

ANNUAL REPORT  
**2023**



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

# Annual Report 2023

## contents

Letter from President of the Management Board to Shareholders of Mennica Polska	3.
Mennica Polska SA Group structure	5.
Key achievements and major events	9.
Description and performance of the Mennica Polska Group by segment	12.
Financial results for 2023 vs 2022	13.
Mint Products segment	17.
Electronic Payments segment	23.
Real Estate Development segment	28.
Strategy and development prospects for Mennica Polska SA	32.
External and internal factors significant for the development of the Group	38.
Corporate social responsibility (CSR)	45.
Financial position of Mennica Polska Group	49.
Consolidated statement of financial position	51.
Consolidated income statement	53.
Consolidated statement of comprehensive income	54.
Consolidated statement of cash flows	55.
Consolidated statement of changes in equity	57.
Factors with an atypical effect on financial performance	60.
Statutory auditor's report to the General Meeting and Supervisory Board of Mennica Polska SA	63.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

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

**Dear Shareholders,**

We need to summarise 2023 as a successful year in all our business segments. Our commitment to promising projects allowed us to achieve stable financial outcomes. To build a positive image of Mennica Polska's brand and at the same time to secure the interests of our Shareholders, we have also begun our involvement in carefully selected corporate responsibility initiatives.

In the reporting period, we realised the largest sales in the Mint Products segment. In the Polish market, we are proud to have secured in 2024 an annual purchase order from the National Bank of Poland for a total of PLN 131 million for the production and delivery of coins of general circulation. This confirms the successful relationships we have been building on the foundation of supreme quality and reliability.

Very high level of trust placed by our customers with our brand has brought excellent sales results across the entire group of investment products – more than 50 percent of total gold sales were products with Mennica Polska's logo. Custom golden ducat and silver thaler coins with the image of Kazimierz Pułaski proved to be the bestseller of our range. We have also encouraged our customers to save regularly even small amounts, by offering bars weighing 0.5 and 0.25 grams. We displayed our competitive advantages in the Investment Products group at industry events, including as an exhibitor at the "ForFin 2023 – Finance and Investment Forum". Our involvement in that initiative was informed by business rationale, but at the same time it supported the delivery of our educational mission to develop alternative investments.

In the reporting period, we were very active in developing our sales network of investment products. In 2023, we have launched five gold sales outlets, in: Opole, Olsztyn, Gorzów Wielkopolski, Toruń and Łódź. In Krakow, we invited those interested in securing their capital, enthusiasts of the minting art, and those looking for original gifts to the new location of our brand salon. An important event was the launch of our online store for mint products, the most advanced one in its kind in Europe, where we have introduced a number of functionalities which make it significantly easier to buy our products.

We have also scored well in the Mint Products segment in international markets, by winning eleven tenders for the delivery of circulation and collector coins, as well as investment products. Some deliveries were completed in the reporting period, and some of them will continue into 2024.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

To better embed our brand in the minds of customers and display our competitive advantages, in 2023 we took part in "Mint and Print", a prestigious international conference held in Dubai. At the event that brings together central banks, mints, printing and processing companies from all over the world, we presented mint designs which delighted both coin enthusiasts and industry experts. We also had the opportunity to deliver an expert presentation.

In the Electronic Payments segment, nominal gross sales increased by more than PLN 58 million on the prior year, which allows us to look confidently into the future. In delivering our strategy of consistent development of a modern payment system, in 2023 we have completed the rollout of our proprietary, award-winning Open Payment System (OPS) solution in Poznan and the neighbouring municipalities. The project is an outcome of successful partnership with Poznan authorities, with significant technology support from Mastercard and Fiserv Polska S.A. We have been also in the process of preparations to technical & operational dialogue related to the perspective of implementing an advanced ticket system in Warsaw. In delivering the smart city idea, we don't forget about security, by responding to the standards of international payment organisations, which is evidenced by successful outcome of the PCI Data Security Standard certification audit.

In 2023, we generated almost PLN 137 million of sales from the "Bulwary Praskie" real estate development project, which confirm that the Group's involvement in promising property development projects has been the right path. The usable area of the residential units sold in 2023 almost quadrupled the figure of the prior year. Total revenues from the segment, including real estate lease revenue, is almost PLN 145 million.

Currently, as part of the "Bulwary Praskie" project, the construction of ten buildings is underway in NOP urban blocks, with a total of 747 residential units. In September 2023, we started selling units in the O and P urban blocks. By the end of the reporting period, 123 construction development contracts and 17 reservation contracts were signed. In December 2023, we also filed an application to resume proceedings aimed at obtaining a Building Permit for IJKL urban blocks. "Bulwary Praskie" is a good example of how the drive to exceed market standards materialised as specific projects that enrich the architecture of Warsaw on the right bank of the Vistula river.

A significant event in the real estate development business was our re-submission of the offer to buy 50 percent of shares of the ultra-modern "Mennica Legacy Tower" office skyscraper. Despite that, in November, we received the last of the required statement of acceptance of the offer, and the Office of Competition and Consumer Protection authorised the concentration transaction, the purchase transaction has not been effected. This is due to the fact that, by the expiration of our offer, we have received no information about the distribution of funds among the sellers, including the repayment of debt owed to the bondholders of Golub GetHouse (GGH) This was our key condition to move the transaction forward, informed by the need of securing business and image considerations, but, most of all, to support private bondholders of the GGH Group in recovering the funds they invested. Such approach figures well into the values underlying our business.

Meanwhile, please examine our financial statements for 2023 which confirm the outcomes of our steadfast involvement in strengthening the market position of Mennica Polska and generating added value for our Shareholders.

Yours faithfully,  
Katarzyna Budnicka-Filipiuk,  
President of the Management Board, Mennica Polska



MENNICA  
POLSKA

ISTNIEJE OD 1766 R.

# Mennica Polska SA

## Group structure

Mennica Polska Group (Polish: Grupa Kapitałowa Mennicy Polskiej S.A.) is a leading maker and distributor of minting and engraved/medallist products in Poland, and a prominent player in global markets in this segment. In addition, delivering its strategy of striking a balance between traditional and modern products, the MP 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 MP Group.

## Mennica Polska S.A.

Mennica Ochrona Sp. z o.o. – 100%

Mennica Deweloper Sp. z o.o. in liquidation - 100%

Mennica Polska Spółka Akcyjna SKA – 50%

Mennica Polska Spółka Akcyjna Tower SKA – 100%

— Estelport Investments Sp. z o.o. in liquidation - 100%

— Mennica Towers GGH MT  
— Spółka z ograniczoną odpowiedzialnością SKA – 50%  
— Meet & Work Sp. z o.o. – 100%

## Shareholders of Mennica Polska SA

As of the date 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 31/12/2023			As at 31/12/2022		
	Number of shares	% of share capital	% of the overall number of votes	Number of shares	% of share capital	% of the overall number of votes	Number of shares	% of share capital	% of the overall number of votes
<b>Zbigniew Jakubas</b> with subsidiaries and entities mentioned in Article 87(1)(5) of the Public Offering Act	25 542 859	49,999 %	49,999 %	25 542 859	49,999 %	49,999 %	25 542 859	49,999 %	49,999 %
<b>Nationale-Nederlanden OFE</b>	3 830 000	7,50 %	7,50 %	3 830 000	7,50 %	7,50 %	3 830 000	7,50 %	7,50 %
<b>OFE PZU "Złota Jesień"</b>	3 538 420	6,93 %	6,93 %	3 538 420	6,93 %	6,93 %	3 538 420	6,93 %	6,93 %
<b>Joanna Jakubas</b>	2 959 000	5,79 %	5,79 %	2 959 000	5,79 %	5,79 %	2 959 000	5,79 %	5,79 %
<b>Generali OFE</b> (previously NNLife Otwarty Fundusz Emerytalny)	5 415 041	10,60 %	10,60 %	5 415 041	10,60 %	10,60 %	5 415 041	10,60 %	10,60 %



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Supervisory Board of the Mennica Polska

Between 1 January and 7 June 2023, the Supervisory Board comprised the following individuals:

Zbigniew Marek Jakubas – Chairman;  
Piotr Edward Sendecki – Deputy Chairman;  
Jacek Piotr Czarecki;  
Jan Wojciech Woźniak;  
Agnieszka Pyszczek;  
Jakub Papierski.

Since 7 June 2023, the Supervisory Board comprised the following:

Zbigniew Marek Jakubas – Chairman;  
Piotr Edward Sendecki – Deputy Chairman;  
Jacek Piotr Czarecki;  
Iwona Waksmundzka-Olejniczak;  
Agnieszka Pyszczek;  
Jakub Papierski.





MENNICA  
POLSKA

ISTNIEJE OD 1766 R.







**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Key achievements and major events

### Key achievements and events

Proactive efforts to expand the distribution network for investment gold.

Expanding the range of investment products.

Launching Europe's most advanced online store for mint products.

Stable partnership with the National Bank of Poland.

### Results

In 2023, we have launched another five gold sales outlets, in: Opole, Olsztyn, Gorzów Wielkopolski, Toruń and Łódź. Customer of these outlets can rely on professional expert advice and adapting our offer to their individual needs. More than 1.8 metric tonnes of this yellow precious metal went to Mennica Polska's customers in 2023. Another year in a row, our proprietary products comprised more than 60 percent of all sales of investment gold.

Custom golden ducat and silver thaler coins with the image of Kazimierz Pułaski proved to be the bestseller of Mennica Polska's product range. Our offer was also expanded to include bars weighing 0.5 and 0.25 gram, which respond to the needs of those who are interested in regular saving of even small amounts. Also the silver coin that commemorates the centenary of birth of Wisława Szymborska.

In its modern online store, Mennica Polska implemented a number of new functionalities which make it easier to intuitively navigate the platform and buy investment, collector and gift products.

Continued stable cooperation with the National Bank of Poland has been confirmed by 2024 annual purchase order for the supply of circulation coins for a total amount of PLN 131 million.

## Kluczowe dokonania i wydarzenia

Proactive development of business in international markets.

Participation in international World Money Fair in Berlin.

Participation in international Mint and Print conference in Dubai.

Participation in ForFin 2023 – Finance and Investment Forum.

Finalisation of rollout of our proprietary Open Payment System in Poznan and the neighbouring municipalities.

Award of PCI Data Security Standard certificate for another year in a row.

## Rezultaty

In the reporting period, Mennica Polska won eleven foreign tenders for the production and supply of circulation, collector coins, and investment products. These successful tenders were won in: Uruguay, Dominican Republic, Argentina, Guatemala, Armenia, Colombia, Albania, Nicaragua, Turkmenistan, Georgia and Costa Rica. Mennica Polska's major projects included supply contracts for Central Bank of Colombia, Central Bank of the Dominican Republic, Bank of Guatemala, Nepal Rastra Bank, Thailand's Treasury, and for the National Bank of Georgia.

At World Money Fair in Berlin, the largest international fair in the industry, Mennica Polska presented a number of numismatic gems. The fair catalogue included several dozens of coins which attracted huge interest in the participants, such as Wizard, Evolution, or Frédéric Chopin coins.

To better position our business in the minds of our customers and display our competitive advantages, in 2023 Mennica Polska took part in "Mint and Print", a prestigious international conference held in Dubai. At the event that integrates central banks, mints, printing and processing companies all over the world, we presented designs which delighted both coin enthusiast and industry experts. A Mennica representative had also the privilege to deliver an expert presentation.

The involvement in ForFin 2023 – Finance and Investment Forum was informed by business rationale, but at the same time it supported the delivery of Mennica Polska's educational mission to develop alternative investments.

Mennica Polska has successfully completed the implementation of its proprietary Open Payment System (OPS) in Poznan and the neighbouring municipalities. Mobile ticket validators were installed in 740 vehicles of urban transport. The project is an outcome of successful partnership with Poznan authorities, with significant technology support from Mastercard and Fiserv Polska S.A.

PCI DSS certification audit has once again reaffirmed the maximum level of security of cashless transactions in stationary and mobile ticket machines and in Open Payment System validators. It means that all information linked to the payment card is encrypted, transferred and stored in compliance with the procedures and standards defined by Visa and Mastercard payment organisations.

## Kluczowe dokonania i wydarzenia

High income from sales of residential units.

Continued construction development as part of the "Bulwary Praskie" project.

Offer to buy 50% of shares of Mennica Legacy Tower project.

## Rezultaty

In 2023, Mennica Polska generated almost PLN 145 million from sale of almost four times more residential units than the year before. At the end of reporting period, all 326 units from Stages II-IV were sold. Sales of apartments, based on signed real estate development contracts or preliminary sale contracts for buildings R2-R3, S2-S3 and R1 closed with 76 signed contracts.

Currently, as part of the "Bulwary Praskie" project, the construction of ten buildings is underway in NOP urban blocks, with a total of 747 residential units. In September 2023, sales started of residential units in the O and P urban blocks. By the end of December, 123 construction development contracts and 17 reservation contracts were signed. The NOP urban blocks are scheduled to be completed in Q2 2025. At the same time, in December 2023, Mennica Polska filed an application to resume proceedings aimed at obtaining a Building Permit for the IJKL urban blocks.

In its Interim Report, Mennica Polska informed that the offer expired on 1 February 2024 despite that in November we received the last of the required statement of acceptance of the offer, and the Office of Competition and Consumer Protection authorised the concentration transaction. By the expiration of our offer, we have received no information about the distribution of funds among the sellers, including the repayment of debt owed to the bondholders of Golub GetHouse (GGH), which was a key requirement for proceeding with the transaction, due to the need to support GGH's bondholders and secure business and image aspects for Mennica Polska and its Shareholders.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

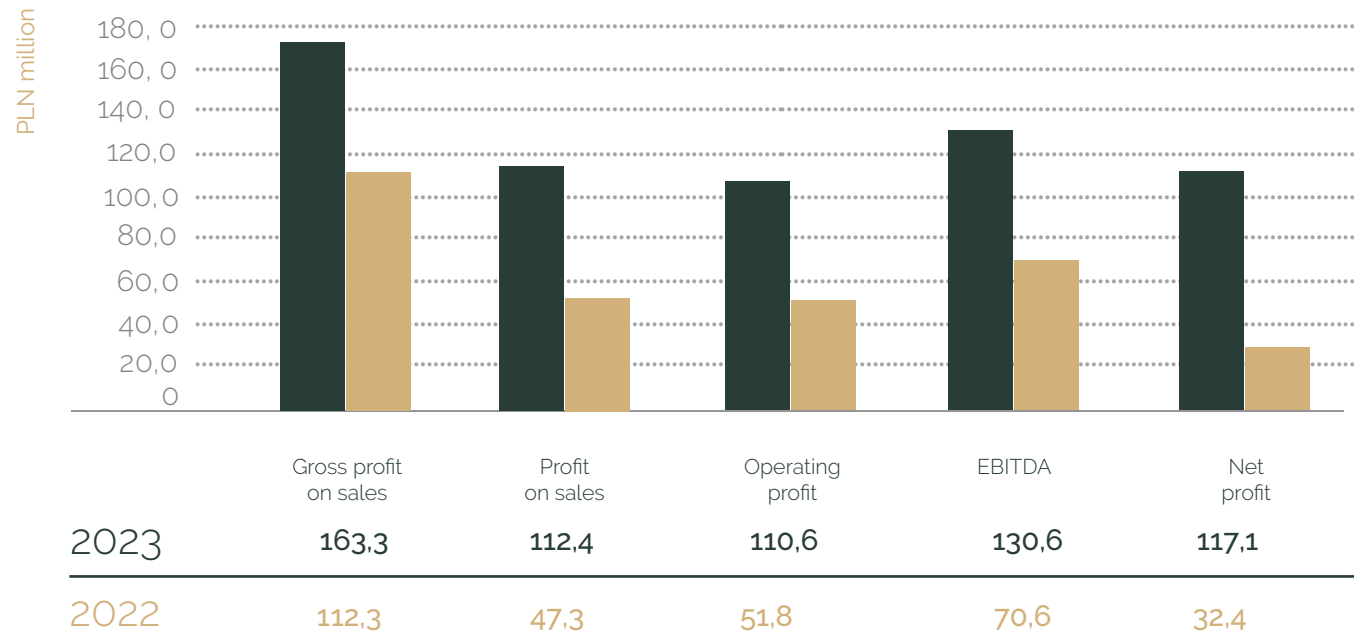
## Description and performance of the **Mennica Polska** Group by segment

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

- mint products (circulation coins and collector coins and other numismatic products, engraved/medallist products, gold bars and other investment products);
- electronic payments (public transport tickets, including tickets encoded on the city card and other electronic products, such as mobile phone top-ups);
- real estate development ("Mennica Residence", "Mennica Legacy Tower", "Bulwary Praskie", lease of office and retail space).



## Financial results for 2023 vs. 2022



	Segment	Segment	Segment
	Mint Products	Electronic Payments	Real Estate Development
Companies	Mennica Polska S.A.	Mennica Polska S.A.	Mennica Polska S.A.; Mennica Polska Spółka Akcyjna S.K.A.; Mennica Polska Spółka Akcyjna Tower S.K.A.; Mennica Towers GGH MT Spółka z Ograniczoną Odpowiedzialnością S.K.A.; Mennica Deweloper Sp. z o.o.; Estelport Investments Sp. z o.o. in liquidation; Meet & Work Sp. z o.o.
Produkty	production and sales & marketing of circulation and collector coins, tokens, bars, medals, decorations, stamps, 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 international	Domestic	Domestic

The diagram above represents the structure of segments operated by Mennica Polska Group, including joint ventures and affiliates.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Income Statement per segment from 1 January to 31 December 2023

### SEGMENT

Item (thousands of PLN)	Mint Products	Electronic Payments	Real Estate Development	Unallocated items	Total
<b>Revenues from core operating activity by segment</b>	<b>858 693</b>	<b>229 615</b>	<b>144 931</b>		<b>1 233 239</b>
Expenses of core operating activity of segment	<b>814 757</b>	<b>221 520</b>	<b>84 597</b>		<b>1 120 874</b>
Other operating income and expenses	-915	-30	1 476		531
Result on derivatives for unrealised sales				-2 331	-2 331
<b>Net operating income, including:</b>	<b>43 021</b>	<b>8 065</b>	<b>61 811</b>	<b>-2 331</b>	<b>110 566</b>
Amortisation and depreciation	6 694	10 649	2 705		20 047
<b>EBITDA</b>	<b>49 714</b>	<b>18 713</b>	<b>64 516</b>	<b>-2 331</b>	<b>130 612</b>
Profit/loss participations in investments accounted for using the equity method			8 342	1 244	9 587
<b>Operating profit with profit/loss participations in investments accounted for using the equity method</b>	<b>43 021</b>	<b>8 065</b>	<b>70 153</b>	<b>-1 087</b>	<b>120 152</b>
Financial income					30 897
Financial expenses					9 853
Income tax					-24 146
<b>Net profit</b>					<b>117 050</b>





MENNICA  
POLSKA

ISTNIEJE OD 1766 R.





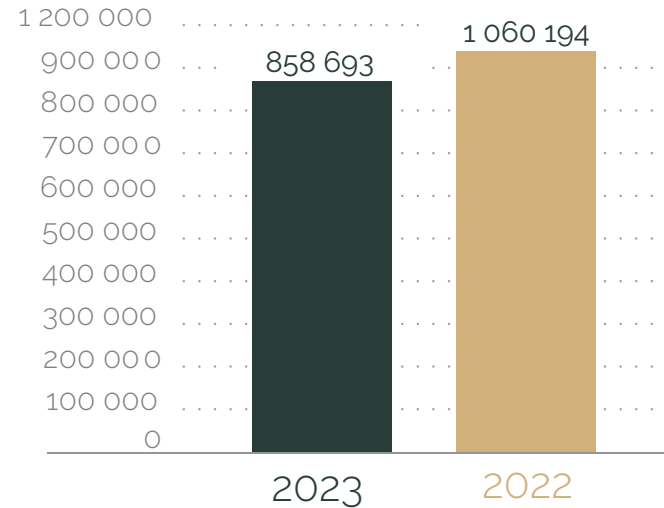
# Mint Products Segment

**The segment includes:**

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

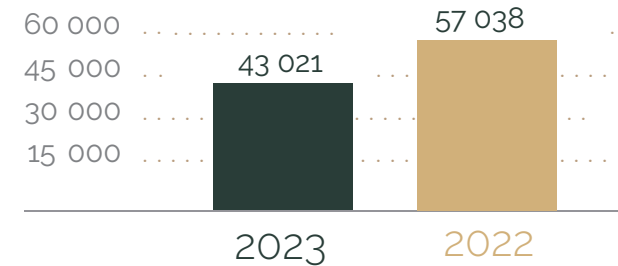
### Revenues of the Mint Products segment

(thousands of PLN)



### Performance of Mint Products segment

(thousands of PLN)





**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Domestic coin market

Our Key Account in the domestic coin market is the National Bank of Poland. In the period, Mennica Polska S.A. supplied coins to the National Bank of Poland based on a Framework Contract of 11 July 2007. Under the contract, in particular years, Mennica receives an annual purchase order from the National Bank of Poland for the production and supply of coins of general circulation and collector coins, defining the production and delivery dates for particular batches of coins. In 2023, we produced more than 985 million pcs of circulation coins with the value of almost PLN 150 million, and 150,000 pcs of collector items with the value of more than PLN 12 million. Regarding circulation coins, we made coins of 2 grosz, 5 grosz, 10 grosz, 20 grosz, 50 grosz, 1 zloty, 2 zloty bi-colour, 5 zloty bi-colour (including 5 zloty commemorative coins from the "Discover Poland" [Odkryj Polskę] series.

For collector coin, there was 19 coin themes (for gold, the following denominations: PLN 500, PLN 200, PLN 100; for silver, the following denominations: PLN 50, PLN 20, PLN 10, and bullion coins: PLN 500, PLN 200, PLN 100, PLN 50). Noteworthy achievements include large number of technically advanced coins, such as with high embossing, amber back-to-back insertions, UV print, or a banknote-shaped coin made of Au999.9 gold.

We also produced coins together with our Ukrainian partners: these included the "Friendship and Brotherhood is the Greatest Wealth" theme, a product consisting of two coins with denomination of 10 Polish Zloty and 10 Ukrainian Hryvnia, made of Au999 alloy, whose complete set is heart-shaped.

Apart from the coins made for the National Bank of Poland, Mennica Polska SA also makes coins issued under the "royalty" programme, stamped with the medallist technique. These coins are dedicated both to companies and retail customers, including in the domestic market. Our offering includes a wide range of coins with various themes that are sold via physical stores, our online store and collector's catalogue.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Domestic market for other mint product

The market for traditional medallist/engraved products has been experiencing a transformation, becoming even more demanding in the face of increased competition. Maintaining the position of 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 and fineness marks, supplies are mainly based on contracts made with traditional customers who appreciate high quality.

Traditional mint products, such as medals, emblems, badges, official decorations, chains, insignia and official seals are a permanent part of the product range offered by Mennica. The medal market consists of our traditional customers: state and local government authorities, universities, schools, associations and companies that wish to honour their anniversaries.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Domestic market for investment gold

The price of investment gold was relatively unstable in 2023, the value of this yellow precious metal in US dollars varied between 1,800 and 2,050 USD/oz t, which is equivalent to 7,800 - 8,800 PLN/oz t. In the first six months of 2023, the sentiment in the market for investment gold significantly cooled down relative to 2021-2022. Only the last quarter of the last year was marked by significant investor interest in buying bullion bars and coins. Gold investment has been slowly gaining prominence in the investment portfolios of increasing numbers of the Poles.

Due to still high price of the yellow metal, both the international and domestic markets clearly see lower interest in large gold bars, i.e. 250g or more. However, demand for smaller bars has been growing, including typical gift products, in particular in the First Communion and wedding seasons. To meet this market demand, Mennica Polska has started to offer half-gram and quarter-gram bars.

We can proudly conclude that, although our offering includes gold in the form of bars and bullion coins from reputable global manufacturers, our customers prefer our brand bars we make ourselves due to the origin of the gold and the high level of craftsmanship which has been appreciated also internationally. Due to the interest in our products outside of Poland, Mennica Polska has developed a special round-shaped gold bar with four different sizes, with the image of Kazimierz Pułaski, the Polish and US national hero. This bar is hugely popular both internationally and in Poland, so Mennica Polska contemplates the development of similar products with the images of other Polish national heroes who gained prominence also outside Poland.

In 2023, we opened new sales outlets in Gorzów Wielkopolski, Toruń, Łódź, Olsztyn and Opole. Currently, Mennica Poland holds already 16 own brand sale outlets, including four stores and 12 offices, where experts of Mennica Polska explain what investment in precious metals is and what place it can have in our portfolios. They will also advise the customers on the aspects they should focus on. They will prepare a bespoke offer to buy investment product for each customer. We also expanded the offer of our sales outlets to include collector products. As of this year, you can pay by bank transfer, payment card, or cash in all of our sales outlets.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Foreign market for coins

Mennica Polska's international activity is a key part of our company development strategy, as it allows us to increase our prominence in international markets. In the last reporting period, Mennica was focused on the production of circulation and collector coins for foreign issuers and other customers. The Circulation Coins product group features ongoing supplies of coins to central banks of primarily South America and Asia. Mennica Polska's major projects included supply contracts for Central Bank of Colombia, Central Bank of the Dominican Republic, Bank of Guatemala, Nepal Rastra Bank, Thailand's Treasury, and for the National Bank of Georgia. All these contract had a significant place in the adopted budget.

In addition to the performance of secured contracts, a major objective has been still to seek new sales markets. What is important is constant monitoring of international markets to look for new business opportunities. Our prudent development strategy and strong position among global mints enable us to compete in most tenders. Mennica Polska took part in 38 tendering procedures, of which six tenders were won, which speaks to highly effective policies of the company and its capacity to compete in international markets. Contracts with central banks of the Dominican Republic, Colombia, Costa Rica, Nicaragua or Georgia were signed. These new projects will be delivered throughout 2024.

In the Collector Coins segment, Mennica Polska has maintained its partnership with distributors, banks and issuers. Central banks play a key role here, as they provide demand for mint products and help us to deliver our sales plans. Recently, a contract was awarded in the tendering procedure launched by the Central Bank of Armenia, under which we will deliver golden and silver collector coins.

In the discussed period, Mennica competed in 13 tenders concerning specifically the production of silver and golden collector coins. We secured several significant contracts. Mennica Polska has been successful in the tendering procedure launched by the Central Bank of Turkmenistan, as a result of which it signed a contract and delivered silver and golden collector coins and investment bars. Another important event was the production of silver and golden collector coins for the National Bank of Georgia. In addition, we were also active in South America, by delivering the purchase order for silver commemorative coins for the Central Bank of Argentina and the Bank of Uruguay. These activities confirm our ability to support various customers in the international market for collector coins.

Mennica Polska's product range includes collector/gift products addressed mainly to private-owned companies and commercial banks operating both in domestic and international markets.

Key areas for this segment are customers from South America, Europe and Asia. In the last 12 months, our International Sales Department completed more than 80 coin projects with very different themes.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

The Company has continued the production of the existing coin series and introduced new commemorative coins, primarily in cooperation with issuers such as Niue Island and Cameroon. Technologically advanced coins and those made by medallist technique are still very popular. Owing to its rich product range and partnerships with various issues, Mennica Polska has kept its position as a valued supplier of mint products for customers all over the world.

Below are presented selected figures for the segment:

<b>Mint Products segment</b>	<b>2023</b>	<b>2022</b>
Weight of gold sold, contained in mint products (kg)	1 819	3 103
Quantity of coins sold	1 601 562	941 781
Number of customers of circulation coins (based on sales figures)	6	6
Number of customers of collector coins (based on sales figures)*	117	128

\*the level of sales of at least PLN 10,000 was adopted





**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## 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 S.A. has been actively developing its business in the electronic payments market since 2001. The Electronic Payments Division is responsible for this area.

The Group 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 broadly defined public transport market. Primary products and services in the Electronic Payments area include:

- sale of public transport tickets in electronic and paper formats, and other urban services in the electronic format, including charging systems using payment cards directly on vehicles, called the Open Payment System;
- rollout of IT and communication systems for the management of city cards and sale of urban services (mainly public transport tickets) based on proximity cards;
- implementation of Open Payment systems that allow the passengers to pay directly in vehicles using proximity payment cards;
- development and management of the sales network of electronic products based on diversified distribution channels: POS terminals, ticket machines, e-commerce, mobile payments;
- distribution of mobile phone top-ups.

In 2023, the Electronic Payments segment reported a growth of revenue relative to the same period of the prior year by almost 8%

Over the period reported here, the Electronic Payments Division focused its activity primarily on maintaining the existing projects. We also continued efforts to optimise operating activities and strengthen security measures in sales systems. In particular, we performed insourcing activities to take over maintenance processes by our dedicated inhouse unit. As a result of those measures, the result of the Electronic Payments segment in the reporting period was significantly better than in 2022. At the same time, efforts to develop our proprietary "Open Payment System" product have continued.



**MENNICA  
POLSKA**

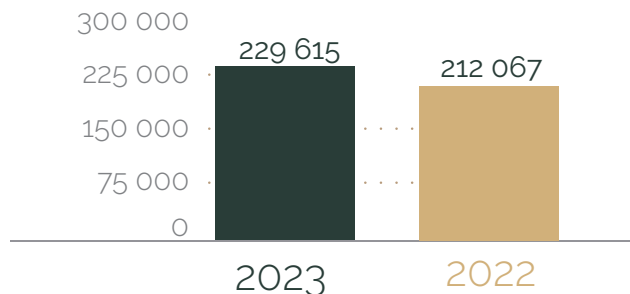
ISTNIEJE OD 1766 R.

In the reporting period, in the Electronic Payments area, Mennica Polska centred its activities on key urban projects: • Warsaw City Card,

- "URBANCARD" Wroclaw City Card,
- "PEKA" Poznan Electronic Agglomeration Card,
- Gdansk City Card,
- Bydgoszcz City Card,
- Jaworzno City Card,
- Suwalki City Card,
- "Migawka" Lodz City Card,
- sale of tickets in Warsaw Trams via a system of mobile ticket machines,
- sale of electronic tickets via the Open Payment system in Wloclawek,
- lease of 553 mobile ticket machines in Lodz.

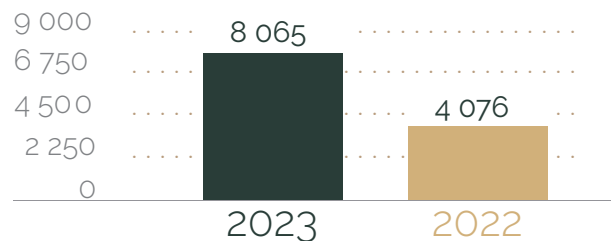
#### Revenues of the Electronic Payments segment

(thousands of PLN)



#### Profit or loss of the Electronic Payments segment

(thousands of PLN)



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, online sales systems, and mobile payments. The retail sales system is based on diverse distribution channels, primarily in cooperation with a scattered retail market and chain market (Ruch, Kolporter, Żabka, Poczta Polska, other local chains).

In 2023, a slight impact of the pandemic was still felt in terms of loss of sales, but the optimisation processes being implemented, and gradual improvement of the sales of public transport tickets allowed us, after two years, to generate a profit in the Segment.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

Below is presented a summary description of key projects:

### Warsaw City Card

Contract validity: indefinite, but the contract may not be terminated before 30 June 2026.

In the reporting period, Mennica Polska continued its support of the Warsaw City Card project. The Company has operated the project since 2001 in collaboration with the Public Transport Authority (ZTM) in Warsaw.

As the operator of the largest distribution network for public transport tickets, Mennica Polska SA operated sales in 2023 through more than 2,000 retail points of sale, more than 850 ticket machines, an online sale system, and a mobile payment system.

In addition, Mennica Polska supplied and has maintained 753 mobile machines in Warsaw Trams. The contract with Warsaw Trams is valid through 31 August 2024.

### "URBANCARD" Wrocław City Card

Contract term: 7 September 2028.

In the reporting period, Mennica Polska, as the sole distributor of public transport tickets in Wrocław, managed ticket sales in Wrocław through our own sales network comprising four Customer Service Desks, more than 2900 OPS validating machines, 170 stationary ticket machines, about 180 retail points of sale, an online sale system, and a mobile app.

### "PEKA" Poznań Electronic Agglomeration Card

Contract term: 22 May 2026.

In the reporting period, Mennica Polska SA continued its support of the project. Tickets were distributed through our own sales network comprising 103 stationary ticket machines and about 100 sales terminals. The contract was signed for 10 years until 2026.

In December 2021, Mennica won the open competition for the appointment of the Operator for the public transport payment system using proximity payment cards and mobile devices. The contract signed under this procedure was concluded for 60 months from the startup of the ticket distribution system, i.e., until 22 November 2027. In Q1 2023, the implementation of that project has been completed. Currently, after the completion of implementation work, tickets have been sold using about 740 OPS validating machines.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Bydgoszcz City Card

Contract term: 10 April 2025.

In the period discussed here, we continued supporting the Bydgoszcz City Card project. In October 2018, the Open Payment System was launched to enable passengers to pay for transport using bank payment cards directly in the vehicles. The system extends to all vehicles of public transport in Bydgoszcz. The sales network now comprises more than 300 OPS Validating Machines, about 100 terminals in retail points of sale, 13 stationary machines, and sales through mobile phones and online store. In September 2021, Mennica improved the BKM system by adding an innovative functionality whereby the payment card acts as an identifier for season/commuter tickets. This solution won the award at TRANSEXPO 2021 International Fair of Public Transport in the "Collection systems" category.

Additionally, in November 2021, Mennica launched a new mobile application in Bydgoszcz, where the season/commuter ticket bought in the Mint Mobile Bydgoszcz mobile application can be associated with a previously recorded card identifier.

## Jaworzno City Card

Contract term: 31 December 2026.

In the discussed period, Mennica continued supporting the Jaworzno City Card project. Currently, the ticket sale network in Jaworzno comprises about 70 OPS Validating Machines, installed in all vehicles, and about 60 sales terminals in retail points of sale.

## "Migawka" Łódź City Card

Contract term: 30 August 2029.

In the discussed period, the Lodz project has continued. Under that project, Mennica operates a public transport ticket sales network based on points of sale equipped with terminals. The project is carried out in collaboration with the Lodz Urban Transport Company (Miejskie Przedsiębiorstwo Komunikacyjne – Łódź Sp. z o.o.)

In 2016, Mennica was selected the operator of a pilot Open Payment system in Lodz. Under the pilot, in September 2017, a fare collection system was launched based on OPS validating machines that accept proximity bank cards.

In July 2021, we won the tender procedure for the lease and comprehensive maintenance support of 553 mobile cash-free ticket machines for MPK Lodz. The project involves the following responsibilities: delivery, installation and startup of mobile ticket machines in 553 vehicles of the public transport company, and maintenance of the sales system (machines, central system) in good repair for the contract term. The term of the contract is 48 months from startup, i.e. 31 December 2026.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

### Gdańsk City Card

Contract term: 30 June 2028.

In the reporting period, Mennica Polska SA operated ticket sales in Gdansk through 85 stationary ticket machines.

### Open Payment System in Wloclawek

Contract term: 31 November 2025.

In 2020, Mennica rolled out its Open Payment project in Wloclawek, and has since maintained the fare collection system based on OPS Validating Machines that accept proximity bank cards.

### Suwalki City Card

Contract term: indefinite.

In the discussed period, we continued supporting the Suwalki project. Under that project, we have focused on maximising the sales of public transport tickets through the existing sales network.

Below are presented selected figures for the segment:

<b>Electronic Payments segment</b>	<b>2023</b>	<b>2022</b>
Nominal gross sales realised through Mennica systems	738 820 829	680 205 550
Number of stationary ticket machines under contracts as of the balance-sheet date	868	864
Number of OPS readers under contracts as of the balance-sheet date	4 516	3 906
Number of mobile machines under contracts as of the balance-sheet date	1 310	1 310



## Real Estate Development segment

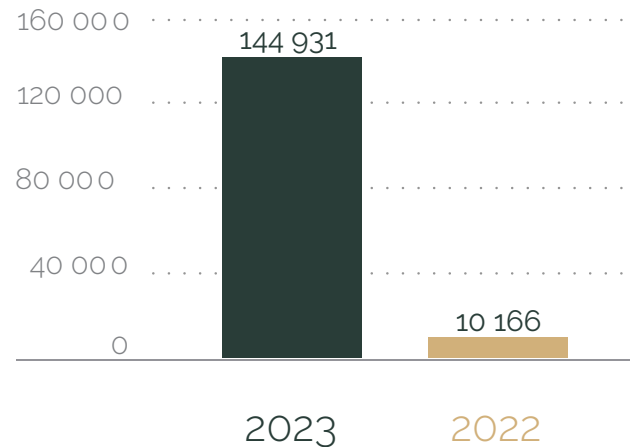
This segment includes, in particular, delivery of real estate development projects and lease of office space.

Mennica Polska S.A. has been rolling out its real estate development projects on its own property, and leases office 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 real estate development projects.

In 2023 involved the phase of construction and pre-sale of real estate development projects called "Bulwary Praskie". Until the apartments are sold and ownership of them is transferred, cash flows from these processes are recognised through balance sheet instead of income statement. The pre-sale process involved increased liabilities due to payment of advances by customers, and construction spending was reflected in a growth of inventories. Regarding final sales that are reflected in the income statement, ownership titles in the reporting period were transferred to customers in completed buildings S2, S3 and R2 and R3, making up a total of 160 apartments.

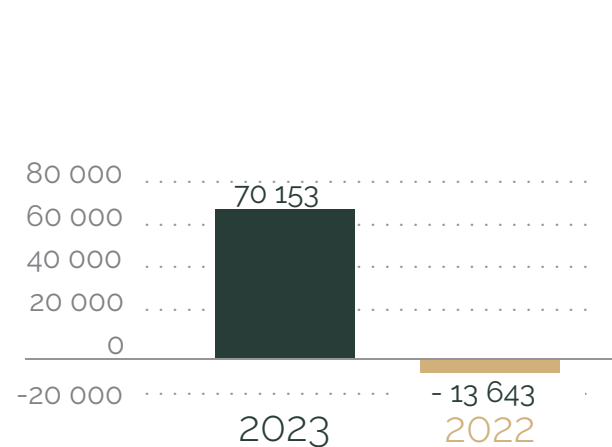
### Revenues of the Real Estate Development segment

(thousands of PLN)



### Profit or loss of the Real Estate Development segment

(thousands of PLN)





**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## "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 implement a Land development project in Warsaw, at Jagiellońska St., with an area of 276,119 sqm.

Buildings S1, S2, S3, R2, R3 and building R1 have been completed so far. Currently, the construction of ten buildings is underway in NOP urban blocks, with a total of 747 residential units. The NOP urban blocks are scheduled to be completed in Q2 2025.

Sales of apartments (based on signed real estate development contracts or preliminary sale contracts) on Stages II, III and IV (buildings R2-R3, S2-S3 and R1) at the end of 2023 closed with 76 signed real estate development contracts. All residential units from those Stages were sold – a total of 326 units.

In September 2023, sales started of residential units in the O and P urban blocks. By the end of December, 123 construction development contracts and 17 reservation contracts were signed.

In addition, in December 2023, an application was filed to resume proceedings aimed at obtaining a Building Permit for IJKL urban blocks. At the same time, work has been ongoing on the environmental impacts report regarding the contemplated construction of multi-family residential building complexes with retail services and underground garages for the FGH urban blocks.

## "Mennica Residence" project

Under "Mennica Residence" real estate development project, a total of more than 530 apartments were built, with average area of about 50 sqm and total usable area of about 32,000 sqm. All apartments under that project were sold. In addition, under this project, Mennica Polska owns retail space of about 5,900 sqm. All office and retail units are leased out.

## "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 hold 50% equity each. The project is operated by Golub GetHouse's partner, and Mennica Group jointly controls the project company regarding key decisions. The project is a modern business centre in Warsaw's Wola District, on a 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. The total leasable area is 66,000 sqm, of which 51,000 sqm are in the tower.

In the discussed period, the project continued to be leased to the key tenants, both in the "tower" and the western building.

## Lease of commercial space

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





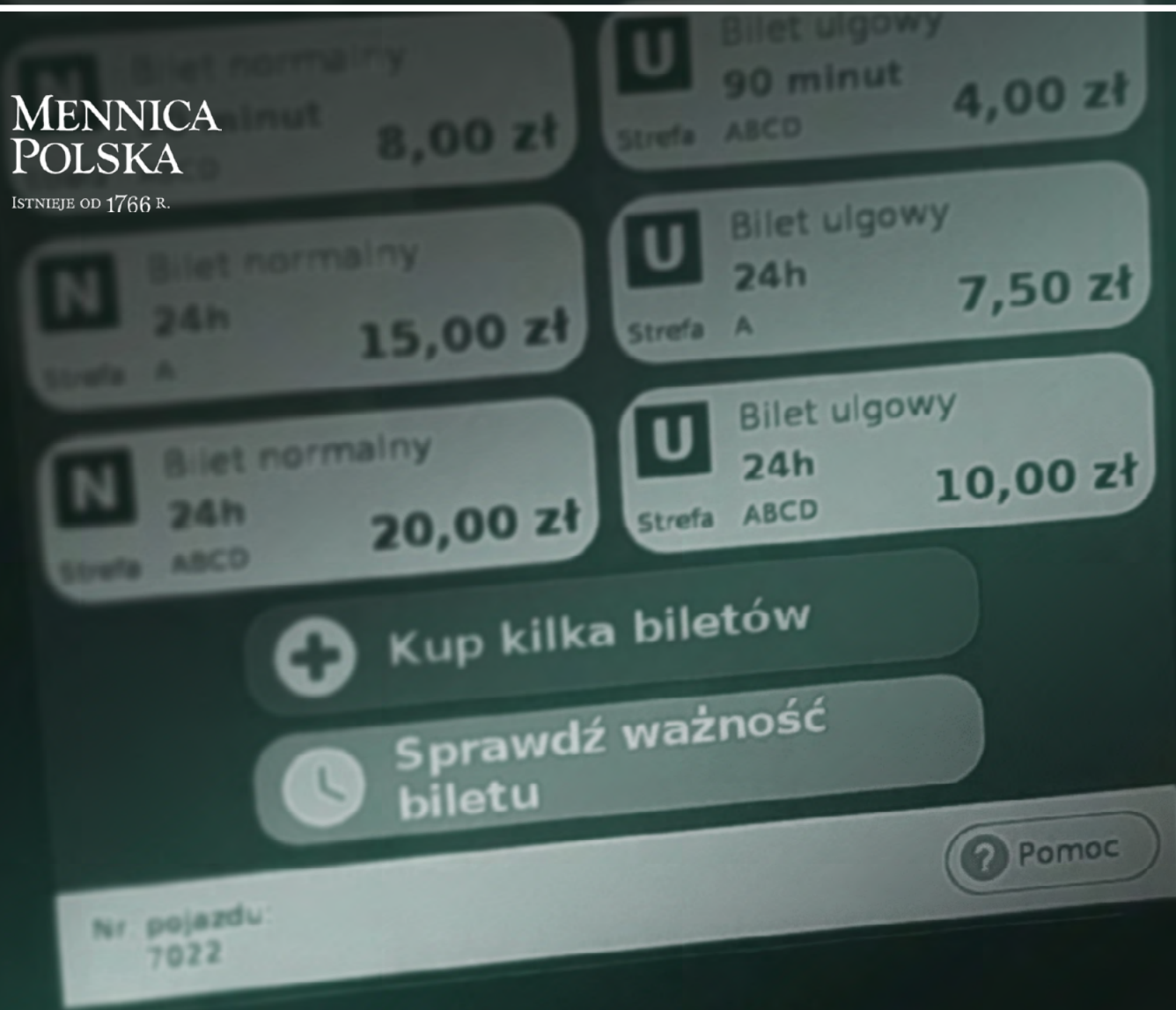
Below are presented selected figures for the segment:

<b>Real Estate Development segment</b>	<b>2023</b>	<b>2022</b>
Number of transferred apartments (based on final notarial deeds), including:	160	5
"Mennica Residence" project	0	1
"Bulwary Praskie" project	160	4
Pre-sales, including:	191	171
"Mennica Residence" project	0	0
"Bulwary Praskie" project	191	171



MENNICA  
POLSKA

ISTNIEJE OD 1766 R.



MENNICA  
POLSKA



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Strategy and development prospects for Mennica Polska SA

The development strategy of Mennica Polska S.A. and its Group of Companies is based on the maximisation of added value of the available resources through the diversification of the three main, independent business segments, i.e., mint products, electronic payments and real estate development. The overarching business objective in each of the segments is to provide customers with products and services of the highest quality and aim at maintaining a leading position in innovation and technology. 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 by improving a management system that enables the application of value management methods; development of incentivising work and pay systems, optimising operations, and flexibly adapting 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 S.A. Group:



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Mint Products segment

### Key elements of the strategy:

- Achieve better competitive position for the production of collector and circulation coins by mastering the largest possible range of mint techniques with which to meet customer expectations;
- Keep 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 leadership position in the South American and Asian markets, and expand to new markets (African countries); Expand to foreign markets in the Collector Coin production segment. Deliver projects for Central Banks in the countries which have just begun introducing such products to their respective markets;
- Optimise production processes by continuous improvement of human resources and machinery management using the Lean Manufacturing philosophy and tools;
- Manage production based on indicators: productivity, efficiency, to minimise downtime, shorten the production cycle;
- Develop systems for planning, scheduling and reporting production progress using systems employing Artificial Intelligence;
- Automate processes to eliminate bottlenecks and disturbances caused by behavioural factors;
- Benchmarking to the best organisations, i.e., constant development of technologies;
- Strive to increase the share of exported circulation coins and maintain a competitive edge in the sale of collector coins through high quality combined with attractive pricing. Intensify efforts and join a much larger number of tenders to secure new contracts from Central Banks;



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

- With regard to the sale of investment products (gold bars, bullion coins), ensure transaction security, good quality of our products, and professional customer service, and further develop our distribution channels. Broaden the range of products offered;
- Maintain pro-active partnership with customers for product design;
- Diversify distribution channels;
- Diversify suppliers;
- Develop sustainable manufacturing and technologies, including use green sources of energy, reduce carbon footprint, eliminate certain chemical processes. Participate in programmes promoting the employment of young people, as well as programmes of apprenticeships and traineeships for students of technical secondary schools and university students;
- Take active part in ESG.

**Growth prospects:**

- Increased demand for golden investment products caused by the global uncertainty among equity investors;
- Looking for foreign partners for the distribution of investment products abroad. Entering international markets with our bullion and investment bars and products, including in the US, Turkmenistan;
- Mennica Polska SA has been invited by central banks of various countries to compete in numerous tendering procedures for the supply of both circulation and collector coins;
- Development of collector products for central banks in countries with no such tradition;
- Decision of banks to replace low banknote denomination with coins due to durability and recycling potential;
- Prospect of Euro coin production for the National Bank of Poland in several years' perspective;
- Offering products such as decorations and medals in foreign markets.



# Electronic Payments segment

## Key elements of the strategy:

- Develop the existing projects using new technologies applied in fare collection systems;
- Keep a leading position in the market regarding the urban project portfolio currently held;
- Further develop the Open Payment System project;
- Look for new opportunities and develop our potential in Polish and foreign markets for the basic business of the segment;
- Diversify distribution channels – under the already supported projects, the segment holds a diversified sales network through which it sells public transport tickets. The sales network comprises various channels adapted to the needs and expectations of customers, including OPS validating machines, POS terminals, stationary and mobile ticket machines, and sales through our proprietary mobile apps and online ticket selling platforms;
- Take insourcing efforts to transfer production and maintenance processes to dedicated inhouse units.

## Growth prospects:

- The Electronic Payments segment performs long-term contracts in the largest cities of Poland.
- In 2023, the Electronic Payments segment focused mainly on the portfolio of large urban projects already held in Warsaw, Wrocław, Poznań, Łódź, Bydgoszcz, Gdańsk, Jaworzno, Suwałki, Włocławek. The three largest existing contracts expire in 2026, 2028, and 2026, respectively.
- In addition, in the following periods, we will continue delivering the contract with Warsaw Trams for mobile ticket machines supplied by Mennica Polska SA;
- In 2023, the urban transport operator (ZTM) launched a tender procedure for a Ticket System for Warsaw's Public Transport. The public contract award procedure is conducted by procedure of Competitive Dialogue. Mennica Polska SA joined this procedure.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Real Estate Development segment

### Key elements of the strategy:

- Maximise added value by delivering real estate development projects on the properties;
- Continue the existing and prepare new real estate development projects in attractive locations of Warsaw.

### Growth prospects:

- The "Bulwary Praskie" project promises great growth prospects. 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 a future landmark of the right-hand bank of Warsaw – prominent in the city panorama, offering attractive, multi-functional services. The expected usable area of multi-functional development is about 400,000 sqm. Also in 2023, we continued the construction and sale of real estate development projects R1, R2-R3, S2-S3 (326 units). In 2023, we also received the decision of the Province Governor upholding the building permit for buildings in new urban blocks (N, O, P) with 747 apartments. The Building Permit has become final and valid as a result of the administrative produce in June 2023.





MENNICA  
POLSKA

ISTNIEJE OD 1766 R.

77A JAGIELLOŃSKA  
KLATKA II  
M 13-24

77A JAGIELLOŃSKA  
KLATKA II  
M 13-24





**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

# 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 globally in terms of technologies and their diverse application**

Mennica Polska S.A. is a global leader in production of collector and circulation mint products. Owing to the diversity of techniques and quality of our products, we are considered to be a model to follow by many mints. As one of few mints globally, we are capable of producing collector coins in virtually any technology existing in the market. Many different techniques are used. The coins are made in 3D technology, we make products of different shapes, with various openings and embellishments. We are able to apply elaborate patterns on gold and silver products using various methods, including pad printing, HD quality prints, or fine sand blasting cured with UV. We can achieve embellishments shimmering in the daylight and glowing at night, i.e., using fluorescent and luminescent technologies. Our coins are embellished and secured with microembossing using advanced nano-, pico- and femto-technologies employed in laser devices. We also make products with miscellaneous inserts, selectively gilded by electroplating, oxidated, patinated, enamelled, resin-coated, ruthenium-plated products, giving them varied forms and shapes. In addition, we have made coins using integrated holograms with high embossing, in large sizes and using laser effects such as unique visual effects of shine and dull polishing. We protect our numismatic products with nanolayer technology against corrosive changes for silver and other alloys, which is not universally practised on the market. A novelty in the market is the combination of various techniques, usually high-embossing products, electroplated products, coloured products, with extra ornamental inserts, which makes us stand out as the leader, or maybe the sole company globally to make mint product in so many techniques with such multi-technological advancement.

Mennica Polska is self-sufficient in the mint product manufacturing process. We make ourselves the tools necessary for the production of our finished and semi-finished products. Owing to these modern technical capabilities and guaranteed security that we provide in making our tools, we are considered to be a key player in the market for circulation coins. We have various suppliers of semi-finished products for the manufacture of circulation coins from many continents, which provides us with mobility, independence, competitiveness, and allows us to take part in tenders all over the world.

We have held and developed technologies of casting and processing of precious materials. We are able to manufacture disks, large and small bars, and semi-finished products of both pure gold or silver, and mixed alloys.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

These capabilities, acquired in 2022 and developed in 2023, allow us to compete with flexibility and short project delivery times. The development of casting techniques provides us also with independence and guarantees the quality of our casts consistent with declared purity.

We are a company that holds the internal resources able to repair and make spare parts for its equipment, which provides us with independence in the event of disturbed supply chains due to conflicts in various parts of the world or any pandemic.

Mennica Polska is also an environment-friendly company that is sensitive to helping the communities. The mint manufacturing develops and researches technologies that are safe for the environment. We look for alternatives to technologies that employ chemicals or technologies onerous for people and society at large.

### **More than 260 years of history**

For almost 260 years, Mennica Polska has been actively involved in the social and economic transformation of Poland. The difficult history of Poland forged a stable, invincible brand, whose value has been cherished by new generations of dedicated employees over the years. As a modern, fast-growing organisation, Mennica Polska is ranked high each year among the largest and best-managed companies in Poland. By consistently pursuing our business strategy, the Company has been successful in each of its business segments.

### **Top standards in each business segment**

Mennica Polska was awarded the PCI DSS certificate for another time in a row. This is another sign that all services related to the processing of transactions in public transport based on popular proximity bank cards meet the restrictive requirements of international payment organisations Visa and Mastercard.

In the first half of 2023, Mennica Polska launched Europe's most advanced online selling platform for mint products. The platform enables our customers to intuitively navigate the store and buy investment, collector and gift products. The powerful customer dashboard, certain helpful functionalities, and support of mobile devices – these are only some of the distinguishing features of Mennica Polska's online store. All in a new, attractive graphical design.

### **We participate pro-actively in global industry events**

Jak co roku, przedstawiciele Mennicy brali czynny udział w światowych wydarzeniach poświęconych produkcji monet kolekcjonerskich. Every year, representatives of Mennica Polska SA have taken active part in global events dealing with the production of collector and circulation coins. Mennica Polska SA has been active in every field possible. In the working group of the "Mint Directors Conference" (MDC - TC) in Philadelphia, a venue for mint industry people, we discussed, together with our partners from all over the world, technical aspects and innovations related to coinage.

In January 2023, at the largest international numismatic fair World Money Fair in Berlin, we presented our unique designs. The fair catalogue included several dozens of coins which attracted huge interest in the participants, such as Wizard, Evolution, or Frédéric Chopin coins.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

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

Mennica Polska has been for years the maker of official decorations for the Chancellery of the President of the Republic of Poland. We have continued the best traditions of Polish medallist craft, making the 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 in the market. These have been traditional products offered by Mennica Polska S.A. 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 has been the only entity authorised to make them. In 2022, we also won a contract for the supply of Medals of Honour and Decorations for the Chancellery of the President of the Republic of Poland for 2023-2024. 2023 has seen the return of large customers from the government institutional segment who for several years were absent from us. This gives us a prospect for reinvigorating the partnership with other customers from that sector in the years to come, and thus to increase sales in these product categories.

### **We are a key player in the Polish market for collector coin**

We distribute coins of the National Bank of Poland and collector coins of foreign issuers intended for Polish customers. We have collaborated with numismatic companies, collectors and hobbyist organisations. We have been active both in the B2C and B2B areas.

### **We enjoy high reputation and have extensive experience in international markets**

Mennica Polska SA has gained 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 the Dominican Republic, Colombia, Georgia, Armenia or United Arab Emirates. We have worked with a total of almost 100 distribution companies worldwide. Stable pricing policy and swift and effective response to customer's requests - these are the most significant factors that build attachment and strengthen the willingness to continue the 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 year on year to include new countries. Now, we are active on almost every continent. A remarkable fact is that the Central Bank of the Dominican Republic, the Bank of Guatemala, and the National Bank of Georgia have again contracted Mennica Polska to make circulation coins. These new contracts speak to a strong position of Mennica Polska in international markets.

### **We are a national leader in the production and distribution of gold bars and other investment products**

Mennica Polska Group is the only maker of gold bars in Poland. Nevertheless, we have been constantly improving our competencies and technology excellence in this area. By having the casting line, the entire process of making Mennica-branded bars is under our control, which is key in maintaining stable supply, especially in crisis situations, such as: pandemics or war. In addition, thanks to our casting line, we also launched the making and sale of disks made of precious metals. Mennica Polska has provided comprehensive services for the distribution of investment



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

products, by opening our outlets in new cities of Poland, to be closer to our customers. Our aim is to open a Mennica Polska office in every region. In addition, in 2023 we launched the production of investment products intended for foreign markets. Another distinguishing feature in this area is the operation of sales using many distribution channels in the Mennica Polska Group, such as the online investment platform, outlets of reputable banks, physical stores and direct sales from the headquarters and regional sales outlets. Mennica Polska SA guarantees secure storage of gold bars in its strongroom, and offers gold buy-back at market prices.

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

The Company has operated more than two million such cards nationwide. Public transport tickets are mainly encoded on those cards. In its activity, Mennica Polska SA has focused on the market for urban services, with particular attention to the broadly defined public transport market. We have operated systems in Warsaw, Wrocław, Poznań, Gdańsk, Bydgoszcz, Jaworzno, Włocławek, Suwałki, and Łódź. In 2023, our activity in the Electronic Payments segment was focused on process optimisation and strengthening security measures as part of maintenance of our projects, as well as the rollout of freshly awarded projects, i.e., supply of mobile ticket machines in Łódź and implementation of our proprietary Open Payment System dedicated to passengers in Poznań. 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 6,500 stationary and mobile ticket machines and Open Payment System (OPS) validators, 2,000 POS terminals, as well as e-commerce and m-commerce channels. We hold the relevant know-how and organisational and financial resources, which allows us to tap emerging opportunities in the market for city card systems.

#### **We are a leader in the market for fare collection systems in public transport using proximity payment cards**

In 2017, we have rolled out the "Open Payment System" – a proprietary solution that allows the passengers to pay their fares in public transport directly using bank payment cards. Currently, such systems have become a standard in many cities of Poland, and Mennica Polska SA has implemented such systems in cities such as: Wrocław, Bydgoszcz, Łódź, Jaworzno, Włocławek and Poznań. The system won awards in two consecutive editions of the TRANSEXPO International Fair of Public Transport, i.e., in 2016 and 2018, in the "Collection systems" category, for the most innovative and modern IT solution in public transport. In addition, in March 2017, the town of Jaworzno was distinguished with a prestigious "Smart City" award for the Open Payment System implemented by Mennica Polska SA.

#### **We hold huge potential in the real estate market**

In addition to attractive real estate holdings, owned directly or via special purpose vehicles, Mennica Polska S.A. has also implemented its own real estate development projects.

The "Bulwary Praskie" project, carried out by Mennica Polska Spółka Akcyjna S.K.A., promises huge potential. The project includes the area between Jagiellońska St., Trasa A-K and the projected location of the Krasinski Bridge. This highly promising area has more than 27 hectares (ha). 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 Warsaw's right-bank districts – prominent in the city panorama. Its location can harmoniously combine urban functions with recreational areas on the bank of the Vistula river, in the direct neighbourhood of a Natura 2000 site. By this, it offers an opportunity to create new,



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

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, of which 66,000 sqm were completed or are under development.

One of our fully completed projects is "Mennica Residence", a complex of modern residential buildings situated along a walkway, with an internal courtyard and varied green areas on various levels, which has become a showcase of its district. The tallest building has fifteen levels. The estate was designed for private and institutional customers. A clear division has been made into commercial functions (two bottom levels) and residential functions (all levels above).

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

### **We hold certified quality, environment and OSH management systems**

In the reporting period, the management system was subject to the annual external audit.

Under certification process, Mennica Polska received certificates of conformity for its management systems:

- quality management system – conformity to ISO 9001:2015;
- environmental management system – conformity to ISO 14001:2015;
- occupational safety and health – conformity to ISO 45001: 2018;
- information security – conformity to ISO 27001:2017.

At the same time, the existing certification scope:

- 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 has been extended to include processes related to the production of semi-finished products of precious metals for the making of collector coins, circulating coinage, and investment bars.

The certified locations have remained unchanged: at 3 Annopol St. and 6 Ciasna St. in Warsaw, and the location in Krakow as well as customer service centres in Wrocław and Warsaw that manage activities related to the city card. Implementation of a new ISO standard (50001:2018) related to energy management.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

### We support culture, sports, charities and community organisations

Each year, Mennica Polska S.A. has been actively supporting the development of culture and sports and providing financial support to charities and community organisations. The main activities in this regard in the reporting period are the following:

- January – Proactive part in the 31st Grand Finale of the Great Orchestra of Christmas Charity (WOŚP). The charity auctions sponsored by Mennica Polska included personalised souvenir medals and a visit to the manufacturing site considered to be one of the most technologically advanced plants of its kind in the world. During the last five years, together with our fans, we transferred almost PLN 500,000 for the WOŚP Foundation;
- February – extension of the sponsorship agreement with Motor Lublin, a football club. As the official sponsor of the club, Mennica Polska has financially supported spending such sport training programmes and purchase of necessary equipment. The funds can be also disbursed for the organisation of sporting competitions or providing the ability to participate in tournaments, sporting stipends, and payments to the training staff.
- April – Mennica Polska, working with POLIN Museum of the History of Polish Jews, honoured the involvement of volunteers, by designing a numismatic product to commemorate the 80th anniversary of the Warsaw Ghetto Uprising;
- May – proactive participation in another edition of the Long Night of Museums. In a special relaxation zone, Mennica Polska prepared a number of attractions for its guests. Each visitor received a commemorative numismatic product minted by an experienced mint master, could take a picture in 360 Photo Booth, and admire conjuring tricks with coins prepared by a professional prestidigitator.
- In addition, Mennica Polska founded golden statuettes for the artists at the Polsat SuperHit Festival and an original commemorative coin for the "Mazowsze" Folk Ensemble of Song and Dance. To commemorate 75 years of the Ensemble's activity, Mennica Polska designed a royal coin, made of precious metal, with original insignia of King August Poniatowski – the founder of Mennica Polska;
- June – Mennica Polska die-stamped medals for the European Games (Krakow-Malopolska) 2023. This exceptional design embodied the top craftsmanship, care for the slightest detail and undeniable aesthetic values, for which Mennica Polska has been famous. The history of how materials were acquired for the making of these medals speaks to our ability to beautifully connect tradition with modernity. The material for the disks of which these medals were made, has been recycled, including from spent jewellery and electronic equipment. In addition, Mennica Polska, in partnership with the Wisława Szymborska Foundation, designed and made a special coin to commemorate the 100th birthday of this eminent Polish poet and Nobel prize winner. This exceptional coin presents the high-embossed image of the poet using the laser dulling technique. On the reverse, Wisława Szymborska was shown against the background of a fragment of manuscript of one of her most known poems, titled "Nic dwa razy" (Nothing Twice). The coin denominated as 1 dollar was made of an ounce of pure silver in only 700 copies;
- July – Mennica Polska was honoured to support one of the most prestigious cultural events in Poland – the "Two Riversides" Film and Art Festival. The 17th edition of this unique initiative saw numerous screenings of films distinguished at international film reviews, a number of exhibitions, as well as concerts and meetings with artists. As part of the festival, the International Short Film Competition was held another time, which presented documentary, animated, feature and experimental movies created by young film directors and artists;



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

- August – As continuation of the tradition of commemorating in coins individuals important for culture, art and history, Mennica Polska designed and made golden ducats and silver thalers with the image of General Kazimierz Pulaski – a patriot important for the American revolution and Poland's struggle for independence. The reverse side of the ducat and thaler features the image of the General surrounded by a streak of stars. The "Kazimierz Pulaski" coin has been struck with a reverse die - its obverse and reverse sides match in the vertical direction. Each variant has additional security feature - an angle effect showing the signet ring of Mennica Polska MW and royal monogram Stanislaus Augustus Rex;
- December – Support provided to a charity initiative held by the "ABCXXI - Cała Polska czyta dzieciom" Foundation, by offering for auction a "Frédéric Chopin" golden coin. The purpose of what was called "Loud Auction" was to support the delivery of the Foundation chartered mission geared towards ingraining the passion for the written word from the youngest age. The one-ounce coin with the image of the renown composer has been one of the best-selling items in recent years. Previously, the coin was also given to the participants of the XVIII Edition of the International Chopin Piano Competition. In December, Mennica Polska also struck a special medal of merit for the preservation of memory of the history of Polish Jews, granted to the laureate of the POLIN 2023 Award at a ceremonial gala.

#### **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. Financial stability of Mennica Polska is also reinforced by the diversification strategy pursued through the operation of three different segments.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## EXTERNAL DEVELOPMENT FACTORS

The following are the most important external factors related to specific features of Mennica Polska SA's and its Group's business:

- development of demand for circulation coins both from the NBP and foreign central banks;
- market demand for new collector coins;
- developments in the market for investment products;
- strength of potential competitors in the mint products market;
- 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 public transport;
- pace of rollout 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 in the real estate market;
- level of interest rates which influences demand for apartments;
- development of costs of labour in the real estate development sector, cost of materials and construction services;





**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Corporate social responsibility (CSR)

### Key achievements and events

Proactive part in the 31st Grand Finale of the Great Orchestra of Christmas Charity (WOŚP).

Sponsorship support of the "Two Riversides" Film and Art Festival.

Designing a special coin for the "Mazowsze" Folk Ensemble of Song and Dance.

Support of an exhibition of works of the "Designer of the Second Republic of Poland".

Designing and stamping of a silver medal for the laureate of the 2023 POLIN Award.

### Outcomes

As part of the 31st WOŚP Final event, auctions sponsored by Mennica Polska included commemorative, personalised medals and a visit to Mennica Polska's manufacturing site considered to be one of the most technologically advanced plants of its kind in the world. The auctioned items also included 99 iconic Golden Hearts made by Mennica Polska – traditionally, Heart No. 1 was given to the WOSP Foundation.

Mennica Polska was a sponsor of one of the most prestigious cultural events in Poland – the "Two Riversides" Film and Art Festival. The 17th edition of this unique initiative saw numerous screenings of films distinguished at international film reviews, exhibitions, concerts and meetings with artists, as well as the International Short Film Competition.

To commemorate 75 years of the activity of coin for the "Mazowsze" Folk Ensemble of Song and Dance, Mennica Polska designed a truly royal coin, made of precious metal, with original insignia of King August Poniatowski.

Mennica Polska was a Patron of the first monographic exhibition of work of Professor Wojciech Jastrzębowski – the last pre-war Rector of the Academy of Fine Arts in Warsaw.

For almost a decade, the Board of the competition has nominated, awarded and distinguished individuals or organisation for their activity for the preservation of memory of the history of Polish Jews. Eight laureates received this award so far, and more than 50 people were included in the competition final.

## Corporate social responsibility (CSR)

Designing and stamping by Mennica Polska of the "Medal of the Warsaw Courier".

The initiative, established by the Warsaw Uprising Museum, is aimed at appreciating the individuals particularly involved in building and strengthening Poland's relationships with the West, and nurturing timeless values.

Involvement in another edition of Warsaw's Long Night of Museums.

As part of another edition of the Long Night of Museums, Mennica Polska organised a special stand in Lazienki Krolewskie, Warsaw, and prepared a number of attractions for children and adults. Each guest also received a souvenir numismatic product stamped by a mint master of Mennica Polska in the traditional way, on a special block of wood.

Stamping of medals for the European Games (Krakow-Malopolska) 2023.

This multi-discipline sports event was brought to life on the initiative of the European Olympic Committees. The athletes competed in 37 sports. The best ones received medals from Mennica Polska. The bird featured on them refers to the national emblem of Poland, being the host of this event, as well as brings to mind associations with the dove as the symbol of peace and respect.

Extension of the sponsorship agreement with Motor Lublin, a football club.

Mennica Polska has financially supported spending such sport training programmes and purchase of necessary equipment. Under the sponsorship agreement, the funds can be also disbursed for the organisation of sporting competitions or providing the ability to participate in tournaments, to pay for sporting stipends, and remuneration to the training staff.



MENNICA  
POLSKA

ISTNIEJE OD 1766 R.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

# Financial position of Mennica Polska Group

SELECTED CONSOLIDATED FINANCIAL FIGURES	for 12 months ended (thousands of PLN)		for 12 months ended (thousands of EUR)	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Net income from sales	1 233 239	1 282 427	272 334	273 538
Operating profit	110 566	51 844	24 416	11 058
<b>Profit before tax</b>	<b>141 196</b>	<b>37 838</b>	<b>31 180</b>	<b>8 071</b>
Net profit (loss)	117 050	32 447	25 848	6 921
<b>Total net profit attributable to Equity Holders of the Parent Company</b>	<b>91 522</b>	<b>34 462</b>	<b>20 211</b>	<b>7 351</b>
<b>Total net profit per share assigned to Equity Holders of the Parent Company (PLN/EUR)</b>				
- basic/diluted	1,79	0,67	0,40	0,14
<b>Net profit from continuing operations per share attributable to Equity Holders of the Parent Company - (PLN/EUR)</b>				
- basic/diluted	1,79	0,67	0,40	0,14
Net cash flow from operating activities	165 443	9 633	36 535	2 055
<b>Total cash flows</b>	<b>164 565</b>	<b>-35 713</b>	<b>36 341</b>	<b>-7 617</b>



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

SELECTED CONSOLIDATED FINANCIAL FIGURES	For 12 months ended (thousands of PLN)		For 12 months ended (thousands of EUR)	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Total assets	1 090 175	967 135	250 730	206 217
Current liabilities	321 549	316 113	73 953	67 403
Shareholders' equity	749 623	637 686	172 406	135 970
Number of shares	51 087 191	51 087 191	51 087 191	51 087 191
Weighted average number of shares	51 087 191	51 087 191	51 087 191	51 087 191
Book value per share (PLN/EUR)	14,67	12,48	3,37	2,66
			<b>31.12.2023</b>	<b>31.12.2022</b>
<b>For items of statement of comprehensive income and cash flow statement</b>			<b>EUR</b>	
Middle rate calculated as the arithmetic mean of the rates applicable for the last day of each month in the respective period			4,5284	4,6883
<b>For items of statement of financial position</b>				
Rate as at			<b>EUR</b>	
			4,3480	4,6899



# Consolidated statement of financial position

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS (THOUSANDS OF PLN)

31.12.2023

31.12.2022

### ASSETS

#### Non-current assets

Tangible assets	119 221	123 477
Intangible assets	18 358	18 989
Investment properties	47 679	49 455
Investments in associated companies and joint ventures accounted for using the equity method	24 446	14 859
Other long-term investments	161 007	152 655
Deferred income tax assets		952
Trade and other long-term receivables		
Other non-current assets	4 424	4 163
<b>Total non-current assets</b>	<b>375 135</b>	<b>364 550</b>

#### Current assets

Inventories	449 016	469 044
Other current investments	41 511	48 778
Income tax receivable	300	6
Trade and other receivables	44 309	69 418
Cash in ticket machines	179 904	15 339
<b>Current assets without non-current assets intended for sale</b>	<b>715 040</b>	<b>602 585</b>
Non-current assets classified as intended for sale		
<b>Total current assets</b>	<b>715 040</b>	<b>602 585</b>
<b>Total assets</b>	<b>1 090 175</b>	<b>967 135</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION – SHAREHOLDERS' EQUITY AND LIABILITIES

31.12.2023

31.12.2022

**SHAREHOLDERS' EQUITY AND LIABILITIES**
**Shareholder's equity**

Share capital	51 087	51 087
Treasury shares		
Share premium reserve	14 047	14 047
Other capital reserves	4 275	4 279
Retained profit	603 436	517 023
<b>Shareholder's equity attributable to the Equity Holders of the Parent Company</b>	<b>672 845</b>	<b>586 436</b>
Non-controlling interests	76 778	51 250
<b>Total shareholder's equity</b>	<b>749 623</b>	<b>637 686</b>

**Liabilities**

Bank and non-bank loans		
Liabilities due to bonds		
Lease payables	10 103	10 835
Trade and other liabilities		
Deferred income tax liabilities	6 181	
Provisions		
Employee benefit liabilities	2 719	2 501
<b>Total non-current liabilities</b>	<b>19 003</b>	<b>13 336</b>
Bank and non-bank loans	3 325	6 896
Bond payables		
Lease payables	64 388	64 668
Other financial payables	3 569	2 225
Current income tax payables	2 904	1 315
Trade and other payables	227 242	220 937
Provisions	12 634	12 237
Employee benefit liabilities	7 487	7 835
<b>Total current liabilities without liabilities related to assets intended for sale</b>	<b>321 549</b>	<b>316 113</b>
<b>Liabilities related to assets intended for sale</b>		
<b>Total current liabilities</b>	<b>321 549</b>	<b>316 113</b>
<b>Total liabilities</b>	<b>340 552</b>	<b>329 449</b>
<b>Total shareholder's equity and liabilities</b>	<b>1 090 175</b>	<b>967 135</b>



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

# Consolidated income statement

CONSOLIDATED INCOME STATEMENT (thousands of PLN)	from 01/01/2023 to 31/12/2023	from 01/01/2022 to 31/12/2022
Continuing operations		
Net income from sales	1 233 239	1 282 427
Cost of goods sold	1 076 679	1 168 195
Result on derivatives for realised sales	6 716	-1 917
<b>Gross profit on sales</b>	<b>163 276</b>	<b>112 315</b>
Selling costs	24 330	32 066
General and administrative expenses	26 581	32 912
Other operating income	2 728	1 686
Other operating expenses	2 196	2 880
Result on derivatives for unrealised sales	-2 331	5 701
<b>Operating profit</b>	<b>110 566</b>	<b>51 844</b>
Profit/loss participations in investments accounted for using the equity method	9 586	2 039
Financial income	30 897	7 252
Financial expenses	9 853	23 297
<b>Profit before tax</b>	<b>141 196</b>	<b>37 838</b>
Income tax	24 146	5 391
<b>Profit from continuing operations</b>	<b>117 050</b>	<b>32 447</b>
Profit from discontinued operations		
<b>CONSOLIDATED NET PROFIT (LOSS)</b>	<b>117 050</b>	<b>32 447</b>
<i>Attributable:</i>		
<i>To non-controlling interests</i>	25 528	-2 015
<i>To Equity Holders of the Parent Company</i>	91 522	34 462





**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

# Consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (thousands of PLN)

from 01/01/2023  
to 31/12/2023

from 01/01/2022  
to 31/12/2022

<b>NET PROFIT (LOSS)</b>	<b>117 050</b>	<b>32 447</b>
<b>Items not to be reclassified in the future to the income statement</b>		
Revaluation of non-current assets	-5	-126
<b>Items not to be reclassified in the future to the gross income statement</b>	<b>-5</b>	<b>-126</b>
<b>Items to be reclassified in the future to the income statement</b>		
<b>Items to be reclassified in the future to the gross income statement</b>		
<b>Other comprehensive income before tax</b>	<b>-5</b>	<b>-126</b>
Income tax on items not subject to reclassification	-1	-24
Income tax on items subject to reclassification		
<b>Other net comprehensive income</b>	<b>-4</b>	<b>-102</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>117 046</b>	<b>32 345</b>
<i>Attributable:</i>		
<i>To non-controlling interests</i>	25 528	-2 015
<i>To Equity Holders of the Parent Company</i>	91 518	34 360



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

# Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS (thousands of PLN)

from 01/01/2023  
to 31/12/2023

from 01/01/2022  
to 31/12/2022

**Cash flow from operating activities**

**NET PROFIT (LOSS)**

**117 050**

**32 447**

**Adjustments**

**64 111**

**-16 428**

Amortisation and depreciation

20 047

18 763

Impairment losses on fixed assets

Profit (loss) on the sale of fixed assets

-232

-1 033

Profit (loss) on the sale of financial assets

-943

Profit/loss participations in investments accounted for using the equity method

-9 586

-2 039

Income from dividend

Fair value measurement

-19 941

16 998

Income from interest

**-6 472**

-6 020

Interest expenses

Unrealised exchange differences

192

Income tax charges

24 146

5 391

Change in receivables

26 962

-41 501

Change in inventories

19 943

-57 862

Change in trade and other payables

9 727

48 808

Change in employee benefit provisions and liabilities

268

2 067

Other

**Cash flow from operating activities**

**181 161**

**16 019**

Income tax paid

-15 718

-6 386

CONSOLIDATED STATEMENT OF CASH FLOWS (thousands of PLN)

from 01/01/2023  
to 31/12/2023

from 01/01/2022  
to 31/12/2022

**Cash flow from investing activities**

Proceeds from sale of intangible assets

Proceeds from sale of tangible assets

415

1 189

Proceeds from sale of investment property

Proceeds from sale of financial assets

24 840

42

Profits from the received repayment of provided loans

187

Dividends received

Purchase of intangible assets

-1 030

-1 015

Purchase of tangible assets

-10 067

-10 853

Purchase of investment property

Purchase of financial assets

Loans granted

-1 061

-1 123

**Net cash flow from investing activities**

**13 284**

**-11 760**

**Cash flow from financing activities**

Proceeds from the issue of shares

Proceeds from the issue of bonds

Bank and non-bank loans

6 896

Purchase of treasury shares

Dividends and other payments to owners

-5 109

-35 761

Repayment of loans

-3 571

Repayment of bonds

Payment of liabilities from finance-lease contracts

-5 482

-4 721

**Net cash flow from financing activities**

**-14 162**

**-33 586**

**Net cash flow, total, before exchange losses/gains**

**164 565**

**-35 713**

**Change due to exchange losses/gains**

**Net change in cash and cash equivalents**

**164 565**

**-35 713**

**Cash at beginning of period**

**15 339**

**51 052**

**Cash at end of period**

**179 904**

**15 339**



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

## Consolidated statement of changes in equity

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (thousands of PLN)	Share capital	Share premium reserve	Treasury shares	Other capital reserves	Retained profit	Shareholder's equity attributable to the Equity Holders of the Parent Company	Non- controlling interests	Total shareholders' equity
<i>As at 31/12/2022</i>								
<b>Shareholders' equity at beginning of period</b>	<b>51 087</b>	<b>14 047</b>		<b>4 279</b>	<b>517 023</b>	<b>586 436</b>	<b>51 250</b>	<b>637 686</b>
<b>Total comprehensive income, including:</b>				<b>-4</b>	<b>91 522</b>	<b>91 518</b>	<b>25 528</b>	<b>117 046</b>
- net profit					91 522	91 522	25 528	117 050
- other comprehensive income				-4		-4		-4
Issue of shares								
Purchase of treasury shares								
Dividends paid					-5 109	-5 109		-5 109
Other changes in equity								
<b>Changes in equity</b>				<b>-4</b>	<b>86 413</b>	<b>86 409</b>	<b>25 528</b>	<b>111 937</b>
<b>Shareholders' equity at end of period</b>	<b>51 087</b>	<b>14 047</b>		<b>4 275</b>	<b>603 436</b>	<b>672 845</b>	<b>76 778</b>	<b>749 623</b>

## Structure of company balance sheet

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

ITEM	31/12/2023 (PLN thousand)	31.12.2023 (%)	31/12/2022 (PLN thousand)	31.12.2022 (%)	(31/12./2023 vs 31/12/2022) – Change (%)
<b>Total assets</b>	<b>689 209</b>	<b>100,0</b>	<b>643 778</b>	<b>100,0</b>	<b>107,1</b>
Non-current assets	335 535	48,7	339 606	52,8	98,8
Current assets	353 674	51,3	304 172	47,2	116,3
Inventories	92 578	13,4	172 374	26,8	53,7
Receivables	43 275	6,3	69 264	10,8	62,5
Short-term investments	217 821	31,6	62 534	9,7	348,3
<b>Total shareholders' equity and liabilities</b>	<b>689 209</b>	<b>100,0</b>	<b>643 778</b>	<b>100,0</b>	<b>107,1</b>
Shareholders' equity	567 440	82,3	521 354	81,0	108,8
Liabilities and reserves	121 769	17,7	122 424	19,0	99,5
Non-current liabilities	16 008	2,3	14 085	2,2	113,7
Current liabilities	105 761	15,3	108 339	16,8	97,6

# Assessment of profitability of the Group of Companies

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

PROFITABILITY INDICATOR	Figures based on the IFRS statement	Figures based on the normalised statement	Figures based on the IFRS statement	Figures based on the normalised statement
	2023		2022	
1. Net income from sales (PLN thousand)	1 233 239	1 233 239	1 282 427	1 282 427
2. Gross return on sales	13,2%	13,2%	8,8%	8,8%
3. Net return on sales	9,1%	9,1%	3,7%	3,7%
4. Operating margin	9,0%	9,2%	4,0%	3,6%
5. EBITDA margin	10,6%	10,8%	5,5%	5,1%
6. Net profit margin	9,5%	8,3%	2,5%	3,3%
7. Return on assets (ROA)	11,4%	9,9%	3,4%	4,5%
8. Return on equity (ROE)	16,9%	14,7%	5,1%	6,6%

- 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 discussed here, the Group reported higher levels of all profitability indicators as compared to the previous year. This was due decreased share of sales of investment products which, by their nature, have lower margins, improved profitability in the Electronic Payments segment, and revenues from the sale of residential units under the "Bulwary Praskie" project, which is characterised by higher margins.

## Factors with an atypical effect on financial performance

SELECTED FINANCIAL FIGURES ADJUSTED FOR ATYPICAL AND NON-RECURRING EVENTS (PLN thousand)	Figures based on the IFRS statement			No.	Normalised statement	Figures based on the IFRS statement			No.	Normalised statement
	Adjustments	For the period from 01/01/2023 to 31/12/2023				Adjustments	For the period from 01/01/2022 to 31/12/2022			
<b>Income from sales</b>		1 233 239			1 233 239		1 233 239			1 233 239
Cost of goods sold		-1 069 963			-1 069 963		-1 069 963			-1 069 963
Gross profit on sales		163 276			163 276		163 276			163 276
Selling costs		-24 330			-24 330		-24 330			-24 330
General and administrative expenses		-26 581			-26 581		-26 581			-26 581
<b>Net income from sales</b>		112 365			112 365		112 365			112 365
Other operating income (costs) and result on derivatives for unre- alised sales		-1 800	2 331	1	531		-1 800	2 331	1	531
<b>Operating profit</b>		110 565			112 896		110 565			112 896
Operating margin		9,0%			9,2%		9,0%			9,2%
Amortisation and depreciation		-20 047			-20 047		-20 047			-20 047

In the table above, for analytical purposes, including, in particular, to correctly determine the profitability indicators characteristic of the business operations of the Group, adjustments were made to exclude atypical and non-recurring events affecting the statutory financial performance:



SELECTED FINANCIAL FIGURES ADJUSTED FOR ATYPICAL AND NON-RECURRING EVENTS (PLN thousand)	Figures based on the IFRS statement			Normalised statement	Figures based on the IFRS statement			Normalised statement
	Adjustments	No.			Adjustments	No.		
	Za okres od 01-01-2023 do 31-12-2023				Za okres od 01-01-2022 do 31-12-2022			
<b>EBITDA</b>	<b>130 612</b>			<b>132 944</b>	<b>130 612</b>			<b>132 944</b>
EBITDA margin	10,6%			10,8%	10,6%			10,8%
Profit/loss participations in investments accounted for using the equity method	9 587			9 587	9 587			9 587
Net financial income (expense)	21 045	-20 885	2	159	21 045	-20 885	2	159
<b>Profit before tax</b>	<b>141 196</b>			<b>122 642</b>	<b>141 196</b>			<b>122 642</b>
Income tax	-24 146	3 525	3	-20 621	-24 146	3 525	3	-20 621
<b>Net profit</b>	<b>117 050</b>			<b>102 021</b>	<b>117 050</b>			<b>102 021</b>
Net profit margin	9,5%			8,3%	9,5%			8,3%

Exclusions due to untypical or non-recurring events, both for 2023 and 2022, were made in the "Adjustments" columns.

**The following factors contributed to the adjustments of 2023:**

1. Negative result on derivatives concerning unrealised sales at PLN -2,331,000.
2. Positive result on valuation as of the balance sheet date of ENEA S.A. shares at PLN 19,941,000; positive result on sale of a batch of ENEA S.A. shares at PLN 944,000.
3. Deferred tax resulting from the above-mentioned factors.

**The following factors contributed to the adjustments of 2022:**

1. Positive result on derivatives concerning unrealised sales at PLN 5,701,000.
2. Negative result on valuation as of the balance sheet date of ENEA S.A. shares at (PLN -16,998,000); provision of PLN 905,000 established for potential interest costs connected with a court dispute with one of the contractors in the real estate development area.
3. Deferred tax resulting from the above-mentioned factors.

No other major non-recurring or atypical events occurred in addition to the above-mentioned factors.





MENNICA  
POLSKA

ISTNIEJE OD 1766 R.



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

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

## Report on the audit of annual consolidated financial statements

### Opinion

We have audited the financial statements of Mennica Polska S.A. with its principal place of business in Warsaw, 6 Ciasna St. ("Company"), which include the statement of financial position as at 31 December 2023 and income statement, 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 accompanying financial statements:

- give a true and fair view of the assets and financial position of the Company as at 31 December 2023, and of its financial result and its cash flows for the year then ended in accordance with the applicable 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 /Dz.U./ of 2023, item 120, as amended).



**MENNICA  
POLSKA**

ISTNIEJE OD 1766 R.

This opinion is consistent with the additional report for the Audit Committee issued by us on 21 March 2024.

### **Basis of opinion**

We conducted our audit in accordance with the National Standards on Auditing consistent 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" – consolidated text in Dziennik Ustaw of 2023, item 1015, as amended) and EU Regulation No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities ("EU Regulation" – 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 resolutions 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 and in the EU Regulation.

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

### **Key matters of the audit**

Key matters of the audit are matters 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 matters 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 matters.

### **Recognition of income from sales**

The Company has disclosed in its financial statements net income from sales at PLN 1,094,090,000. 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, and the related disclosures in Note 3.1.



### **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 Management Board of the Company, 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 goods sold 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

## **2023**