aid in the form of income tax exemption was not utilized in the financial year 2024.

The tax loss on the activity covered in the support decision may be utilized in accordance with general rules; however, a potential tax advantage resulting from future exempted income was not recognized as a deferred tax asset because of uncertainty as to the possibility of utilizing the advantage.

Note 23. Reasons for differences between changes in selected balance sheet items and the corresponding values presented in the statement of cash flows

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Balance sheet change in receivables	(2 736 128)	13 248 143
Change in income tax receivables	(141 889)	(785 121)
Change in investment receivables	138 432	10 000
Change in receivables in the statement of cash flows	**(2 739 586)**	**12 473 022**

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Balance sheet change in current liabilities	5 421 879	3 465 923
Change in lease liabilities	(294 034)	76 376
Change in deferred tax provisions	641 296	0
Change in interest payable on loans and borrowings	0	1 151 305
Change in investment liabilities	(174 821)	(374 459)
Change in PCC liabilities (costs of new share issue)	0	971 978
Change in liabilities in the statement of cash flows	**5 594 320**	**5 291 123**

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Book value of increases in property, plant and equipment and intangible assets	23 926 923	14 538 191
Change in investment liabilities	685 409	(488 632)
Grants received for the acquisition of fixed assets	0	(235 468)
Interest capitalized in the cost of fixed assets	0	111 245
Acquisition of property, plant and equipment and intangible assets	**24 612 332**	**13 925 335**

In the statement of cash flows prepared using the indirect method, the net profit has been adjusted by the loss from the revaluation of investment properties to fair value in the amount of PLN 7,731,382.00. This adjustment is presented under the item: Loss from revaluation of investment properties.

In accordance with IAS 7, since this change is of a non-cash nature, it was eliminated from the net result in order to present actual cash flows from operating activities.

Note 24. Contingent liabilities

A contingent liability is understood to mean a possible obligation to perform, which arises from certain events.
As at 31 December 2024, the Company had no contingent liabilities.

Note 25. Tax filings

Laws governing value added tax, corporate income tax, individual income tax, or social insurance contributions are subject to frequent amendments, thereby preventing any reference to well-established regulations. Current legislation is also marked by obscurity, leading to differences in opinions concerning legal interpretation of tax laws both within tax authorities and between state authorities and corporate taxpayers. Tax filings may be audited by relevant agencies authorised to impose penalties, and any additional amounts due established through such audits have to be paid along with interest thereon. These phenomena make tax exposure in Poland higher than in countries that enjoy more stable tax systems.
Tax filings may be audited within five years following an end of a year in which relevant tax was paid. As a result of an audit, the Company's tax treatments may be questioned and an additional tax liability may arise.

Note 26. Financial risk management

The Company is exposed to the following risk associated with financial instruments:

- market risk comprising currency risk and interest rate risk
- credit risk
- liquidity risk
- interest rate risk

The risk management process is mostly focused on identification, measurement, and mitigation of risks, including currency and interest rate fluctuations aspects.

In economic terms, transactions on the financial markets are made for the purpose of hedging against specific risks.

Market risk

The Company's exposure to currency risk results from sales and purchases in foreign currencies, primarily in EUR and, to a lesser extent, in USD.
Moreover, the Company uses dual-currency overdraft facilities (PLN/EUR/USD). To minimize the currency risk, the Company tries to adjust the value and maturity dates of assets and due dates of liabilities. A human factor of control and collaboration among people, who have influence on which market to choose for sales purposes and which purchase to make, is the most important and effective factor in developing the currency risk management strategy. The following are the Company's financial assets and liabilities, other than derivatives stated in foreign currencies, translated into PLN using the closing rate applicable as at the balance sheet date:

As at 31 December 2024	Value in foreign currency		Before translation	After translation
	EUR	USD		
Financial assets (+)				
Loans	0	0	0	0
Trade receivables and other financial receivables	1 801 911	0	7 769 123	7 699 565
Other financial assets	0	0	0	0
Cash and cash equivalents	138 803		593 283	593 104
Financial liabilities (-)				
Loans and credit facilities	0	0	0	0
Lease liabilities	0	0	0	0
Trade payables and other financial liabilities	(1 438 853)	0	(6 195 222)	(6 148 218)
Total currency risk exposure	**501 861**	**0**	**2 167 184**	**2 144 451**

As at 31 December 2023	Value in foreign currency		Before translation	After translation
	EUR	USD		
Financial assets (+)				
Loans	0	0	0	0
Trade receivables and other financial receivables	1 550 291	288 197	7 928 953	7 874 723
Other financial assets	0	0	0	0
Cash and cash equivalents	29 831	0	129 443	129 704
Financial liabilities (-)				
Loans and credit facilities	0	0	0	0
Lease liabilities	0	0	0	0
Trade payables and other financial liabilities	(1 063 180)	289 946	(4 648 098)	(4 615 823)
Total currency risk exposure	**516 942**	**578 144**	**3 410 298**	**3 388 604**

Credit risk

The Board of Directors applies a credit policy whereby it monitors clients' and debtors' arrears in payments by reviewing the credit risk on a case by case basis. Moreover, as part of its credit risk management, the Company enters into transactions with partners whose creditworthiness is confirmed. Based on historical data on overdue payments, the receivables, which are past due and for which no impairment losses have been recognised, do not show any significant deterioration in quality: most of them fall into the "within 1 month" category, and there is no doubt as to their collectability. According to the Board of Directors' assessment, the assets disclosed as at the balance sheet date may be considered good credit quality assets. As at 31 December 2024, the balance of the allowance for receivables was PLN 618 505.12 and was relating to the transaction with Brico Depot, which transaction proved to be business fraud and persons allegedly representing Brico Depot used false data, which fact has been reported to relevant law enforcement authorities by the Company. As at the balance sheet date, a relevant preliminary investigation is in progress.

The Board of Directors follows the credit policy whereby the exposure to credit risk is monitored on a day-to-day basis. Creditworthiness is assessed for all clients that require crediting above a certain amount. Some of domestic and foreign receivables are insured with an insurance corporation. In addition, receivables from contracting parties are monitored on a regular basis by financial services. Where past due receivables are identified, sales are halted and a debt collection procedure is initiated in line with applicable procedures.

In the current year, there was no significant increase in credit risk (there was no adverse change in the age structure of trade receivables). The amount of a relevant write-off, which is estimated primarily based on historical trending for past due receivables and on linking arrears to actual repayment rates for the last three years, was insignificant. In spite of that fact, in view of the expected credit losses, the Board of Directors decided to create an allowance of PLN 21 062.00 for trade receivables.

Liquidity risk

While conducting its operating activities, the Company maintains a fixed amount of excess liquid cash, and open lines of credit. The Company manages the liquidity risk by monitoring payment dates and demand for cash with regard to the current liabilities (transactions are monitored on a fortnight basis). The demand for cash is compared with the available sources of funding, in particular by evaluating the ability to source funds under a credit facility or a loan , in comparison with current inflows.

For a financial risk management policy, see Director's Report on the Company's Operation, Section 6. Risk factors.

Interest rate risk

Primary currency risk that the Company is exposed to is interest rate risk as the Company's core operations and investment activities are financed through credit facilities from banks and through loans from the related entity, which carry floating interest rates. In 2023, the Company fully repaid the credit facilities and loans from both the related entities and unrelated entities. As at 31 December 2024, the Company did not utilize any third-party financing; the Company, however, did not waive the possibility of utilizing the overdrafts. Given the Monetary Policy Council's decisions that have raised benchmark interest rates multiple times over the last years starting from October 2021, the Company analysed its risk associated with interest rates that are WIBOR1M-based for the available credit facilities:

As at 31 December 2024

Credit obligations exposed to floating interest rate risk	Value of balance-sheet items	Effect on financial result		Effect on financial result	
		+100bps	-100pbs	+300pbs	-300bps
Overdrafts	0	0	0	0	0
Loans from the related entity	0	0	0	0	0
Investment loan	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**
Total value of available overdrafts	*11 000 000*	*110 000*	*-110 000*	*330 000*	*-330 000*
Total, including full utilization of overdrafts	***11 000 000***	***100 000***	***-110 000***	***330 000***	***-330 000***

Note 27. Employment structure

The following is the Company's average headcount by employee groups, and employee turnover:

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
White-collar workers	66	58
Blue-collar workers	171	170
Total FTE	237	228
Workers engaged under commission contracts	20	3
Workers engaged by the Employment Agency	188	127
Number of workers hired	73	33
Number of workers terminated	53	40

Note 28. Remuneration for the Board of Directors

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
under the contract of employment	683 417	703 128
under the appointment agreement	0	32 523
	683 417	**703 128**

In 2024, the Company neither received any loan from, nor granted any loan to, the Company’s key management staff in the period covered by the consolidated financial report.
In the reporting period, the Company did not purchase anything from its key management staff or from its parent’s key management staff.

Note 29. Other information

Effect of the war in Ukraine on business continuity.

On 24 February 2022, Russia began its military operations on the territory of Ukraine or a neighbouring country of Poland. Many countries across Europe and globally started introducing sanctions against Russia as well as against Belarus which openly supports Russia's attack. Therefore, the Company carried out a business risk analysis which, however, did not identify any significant business continuity risk arising from a negative impact of the war.

The analysis examined sales markets of the Company that was selling to neither Russia nor Belarus in the past reporting period. And as plans for expansion into new selling markets do not include the said countries either, there is no risk of any drop in potential revenue.

The Company’s supply chains were also looked at, especially in the context of transit routes going through Ukraine or Belarus. As the Company does not purchase feedstock in the East, the Management does not expect any major disruptions in the supply of feedstock.

Investment tax credit

On 27 March 2020, the Company received a decision on support for its new investment under the Polish Investment Zone program. The new investment will be carried out at Polipak through substantial modification of a production process of the existing plant.

The decision remains valid for 10 years from its date of issuance.

The decision specifies conditions to be met by the Company in connection with the new investment:

(a) the new investment shall be in Środa Wielkopolska, ul. Fabryczna 7, on the Company-owned land with the surface area of 5.2981 ha;

(b) the net headcount shall be increased by four new workers over the average headcount of 12 months preceding the receipt date of the decision on support, and such increased headcount understood to mean the 4 new workers plus the average headcount referred to above shall be maintained during the period from 31 December 2020 through 31 December 2023;

(c) eligible cost for the new investment of at least PLN 65 850 000.00 shall be incurred at the investment site by 31 July 2024;

(d) new investment shall be completed by 31 July 2024, after which date no investment cost incurred by the Company will be deemed eligible cost;

(e) maximum eligible cost, which may be considered when determining a maximum amount of public support, shall be PLN 85 605 000.00.

In their decision, WSSE confirmed that the investment meets the quantitative criterion. The Company has undertaken to incur at least PLN 3 000 000.00 of the eligible cost of the new investment.

In their decision, WSSE bound the Company to meet the following qualitative criteria within the period of maintaining the new investment:

- sustainable economic development criterion (an appropriate level of sales is to be reached; membership in the Key National Cluster is to be maintained; and R&D activities are to be conducted with R&D personnel in the new investment to account for 2% of FTE for all workers employed);

- sustainable social development criterion (specialized jobs are to be created to conduct business activity covered by the new investment, including the hiring of workers, who have a specified level of education, under contracts of employment; business activity is to be conducted with low negative impact on the environment as confirmed by adequate certificates; the acquisition of education and vocational qualifications is to be supported; and collaboration is to be established between the Company and vocational schools as far as provision of machinery and tools to the schools is concerned).

In contrast to other tax credits, where the investment tax credit under the Polish Investment Zone program is received, investment costs are not deducted from revenue but are directly subtracted from the tax an enterprise owes.

Support received by Polipak meets the definition of the investment tax credit. Investment tax credits are excluded from the scopes of IAS 12 and IAS 20. Moreover, in accordance with IAS 12, no asset arising from a deductible temporary difference that originates on initial recognition of a difference arising from the said tax credit in the balance sheet can be recognized.

Therefore and given the right to elect an accounting policy under IAS 8, the Company's Board of Directors introduced the principle to the accounting policy, whereby no deferred tax asset is recognised for the investment tax credit.

30. Post-balance sheet events

On 30 January 2025, Nikolaos Bazigos, Greek citizen, was appointed as the Vice President of the Company's Board of Directors.

On 05 February 2025, the consolidated text of the Company's Articles of Association was amended in so far as it related to the rules of representation; according to new rules, the Company may be represented by:

- President of the Board of Directors acting independently;
- Vice President of the Board of Directors acting independently;
- Member of the Board of Directors acting jointly with the President of the Board of Directors.

On 13 February 2025, the Extraordinary Meeting of Shareholders adopted the resolution on putting the sole shareholder, Sarantis Polska S.A. of Piaseczno, under the obligation to make additional capital contributions in the amount of PLN 5.50 per share held in the Company, i.e. in the total amount of PLN 10 615 000.00. The additional contributions were made on 13 February 2025.

On 18 April 2025, the Company signed a notarial deed whereby the Company has acquired an ownership title from Solaris bus & Coach Sp. z o.o. to the land with the area of 4 092 m^2 located in Środa Wielkopolska.

Środa Wielkopolska

Person entrusted with keeping books::

Patrycja Prusakiewicz-Błaszczuk

Podpis jest prawidłowy

Dokument podpisany przez
Patrycja Prusakiewicz-Błaszczuk
Data: 2025.06.17 13:18:18
CEST

Board of Directors:

Tomasz Tramś President of the Board of Directors	Nikolaos Bazigos Vice President of the Board of Directors
Podpis jest prawidłowy Dokument podpisany przez Tomasz Tramś Data: 2025.06.17 13:53:58 CEST	NIKOLAOS BAZIGOS 17.06.2025 15:02