



MENNICA
POLSKA

ISTNIEJE OD 1766 R.

ANNUAL REPORT

2020

Annual Report 2020

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Letter from President of the Management Board to Shareholders of Mennica Polska SA

Ladies and Gentlemen, Dear Shareholders,

Last year has proved, more than at any time before, our utmost agility when faced with dynamic changes and various market turbulences. Today, we can say with full confidence that, challenged by a major test of COVID-19 pandemic, we have come through stronger and more determined to reach for more.

In our primary business area, attractive investment products, maintaining continuous supplies and diversification of sales channels have allowed us to significantly strengthen the leadership position in the investment gold market. Customers of Mennica Polska SA bought 1.8 tonnes of this precious metal, which is an annual increase by more than 100%. At the same time, in response to increased interest in precious metals, we have decided to expand our product range by silver investment products. Sales results have shown that this decision was right – customers received as much 1.3 tonnes of that previous metal through our agency.

In the mint production segment, we have received from our strategic partner, the National Bank of Poland, a contract for the supply of circulation and collector coins worth more than PLN 93 million. In international business, last year we submitted more than 35 bids in tendering procedures for the production of circulation coins. Among other things, we have successfully completed pre-qualification at the Central Bank of Brazil, and Mennica Polska SA is one of three companies that will take part in that tendering procedure. Also, implementation of contracts for the Bank of Costa Rica, Central Bank of Paraguay, and Bank of the Dominican Republic were very important for us.

In late 2020, in the Collector Coins product group, we signed, among other things, a contract for new themes dedicated to the 30th anniversary of independence of Tajikistan with which we have worked for three years now. One of our new customers is the Central Bank of Argentina.



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In the Electronic Payments segment, strongly affected by the pandemic, we have confirmed our negotiation skills with the authorities of major cities. Successful finalisation of negotiations, concerning, among others, the extension of the applicable contracts, will allow us to improve return on the projects injured by the COVID-19 pandemic. We have also undertaken extensive cost optimisation measures in maintenance services.

At the time of challenge, we have been constantly tapping the knowledge capital and highest skills by implementing our innovative Open Payment System in the entire fleet of urban transport vehicles in Włocławek. In addition, we have been the first in Poland to implement, in Bydgoszcz, a solution that allows passengers to validate with a proximity payment card their right to travel by public transport acquired under the transit pass. In Łódź, we have launched a pilot project, unique in Poland, which tests a method of charging for travel when you change the bus or tram.

We have also grown in strength in the real estate development market. Despite demanding market conditions, and, as a result, tougher administrative procedures, we have obtained the occupancy permit for the 'Mennica Residence II' project and for the first stage of 'Bulwary Praskie' project. As part of the residential complex developed in Warsaw's Żerań District, we actively worked to obtain construction permit for four new buildings, which we have managed to finalise in the first quarter of 2021. Our growth potential in this segment has been also recognised by reputable industry prizes for our significant influence on the property development in Poland. The state-of-the-art 'Mennica Legacy Tower' office complex has been acclaimed a new landmark of the city, and qualified for the prestigious 'European Property Awards' competition, in which – already in 2021 – it has been recognised as the best commercial investment in Europe.

In each business decision, we have been guided by tangible benefits for Shareholders. And your trust with us bears fruit. The 2020 performance has been a successful litmus test for our strategy. I wish to myself and to you as much as possible evidence of that in the next year on our common road. Meanwhile, please examine our financial statements for 2020.

Yours faithfully,

Grzegorz Zambrzycki,
President of the Management Board



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Mennica Polska Group structure

Mennica Polska Group (Polish: *Grupa Kapitałowa Mennica Polska SA*) is a leading maker and distributor of minting and engraved/medallist products in Poland, and a remarkable player in international markets in this segment. In addition, delivering its strategy of striking a balance between traditional and modern products, Mennica Polska Group has been active in the Electronic Payments business, implementing and maintaining city-card systems throughout Poland. Real estate development is a promising segment for creating added value for Mennica Polska Group.

Mennica Polska SA

Mennica Ochrona Sp. z o.o. – 100%

Mennica Deweloper Sp. z o.o. – 100%

Mennica Polska Spółka Akcyjna SKA – 50%

Mennica Polska Spółka Akcyjna Tower SKA – 100%

— Mennica Towers GGH MT
Spółka z ograniczoną odpowiedzialnością SKA – 50%

Shareholders of Mennica Polska SA

As at the date of publication of this report, the shareholders of more than 5% of the Company's equity have the following interests:

	As at this report date			As at 31/12/2020			As at 31/12/2019		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
Zbigniew Jakubas with subsidiaries and entities mentioned in Article 87(1)(5) of the Public Offering Act	25,180,270	49.2%	49.2%	25,180,270	49.2%	49.2%	25,180,270	49.2%	49.2%
Nationale-Nederlanden OFE	3,830,000	7.5%	7.5%	3,830,000	7.5%	7.5%	3,830,000	7.5%	7.5%
OFE PZU „Złota Jesień”	3,538,420	6.9%	6.9%	3,538,420	6.9%	6.9%	3,538,420	6.9%	6.9%
Joanna Jakubas	2,959,000	5.8%	5.8%	2,959,000	5.8%	5.8%	2,959,000	5.8%	5.8%
MetLife OFE	5,116,719	10.0%	10.0%	5,116,719	10.0%	10.0%	5,116,719	10.0%	10.0%

Supervisory Board of Mennica Polska SA

In the reporting period, the Supervisory Board of Mennica Polska SA was composed of:

- **Zbigniew Jakubas** – Chairman of the Supervisory Board;
- **Piotr Sendcki** – Deputy Chairman of the Supervisory Board;
- **Paweł Brukszo** – Member of the Supervisory Board (until 1 June 2020);
- **Jan Woźniak** – Member of the Supervisory Board;
- **Agnieszka Pyszczyk** – Member of the Supervisory Board;
- **Michał Markowski** – Member of the Supervisory Board;
- **Jacek Czarecki** – Member of the Supervisory Board (from 1 June 2020).

On 8 May 2020, Mr Paweł Brukszo resigned as Member of the Supervisory Board of Mennica Polska SA. The resignation became effective on 1 June 2020. On 1 June 2020, Extraordinary General Meeting of the Company, by Resolution 37, appointed Mr Jacek Czarecki to the Supervisory Board.



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Key financial figures for the last five years

GK MPSA (PLN thou)	2016	2017	2018	2019	2020
Income from sale	882,371	926,912	1,036,610	669,372	943,434
Earnings before interest and taxes (EBIT)	42,797	123,671	79,776	23,520	77,732
EBITDA	61,463	141,515	102,290	44,503	98,860
Net profit or loss	45,365	121,093	65,371	-1,203	55,542
Assets	843,709	961,307	814,336	970,169	882,287
Shareholders' equity	468,234	596,587	610,819	558,478	587,475
Book value per share	9.16	11.66	11.94	10.92	11.49
Earnings per share	0.92	2.43	1.32	0.02	1.13



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Key achievements and major events

Key achievements and major events

Increased dynamics of sale in the group of golden investment products, related to extraordinary demand for gold and attractive offer of Mennica Polska SA. In 2020, our customers received as much as 1.8 tonnes of gold, a YOY increase of 100%.

We expanded Mennica Polska SA's offering to include silver in response to increased interest in precious-metal investments.

Mennica Polska SA recognised as 'Alternative Investment Company' in the 6th edition of 'Invest Cuffs' competition.

Five awards for Mennica Polska SA under prestigious 'Coin Constellation' industry contest.

Active part of Mennica Polska SA in charity actions, including 'Run for Blood and Marrow' and 28th Grand Finale of the Great Orchestra of Christmas Charity.

Results

Owing to adjusted resources and professional approach to new technologies, Mennica Polska SA significantly strengthened its leadership position in the gold market. At the end of the year, gold was available for purchase in four outlets in three locations – two in Warsaw, one in Krakow, and one in Poznań – as well as in our online shop and outlets of PKO BP bank.

In response to customer needs and market trends, Mennica Polska SA expanded its product portfolio to include investment silver. In 2020, customers received 1.5 tonnes of this metal from us.

This investors' award for Mennica Polska SA confirmed the attractiveness of the Company and the business diversification opportunities it offers in exceedingly demanding times.

Five awards in various categories confirmed that Mennica Polska SA is rightly considered one of the most technologically advanced mints in the world.

Free production of commemorative medals for all participants of the 'Run for Blood and Marrow' action and Golden Hearts for the Great Orchestra of Christmas Charity auction, with active involvement of Mennica Polska SA's workers (PLN 31,000 were donated).

Key achievements and major events

Mennica Polska SA, in collaboration with Mastercard, has implemented a pioneering solution in Bydgoszcz – proximity payment card validates the urban transport eligibility under the transit pass.

Innovative roll-out that aggregates proximity payments made with your bank card on daily basis, in accordance with the regulations of the largest payment organisations – VISA (Mass Transit Transaction) and Mastercard (Pay As You Go).

Expansion of the Warsaw ticketing system to include 30 self-service machines.

Roll-out of innovative payments for urban transport tickets in Włocławek as part of Open Payment System (OPS).

Pilot roll-out of a unique charging system in Łódź urban transport, capable of adding together two travels on tram 'with a change', with financial benefit for the passenger.

Results

Possibility to buy a transit pass online at any place and time, and travel eligibility linked to a proximity payment card. Previously, the medium and identifier of transit passes was the electronic city card only.

Integration of payments for transportation services on the city scale, with perspective of increased throughput of passenger traffic and less queues to mobile EMV validating machines.

Providing the residents of the capital city with a larger number of self-service posts where they can buy urban transport tickets.

Providing passengers with a more convenient and quicker way of paying for public transport, using a proximity bank card. Mobile validating machines as part of OPS, operating in the 'choose, bring closer, and go' formula have been installed in all of the 65 vehicles of urban transport in Włocławek.

It was for the first time in Poland that the amounts for travel 'with a change' from one tram line to another, paid with proximity payment cards in mobile validating machines operating as part of OPS, have been added together. Eventually, the passenger pays less, because two single travels are considered a single travel (in Łódź, passenger transactions are charged at diminishing rates with each stop travelled).

Key achievements and major events

Successful completion of negotiations with the authorities of the largest cities, with which Mennica Polska SA works, including regarding the extension of cooperation agreements.

Occupancy permit obtained as part of the 'Mennica Residence II' project and on Stage I of 'Bulwary Praskie' project (S1 building).

'Mennica Legacy Tower' project wins on the Polish stage of the European Property Awards 2020-2021 competition. The project was qualified to the short list of finalists as a representative of Poland on the European level.

'Mennica Legacy Tower' declared a 'New Iconic Landmark of the City' in the 'Real Estate IMPACTOR' competition.

The award is given to companies and individuals with significant impact on the development of the property sector in Poland. The 'Mennica Legacy Tower' complex, with attractively arranged space around it, is today a landmark feature on the map of the capital city's new business centre.

Results

Favourable outcome of negotiations with municipal authorities will allow us to minimise adverse consequences of the pandemic for Mennica Polska SA's Electronic Payments business. Extended cooperation agreements improve the rates of return on projects, including provide a longer perspective for EBITDA performance.

Buyers were able to collect the keys to their apartments despite procedural difficulties related to the outbreak of COVID-19 pandemics.

Ultra-modern and technologically advanced office complex of 'Mennica Legacy Tower' was distinguished in two categories 'Commercial High-rise Architecture for Poland', 'Commercial High-rise Development for Poland'. It confirms the growth potential of Mennica Polska SA in the real estate development business.

Building permit for four new buildings under the 'Bulwary Praskie' project (due to protracted environmental assessment procedure, the permit was obtained on Q1 2021, ie after the balance-sheet date).

Go-ahead for immediate start of construction of four new buildings as part of the project developed on Warsaw's Żerań District. A modern and attractive residential complex will harmoniously combine architecture with the Vistula river-side landscape and at the same time meet diverse needs of future users.

Performance of Mennica Polska Group by segment

In the period, Mennica Polska Group's business was focused on the following markets:

- Mint Products (coins, engraved/medallist products and investment products);
- Electronic Payments (urban transport tickets and parking place prepayments on city cards, as well as sale of mobile phone recharge prepayments);
- Real Estate Development ('Mennica Residence', 'Mennica Legacy Tower', 'Bulwary Praskie', rental of office and storage space).

	Segment	Segment	Segment
	Mint products	Electronic payments	Real estate development
Companies	Mennica Polska SA	Mennica Polska SA	Mennica Polska SA; Mennica Polska Spółka Akcyjna S.K.A.; Mennica Polska Spółka Akcyjna Tower S.K.A.; Mennica Deweloper Sp. z o.o.
Products	production and sales & marketing of circulation and collector coins, tokens, bars and other investment products of gold and silver, medals, decorations, badges, seals, date stamps, and other mint products	operating city-card systems, sale of urban transport and railway tickets, prepaid cards, proceeds from parking charges, maintenance services, and sale of equipment	implementation of real estate development projects, lease of office and storage space
Customers	National Bank of Poland, and foreign issuers, domestic and foreign distributors of mint products, collectors, investors, corporations interested in token products	local governments operating urban transport, railway companies, private individuals	institutional customers and natural persons
Markets	domestic and foreign	domestic	domestic

This diagram represents the structural setup of Mennica Polska Group, including joint ventures and associated companies, as at the date of this report.

Income statement by segment for period from 1 January to 31 December 2020

Line of statement (thousands of PLN)	SEGMENT				Total
	Mint Products	Electronic Payments	Real Estate Development	Unallocated items	
Revenues from core operating activity, total	630,816	170,246	142,371		943,434
Expenses of core operating activity of segment	-583,503	-184,785	-92,688		-860,977
Other operating income and expenses	-173	-73	-3023		-3269
Result on derivatives for unrealised sales				326	326
Share of profit/loss participations in investments accounted for using the equity method			-1591	-190	-1781
Wynik operacyjny	47,140	-14,612	45,069	135	77,732
Amortisation and depreciation	4903	14,374	1851		21,128
EBITDA	52,043	-237	46,919	135	98,860
Financing income					7072
Financing expenses					-15,929
Income tax					-13,333
Net profit					55,542

* EBITDA - earnings before interest, taxes, depreciation, and amortisation

Income statement by segment for period from 1 January to 31 December 2019

Line of statement (thousands of PLN)	SEGMENT				Total
	Mint Products	Electronic Payments	Real Estate Development	Unallocated items	
Revenues from core operating activity, total	388,124	277,379	3870		669,372
Expenses of core operating activity of segment	-356,248	-275,078	- 13,048		-644,410
Other operating income and expenses	-390	294	389		294
Result on derivatives for unrealised sales				-395	-395
Share of profit/loss participations in investments accounted for using the equity method			-1151	-190	-1341
Wynik operacyjny	31,486	2595	-9976	-585	23,520
Amortisation and depreciation	4952	13,941	2089		20,983
EBITDA	36,438	16,536	-7887	-585	44,503
Financing income					6671
Financing expenses					-20,537
Income tax					-10,857
Net profit					-1203

* EBITDA - earnings before interest, taxes, depreciation, and amortisation



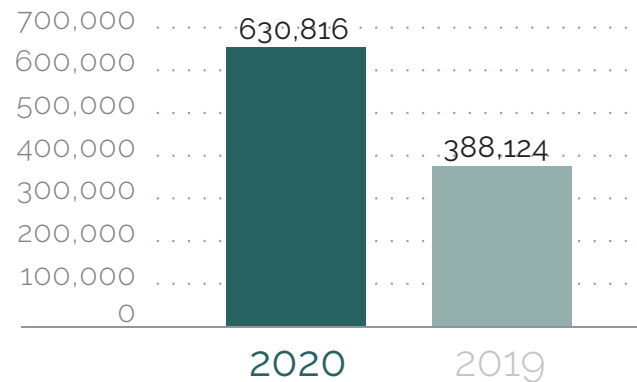
Mint Products segment

The segment includes:

- production and sale of all mint products, including production of circulation and collector coins (including sale of silver and gold in disks), tokens and other mint products and engraved/medallist products (medals, distinctions, badges, seals, date stamps, fineness marks);
- sales and marketing, related in particular to the promotion and distribution of collector coins, numismatic products, investment bars, and other mint products.

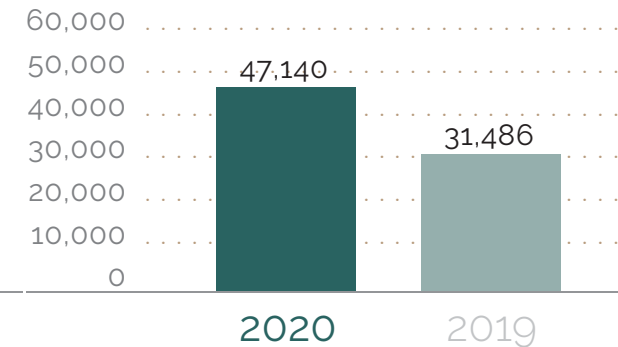
Revenues of Mint Products segment

(thousands of PLN)



Performance of Mint Products segment

(thousands of PLN)



Domestic coin market

The direct customer in the coin market is the National Bank of Poland. In the period, Mennica Polska SA supplied coins to the National Bank of Poland based on a Framework Contract of 11 July 2007. Under the contract, in particular years, Mennica Polska SA receives an annual summary purchase order from the National Bank of Poland for the production and supply of coins of general circulation and collector coins, defining production and delivery dates for particular batches of coins. In 2020, Mennica Polska SA realised orders for the NBP in the quantities similar to those of the prior year. Regarding circulation coins, the Company made those of 1 grosz, 2 grosz, 5 grosz, 10 grosz, 20 grosz, 50 grosz, 1 zloty, 2 zloty bi-colour. In 2020, we have also started making for the NBP 10 grosz, 20 grosz, 50 grosz, 1 zloty coins according to new specifications. Cupro-nickel used as standard in prior years was replaced with steel covered with double layer of copper and nickel. Both in 2020 and in the current year, Mennica Polska SA has been supplying, as per the NBP's purchase order, coins of all applicable denominations.

In the segment of collector coins, almost 207,000 coins were produced for the NBP in 2020, which is more than a dozen percent less than in 2019. Due to the pandemic situation, deliveries of 'Tokyo Olympics' and 'Beatification of Stefan Wyszyński' were postponed to 2021. Themes of the 'Treasures of King Stanislaw August – Sigismud III Vasa' series were implemented, as were individual themes of '100th Anniversary of the Marriage to the Sea Ceremony', and 'Katyń – Palmiry 1940'. In addition, we made fascinating coins such as: '10th Anniversary of the Smolensk Disaster', and '100th Anniversary of Birth of Saint John Paul II'. The most unique coin was the coin on the occasion of '700th Anniversary of the Consecration of the St Mary's Church in Krakow' made with a coloured-glass insertion that imitates a stained-glass window. We also made the following commemorative coins with 5 zloty denomination: 'Discover Poland – St Mary's Church' and 'Discover Poland – Branicki Palace in Białystok'. In addition, we made coins that continued prior series, including 20 zloty coins of the 'History of Polish Coins – Gdansk Zloty of Augustus III', a 20 zloty coin of 'Great Polish Economists – Stanisław Głabiński' series, 20 zloty coins of the 'Polish Thermopile – Węgrów', 10 zloty coins of 'The Enduring Soldiers accused by the communists – 75th Anniversary of the "Freedom and Independence" Union', 10 zloty coins of 'History of Polish Popular Music – Krzysztof Klenczon' series, 10 zloty coins of 'Great Polish Economists – Stanisław Grabski' series, 10 zloty coins of 'Great Polish Economists – Leopold Caro' series, 10 zloty coins of 'The Enduring Soldiers accused by the communists – Mieczysław Dziemieszkiewicz „Rój”', 10 zloty and 100 zloty coins of 100th Anniversary of Regaining Independence by Poland – Wincenty Witos',

50 zloty and 500 zloty coins of 'Treasures of King Stanislaw August – Władysław IV' and 20 zloty coins of 'Great Actresses – Antonina Hoffman', made in unique technology (pink gold). We also made two individual themes commemorating the events: '40th Anniversary of Establishment of NSZZ "Solidarność"', and 'To the Victims of the KL Warschau Camp'.

The situation in the market for collector coins issued by the National Bank of Poland in 2020, expressed by demand of end users, did not change in comparison to prior years. The interest in collector coins, covering groups of traditional users, remained low. In addition, the pandemic situation certainly affected the overall market situation. Issues of certain coins were postponed or suspended. In 2020, the National Bank of Poland issued 22 themes of collector items, including 20 silver coins and 5 golden coins. Average declared editions of particular issues of silver coins were further reduced.

Mennica Polska SA is the maker of silver oxidated 'royalty' coins, most of them being 2oz coins, stamped with medallist technique, including for customers from the domestic market. In the year in question, commissioned by domestic customers, 17 themes of those popular coins were realised – most of them in editions of 500 pieces, except for two coins from the 'Witcher' series, whose edition was set to 2000 pieces. Mennica Polska SA also continued to issue its own themes of foreign collector coins as part of the 'royalty' programme, offered to customers from the collector and occasional-souvenir segments. In 2020, another 23 themes of coins designed for the domestic market were issued, whereas some of them continue previously started series, including the 'Strzybóg' coin for the 'Gods and deities of the Slaves' series, five coins from the 'Zodiac Signs' series, 3 coins from the 'Scarabaeus' series, 2 coins from the 'Calendars of World Cultures' series, 'Laocoön Group' from the 'Masterpieces of Sculpture' series. The 'Unicorn' and 'Dragon' coins have started the 'World of Fantasy and Myths' series, the 'Tonatiuh' coin has initiated the 'Gods of the Sun' series. To commemorate the 100th anniversary of birth of Karol Wojtyła, Mennica Polska SA issued a silver 100-gram coin in a limited edition of 100 pieces, with an original effigy and wooden insertion.

Domestic market for other mint product

The market for traditional medallist/engraved products has been experiencing constant transformation, becoming even more demanding in the face of increased competition. Maintaining high position by Mennica Polska SA has become ever harder due to reduced quality requirements of some customers who consider the price the sole criterion for selection. In product groups such as tokens, medals, decorations, seals, fineness marks, supplies are mainly based on contracts made with traditional customers. The impact of the COVID-19 pandemic on that product group was particularly acute. A number of celebrations and jubilees were postponed or cancelled.

Domestic market for investment gold

The main determinant of sales worldwide, including in Poland, was COVID-19, and specifically the associated lockdown and economic crisis due, among others, to closing down of the biggest global economies and production limitations. In 2020, there was record-breaking interest in golden bars and bullion coins offered by Mennica Polska SA. We supplied our customers with almost 1.8 tonnes of gold investment products. Despite significant limitations in the supply of gold, caused by the coronavirus pandemic, Mennica Polska SA managed to maintain continuous sales.

Mennica Polska SA is a leader in the Polish market for gold investment products. Gold bars with Mennica Polska SA logo are most frequently chosen investment products in the entire product range. Owing to cooperation with commercial partners, Mennica Polska SA's investment products are available in almost 1500 distribution points. Usually, these are branches of our partner banks where our customers can safely make their purchase. Purchases could be also made in four shops in three cities: Warsaw, Krakow and Poznan, as well as through the online platform.

However, the Polish market is still little aware of how to invest in gold. Having recognised this gap, representatives of Mennica Polska SA's Investment Product Division, in collaboration with the Individual Investors' Association, take part in presentations and fairs. The mission of this cooperation is to get small investors acquainted with both the opportunities brought by investing your savings in precious metals, and presenting Mennica Polska SA as a leading maker and distributor of bullion bars and coins in the domestic market.

Foreign market for coins

In the international market, Mennica Polska SA's business in the discussed period focused on the production of circulation and collector coins. The former product group features remarkable supplies of coins to central banks of a single continent – South America. Very important contracts for Mennica Polska SA were implementations for the Bank of Costa Rica, Central Bank of Paraguay, and Bank of the Dominican Republic. More than 140 million circulation coins were made last year for those entities. In addition to the performance of won tenders, a major objective of Mennica Polska SA is to actively seek new markets. Our prudent development strategy and strong position among global mints gives us the privilege of competing in most of international tenders. Eastern and western foreign markets are constantly monitored for opportunities to win new contracts.

In 2020, more than 35 bids were submitted under tendering procedures. An important event was a contract signed between Mennica Polska SA and Central Bank of the Dominican Republic. Supplies of 20 million coins were contracted for 2021. Another major event for Mennica Polska SA was also successful completion of pre-qualifications at the Central Bank of Brazil to become one of three entities that will take part in the tendering procedure.

In the Collector Coins product group, Mennica Polska SA has mainly worked with distributors, banks and issuers. In this segment, central banks also play a key role, as they ensure larger volumes of orders. In the discussed period, the Company entered 15 tenders concerning specifically collector coins. Despite difficult situation in the international market related to COVID-19, we have noted in recent times high interest of Central Banks in collector coins. For three years, we have successfully worked with the Bank of Tajikistan to develop 12 themes from the 'Tajikistan's Fauna' series. In late 2020, we signed a contract for new themes dedicated to the 30th anniversary of independence of Tajikistan.

Under a Framework Contract, in 2020 Mennica Polska SA produced EUR 2.5 coins for the Bank of Luxembourg. Owing to intensive activity in international markets, the portfolio of the Mint's customers has been growing to include new ones. Central Bank of Argentina is a new customer, supplied by us with 3000 silver coins.

In the discussed period, Mennica Polska SA also continued collaboration with Central Bank of Oman, initiated in 2019, by performing a contract for the supply of 7500 coins of precious metal.

In mid-2020, we made coins for the Central Bank of Nicaragua. A total of 1580 commemorative silver and golden coins were sold.

Mennica Polska SA also offers products from the occasional&souvenir segment. The main customers are private companies which distribute mint products internationally. The largest markets are North America, Europe and Asia. Sixty coin themes were created during the year. Two-ounce coins made with medallist technique are still very popular. Another important event related to the Collector Coins segment are also achievements within the 14th edition of 'Coin Constellation', a prestigious industry contest held in Russia. Under that initiative, Mennica Polska SA won as much as five awards in four major categories. In the beginning of the year, at international 'World Money Fair 2020' in Berlin, Mennica Polska SA presented novelties in the Collector Coins group.

Below are presented selected figures for the segment:

Mint Products segment	2020	2019
Quantity of coins sold (thousand pcs)	1,340,218	1,269,855
Number of customers of circulation coins (based on sales figures)	6	3
Number of customers of collector coins (based on sales figures)	389*	321*

* The adopted threshold is sales of at least PLN 10,000 pre-VAT.



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Electronic Payments segment

This segment includes the operation of 'city cards', sale and intermediation in the sale of public transport tickets, pre-paid charging, maintenance services, and supply of equipment for the operation of electronic payments.

Mennica Polska SA has been actively developing its business in the electronic payments market since 2001. The Electronic Payments Division is responsible for this area.

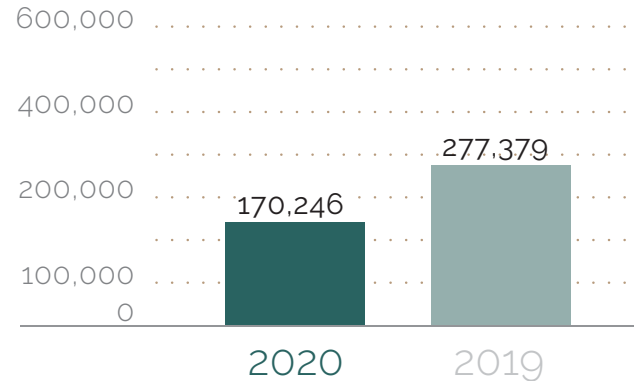
The company is a leader in the implementation, operation and development of 'city card' systems in Poland.

In its activity, Mennica Polska SA has focused on the market for urban services, with particular attention to the broad public transportation market. Primary products and services in the Electronic Payments area include:

- Sale of city transit tickets in electronic and paper formats, and other urban services in the electronic format through modern distribution channels, including charging systems using payment cards directly on vehicles, called Open Payment System;
- IT and communication systems for the management of city cards and sale of urban services (mainly city transit tickets) based on proximity cards;
- constant development and management of the sales network of electronic products based on diversified distribution channels: POS terminals, ticket machines, e-commerce, mobile payments, Open Payment System;
- distribution of mobile phone recharge prepayments.

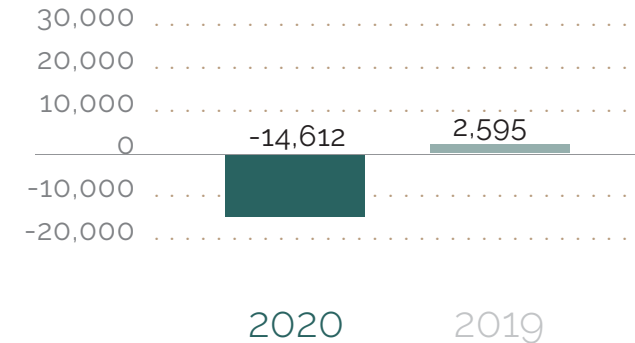
Revenues of the Electronic Payments segment

(thousands of PLN)



Profit or loss of the Electronic Payments segment

(thousands of PLN)



Due to COVID-19 pandemics and the related government restrictions, in 2020 we were faced with significant drop in sales of city transit tickets. Despite optimisation of urban system operating processes, the Electronic Payments segment reported a significant loss of performance as compared to the prior year.

In 2020, the Electronic Payments Division focused its activity primarily on maintaining the ongoing processes. In addition, we continued to develop our proprietary 'Open Payment System' product – a fare collection solution for city transport tickets, based on the technology of proximity bank cards and online operation, which has resulted in the roll-out of a new project in Włocławek. The Open Payment System was awarded in two consecutive editions of TRANSEXPO International Fair of Public Transport, ie in 2016 and 2018, in the 'Collection systems' category, and was held twice the most innovative and modern IT solution in public transport. In March 2017, also the town of Jaworzno was distinguished with a prestigious 'Smart City' award for the Open Payment System implemented by Mennica Polska SA.

In 2020, the Electronic Payments Division delivered an innovative solution under which proximity payment cards have become identifiers of transit passes available online from the central IT system. Completion of this project in Bydgoszcz has been the first of that kind in Poland and one of few worldwide.

In the reporting period, Mennica Polska SA continued its efforts aimed at expanding the Electronic Payments Division's sales network in the currently served cities, as well as winning new local and international projects, including with the use of our new Open Payment System product.

We also initiated efforts to optimise operating activities and strengthen security measures in sales systems.

In the reporting period, in the Electronic Payments area, Mennica Polska SA centered its activities on key urban projects:

- Warsaw City Card,
- URBANCARD Wrocław City Card,
- PEKA Poznań Electronic Agglomeration Card, Gdańsk City Card,
- Lublin City Card, Bydgoszcz City Card,
- Jaworzno City Card, Suwałki City Card,
- 'E-Migawka' Łódź City Card,
- Open Payment System in Włocławek,
- sale of tickets of Warsaw Commuter Railway through a network of ticket machines.

In the projects mentioned above, electronic products were sold through the network comprising ticket machines, OPS validating machines, retail points of sale equipped with POS terminals, sales systems.

Below is presented a summary description of key projects:

Warsaw City Card

In the reporting period, Mennica Polska SA continued its support of the Warsaw City Card project. The Company has operated the project since 2001 in collaboration with the Warsaw City Transport Administration.

As the operator of the largest distribution network for urban transport tickets, Mennica Polska SA operated sales through about 1000 retail points of sale, more than 480 ticket machines, an online sale system, and a mobile payment system.

In addition, Mennica Polska SA operated 583 mobile machines in Warsaw Trams.

'URBANCARD' Wrocław City Card

In the reporting period, Mennica Polska SA, as the sole distributor of urban transport tickets in Wrocław, served ticket sales through our own sales network comprising four Customer Service Desks, more than 2750 mobile ticket machines, 159 stationary ticket machines, about 220 retail points of sale, online sale system, and mobile app. Mobile machines allow passengers to pay directly in vehicles using payment cards (called Open Payment System).

'PEKA' Poznań Electronic Agglomeration Card

In the reporting period, Mennica Polska SA continued its support of the project. Tickets were distributed through our own sales network comprising 90 stationary ticket machines and about 100 sales terminals.

Bydgoszcz City Card

In the discussed period, we continued supporting the Bydgoszcz City Card project. In October 2018, an Open Payment System was launched to enable passengers to pay for transport using bank payment cards directly in vehicles. The system extends to all vehicles of urban transport in Bydgoszcz. The sales network now comprises more than 300 Open Payment mobile machines, about 100 terminals in retail points of sale, 13 stationary machines, and sales through mobile phones and online shop.



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In 2020, a pioneering solution has been also rolled out by which proximity payment cards have become identifiers of transit passes in urban transport. It was the first project of its kind in Poland.

Jaworzno City Card

In the discussed period, Mennica Polska SA continued supporting the Jaworzno City Card project. Currently, the ticket sale network in Jaworzno comprises about 70 Open Payment ticket machines installed in all vehicles and about 60 sales terminals in retail points of sale.

'Migawka' Łódź City Card

In the discussed period, Mennica Polska SA continued its support of the Łódź project, under which we operate an urban transport ticket sales network based on points of sale equipped with terminals. The project is carried out in collaboration with the Łódź Urban Transport Company (Miejskie Przedsiębiorstwo Komunikacyjne – Łódź Sp. z o.o).

In 2016, Mennica Polska SA was selected the operator of a pilot Open Payment system in Łódź. Under the pilot, in September 2017 a fare collection system was launched based on EMV validating machines accepting proximity bank cards. In 2020, Mennica Polska SA also launched sales of tickets through 37 stationary machines, and a unique charging system for travelling 'with a change' was implemented on a pilot basis.

Gdańsk City Card

In the reporting period, Mennica Polska SA operated in Gdańsk ticket sales through 85 stationary ticket machines. In addition, as part of sales support in Gdańsk, an Open Payment pilot project was operated for fare charging using payment cards directly in vehicles.

Other urban projects: Lublin City Card, Suwałki City Card

In the discussed period, we continued supporting the Lublin and Suwałki projects. These are mature projects, in which we have focused our attention on maximising the sales of urban transport tickets through the existing sales network.

Electronic Payments segment

	2020	2019
Nominal gross sales through Mennica Polska SA's systems (thousands of PLN)	497,234,386	829,244,846
Number of stationary machines involved in contracts as at the balance-sheet date	813	824
Number of OPS readers involved in contracts as at the balance-sheet date	3935	3861
Number of mobile machines involved in contracts as at the balance-sheet date	583	583

Real Estate Development segment

This segment includes, in particular, delivery of real estate development projects and lease of office space.

Mennica Polska SA has implemented its real estate development projects on its own property, and leases office and storage space in the buildings it owns. In addition, the Company holds (directly and indirectly) equity interests in the following companies: Mennica Polska Spółka Akcyjna S.K.A. and Mennica Towers GGH MT Spółka z ograniczoną odpowiedzialnością S.K.A. These companies hold land in Warsaw and carry out construction projects.

'Mennica Residence' project

Under this real estate development project, a total of more than 530 flats were designed, with average area of about 50 sqm and total usable area of about 33,000 sqm. The structure includes 1-, 2- and 3-room flats sized no more than 60 sqm, and 4-, 5- and 6-room flats on high floors, sized from 76 sqm to 233 sqm. The design also provides for parking spaces (for cars, motorcycles and bicycles) in a three-level underground parking lot.

The construction of the second stage of this project was launched at the end of July 2017 and included 341 residences with three-level underground parking lot for cars, motorcycles and bicycles, and two levels of commercial and office space on the ground floor and first floor of the building.

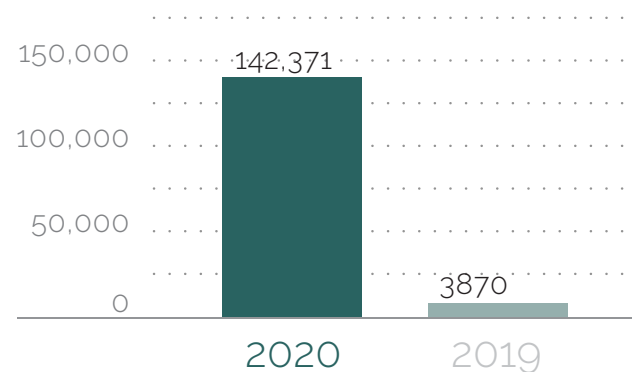
In April 2020, work was completed to the extent that allowed us to notify the construction site for acceptance by external services: State Fire Service, and State Poviast Sanitary Inspection. Due to restrictions introduced for the time of pandemics, the building acceptance procedure was longer than originally expected. The building has obtained final validations from both State Fire Service and Sanitary Inspection. On 24 July 2020, the State Construction Supervision Inspectorate (PINB) issued an occupancy permit for the building.

Sales of residences (based on signed real estate development contracts or preliminary sale contracts) on Stage II at the end of 2020 closed with 338 signed contracts, which is 99.1% of all residences on Stage II of the project. Overall area of the flats sold was 15,182 sqm, which is 97.4% of total usable area of flats on Stage II of the project. In addition, in the last month of 2020, the process of signing the final notarial deeds started. By the end of the year, 215 flats were transferred to customers, which is 63% flats under this project. The processing of the remaining notarial deeds is expected to take place in Q1 and Q2 2021.

Attractive architecture and location of the project contributed to its commercial success.

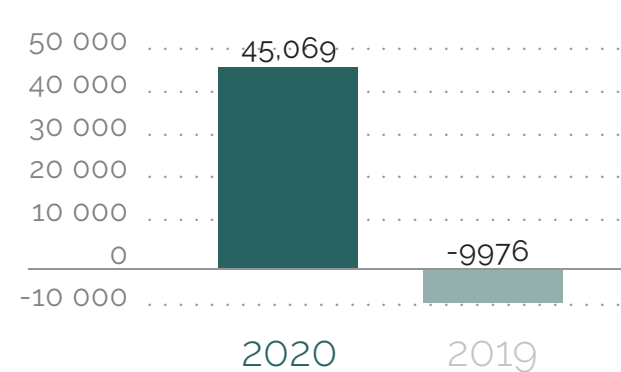
Revenues of the Real Estate Development segment

(thousands of PLN)



Profit or loss of the Real Estate Development segment

(thousands of PLN)



'Bulwary Praskie' project

In the reporting period, Mennica Polska SA, as the general partner of Mennica Polska Spółka Akcyjna S.K.A., managed its current business. It concentrated mainly on further work to prepare a land development project in Warsaw, at Jagiellońska St., with total area of 276,119 sqm to build multi-unit residential and commercial space such as offices and shops.

In 2019, following a series of protracted negotiations and agreements with municipal institutions and obtaining the relevant documents (including Environmental Decision), Development Requirements were obtained for the area covered by the Environmental Decision, based on which design work was conducted for three stages of the project in 2020. In December 2020, application was filed for the construction of the above-mentioned stages comprising about 37,000 sqm of usable residential area.

Also, the construction of the first multi-residence building, called S1 (142 residences) was continued, with scheduled completion by 22 May 2020.

Sales at the end of 2020 closed with 142 signed development contracts or preliminary sales contracts, which is 100% of all residences in the S1 building. Transfer of ownership of those flats is expected to take place in Q2 2021.

In the reporting period, procedure continued for the issuance of permits for other buildings: S2, S3 and R1, R2, R3 (a total of 323 residences). Following a protracted procedure of renewed environmental impact assessment, permits were obtained in Q1 2021 for S2, S3, R2, R3 buildings. With regard to the R1 building, we expect that the relevant permits will be issued in Q2 2021. If so, it will enable immediate commencement of next stages of the project.

'Mennica Legacy Tower' project

The project is operated by Mennica Towers GGH MT Sp. z o.o. S.K.A., a joint venture in which Mennica Polska Group and Golub GetHouse, a developer, hold 50% interest each. The project is operated by Golub GetHouse's partner, and Mennica Polska Group jointly controls the project company regarding key decisions. The project that is being developed is a modern business centre in Warsaw's Wola District, on a property situated in 21 Perec St. The area is dominated by 130-metre tower (with 32 office levels) of 'Mennica Legacy Tower' (MLT), accompanied by a 9-level building. Total leasable area is 65,900 sqm, of which 51,000 sqm are in the tower.

Occupancy permit for the western building was obtained in November 2019, and for the tower in November 2020. Owing to pre-signed lease contracts, the project has secured key tenants: mBank for the main tower, and WeWork for the western building.

The western building has been occupied since November 2019, and the first phase of occupancy of the tower began in November 2020. The occupancy process is now being continued.

Lease of commercial space

In the discussed period, the Company continued to derive revenues from the lease of space in the 'Mennica Residence' building and 'Nefryt' in Annapol neighbourhood of Warsaw.

Below are presented selected figures for the segment:

Real Estate Development segment	2020	2019
Number of transferred flats (based on final notarial deeds)	223	0
Pre-sales, including:	25	126
'Mennica Residence' project	7	23
'Bulwary Praskie' project	18	103



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Strategy and development prospects for Mennica Polska SA

The development strategy of Mennica Polska SA and its Group of Companies is based on maximisation of Shareholder value from three main segments that are independent from each other (Mint Products, Electronic Payments, and Real Estate Development). The overarching objective in each of the mentioned areas is to provide customers with products and services of highest quality, and aiming at a leading position in innovation and technology advancement.

In the area of organisation and management, the main strategic objective is to improve the quality management system and methods based on ISO standards, that have been implemented. This applies, among others, to improving the management system to enable the application of value management methods, build motivative work and pay systems, optimise operations, and flexible adaptation of resources and costs in relation to the operated projects and sales.

Below are presented key elements of the strategy with development prospects for at least the next year, specific for particular segments of Mennica Polska Group.

Mint Products segment

Key elements of the strategy:

- Achieve better competitive position for collector and circulation coins by mastering the largest possible range of mint techniques with which to meet customer expectations;
- Develop new, advanced mint techniques to offer more attractive products drawing the attention of more customers to Mennica Polska SA, and hence bringing more orders from the demanding mint market;
- Emphasis on ensuring the highest possible quality of supply, security and service for the National Bank of Poland, the key account in the Polish market; Strengthen our position in the South American and Asian markets, and expand to new markets (African countries);
- Optimise production processes by continuous improvement of human resources and machinery management;
- Strive at increasing the share of exported circulation coins and keep a high position for the sale of collector coins by high quality combined with attractive pricing;
- More intensive efforts regarding participation in the largest possible number of tendering procedures to win new contracts from central banks;
- Regarding the sale of investment product (gold bars, bullion coins), the Company has been expanding its sales channels using collaboration with key partners to build the capacity. Online sales is the distribution channel which has contributed to accelerated development in the pandemic. The Company has worked to ensure highest standards of transaction security, high product quality, and professional customer service;
- Pro-active partnership with customers for product design;
- Diversification of distribution channels.

Development prospects:

Global demand for circulation coins in payment transactions has not decreased despite growing popularity of cashless formats;

- Based on the contract signed with the National Bank of Poland for the supply of coins, Mennica Polska SA has continued producing all coins of general circulation at almost 1 billion pieces per year;
- In the present year, Mennica Polska SA was invited by central banks of various countries to compete in numerous tenders for the supply of both circulation and collector coins.

Electronic Payments segment

Key elements of the strategy:

- Improve and optimise the rolled-out projects.
- Keep a leading position in the market regarding the urban project portfolio currently held. Development of the Open Payment System project.
- Looking for new opportunities and development potential in Polish and foreign markets for the basic business of the segment.
- Diversification of distribution channels – under the already operated projects, the segment holds a diversified sales network through which it sells urban transport tickets. The network comprises various channels adapted to the needs and expectations of customers (EMV validating machines, POS terminals, stationary and mobile ticket machines, and sales through our proprietary mobile apps and online ticket selling platforms).

Development prospects:

- The Electronic Payments segment performs long-term contracts in the largest cities of Poland. Next year, it will focus mainly on the portfolio of large urban projects: in Warsaw, Wrocław (a new project performed under a contract made on 8 March 2017), Poznań, Łódź, Bydgoszcz, Lublin, Gdańsk, Jaworzno, Suwałki and KZK GOP. The three largest existing contracts lapse in 2023, 2026, and 2024, respectively. In addition, in next periods, for at least four years, we will continue the project based on a contract with Warsaw Trams for the operation and maintenance of 583 mobile ticket machines supplied by Mennica Polska SA.
- Important for short-term performance will be further development of the epidemiological situation related to COVID-19.
- In the long term, growing environmental awareness of the society and local governments should be conducive to the development of public transport in cities as an alternative to individual vehicles.

Real Estate Development segment

Key elements of the strategy:

- Maximise added value by delivering real estate development projects on the properties already held;
- Continue the existing and prepare new real estate development projects in attractive locations of Warsaw.;
- **Kontynuacja już uruchomionych i przygotowywanie kolejnych projektów deweloperskich w atrakcyjnych lokalizacjach Warszawy.**

Development prospects:

- Under the 'Mennica Residence' project, on the already completed second stage, the process of transfers of ownership to flats continues, which will be reflected in revenues of the segment in Q1 and Q2 2021. Sublime architecture, care for details and a distinctive internal passageway with varied green areas make the project an important landmark of Warsaw's Wola District.

In 2021, advance bookings of flats are being finalised, final notarial deeds are expected to follow the transfer of flats to the buyers.

- The 'Bulwary Praskie' project promises a great growth prospect. Carried out by Mennica Polska Spółka Akcyjna S.K.A. in the area of more than 27 ha situated between Jagiellońska St., Trasa Armii Krajowej and the projected Krasiński Bridge route, the area, due to its specific features, including direct neighbourhood of the Vistula river and green areas, will become in the future a landmark of the right-hand bank of Warsaw – prominent in the city panorama. The expected usable area of multi-functional development is about 400,000 sqm. In 2021, final notarial deeds for the first building are expected to be signed. In addition, in Q1, building permits were obtained for S2, S3, R2, R3 buildings. With regard to the R1 building, we expect that the relevant permits will be issued in Q2 2021. These permits will enable immediate commencement of next stages of the project
- The 'Mennica Legacy Tower' project, carried out by Mennica Towers GGH MT spółka z ograniczoną odpowiedzialnością S.K.A., a joint venture with Golub GetHouse, a developer, comprises two office buildings. This modern business centre, situated in Warsaw's Wola District, has been built on a property situated in 21 Perec St. The area is dominated by the 130-metre tower (with 32 office levels), accompanied by the nine-level building. Total leasable area is 66,000 sqm, of which 51,000 sqm are in the tower itself. The project is in the process of moving in by the already acquired tenants, and in the process of sale to the target investor.

The chapter below describes the activities in the reporting period in particular segments.



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Presentation of external and internal factors significant for the development of the Group

INTERNAL DEVELOPMENT FACTORS

Below are described strengths of Mennica Polska Group distinguishing it on the market.

We have a leading position in the world in terms of technologies and their applications

Mennica Polska SA, as one of few mints globally, is capable of producing collector coins in virtually any technology existing in the market. Currently, we have used more than 120 techniques resulting in, eg coins in 3D technology, openings of various shapes, depositing colour patterns using pad printing, and very high resolution laser prints cured with UV or ceramic enamel. We also make products with miscellaneous inserts, selectively gilded, oxidated, patinated, enamelled, ruthenium-plated, giving them varied forms and shapes.

This year, we have used for the first time 3D printing technology to ornament our coins, which attracted large interest among customers. The flagship example of such solution is the Medusa coin. Another innovative solution is a technology called 'chameleon' whereby a special paint changes its colour depending on the viewing angle. This amazing effect is used on the reverse of the 'Siren' coin. Pink gold – an admixture of copper in golden bath, which makes gold change its colour to pink. In a selective edition, it has been applied on a coin commissioned by the National Bank of Poland, ie 'Great Actresses – Antonina Hoffman', a PLN 20 coin, where even the filigree, openwork relief item is perfectly gilded. 'Resin' is another unique and very interesting technology – manually applied, transparent resin making the ultra precise relief picture underneath gains extra depth. 'Atlantis' coin is a perfect example here. In addition, we have made coins using integrated holograms with high embossing, in large sizes and using laser effects such as unique visual effects and microembossing. We protect our numismatic products with nanolayer technology against corrosive changes for silver and other alloys, which is not universally practiced on the market. In addition, we combine various techniques, which makes us a precursor or maybe the sole mint in the world which makes mint products using so many techniques. At the same time, we can still see a huge market potential and our opportunities to introduce new products made with high embossing and 'antique finish'.



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We are proud of our almost 255 years' history

Mennica Polska SA was established in 1766 by King Stanisław II August Poniatowski who wanted to create a recognisable brand to be associated with the finest coins in the Old Continent. Today, we are a leading maker of coins and numismatic products in Poland and Europe, known for our novel designs.

We have won various awards and recognitions for our products

Almost every year brings industry awards to Mennica Polska SA, which speak to the utmost craftsmanship and technology advancement of our coins. In January 2020, we won as many as five awards and recognitions as part of the 13th edition of the prestigious 'Coin Constellation' contest. It is a huge success due to strong competition – more than 220 designs from 22 countries were submitted to the competition. Mennica Polska SA was recognised for e.g., the 'Year of the Pig' coin from the 'Chinese Calendar' series with 1 dollar denomination in the 'Souvenir Coin' category), as well as the coin-earrings 'Egyptian Queen Nefertiti' with a nominal value of 200 CFA francs (third place in the 'Souvenir Coin' category). The second place in the 'Gold coin of the year' was won by the 'Qianlong "Wanshou Lianyan" Vase' with a nominal of 100 dollars, and the silver coin 'Maternity in Art' with a nominal value of 1000 CFA francs took the third place in its category. Also, the coin 'Henry Valois – Treasures of King Stanisław August' with a nominal value of PLN 50 (third place in the 'Coin classic' category) was awarded.

In December 2020, the 14th edition of the 'Coin Constellation' contest was held, in which Mennica Polska SA was awarded in three categories ('Original technology', 'Unique concept', 'Coin classic'). It is worth emphasising that as many as 26 central banks, mints and distributors of coins competed for places on the podium.

First place of 'Ave Caesar!', a 3D coin in the Colosseum shape in the 'Original technology' category is a special distinction for us and confirmation of high ranking of the company in the international market. Technology advancement and ability to put bold ideas to life translate directly into the uniqueness of our offering. In the 'Unique concept' category, the 'Genesis – Creation of the World' coin with face value 5 New Zealand dollars, was distinguished. It has an unusual shape of two crossing disks. By turning it along one axis, you can admire artistic interpretation of particular days from the biblical Genesis process. A sculpture transferred onto a relief picture was made with exceptional care, which gives a unique visual effect. In the 'Coin classic' category, a collector silver coin 'The Szóstak of Jan III Sobieski' with nominal value 20 zloty, a part of the 'History of Polish Coins' series, was distinguished. This award confirms that elegance combined with simplicity is always in demand.



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We pro-actively participate in global industry events

Mennica Polska SA is active member of the 'Mint Directors Conference Technical Committee' (MDC-TC), where, in collaboration with other industry leaders, the know-how in coin making is expanded. In 2020, during prestigious meetings (since March in teleconferencing form), Mennica Polska SA partnered for topics related to the making of tooling and automation of control processes in coin-making.

Every year, representatives of Mennica Polska SA take active part in global events devoted to the production of collector and circulation coins. This year, as many as seven representatives of Mennica Polska SA participated in the Technical Forum in Berlin at 'World Money Fair'. Mennica Polska SA has been actually active in each field possible: in the technical group of the 'Mint Directors Conference' (MDC), 'Mint Directors Working Group' (MDWG), or the 'Technical Sub Group' (TSG).

Another occasion to present our achievements will be participation in the 17th edition of Technical Forum in the digital format, as well as in the 31st edition of MDC in South Africa.

We are set on innovation and high quality of products

The success achieved by 'Fortuna Redux', world-first cylinder coin made by Mennica Polska SA in 2013, distinguished in international competitions, inspired us to make other innovative projects. Over the subsequent period, we have presented coins shaped as mini-cylinders, a coin shaped as the Cheops Pyramid, dice, as well as triptych with various original ornamentations, or the Musical Score (a coin shaped as a sheet of paper dedicated to Frédéric Chopin). A sphere-shaped coin has been an innovative design, made both in the proof and in the oxidated versions. It was made of silver with 999 fineness weighing 7 ounces, a 7oz egg-shaped coin with gold, oxidated and proof finish. On the occasion of a contract from the Bank of Lebanon, in 2017 we made coins shaped as hemisphere, prism, and a bell. A coin from the Fabergé Art series with the image of Trans-Siberian Railway has again achieved great success and enjoyed huge popularity with customers.

We have continued the best traditions in the engraved/medallist segment

Mennica Polska SA has been the maker of official decorations, made for the Chancellery of the President of the Republic of Poland. We have continued best traditions of Polish medallist craft, making highest-quality commemorative medals commissioned by central and local government authorities, public utility institutions, unions, associations, companies and business establishments from various branches of the economy. Products such as national decorations, emblems, badges, medals, seals and date stamps have for years been established on the market. These are traditional products of Mennica Polska SA and their sales have a significant share of the domestic market. The position of the Company in this product group has been determined by extensive experience, high quality of products, and long-standing relationship with customers who consider the Company a reliable, responsible producer and supplier. For official seals with the image of the national emblem, since 1926 Mennica Polska SA has been the only entity authorised to make them.



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We are a key player in the Polish market for collector coins

We distribute coins of the National Bank of Poland and collector coins of foreign issuers designed for Polish customers. We have collaborated with collectors and numismatic organisations.

We enjoy high reputation and have extensive experience in international markets

Mennica Polska SA has won huge experience and recognition as a reliable and trusted maker of coins in the international market. Partnership with the largest distributors of collector coins in the world has continued.

Key customers are central and commercial banks, including from Russia, Georgia, Belarus, and Ukraine. We have worked with a total of almost 100 distribution companies worldwide. Stable pricing policy and prompt and effective response to customer's requests – these are the most significant factors that contribute to building good customer relations and strengthening their willingness to continue partnership. A vast majority of our customers declare that we are their largest supplier. Mennica Polska SA has been a leader in the global market for both circulation and collector coins. The portfolio of customers has been growing to include new countries. Currently, we operate almost on every continent.

We are a national leader in the production and distribution of investment gold bars

Mennica Polska Group is the only maker of gold bars in Poland and provides comprehensive distribution support of investment products. We offer to our customers full range of gold investment products, available at any time. We are capable of producing bars with custom weights or custom shapes, such as an investment bar shaped as a dice. Another distinguishing feature in this area is operation of a broad range of distribution channels in the Group, such as online platform, outlets of reputed banks, and direct sales from the headquarters. Mennica Polska SA guarantees secure storage of gold bars in its strongroom, and gold buy-back at market prices. Last year, the Company has expanded its sales by developing cooperation with its partners.

We are a leader in the Polish market of city card operators

Nation-wide, we have supported more than one million cards encoding urban transport tickets and charges for other urban services. In 2020, we were strengthening our position by attracting new projects, implementing innovative solutions, and developing and optimising the sales network under the existing projects. Currently, we have operated systems in Warsaw, Wrocław, Poznań, Gdańsk, Bydgoszcz, Lublin, Jaworzno, Włocławek, Suwałki, and Łódź.



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In Poland, we have the best developed and technologically advanced sales network and know-how which allow us to distribute various electronic services and products

Mennica Polska SA holds the most extensive and most advanced network supporting city cards in Poland, comprising more than 4700 stationary and mobile ticket machines (including EMV validators), 2500 POS terminals, as well as e-commerce and m-commerce channels. We hold the relevant know-how and organisational and financial backstage, which allows us to tap emerging opportunities in the market for city card systems. In 2016, we have developed an 'Open Payment System' – custom solution that allows the passengers to pay their fares in public transport directly using bank payment cards. In 2020, we have rolled out a project – first of that kind in Poland – by which proximity payment cards have become identifiers of transit passes in urban transport.

We hold huge potential in the real estate market

'Mennica Residence' is a complex of modern residential buildings situated along a walkway, with internal courtyard and varied green areas on various levels. The highest building has fifteen levels. The estate was designed for the purposes of private and institutional customers. A clear division has been made into commercial functions (two lower levels) and residential functions (all levels above). On the ground floor, in addition to commercial space, there are halls leading to residential parts, and on the crossroads of Grzybowska and Żelazna Streets is the main entrance lobby to two corner towers and a fitness zone with its own leisure terrace facing the internal courtyard. The buildings have been classified as the middle-upper segment, and spacious penthouses or two-level apartments have been designed for the more demanding customers. In the three-level underground garage, there are parking spaces for cars, motorcycles and bicycles. A total of 530 residences have been built as part of both stages of this development.

Another project is 'Mennica Legacy Tower' (MLT), carried out by Mennica Towers GGH MT spółka z ograniczoną odpowiedzialnością S.K.A. (a joint venture with Golub GetHouse, a developer), which is a modern business centre in Warsaw's Wola District. The project was completed on the property situated in 21 Perec St. The area is dominated by the 130-metre tower (with 32 office levels), accompanied by a nine-level building. Total leasable area is almost 66,000 sqm, of which 51,000 sqm are in the tower itself.

Another project is called 'Bulwary Praskie', carried out by Mennica Polska Spółka Akcyjna S.K.A. The project is being developed in the area between Jagiellońska St., Trasa AK and the projected location of the Krasiński Bridge. The 27-hectare area promises a huge development potential. Direct neighbourhood of the Vistula river creates diverse revitalisation opportunities for this post-industrial area which – due to its specific features – will become a future landmark of right-hand-side Warsaw – prominent in the city panorama. Its location can harmoniously combine urban functions with recreational areas on the bank of the Vistula river, in direct neighbourhood of a Natura 2000 area. By this, it offers an opportunity to create new, attractive areas in public space not only for the district, but also for the entire city. The expected usable area of multi-functional development is about 400,000 sqm.



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We hold certified quality, environment and occupational health and safety management systems

The parent company of the Mennica Polska Group holds certified quality management system compliant with standard requirements ('best practice') defined in PN-EN ISO 9001:2015-10 standard, environmental management system compliant with PN-EN ISO 14001:2015-09, and occupational health and safety management system compliant with PN-N-18001:2004 for:

- design, production, storage of circulation and collector coins, coinage products, investment bars, and engraved/medallist products,
- design, implementation, maintenance and development of electronic payment systems for urban transport.

In 2020, Mennica Polska SA obtained an additional certificate for the compliance of the information security management system with PN-ISO/IEC 27001:2017-06 in the above-mentioned scope.

Outstanding in terms of stable and solid business and financial fundamentals

Our valuable assets, high levels of equity-to-asset ratios, comfortable liquidity ratios, stable profitability and effective management of financial risks make Mennica Polska SA a reliable, solid and trusted business partner.

EXTERNAL DEVELOPMENT FACTORS

The following are the most important external factors related to specific features of Mennica Polska SA's business and its Group of Companies: development of demand for circulation coins both from the NBP and foreign central banks:

- kształtowanie się zapotrzebowania na monety obiegowe zarówno przez NBP, jak i zagraniczne banki centralne;
- market demand for new collector coins;
- strength of potential competitors in the market for mint products; development of demand on the market for investment products;
- improvements in the bank services system and growth of cashless formats of transactions, which can partially reduce the use of coins in transactions and indirectly result in their slower wear;
- capital expenditures of local governments and municipal companies for the upgrade of ticketing systems in urban transport; pace of roll-out of electronic tickets in other agglomerations of Poland;
- development of cashless micro-payment and pre-paid transaction systems;
- situation in foreign markets for numismatic products and potential export markets for circulation coins;
- currency integration between Member States of the European Union, and Poland's accession to the eurozone, which will stimulate demand for the production of euro-denominated coins;
- developments on the real estate market;
- development of costs of labour in the real estate development sector;
- further development of epidemiological situation, in particular related to COVID-19, having the greatest effect on business prospects in the Electronic Payments segment.



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Social responsibility of Mennica Polska SA

We have played together with WOŚP

Mennica Polska SA has supported the Great Orchestra of Christmas Charity for more than 25 years now, by active fund-raising for the purchase of medical equipment and disease prevention in Poland. On the day of the Grand Finale, the Company sets up a charity stand, and its employees collect funds for charitable causes, offering specifically designed tokens and commemorative cups. What's more, the highlights of the official Auction of the Most Generous Donors are Golden Hearts made in Mennica Polska SA's factory. During the 28th Finale of the WOŚP, funds were raised for the support of children's treatment medicine. The WOŚP Foundation's account has grown by PLN 31,205.12 owing to Mennica Polska SA's volunteers.

Mennica Polska SA partners the run for life

'Run for Blood and Marrow' is an action which promotes blood donation and registration in the marrow donor database. In this way, Mennica Polska SA has again provided its support to the 'Dać siebie innym' Association. In the 2020 edition, the number of runners, due to special safety measures in the pandemic, was limited, and 268 people were registered. For all those who took part in the run, Mennica Polska SA founded commemorative medals.



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Consolidated statement of financial position

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands of PLN)

31/12/2020

31/12/2019

ASSETS

Non-current assets

130,603

138,201

Tangible assets

6,447

3,581

Tangible assets due to rights of use

14,101

15,155

Intangible assets

4,544

5,338

Intangible assets due to rights of use

45,594

20,753

Investment properties

1,857

Investments in associated companies and joint ventures accounted for using the equity method

10,371

12,153

Other long-term investments

140,997

135,530

Deferred income tax

5,615

1,559

Other non-current assets

1,160

2,051

Total non-current assets

361,289

334,321

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(thousands of PLN)

31/12/2020

31/12/2019

Current assets

Inventories	309,280	356,397
Inventories due to rights of use	68,482	69,658
Other current investments	57,360	64,288
Income tax receivable	13	127
Trade and other receivables	37,295	34,850
Cash and cash equivalents	48,568	110,528
Total current assets	520,998	635,848
Total assets	882,287	970,169

SHAREHOLDERS' EQUITY AND LIABILITIES
Shareholders' equity

Share capital	51,138	51,138
Treasury shares	-976	
Share premium reserve	14,047	14,047
Revaluation reserve	4381	4381
Supplementary capital	404,943	552,718
Other capital reserves	26,478	37,418
Retained profit	36,620	-154,346
Shareholder's equity attributable to the equity holders of the parent company	536,631	505,356
Non-controlling interests	50,844	53,122
Total shareholders' equity	587,475	558,478

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(thousands of PLN)

31/12/2020

31/12/2019

Liabilities

Liabilities due to lease

10,579

7228

Liabilities due to employee benefits

3261

3303

Total non-current liabilities

13,840

10,531

Lease payables

69,756

70,741

Current income tax payables

12,008

1841

Trade and other payables

188,249

319,883

Provisions

5258

5545

Employee benefits payables

5701

3150

Total current liabilities

280,972

401,160

Total liabilities

298,812

411,691

Total shareholders' equity and liabilities

882,287

970,169

Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT (thousands of PLN)

For 12 months
ended 31/12/2020

For 12 months
ended 31/12/2019

Net income from sales	943,434	669,372
Selling costs	-814,702	-601,670
Result on derivatives for realised sales	-1512	-4494
Selling costs	-19,498	-14,860
General and administrative expenses	-25,265	-23,386
Other operating income	1052	2095
Other operating expenses	-4322	-1801
Result on derivatives for unrealised sales	326	-395
Profit/loss participations in investments accounted for using the equity method	-1781	-1341
Operating profit	77,732	23,520
Financial income	7072	6671
Financial expense	-15,929	-20,537
Net result on financial activities	-8857	-13,866
Earnings before tax	68,875	9654
Income tax	-13,333	-10,857
NET PROFIT (LOSS)	55,542	-1203
To equity holders of the parent company	57,820	952
To non-controlling interests	-2278	-2155
Net profit from continuing operations per share attributable to Equity Holders of the Parent Company (basic and diluted), PLN	1.13	0.02

Consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(thousands of PLN)

For 12 months
ended 31/12/2020

For 12 months
ended 31/12/2019

Consolidated net profit (loss)

55.542

-1203

Items to be reclassified in the future to the income statement

- change of goodwill value of financial assets available for sale

- income tax on items subject to reclassification

Other net comprehensive income

TOTAL COMPREHENSIVE INCOME

55.542

-1203

Attributable to:

- equity holders of the Parent Company

57.820

952

- non-controlling interests

-2278

-2155

**Comprehensive income per share attributable to equity holders of the Parent Company
(basic and diluted) in PLN**

1.13

0.02

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOW

(thousands of PLN)

For 12 months
ended 31/12/2020

For 12 months
ended 31/12/2019

Cash flow from operating activities

Net profit (loss) for the period

55,542

-1,203

Adjustments

-70,891

80,080

Amortisation and depreciation

21,128

20,983

Profit (loss) on investing activities

13,704

17,562

Gain (loss) on the sale of fixed assets

2,672

6

Interest

-5,466

-5,345

Income tax

13,333

10,858

Change in receivables

-1,174

17,243

Changes in inventories

22,457

-103,347

Change in trade and other payables

-133,062

127,867

Change in employee benefit provisions and liabilities

2,221

615

Income tax paid

-6,704

-6,362

Net cash flows from operating activities

-15,349

78,877

CONSOLIDATED STATEMENT OF CASH FLOW
(thousands of PLN)

For 12 months
ended 31/12/2020

For 12 months
ended 31/12/2019

Cash flow from investing activities

Proceeds from sale of intangible assets and tangible assets

160

34

Proceeds from sale of financial assets

7400

Dividends received

Purchase of intangible assets and tangible assets

15,106

-11,299

Purchase of investment property

-102

-62

Purchase of financial assets

-4993

-33,340

Net cash flow from investing activities

-20,041

-37,267

Cash flow from financing activities

Dividends and other payments to owners

-25,569

-51,138

Repayment of loans

-976

Payment of liabilities from finance-lease contracts

-25

-24

Provided loans

Net cash flow from financing activities

-26,570

-51,162

Net cash flow, total

- 61,960

-9552

Balance-sheet change in cash, including:

- 61,960

-9552

Cash at beginning of period

110,528

120,080

Cash at end of period

48,568

110,528



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SKIEJ

Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (thousands of PLN)	Share capital	Treasury shares	Share premium reserve	Supple- mentary capital	Revaluation reserves		Other capital reserves	Retained profit	Shareholder's equity attributable to equity holders of the parent	Non- controlling interests	Total shareholders' equity
					revaluation of assets available for sale	revaluation of collections of Numismatic Display					
Shareholders' equity as at 01/01/2020	51,138		14,047	552,718		4381	37,418	-154,346	505,346	53,122	558,478
Total comprehensive income, including:								57,820	57,820	-2278	55,542
Net profit								57,820	57,820	-2155	55,542
Purchase of treasury shares		-976							-976		-976
Dividends paid				-25,569					-25,569		-25,569
Distribution of net profit				16,920			-10,939	-5981			
Other changes – reclassified due to company merger				-139,126				139,126			
Shareholder's equity as at 31/12/2020	51,138	-976	14,047	404,943		4381	26,478	36,620	536,631	50,844	587,475

Financial position of Mennica Polska Group

SELECTED CONSOLIDATED FINANCIAL FIGURES

	For period of 12 months ended		For period of 12 months ended	
	(thousands of PLN)		(thousands of EUR)	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net income from sales	943.434	669.372	210.861	242.942
Operating profit	77.732	23.520	17.373	18.696
Profit before tax	68.875	9654	15.394	22.125
Net profit from continuing operations	55.542	-1203	12.414	15.320
Net profit	55.542	-1203	12.414	15.795
Net profit attributable to equity holders of the parent company	57.820	952	12.923	
Total net profit per share attributable to equity holders of the Parent Company (PLN/EUR)				0.31
- basic / diluted	1.13	0.02	0.25	
Net profit from continuing operations per share attributable to Equity Holders of the Parent Company (PLN/EUR)				
- basic / diluted	1.13	0.02	0.25	0.31
Net cash flow from operating activities	-15.349	78.877	-3431	17.766
Total cash flows	-61.960	-9552	-13.848	-28.466

SELECTED CONSOLIDATED FINANCIAL FIGURES

For period
of 12 months ended

For period
of 12 months ended

	(thousands of PLN)		(thousands of EUR)	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019

Total assets	882,287	970,169	191,186	227,819
Current liabilities	280,972	401,160	60,885	94,202
Shareholders' equity	587,475	558,478	127,302	131,144
Quantity of shares.	51,138,096	51,138,096	51,138,096	51,138,096
Weighted average number of shares	51,129,942	51,138,096	51,129,942	51,138,096
Book value per share (PLN/EUR)	11.49	10.92	2.49	2.56

For items of statement of comprehensive income and cash flow statement

Middle rate calculated as arithmetic mean of the rates applicable for the last day of each month in the respective period

	31/12/2020	31/12/2019
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For items of statement of financial position

Rate as at (thousands of EUR)

	4.4742	4.3018
	4.6148	4.2585

Structure of company balance sheet

Main indicators of the structure of the issuer's balance sheet are provided in table below:

ITEM	31/12/2020 (thousands of PLN)	31/12/2020 (%)	31/12/2019 (thousands of PLN)	31/12/2019 (%)	31/12/2020/ vs 31/12/2019 Dynamics (%)
Total assets	666,227	100.0	767,503	100.0	86,8
Non-current assets	353,992	53.1	362,592	47.2	97,6
Current assets	312,235	46.9	404,911	52.8	77,1
Inventories	123,455	20.3	192,269	25.1	70,5
Receivables	35,909	5.4	33,853	4.4	106,1
Short-term investments	140,871	21.1	178,789	23.3	78,8
Total equity and liabilities	666,227	100.0	767,503	100.0	86,8
Shareholders' equity	491,363	73.8	458,899	59.8	107,1
Liabilities and reserves	174,863	26.2	308,604	40.2	56,7
Non-current liabilities	14,383	2.2	14,993	2.0	95,9
Current liabilities	160,480	24.1	293,611	38.3	54,7

Assessment of profitability of the Group of Companies

Company profitability indicators in the period are presented in table below:

PROFITABILITY RATIO	2020		2019	
	Figures based on IFRS	Figures based on normalised accounts	Figures based on IFRS	Figures based on normalised accounts
1. Net income from sales (thousands of PLN)	942.772	942.772	669,283	669,283
2. Gross return on sales	13.6%	13.6%	9.6%	9.6%
3. Net return on sales	8.9%	8.9%	4.0%	4.0%
4. Operating margin	8.7%	8.8%	4.0%	4.1%
5. EBITDA margin	11.0%	11.0%	6.4%	7.3%
6. Net profit margin	6.3%	7.3%	0.3%	2.1%
7. Return on assets (ROA)	8.2%	9.6%	0.2%	1.9%
8. Return on equity (ROE)	12.4%	14.5%	0.4%	3.3%

- Profitability ratios – ratios of respective profit amounts to net sales of products, goods and materials;
- Return on assets (ROA) – ratio of net profit to average assets (arithmetic mean of the opening and closing balances of the period);
- Return on equity (ROE) – ratio of net profit to average equity (arithmetic mean of the opening and closing balances of the period);

In the period, profitability ratios reached higher levels than in the same period of the prior year. It was due to increased revenues from the sale of residences under the 'Mennica Residence I' and 'Mennica Residence II' real estate projects, which brought higher profitability in relation to sales within the remaining business segments.

Factors with untypical effect on financial performance of Mennica Polska Group

For analytical purposes, and in particular to correctly define profitability ratios characteristic for the specific features of the Group's business, the table below incorporates adjustments excluding untypical and one-off events affecting the adopted financial result

SELECTED FINANCIAL FIGURES ADJUSTED FOR UNTYPICAL AND ONE-OFF EVENTS (thousands of PLN)	Figures based on IFRS statement			Figures based on IFRS statement		
	Adjustments	No.	Normalised account	Adjustments	No.	Normalised account
	for period from 01/01/2020 to 31/12/2020			for period from 01/01/2020 to 31/12/2020		
Income from sales			943.434			669.372
Selling costs			-816.214			-606.164
Gross profit on sales			127.220			63.208
Selling costs			-19.498			-14.860
General and administrative expenses			-25.265			-23.386
Net income from sales			82.457			24.962
Other revenues/(operating)		1273	-4725		395	-1442
Operating profit		1	77.732		1	23.520
Operating margin			8.2%			3.5%
Amortisation and depreciation			21.128			20.983

SELECTED FINANCIAL FIGURES ADJUSTED FOR UNTYPICAL AND ONE-OFF EVENTS (thousands of PLN)	for period from 01/01/2020 to 31/12/2020			for period from 01/01/2020 to 31/12/2020				
	Figures based on IFRS statement	Adjustments	No.	Normalised account	Figures based on IFRS statement	Adjustments	No.	Normalised account
EBITDA	98,860			100,133	44,503			44,898
EBITDA margin	10.5%			10.6%	6.6%			6.7%
Net income / (financial expense)	-8857	11,922	2.	3065	-13,866	15,220	2.	1354
Profit before tax	68,875			82,069	9654			25,269
Income tax	-13,333	-2507	3.	-15,840	-10,857	-2967	3.	-13,824
Net profit	55,542			66,229	-1203			11,445
Net profit margin	5.9%			7.0%	-0.2%			1.7%

The following exclusions due to untypical or one-off events, both for 2020 and 2019 were made in the 'Adjustments' columns:

• **The following factors contribute to the adjustments of 2020:**

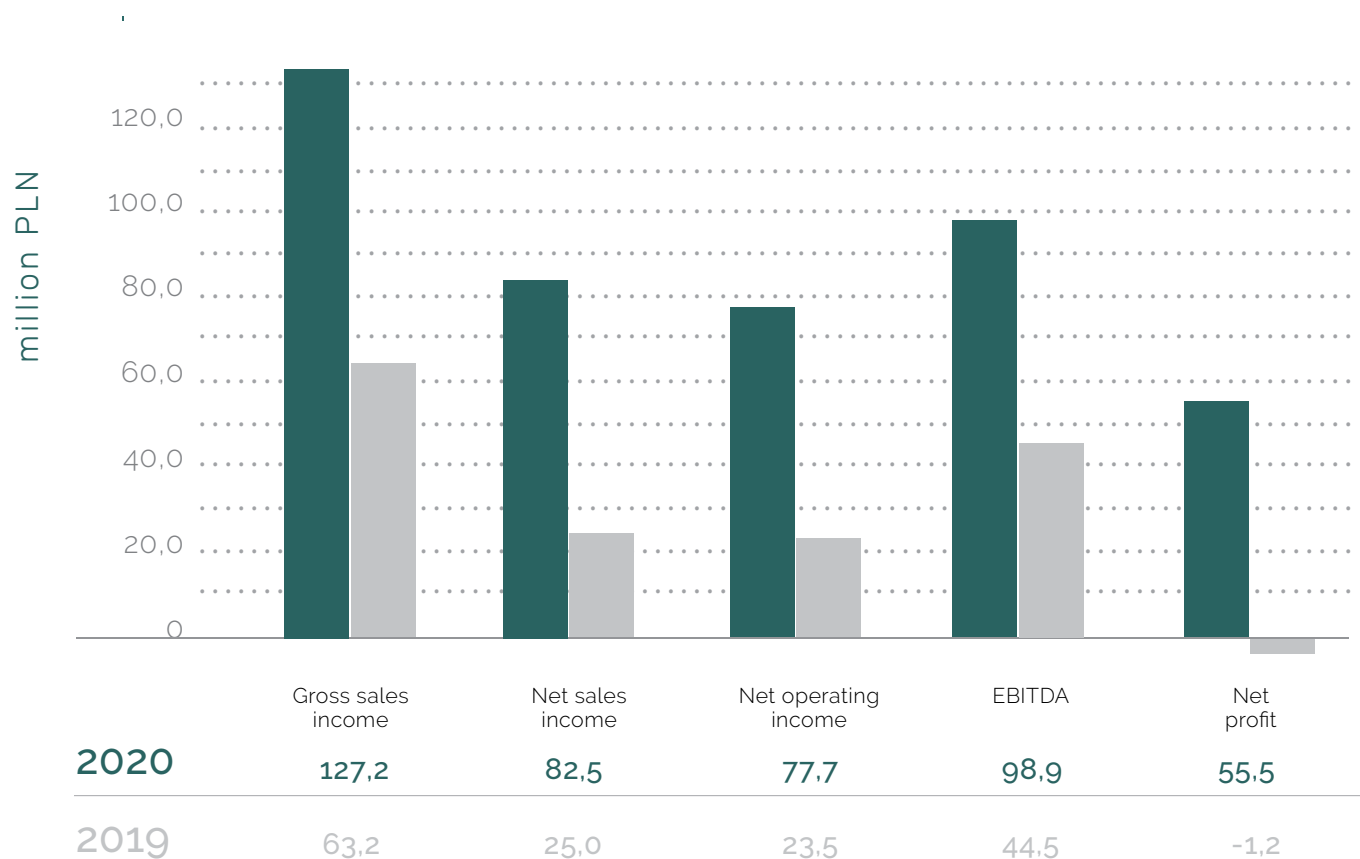
- (1) Positive result on derivatives concerning unrealised sales at PLN 326,000, as well as due to liquidation of the power substation (RPZ) and water treatment station, whose combined decommissioning cost was PLN 1,598,000.
- (2) Financial expense resulting from lower prices of Enea SA shares that we hold PLN 11,922,000;
- (3) Deferred tax resulting from the above-mentioned factors.

• **The following factors contributed to the adjustments of 2019:**

- (1) Negative result on derivatives concerning unrealised sales at PLN 326,000;
- (2) Financial expense resulting from lower prices of Enea SA shares held PLN 15,220,000;
- (3) Deferred tax resulting from the above-mentioned factors.

No other major events of one-off or untypical nature occurred in addition to the above-mentioned factors.

Financial results for 2020 vs 2019





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Statutory auditor's report to the General Meeting and Supervisory Board of **Mennica Polska SA**

Report on audit of annual consolidated financial statements

Opinion

We have audited the accompanying financial statements of Mennica Polska SA ('Company'), which include the statement of financial position as at 31 December 2020 and income statement, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a description of the adopted accounting policies and other explanatory information ('financial statements').

In our opinion, the financial statements:

- give a true and fair view of the assets and financial position of the Company as at 31 December 2020, and of its financial result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply, in terms of form and content, with legislation binding on the Company and the Company's Articles;
- have been made based on duly kept accounts as per Chapter 2 of the Accounting Act of 29 September 1994 ('Accounting Act' – Journal of Laws of 2021, item 217, as amended).

This opinion is consistent with the additional statement for the Audit Committee issued by us on 21 April 2021.



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Basis of opinion

We conducted our audit in accordance with the International Standards on Auditing as adopted by the National Board of Statutory Auditors ('KSB') and in accordance with the Act of 11 May 2017 on Statutory Auditors, Audit Firms, and Public Supervision ('Statutory Auditors Act' – Journal of Laws of 2020, item 1415) and EU Regulation No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (EU Regulations – OJ L 158). Our responsibility under those standards is described further in this report under Statutory *Auditor's responsibility for the audit of financial statements*.

We are independent of the Company as provided for in the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants ('IESBA Code') adopted by resolution of the National Board of Statutory Auditors, and other ethical requirements applicable to the auditing of financial statements in Poland. We have complied with other ethical obligations under those requirements and IESBA Code. Throughout the audit, the key auditor and the audit firm remained independent of the Company, in accordance with the independence requirements defined in the Statutory Accountants Act.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key aspects of the audit

Key aspects of the audit are issues which, according to our professional judgement, have been most significant during the audit of the financial statements for the current reporting period. These include most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. We have addressed these issues in the context of our auditing of the financial statements as a whole and in formulating our opinion, and we have summarised our response to those risks, and in the cases considered appropriate, we presented the crucial findings related to those risks. We do not express a separate opinion on those issues.

Recognition of income

In its financial statements, the Company discloses income from sales at PLN 942,772,000 which comprises income from sale of mint products at PLN 630,816,000, income from the Electronic Payments segment at PLN 170,246,000, and income on Real Estate development activity at PLN 141,710,000.

We have found that the correctness of recognition of income is a key issue due to the fact that this item is, by its nature, prone to misstatement due to error or fraud, and in connection with its materiality.

Disclosures in the financial statements

The income recognition rules are described in Note 2.1 to the financial statements.

Procedures of the statutory auditor in response to identified risks

Our auditing procedures covered, in particular:

- understanding and assessment of income recognition and the application of IFRS 15,
- assessment of the design and implementation of internal controls concerning the timing of recognition of income from sale, and the division of responsibilities, implemented by the Entity Manager, of the individuals involved in the recognition of income from sales, in order to reduce the risk of manipulation in the financial statements;
- based on a sample of sales transactions, reconciliation of income with source documentation such as: contracts and orders for mint products, reports from sales systems, real estate development contracts, acceptance certificates, notarial deeds;
- analytical procedures consisting in the analysis of monthly sales and costs of selling by income source, with explanation of any deviation;
- analysis of selected sales transactions of the Company recognised at the turn of the year in terms of the assignment of income to the appropriate period by comparisons with source documents such as sales invoices and documents certifying the delivery of goods or performance of a service;
- assessment of the correctness and completeness of the disclosures presented in the financial statements, concerning the recognition of income from sales with regard to the applicable requirements of financial reporting standards.

ANNUAL REPORT
2020