



## **REPORT OF THE SUPERVISORY BOARD**

**ON THE ASSESSMENT OF THE FULL-YEAR SEPARATE FINANCIAL STATEMENTS OF PCF GROUP S.A. FOR THE FINANCIAL YEAR ENDED DECEMBER 31ST 2020, THE FULL-YEAR CONSOLIDATED FINANCIAL STATEMENTS OF THE PCF GROUP S.A. GROUP FOR THE FINANCIAL YEAR ENDED DECEMBER 31ST 2020, THE DIRECTORS' REPORT ON THE OPERATIONS OF PCF GROUP S.A. AND ITS GROUP IN 2020, AND THE MANAGEMENT BOARD'S PROPOSAL ON ALLOCATION OF NET PROFIT FOR THE FINANCIAL YEAR 2020**

Warsaw, May 26th 2021

## 1. ASSESSMENT OF THE FINANCIAL STATEMENTS OF PCF GROUP S.A. FOR 2020

Pursuant to Art. 382.3 of the Commercial Companies Code and Art. 15.2.1 of the Company's Articles of Association, the Supervisory Board of PCF Group S.A. has assessed the full-year separate financial statements of PCF Group S.A. for the financial year ended December 31st 2020, the Directors' Report on the operations of PCF Group S.A. and its Group in 2020, and the Management Board's proposal on allocation of net profit for the financial year 2020.

The assessment was based on:

- 1) the full-year separate financial statements of PCF Group S.A. for the financial year ended December 31st 2020, comprising:
  - a) the separate statement of financial position as at December 31st 2020, showing total assets and total equity and liabilities of PLN 91,183 thousand;
  - b) the separate statement of profit or loss for the period January 1st–December 31st 2020, showing a net profit of PLN 29,096 thousand;
  - c) the separate statement of profit or loss and other comprehensive income for the period January 1st–December 31st 2020, showing comprehensive income totalling PLN 29,096 thousand;
  - d) the separate statement of changes in equity for the period January 1st–December 31st 2020, showing an increase in equity of PLN 29,105 thousand;
  - e) the separate statement of cash flows for the period January 1st–December 31st 2020, showing a PLN 9,575 thousand change in net cash, and  
notes to the financial statements,
- 2) the Directors' Report on the operations of PCF Group S.A. and its Group in 2020,
- 3) the Management Board's proposal on allocation of net profit for the financial year ended December 31st 2020,
- 4) the auditor's report on the full-year financial statements of PCF Group S.A. for the financial year ended December 31st 2020.

The Supervisory Board has concluded as follows:

Following an assessment of the separate financial statements of PCF Group S.A. for the financial year ended December 31st 2020, the Supervisory Board has found that the financial statements in all material respects:

- a) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union,
- b) are complete, accurate and consistent with the underlying accounting records and supporting documents,
- c) have been prepared in accordance with the laws and regulations applicable to the preparation of financial statements,
- d) have been prepared within the statutory time limit,

give a true and fair view of all information relevant for the assessment of PCF Group S.A.'s financial performance in the period January 1st–December 31st 2020 and of its assets and financial position as at December 31st 2020.

***Assessment by the Supervisory Board***

Having read the full-year separate financial statements of PCF Group S.A. for the financial year ended December 31st 2020 as prepared by the Management Board and the auditor's report on the full-year separate financial statements of PCF Group S.A. for the financial year ended December 31st 2020, the Supervisory Board has decided to give a positive assessment of the full-year separate financial statements of PCF Group S.A. for the financial year ended December 31st 2020 and recommend that they be received by the Annual General Meeting.

## 2. ASSESSMENT OF THE MANAGEMENT BOARD'S PROPOSAL ON ALLOCATION OF NET PROFIT FOR 2020

The Supervisory Board gives a positive assessment of the Management Board's proposal that the Company's net profit for the financial year 2020, of PLN 29,095,746.74 (twenty-nine million, ninety-five thousand, seven hundred and forty-six złoty, 74/100), be allocated as follows:

- 1) PLN 5,616,877.28 (five million, six hundred sixteen thousand, eight hundred seventy seven złoty and 28/100) to be paid out to the Company's shareholders as a dividend at PLN 0.19 (nineteen grosz) per share,
- 2) the balance, i.e. PLN 23,478,869.46 (twenty three million, four hundred seventy eight thousand, eight hundred sixty nine złoty and 46/100) to be transferred to the Company's reserve capital.

The Supervisory Board has decided to recommend that the General Meeting resolve to allocate PCF Group S.A.'s net profit for 2020, of PLN 29,095,746.74, in accordance with the Management Board's proposal.

### 3. ASSESSMENT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE PCF GROUP S.A. GROUP FOR 2020

Pursuant to Art. 382.3 in conjunction with Art. 395.2.1 and Art. 395.5 of the Commercial Companies Code and Art. 15.2.1 of the Company's Articles of Association, the Supervisory Board of PCF Group S.A. has assessed the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020 and the Directors' Report on the operations of PCF Group S.A. and its Group in 2020.

The assessment was based on:

- 1) the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020, comprising:
  - a) the consolidated statement of financial position as at December 31st 2020, showing total assets and total equity and liabilities of PLN 95,697 thousand;
  - b) the consolidated statement of profit or loss for the period January 1st–December 31st 2020, showing a net profit of PLN 24,579 thousand;
  - c) the consolidated statement of profit or loss and other comprehensive income for the period January 1st–December 31st 2020, showing comprehensive income totalling PLN 24,765 thousand;
  - d) the consolidated statement of changes in equity for the period January 1st–December 31st 2020, showing an increase in equity of PLN 24,789 thousand;
  - e) the consolidated statement of cash flows for the period January 1st–December 31st 2020, showing a PLN 12,177 thousand change in net cash, and  
notes to the financial statements,
- 2) the Directors' Report on the operations of PCF Group S.A. and its Group in 2020,
- 3) the auditor's report on the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020.

The Supervisory Board has concluded as follows:

Following an assessment of the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020, the Supervisory Board has found that the financial statements in all material respects:

- a) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the European Union,
- b) are complete, accurate and consistent with the underlying accounting records and supporting documents,
- c) have been prepared in accordance with the laws and regulations applicable to the preparation of financial statements,
- d) have been prepared within the statutory time limit,

give a true and fair view of all information relevant for the assessment of the PCF Group S.A. Group's financial performance in the period January 1st–December 31st 2020 and of its assets and financial position as at December 31st 2020.

***Assessment by the Supervisory Board***

Having read the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020 as prepared by the Management Board and the auditor's report on the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020, the Supervisory Board has decided to give a positive assessment of the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020 and recommend that they be received by the Annual General Meeting.

#### **4. ASSESSMENT OF THE DIRECTORS' REPORT ON THE OPERATIONS OF PCF GROUP S.A. AND ITS GROUP IN 2020**

The Supervisory Board of PCF Group S.A., acting pursuant to Art. 382.3 of the Commercial Companies Code and in fulfilment of its duties under the Company's Articles of Association, and having read the Directors' Report on the operations of the PCF Group S.A. and its Group in 2020, concludes that the Report is complete, accurate and consistent with the underlying accounting records and supporting documents, including the information disclosed in the full-year separate financial statements of PCF Group S.A. and the full-year consolidated financial statements of the PCF Group S.A. Group for the financial year ended December 31st 2020.

In the Supervisory Board's opinion, the Directors' Report contains material information on the Company's and the Group's assets and financial position and gives a correct view of their development and achievements, including an assessment of their performance and risks and threats thereto.

The Supervisory Board confirms that the Directors' Report complies in all material respects with the requirements set out in Art. 49 and Art. 55.2a of the Accounting Act of September 29th 1994 and the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated March 29th 2018.

The Supervisory Board recommends that the Annual General Meeting of PCF Group S.A. receive the Directors' Report on the operations of PCF Group S.A. and its Group in 2020.