

Zakłady Urządzeń Komputerowych ELZAB S.A.

The Abbreviated Consolidated Financial  
Statements of the ELZAB Group,  
including the Financial Statements of ELZAB S.A.  
prepared in accordance with IFRS

for the first quarter of 2022

**ELZAB** 1969



**ELZAB**  
R E N E V U

**ELZAB** 1969  
Manufacturing Services



The ELZAB Group  
the 1st quarter of 2022 (in thousand PLN)

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## I. Basic information

### 1. Basic information about ELZAB S.A.

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Auditor: Mistery Audytor Adviser Spółka z o.o. ul. Wiśniowa 40 lok. 50, Warszawa.

Polish Classification of Activities: 2620Z - production of computers and peripheral devices  
REGON [National Register of Economic Units] 270036336  
NIP [Tax Identification Number]: 648-000-02-55  
BDO: 000003645  
KRS [National Court Register Number] 95317: The District Court in Gliwice, the 10th Commercial Department  
Registry of telecommunications operators: no. 12684  
Share capital: PLN 22,142,962.40  
Paid-up capital: PLN 22,142,962.40

The company has been listed on the WSE since May 13, 1998.

Listing market: basic

Sector: IT

The company joined the Liquidity Support Program in July 2016.

### 2. Composition of the Management Board and the Supervisory Board of ELZAB S.A.

As at the date of publication of the statements, the Management Board of the Company was composed of:

Bartosz Panek - President of the Management Board

Jerzy Popławski - Vice-President of the Management Board

As at the date of publication of the statements, the Supervisory Board of the Company was composed of:

Grzegorz Należyty - Chairman of the Supervisory Board

Jarosław Wilk - Vice-Chairman of the Supervisory Board

Andrzej Wawer - Secretary of the Supervisory Board

Jerzy Kotkowski - Member of the Supervisory Board

Krzysztof Morawski - Member of the Supervisory Board

Kajetan Wojnicz - Member of the Supervisory Board

In the first quarter of 2022, the composition of the Management Board and the Supervisory Board did not change.

As at the date of publication of the statements, the Audit Committee was composed of:

Kajetan Wojnicz - Chairman of the Audit Committee of the Supervisory Board

Grzegorz Należyty - Vice-Chairman of the Audit Committee of the Supervisory Board

Andrzej Wawer - Secretary of the Audit Committee of the Supervisory Board

In December 2021, the Supervisory Board appointed a standing committee for strategy of the Supervisory Board, composed of:

Grzegorz Należyty - Chairman of the standing committee for strategy of the Supervisory Board

Jarosław Wilk - Member of the standing committee for strategy of the Supervisory Board

Jerzy Kotkowski - Member of the standing committee for strategy of the Supervisory Board

### 3. Composition of the ELZAB Group

As at March 31, 2020, the ELZAB Group consisted of the following entities:

- ELZAB S.A. - parent entity,
- ELZAB HELLAS SPV Sp. z o.o. - subsidiary, fully consolidated, share of ELZAB S.A. - 67% in the Company's capital and at the GM. The remaining part of shares is held by MONEA V Sp. z o.o.,
- ELZAB HELLAS S.A in Greece - subsidiary, fully consolidated, share of ELZAB HELLAS SPV Sp. z o.o. -100% in the Company's capital and GM,
- COMP CENTRUM INNOWACJI Sp. z o.o. - affiliate, valued based on the ownership right method, share of ELZAB S.A. - 49.88 % in the Company's capital and GM, The remaining part is held by COMP S.A., the parent entity of ELZAB S.A.
- - Greenfield Plan Sp. z o.o. - subsidiary, not consolidated due to the planned sale of shares in Greenfield Plan Sp. z o.o. within 12 months from the date of acquisition, share of ELZAB S.A. – 100% in the capital of the Company and at the General Meeting. The shares in the company were acquired in December 2021.

\*) On March 31, 2022, the Extraordinary General Meeting of Shareholders of COMP CENTRUM INNOWACJA Sp. z o.o. with its registered office in Warsaw was held. Pursuant to Resolution no. 3, it was decided to increase the share capital from PLN 118,322,000 to PLN 143,986,000, i.e. by PLN 25,664,000 by creating 25,644 new, equal and indivisible shares in the Company with a nominal value of PLN 1,000 per share and a total nominal value of PLN 25,664,000.

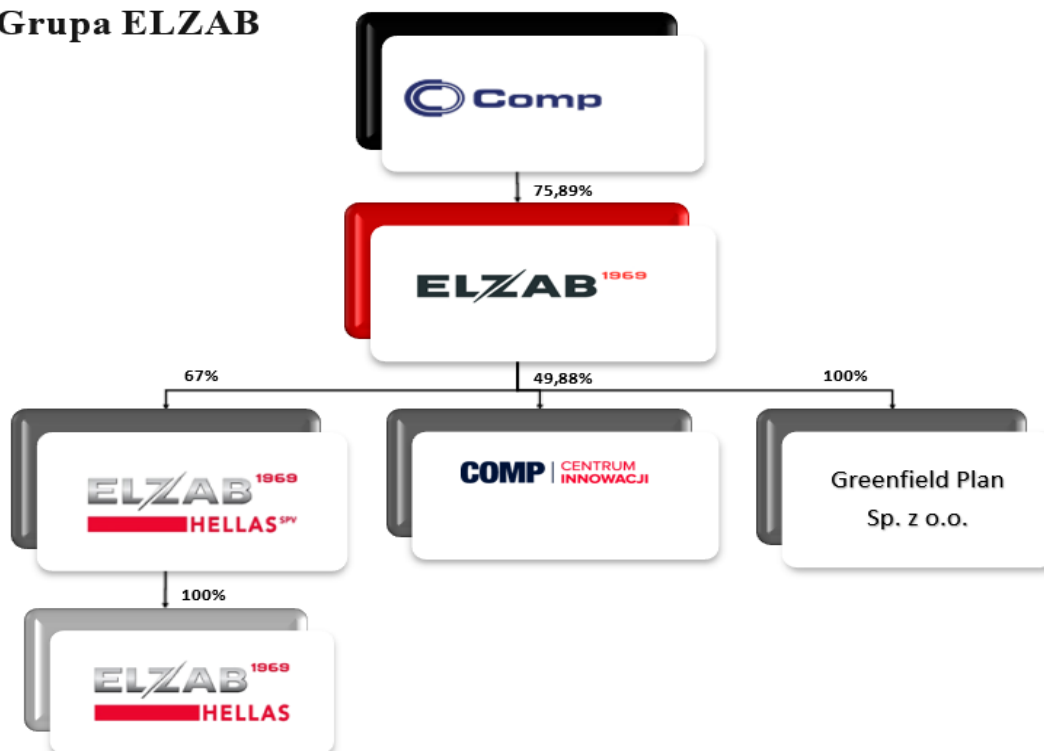
Pursuant to article 258 (1) of the Commercial Companies Code, the pre-emptive right of the existing partners to take up newly created shares in the increased share capital of the Company was excluded. The increased shares were offered to the company: COMP Spółka Akcyjna with its registered office in Warsaw.

Having registered the capital increase, the share of ELZAB S.A. in the share capital of Comp Centrum Innowacji Sp. o.o. will decrease from 49.88% to 40.99%.

In the first quarter of 2022, there were no changes in the structure of the ELZAB Group.

Graphic presentation of the organisational structure of the ELZAB Capital Group as at March 31, 2022.

## Grupa ELZAB



## II. Accounting principles

The subject of the publication is the consolidated statements for the first quarter of 2022, which includes the individual condensed quarterly statements of ELZAB S.A.

The consolidated financial statements and the individual statements of ELZAB S.A. were prepared on the assumption that the business will be continued in the foreseeable future. As at the day of preparing the financial statements, we are not aware of any circumstances indicating a threat to the continuation of business operations by the ELZAB Capital Group and by ELZAB S.A.

In the first quarter of 2022, the ELZAB Group did not discontinue any operations.

The functional and reporting currency of domestic companies is the Polish Zloty (PLN). Functional currency of ELZAB HELLAS S.A. based in Greece is the currency of the European Union (EUR).

Data included in the financial statements are shown in thousand PLN. The cases of including data with greater accuracy can occur.

The consolidated quarterly statements of the ELZAB Group for the reporting period from January 1, 2022 to March 31, 2022 includes:

- Statements of financial position as at March 31, 2022, December 31, 2021
- Statements of comprehensive income for the period from January 1, 2022 to March 31, 2022 and for the comparable period from January 1, 2021 to March 31, 2021.
- Statements of cash flows for the period from January 1, 2022 to March 31, 2022 and for the comparable period from January 1, 2021 to March 31, 2021.
- Statements of changes in equity for the period from January 1, 2022 to March 31, 2022, for the period from January 1, 2021 to December 31, 2021 and from January 1, 2021 to March 31, 2021.

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the 1st quarter of 2022 (in thousand PLN)

- Additional information to the extent specified in article 66 (4 and 5) of Regulation of the Minister of Finance of March 29, 2018 and other additional information to the extent specified in article 66 (8, 9, 10) of Regulation of the Minister of Finance of March 29, 2018.

The consolidated financial statements for the first quarter of 2022 and the comparable period of the first quarter of 2021 were prepared considered the principles of IAS/IFRS, which include standards and interpretations approved by the International Accounting Standards Board and the Standing Committee on Interpretation.

The same accounting principles were applied in both periods, and the data presented are comparable.

The applied accounting principles were published on April 5, 2022 in the Consolidated Annual Statements for 2021.

The presented interim condensed financial statements for the first quarter of 2022 shall be read together with the statements of the ELZAB Group and ELZAB S.A. for 2021, which contains the necessary information and disclosures.

### III. Information on the review of the condensed financial statements

The condensed financial statements presented for the first quarter of 2022 were not subject to review by the entity authorised to audit financial statements.

### IV. Selected financial data of the ELZAB Group and ELZAB S.A.

SELECTED FINANCIAL DATA OF THE ELZAB GROUP	in thousand PLN		in thousand EUR	
	The 1st quarter 2022	The 1st quarter 2021	The 1st quarter 2022	The 1st quarter 2021
Net revenues from sale of products, goods and materials	24,778	41,858	5,332	9,155
Profit (loss) from operating activity	-1,130	4,342	-243	950
Gross profit (loss)	-4,310	1,841	-927	403
Net profit (loss) attributable to the shareholders of the parent entity	-4,257	934	-916	204
Net cash flow from operating activities	1,634	3,419	351	734
Net cash flows from investment activities	-1,385	-1,378	-298	-296
Net cash flows from financial activities	270	-3,091	58	-663
Total net cash flows	519	-1,050	112	-225
Annualized profit (loss) per ordinary share (in PLN/EUR)	-0.29	-0.10	-0.06	-0.02
Annualized profit (loss) per ordinary share excluding own shares (in PLN/EUR)	-0.30	-0.11	-0.06	-0.02

SELECTED FINANCIAL DATA OF THE ELZAB GROUP	in thousand PLN		in thousand EUR	
	31.03.2022	31.12.2021	31.03.2022	31.12.2021
Total assets	154,012	153,436	33,103	33,360
Long-term liabilities and provisions	4,469	10,477	961	2,278
Short-term liabilities and provisions	79,184	67,636	17,020	14,705
Equity	70,359	75,323	15,123	16,377
Share capital	22,143	22,143	4,759	4,814
Total number of shares	16,137,050	16,137,050	16,137,050	16,137,050
Number of shares adjusted for own shares	15,731,388	15,731,388	15,731,388	15,731,388
Book value per one share (in PLN/EUR)	4.36	4.67	0.94	1.01
Book value per one share, excluding own shares (in PLN/EUR)	4.47	4.79	0.96	1.04

SELECTED FINANCIAL DATA OF ELZAB	in thousand PLN		in thousand EUR	
	The 1st quarter 2022	The 1st quarter 2021	The 1st quarter 2022	The 1st quarter 2021
Net revenues from sale of products, goods and materials	24,454	41,648	5,262	9,109
Profit (loss) from operating activity	-1,118	4,500	-241	984
Gross profit (loss)	-1,560	4,034	-336	882
Net profit (loss)	-1,535	3,068	-330	671
Net cash flow from operating activities	1,262	3,123	271	670
Net cash flows from investment activities	-1,364	-1,326	-293	-285
Net cash flows from financial activities	275	-3,084	59	-662
Total net cash flows	173	-1,287	37	-276
Annualized profit (loss) per ordinary share (in PLN/EUR)	0.33	0.40	0.07	0.09
Annualized profit (loss) per ordinary share (in PLN/EUR) excluding own shares	0.34	0.41	0.07	0.09

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SELECTED FINANCIAL DATA OF ELZAB	in thousand PLN		in thousand EUR	
	31.03.2022	31.12.2021	31.03.2022	31.12.2021
Total assets	193,178	189,407	41,521	41,181
Long-term liabilities and provisions	4,426	10,435	951	2,269
Short-term liabilities and provisions	77,348	66,033	16,625	14,357
Equity	111,404	112,939	23,945	24,555
Share capital	22,143	22,143	4,759	4,814
Total number of shares	16,137,050	16,137,050	16,137,050	16,137,050
Number of shares adjusted for own shares	15,731,388	15,731,388	15,731,388	15,731,388
Book value per one share (in PLN/EUR)	6.90	7.00	1.48	1.52
Book value per one share (in PLN/EUR) excluding own shares	7.08	7.18	1.52	1.56

The following EURO exchange rates were used to convert selected financial data:

- for the conversion of asset and liability items as at March 31, 2022 as well as cash flows for the first quarter of 2022, the average EURO exchange rate announced by the National Bank of Poland as at March 31, 2022 - 4,6525

- for the conversion of asset and liability items as at December 31, 2021, the average EURO exchange rate announced by the National Bank of Poland as at December 31, 2021 - 4,5994

- for the conversion of asset and liability items as at March 31, 2021 as well as cash flows for the first quarter of 2021, the average EURO exchange rate announced by the National Bank of Poland as at March 31, 2021 - 4,6603

- for the conversion of the income statements items for the first quarter of 2022, the arithmetic average of the average EURO exchange rates announced by the National Bank of Poland on the last day of each month from January to March 2022 - 4,6472

- for the conversion of the income statements items for the first quarter of 2021, the arithmetic average of the average EURO exchange rates announced by the National Bank of Poland on the last day of each month from January to March 2021 - 4,5721

## V. Consolidated Financial Statements of the ELZAB Group

### Consolidated statements on the financial situation

ASSETS	As at 31.03.2022	As at 31.12.2021
<b>A. Fixed assets (long-term)</b>	<b>84,065</b>	<b>86,492</b>
1. Tangible fixed assets	23,430	23,932
2. Investment properties	0	0
3. Goodwill	0	0
4. Intangible assets	21,426	20,300
5. Shares in subsidiaries valued using the equity method	25,299	28,592
6. Shares in other entities	0	0
7. Long-term financial assets	13,492	13,269
8. Deferred income tax assets	327	308
9. Long-term receivables and accruals	91	91
<b>B. Current assets (short-term)</b>	<b>67,547</b>	<b>64,544</b>
1. Inventories	38,527	34,396
2. Short-term receivables and accruals	27,505	28,028
3. Receivables from financial leasing	0	0
4. Receivables from income tax	0	0
5. Short-term financial assets	25	1,149
6. Cash and cash equivalents	1,490	971
<b>C. Assets held for sale</b>	<b>2,400</b>	<b>2,400</b>
<b>Total assets</b>	<b>154,012</b>	<b>153,436</b>
LIABILITIES	As at 31.03.2022	As at 31.12.2021
<b>A. Equity</b>	<b>70,359</b>	<b>75,323</b>
1. Basic capital	22,143	22,143
2. Surplus from the sale of shares above their nominal value	11,211	11,211
3. Own shares	-1,997	-1,997
4. Other reserve capitals - own shares	3,315	3,315
5. Reserve capital and spare capital	58,233	58,837
6. Exchange differences arising on the translation of the subsidiaries	-441	-372
7. Profit/loss from previous years and the current year, including:	-19,852	-15,595
7.1. Accumulated profits/losses from previous years	-15,595	-16,072
7.2. Profit/loss of the current year	-4,257	477
8. Capitals for non-controlling shares	-2,253	-2,219
<b>B. Long-term liabilities</b>	<b>4,469</b>	<b>10,477</b>
1. Provisions	417	423
2. Deferred income tax provisions	0	0
3. Long-term bank credits and loans	1,865	7,559
4. Other long-term financial liabilities (leasing)	2,005	2,298
5. Long-term financial liabilities	0	0
6. Long-term liabilities and accruals	182	197
<b>C. Short-term liabilities</b>	<b>79,184</b>	<b>67,636</b>
1. Provisions	3,273	3,865
2. Short-term bank credits and loans	52,818	45,145
3. Other short-term financial liabilities (leasing)	1,189	1,175
4. Short-term financial liabilities	135	17
5. Short-term liabilities and accruals	21,152	16,545
6. Liabilities from income tax	617	889
<b>Total equities and liabilities</b>	<b>154,012</b>	<b>153,436</b>

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### Consolidated statements on total income

MULTIPLE-STEP VARIANT	IQ/2022 from January 1, 2022 to March 31, 2022	IQ/2021 from January 1, 2021 to March 31, 2021
<b>A. Revenues from sale of products, goods and materials</b>	<b>24,778</b>	<b>41,858</b>
<b>B. Costs of sold products, goods and materials</b>	<b>19,783</b>	<b>30,232</b>
<b>C. Gross profit/loss from sales (A-B)</b>	<b>4,995</b>	<b>11,626</b>
D. Sale costs	2,206	3,203
E. General management board costs	4,009	4,172
<b>F. Net profit/loss from sales (C-D-E)</b>	<b>-1,220</b>	<b>4,251</b>
G. Other revenues	149	191
H. Other costs	59	100
<b>I. Profit/loss from operating activities (F+G-H)</b>	<b>-1,130</b>	<b>4,342</b>
J. Financial revenues	328	283
K. Financial costs	819	809
L. Share in profits/losses of the affiliates	-2,689	-1,975
<b>M. Gross profit/loss (I+J-K+L)</b>	<b>-4,310</b>	<b>1,841</b>
N. Income tax	-19	984
<b>O. Net profit/loss from operating activities (M-N)</b>	<b>-4,291</b>	<b>857</b>
P. Profit/loss from discontinued operations	0	0
<b>R. Net profit/loss (O+P)</b>	<b>-4,291</b>	<b>857</b>
Attributable for:		
<b>Shareholders of the parent company</b>	<b>-4,257</b>	<b>934</b>
<b>Minority interests</b>	<b>-34</b>	<b>-77</b>
<b>S. Other total income</b>	<b>-69</b>	<b>-56</b>
<i>Exchange differences arising on the translation of the subsidiaries</i>	-69	-56
<b>T. Total income (S+T)</b>	<b>-4,360</b>	<b>801</b>
Attributable for:		
<b>Shareholders of the parent company</b>	<b>-4,326</b>	<b>878</b>
<b>Minority interests</b>	<b>-34</b>	<b>-77</b>
<b>Annualized net profit/loss</b>	<b>-4,714</b>	<b>-1,669</b>
<b>Annualized profit/loss per share:</b>		
- annualized net profit/loss of parent company shareholders	-4,714	-1,669
- number of all shares	16,137,050	16,137,050
- number of shares without own shares	15,731,388	15,731,388
- basic from the financial result of continuing operations (to all shares)	-0.29	-0.10
- basic from the financial result of continuing operations (up to the number of shares adjusted for own shares)	-0.30	-0.11
- basic from the financial result of discontinued operations	0.00	0.00

### Consolidated statement on cash flows

INDIRECT METHOD	IQ/2022 from January 1, 2022 to March 31, 2022	IQ/2021 from January 1, 2021 to March 31, 2021
<b>Cash flows from operating activities</b>		
Net profit/loss	-4,257	934
Adjustments for items:	5,891	2,485
Share in net profits/losses of the affiliates and joint ventures settled using the ownership method	2,689	1,975
Minority interests	-34	-77
Depreciation of fixed assets and intangible assets	1,908	1,643
Goodwill impairment	0	0
Profits/losses from foreign exchange differences	-63	-96
Costs and revenues from interests	658	729
Revenues from dividends	0	0
Profit/loss from investment activity	13	-1
Change in provisions status	-599	1,509
Change in inventories status	-4,149	1,027
Change in status of receivables and active accruals	523	-2,055
Change in status of receivables and passive accruals	5,236	-2,747
Tax disclosed in the statements of total income	-19	984
Paid/returned income tax	-272	-406
Other adjustments	0	0
<b>Net cash flows from operating activities</b>	<b>1,634</b>	<b>3,419</b>
<b>Cash flows from investment activities</b>		
Inflows from sale of fixed assets and intangible assets	1	1
Net inflows from sale of affiliates and subsidiaries	0	0
Inflows from sale of short-term financial assets	0	0
Inflows from interests	127	0
Inflows from dividends	0	0
Repayment of granted loans	1,000	0
Expenditures for the acquisition of property, plant and equipment and intangible assets	2,513	1,379



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Net expenditure for the acquisition of subsidiaries, associates, and others	0	0
Expenditures for the acquisition of short-term financial assets	0	0
Granted loans	0	0
Other	0	0
<b>Net cash flows from investment activities</b>	<b>-1,385</b>	<b>-1,378</b>
<b>Cash flows from financial activities</b>	<b>0</b>	<b>0</b>
Inflows from credits and loans	6,035	5,124
Net inflows from the issue of shares, bonds, bills of exchange, vouchers	0	0
Other	0	0
Repayment of credits and loans	4,700	7,037
Payment of liabilities in respect of finance leasing agreements	291	504
Dividends paid to shareholders of the Company	0	0
Dividends paid to minority shareholders	0	0
Acquisition of own shares	0	0
Paid interests	774	674
Other	0	0
<b>Net cash flow from financial activities</b>	<b>270</b>	<b>-3,091</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>519</b>	<b>-1,050</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>971</b>	<b>3,955</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,490</b>	<b>2,905</b>
<b>Amount of unused credit limit in a bank account</b>	<b>98</b>	<b>16,810</b>

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**Consolidated statements on changes in the equity**

	Basic capital	Surplus from the sale of shares above their nominal value	Own shares	Other reserve capitals - own shares	Supplementary capital created from profits	Reserve capital from revaluation of assets	Exchange differences arising on the translation of the subsidiaries	Profit/loss from previous years and the current year, including:	profit/loss from previous years	net profit/loss from current year	Total	Capitals for non-controlling shares	Total equities of the Group
Balance as at 01.01.2022	22,143	11,211	-1,997	3,315	64,421	-5,584	-372	-15,595	-15,595	0	77,542	-2,219	75,323
Changes in the accounting principles											0		0
Balance as at 01.01.2022 after adjustments (after transformation)	22,143	11,211	-1,997	3,315	64,421	-5,584	-372	-15,595	-15,595	0	77,542	-2,219	75,323
Total income	0	0	0	0	0	-604	-69	-4,257	0	-4,257	-4,930	-34	-4,964
Exchange differences arising on the translation of the subsidiaries						-604	-69	0			-673		-673
Profit/loss from the financial year								-4,257		-4,257	-4,257	-34	-4,291
Other changes in equity	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 31.03.2022	22,143	11,211	-1,997	3,315	64,421	-6,188	-441	-19,852	-15,595	-4,257	72,612	-2,253	70,359
	Basic capital	Surplus from the sale of shares above their nominal value	Own shares	Other reserve capitals - own shares	Supplementary capital created from profits	Reserve capital from revaluation of assets	Exchange differences arising on the translation of the subsidiaries	Profit/loss from previous years and the current year, including:	profit/loss from previous years	net profit/loss from current year	Total	Capitals for non-controlling shares	Total equities of the Group
Balance as at January 1, 2021	22,143	11,211	-1,997	3,315	58,413	628	-386	-10,063	-10,063	0	83,264	-2,027	81,237
Changes in the accounting principles	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at January 1, 2021 after adjustments (after transformation)	22,143	11,211	-1,997	3,315	58,413	628	-386	-10,063	-10,063	0	83,264	-2,027	81,237
Total income	0	0	0	0	6,008	-6,212	14	-5,532	-6,009	477	-5,722	-192	-5,914
Settlement of the financial result for the previous financial year	0	0	0	0	6,008	0	0	-6,008	-6,008	0	0	0	0
Valuation of shares of Comp S.A. held by the affiliate - CCI Sp. z o.o.						-6,213		0			-6,213		-6,213
Exchange differences arising on the translation of the subsidiaries	0	0	0	0	0	0	14	0	0	0	14		14
Profit/loss from the financial year	0	0	0	0	0	0	0	477	0	477	477	-192	285
Other changes in equity	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 31.12.2021	22,143	11,211	-1,997	3,315	64,421	-5,584	-372	-15,595	-16,072	477	77,542	-2,219	75,323
	Basic capital	Surplus from the sale of shares above their nominal value	Own shares	Other reserve capitals - own shares	Supplementary capital created from profits	Reserve capital from revaluation of assets	Exchange differences arising on the translation of the subsidiaries	Profit/loss from previous years and the current year, including:	profit/loss from previous years	net profit/loss from current year	Total	Capitals for non-controlling shares	Total equities of the Group
Balance as at January 1, 2021	22,143	11,211	-1,997	3,315	58,413	628	-386	-10,063	-10,063	0	83,264	-2,027	81,237
Changes in the accounting principles											0		0
Balance as at January 1, 2021 after adjustments (after transformation)	22,143	11,211	-1,997	3,315	58,413	628	-386	-10,063	-10,063	0	83,264	-2,027	81,237
Total income	0	0	0	0	0	0	-56	934	0	934	878	-77	801
Exchange differences arising on the translation of the subsidiaries							-56	0			-56		-56
Profit/loss from the financial year								934		934	934	-77	857
Other changes in equity	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance as at 31.03.2021	22,143	11,211	-1,997	3,315	58,413	628	-442	-9,129	-10,063	934	84,142	-2,104	82,038

## VI. Financial statements of ELZAB S.A.

### Statements on financial situation

ASSETS	As at 31.03.2022	As at 31.12.2021
<b>A. Fixed assets (long-term)</b>	<b>116,041</b>	<b>115,197</b>
1. Tangible fixed assets	23,377	23,880
2. Investment properties	0	0
3. Intangible assets	19,502	18,402
4. Long-term financial assets	72,517	72,294
5. Deferred income tax assets	631	606
6. Long-term receivables and accruals	14	15
<b>B. Current assets (short-term)</b>	<b>74,737</b>	<b>71,810</b>
1. Inventories	36,587	33,090
2. Short-term receivables and accruals	33,787	33,479
3. Receivables from financial leasing	0	0
4. Receivables from income tax	0	0
5. Short-term financial assets	3,301	4,352
6. Cash and cash equivalents	1,062	889
<b>C. Assets held for sale</b>	<b>2,400</b>	<b>2,400</b>
<b>Total assets</b>	<b>193,178</b>	<b>189,407</b>
LIABILITIES	As at 31.03.2022	As at 31.12.2021
<b>A. Equity</b>	<b>111,404</b>	<b>112,939</b>
1. Basic capital	22,143	22,143
2. Surplus from the sale of shares above their nominal value	11,211	11,211
3. Own shares	-1,997	-1,997
4. Other reserve capitals - own shares	3,315	3,315
5. Reserve capital and spare capital	65,050	65,050
6. Profit/loss from previous years and the current year, including:	11,682	13,217
6.1. Accumulated profits/losses from previous years	13,217	3,278
6.2. Profit/loss of the current year	-1,535	9,939
<b>B. Long-term liabilities</b>	<b>4,426</b>	<b>10,435</b>
1. Provisions	374	381
2. Deferred income tax provisions	0	0
3. Long-term bank credits and loans	1,865	7,559
4. Other long-term financial liabilities (leasing)	2,005	2,298
5. Long-term financial liabilities	0	0
6. Long-term liabilities and accruals	182	197
<b>C. Short-term liabilities</b>	<b>77,348</b>	<b>66,033</b>
1. Provisions	3,273	3,865
2. Short-term bank credits and loans	51,676	44,361
3. Other short-term financial liabilities (leasing)	1,189	1,175
4. Short-term financial liabilities	135	17
5. Short-term liabilities and accruals	20,458	15,726
6. Liabilities from income tax	617	889
<b>Total equities and liabilities</b>	<b>193,178</b>	<b>189,407</b>

### Statements on total incomes

MULTIPLE-STEP VARIANT	IQ/2022 from January 1, 2022 to March 31, 2022	IQ/2021 from January 1, 2021 to March 31, 2021
<b>A. Revenues from sale of products, goods and materials</b>	24,454	41,648
<b>B. Costs of sold products, goods and materials</b>	19,822	30,218
<b>C. Gross profit/loss from sales (A-B)</b>	<b>4,632</b>	<b>11,430</b>
D. Sale costs	2,026	3,017
E. General management board costs	3,814	4,004
<b>F. Net profit/loss from sales (C-D-E)</b>	<b>-1,208</b>	<b>4,409</b>
G. Other revenues	149	191
H. Other costs	59	100
<b>I. Profit/loss from operating activities (F+G-H)</b>	<b>-1,118</b>	<b>4,500</b>
J. Financial revenues	372	336
K. Financial costs	814	802
<b>L. Gross profit/loss (I+J-K)</b>	<b>-1,560</b>	<b>4,034</b>
M. Income tax	-25	966
<b>N. Net profit/loss from operating activities (L-M)</b>	<b>-1,535</b>	<b>3,068</b>
O. Profit/loss from discontinued operations	0	0
<b>P. Net profit/loss (N+O)</b>	<b>-1,535</b>	<b>3,068</b>
R. Other total income	0	0
<i>Which will not then be reclassified to profit or loss</i>	0	0
<i>Which will then be reclassified to profit or loss</i>	0	0
<b>S. Total income (P+R)</b>	<b>-1,535</b>	<b>3,068</b>
<b>Annualized net profit/loss</b>	<b>5,336</b>	<b>6,420</b>
<b>Profit per share:</b>		

The ELZAB Group  
the 1st quarter of 2022 (in thousand PLN)

- annualized net profit/loss	5,336	6,420
- number of all shares	16,137,050	16,137,050
- number of shares without own shares	15,731,388	15,731,388
- basic from the financial result of continuing operations (to all shares)	0.33	0.40
- basic from the financial result of continuing operations (up to the number of shares adjusted for own shares)	0.34	0.41
- basic from the financial result of discontinued operations	0.00	0.00

### Statements on cash flows

INDIRECT METHOD	IQ/2022 from January 1, 2022 to March 31, 2022	IQ/2021 from January 1, 2021 to March 31, 2021
<b>Cash flows from operating activities</b>		
Net profit/loss	-1,535	3,068
Adjustments for items:	2,797	55
Depreciation of fixed assets	814	840
Depreciation of intangible assets	1,077	780
Goodwill impairment	0	0
Profits/losses from foreign exchange differences	0	0
Costs and revenues from interests	658	729
Revenues from dividends	0	0
Profit/loss from investment activity	13	-1
Change in provisions status	-599	1,508
Change in inventories status	-3,498	1,267
Change in status of receivables and active accruals	-307	-4,418
Change in status of receivables and passive accruals	4,936	-1,210
Tax disclosed in the statements of total income	-25	966
Paid/returned income tax	-272	-406
Other adjustments	0	0
<b>Net cash flows from operating activities</b>	<b>1,262</b>	<b>3,123</b>
<b>Cash flows from investment activities</b>		
Inflows from sale of fixed assets and intangible assets	1	1
Net inflows from sale of affiliates and subsidiaries	0	0
Inflows from sale of short-term financial assets	0	0
Inflows from interests	127	0
Inflows from dividends	0	0
Repayment of granted loans	1,000	0
Expenditures for the acquisition of property, plant and equipment and intangible assets	2,472	1,327
Net expenditure for the acquisition of subsidiaries, associates, and others	0	0
Expenditures for the acquisition of short-term financial assets	0	0
Granted loans	20	0
Other	0	0
<b>Net cash flows from investment activities</b>	<b>-1,364</b>	<b>-1,326</b>
<b>Cash flows from financial activities</b>		
Inflows from credits and loans	6,035	5,124
Net inflows from the issue of shares, bonds, bills of exchange, vouchers	0	0
Repayment of credits and loans	4,700	7,037
Payment of liabilities in respect of finance leasing agreements	291	504
Dividends paid to shareholders of the Company	0	0
Dividends paid to minority shareholders	0	0
Acquisition of own shares	0	0
Paid interests	769	667
Other	0	0
<b>Net cash flow from financial activities</b>	<b>275</b>	<b>-3,084</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>173</b>	<b>-1,287</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>889</b>	<b>3,696</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,062</b>	<b>2,409</b>
Amount of unused credit limit in a bank account	98	16,810

The ELZAB Group  
the 1st quarter of 2022 (in thousand PLN)

### Statements on changes in the equity

	Basic capital	Surplus from the sale of shares above their nominal value	Own shares	Other reserve capitals - own shares	Supplementary capital created from profits	Reserve capital from revaluation of assets	Profit/loss from previous years and the current year, including:	profit/loss from previous years	net profit/loss from current year	Total
<b>Balance as at 01.01.2022</b>	22,143	11,211	-1,997	3,315	64,421	629	13,217	13,217		112,939
Changes in the accounting principles							0			0
<b>Balance as at January 1, 2021 after adjustments (after transformation)</b>	22,143	11,211	-1,997	3,315	64,421	629	13,217	13,217	0	112,939
<b>Total income</b>	0	0	0	0	0	0	-1,535	0	-1,535	-1,535
Profit/loss from the financial year							-1,535	0	-1,535	-1,535
<b>Other changes in equity</b>	0	0	0	0	0	0	0	0	0	0
<b>Balance as at 31.03.2022</b>	22,143	11,211	-1,997	3,315	64,421	629	11,682	13,217	-1,535	111,404
	Basic capital	Surplus from the sale of shares above their nominal value	Own shares	Other reserve capitals - own shares	Supplementary capital created from profits	Reserve capital from revaluation of assets	Profit/loss from previous years and the current year, including:	profit/loss from previous years	net profit/loss from current year	Total
<b>Balance as at January 1, 2021</b>	22,143	11,211	-1,997	3,315	58,413	628	9,287	9,287		103,000
Changes in the accounting principles										0
<b>Balance as at 01.01.2021 after adjustments (after transformation)</b>	22,143	11,211	-1,997	3,315	58,413	628	9,287	9,287	0	103,000
<b>Total income</b>	0	0	0	0	6,008	1	3,930	-6,009	9,939	9,939
Adjustment from liquidation and sale of fixed assets						1	-1	-1		0
Settlement of the financial result for the previous financial year					6,008		-6,008	-6,008		0
Profit/loss from the financial year							9,939		9,939	9,939
<b>Other changes in equity</b>	0	0	0	0	0	0	0	0	0	0
<b>Balance as at 31.12.2021</b>	22,143	11,211	-1,997	3,315	64,421	629	13,217	3,278	9,939	112,939
	Basic capital	Surplus from the sale of shares above their nominal value	Own shares	Other reserve capitals - own shares	Supplementary capital created from profits	Reserve capital from revaluation of assets	Profit/loss from previous years and the current year, including:	profit/loss from previous years	net profit/loss from current year	Total
<b>Balance as at January 1, 2021</b>	22,143	11,211	-1,997	3,315	58,413	628	9,287	9,287		103,000
Changes in the accounting principles							0			0
<b>Balance as at 01.01.2021 after adjustments (after transformation)</b>	22,143	11,211	-1,997	3,315	58,413	628	9,287	9,287	0	103,000
<b>Total income</b>	0	0	0	0	0	0	3,068	0	3,068	3,068
Profit/loss from the financial year							3,068	0	3,068	3,068
<b>Other changes in equity</b>	0	0	0	0	0	0	0	0	0	0
<b>Balance as at 31.03.2021</b>	22,143	11,211	-1,997	3,315	58,413	628	12,355	9,287	3,068	106,068

## VII. Additional information to the consolidated financial statements of ELZAB Group

### 1. Significant achievements of the ELZAB Group and events affecting the achieved results Revenues - Costs - Financial result.

The parent entity of ELZAB S.A. is a producer and supplier of devices and systems supporting retail sales. The company specialises in the design, production and distribution of a wide range of cash registers, cash register equipment and systems, peripheral devices and accessories used to register and manage sales, such as: electronic scales, price checkers, non-fiscal printers, label printers, cash drawers, cash modems and multiplexers. In addition, the offer of ELZAB S.A. includes products such as commercial calculating and labelling scales, platform scales and maintenance services for the aforementioned devices. From 2021, the ELZAB Group has also offered air sterilization devices, photovoltaic panels and charging stations for electric vehicles under the ELZAB ECOPOWER brand.

Revenues from the sale of own production products and services as well as goods and materials in the first quarter of 2022 amounted to PLN 24,545 thousand, and were by 41.3% lower than the revenues obtained in the corresponding period of 2021, which amounted to PLN 41,648 thousand.

Industry segments	Q1 2022	Q1 2021	change
Fiscal devices	12,717	28,032	-55%.
Non-fiscal products	5,200	6,027	-14%.
Industrial and non-industrial services	1,782	1,595	12%.
Goods and materials	4,754	5,994	-21%.
<b>Total</b>	<b>24,454</b>	<b>41,648</b>	<b>-41%.</b>

The high level of revenues in the first quarter of last year was due to the approaching deadline for mandatory replacement of older type fiscal devices with on-line class fiscal devices. The obligation applied to taxpayers providing hairdressing, cosmetics, construction and legal services in the field of medical care provided by doctors and dentists and in the fitness industry (in terms of admission). In 2022, no mandatory device replacements were planned, which is reflected in the result. In addition, the effects of the current economic situation in the country resulting from the coronavirus pandemic and the global macroeconomic situation caused by, inter alia, Russian aggression against Ukraine are also noticeable.

#### ELZAB HELLAS SPV Sp. z o.o.

ELZAB HELLAS SPV Sp. z o.o. is an advisory company. In the first quarter of 2022, it generated revenues of PLN 13 thousand, which were comparable to the revenues obtained in the first quarter of 2021, which amounted to PLN 15 thousand.

#### ELZAB HELLAS S.A.

ELZAB HELLAS S.A. is a distributor of fiscal devices of ELZAB S.A. on the Greek market. Sales revenues generated in the first quarter of 2022 amounted to PLN 1,067 thousand, and were higher by 61% than the realised sales in the first quarter of 2021, which amounted to PLN 663 thousand.

#### ELZAB CAPITAL GROUP

The value of sales revenues realized by the ELZAB Group in the 1st quarter of 2022 amounted to PLN 24 778 thousand. PLN and was lower by 41% than the revenues achieved in the comparable quarter of 2021. The factor determining the amount of revenues of the ELZAB Group is the level of revenues obtained by the parent company.

The ELZAB Group  
the 1st quarter of 2022 (in thousand PLN)

Considering the costs incurred for the production of sold products, the value of sold materials and goods in the first quarter of 2022, the ELZAB Capital Group generated consolidated gross profit on sales of PLN 4,995 thousand, which was lower by 57% compared to the same period of the previous year. The level of profitability was 20.2% for the discussed period and 27.8% for the first quarter of 2021, respectively.

The structure and level of sales impacted on the results achieved by the ELZAB Group, which has directly impact on the achieved margin.

Having considered the costs of distribution, marketing, promotion and advertising, as well as the general costs of operating and maintaining companies, in the first quarter of 2022, the ELZAB Group generated a net loss on sales of PLN 1,220 thousand. In the comparable period of the first quarter of 2021, a net profit on sales of PLN 4,251 thousand was obtained.

In the first quarter of 2022, the total cost of sales (excluding the effect of updating receivables) and general management costs incurred by the ELZAB Group amounted to PLN 6,231 thousand, and were by 15.7% lower than those incurred in the first quarter of 2021.

In the first quarter of 2022, selling costs incurred were by 31% lower (excluding the effects of updating receivables) compared to the first quarter of 2021. In the first quarter of 2022, the effect of updating and writing off receivables improved the result by PLN 16 thousand, while in the comparable quarter of last year it amounted to PLN 20 thousand, and also improved the result.

In the first quarter of 2022, general and administrative costs were by 4% lower than in the first quarter of 2021 and amounted to PLN 4,009 thousand.

In the presented quarter, the result on other operating activities was positive and amounted to PLN 90 thousand. Other operating revenues mainly included revenues from the rental of real estate. In the first quarter of 2021, the result on other operating activities was also positive and amounted to PLN 91 thousand.

As far as the result on other operating activities is concerned, the ELZAB Group achieved operating loss of PLN 1,130 thousand in the first quarter of 2022. In the same period last year, the ELZAB Group generated operating profit of PLN 4,342 thousand.

In the first quarter of 2022, there was a negative balance of financial revenues and costs in the amount of PLN 491 thousand. In the comparative period, the balance was also negative and amounted to PLN 526 thousand. The financial income includes mainly interest accrued to recipients, interest on loans granted, write-offs of interests on receivables and positive exchange rate differences. Financial costs include the costs of financing the company.

In the first quarter of 2022, the financial activities of the ELZAB Group also included a share in losses of the affiliates in the amount of PLN 2,689 thousand. In the first quarter of 2021, the share in losses of the affiliates amounted to PLN 1,975 thousand.

In the first quarter of 2022, the ELZAB Group generated a gross loss of PLN 4,310 thousand. In the comparable period of the previous year, the generated gross profit was PLN 1,841 thousand.

Considering income tax charges in the current and deferred portion, the ELZAB Group generated a net loss of PLN 4,291 thousand in the first quarter of 2022 compared to the net profit in the first quarter of 2021 at the level of PLN 857 thousand.

## 2. Operating segments

The ELZAB Group generates revenues from sales in one industry segment of electronic devices, which includes fiscal and non-fiscal devices that are products of its own production and goods purchased for resale. Revenue from other sales, i.e. from the sale of materials and goods, supplements the main offer of the Group. The services rendered in the field of guarantee, post-guarantee, training and installation services are closely related to the commercial offer of the Group.

The range offered for sale is characterised by a similar production process, distribution methods used and the scope of rendered services, and is intended for a specific group of recipients. In this situation, there is no need to divide the carrying amounts in terms of assets and liabilities, as they participate in generating the financial result in one segment of the electronics industry.

For management purposes, the gross margin achieved on individual assortments or assortment groups is reported in each entity included in the ELZAB Capital Group.

Sales revenues presented in the consolidated profit and loss account for the first quarter of 2022 include the exclusion of mutual turnover within the ELZAB Capital Group and constitute sales revenues to external clients outside the Group. Production and selling costs are also selling costs to external clients.

The following table presents the percentage share of the offered range in the total value of realised sales revenues in individual companies and in the Capital Group as well as the achieved level of gross margin on sales in the first quarter of 2022 in assortment groups separated as one segment of the electronic market.

Name of the entity	Own-production electronic equipment and services including maintenance	Goods (electronic equipment), materials and accessories	TOTAL REVENUES FROM SALES
ELZAB S.A.	81%.	19%.	100%.
- revenues	19,700	4,754	24,454
ELZAB HELLAS SPV Sp. z o.o.	100%.	0%.	100%.
- revenues	13	0	13
ELZAB HELLAS S.A.	4%.	96%.	100%.
- revenues	43	1,024	1,067
Consolidated value of revenues to external clients	79%.	21%.	100%.
- revenues	19,475	5,303	24,778
<b>Gross margin on sales achieved in the first quarter of 2022</b>	<b>4,011</b>	<b>984</b>	<b>4,995</b>

Name of the entity	Own-production electronic equipment and services including maintenance	Goods (electronic equipment), materials and accessories	TOTAL REVENUES FROM SALES
ELZAB S.A.	86%.	14%.	100%.
- revenues	35,654	5,994	41,648
ELZAB HELLAS SPV Sp. z o.o.	100%.	0%.	100%.
- revenues	15	0	15
ELZAB HELLAS S.A.	7%.	93%.	100%.
- revenues	49	614	663
Consolidated value of revenues to external clients	85%.	15%.	100%.
- revenues	35,491	6,367	41,858
<b>Gross margin on sales achieved in the first quarter of 2021</b>	<b>11,213</b>	<b>413</b>	<b>11,626</b>

In the first quarter of 2022, ELZAB S.A. delivered its products to the market through direct sales to dealers and through sales offices in Warsaw, Wrocław and Suchy Las near Poznań.

The consolidated value of revenues achieved by the ELZAB Capital Group in the comparable periods of the first quarter of 2022 and the first quarter of 2021 according to the geographical structure is presented in the table below:



The ELZAB Group  
the 1st quarter of 2022 (in thousand PLN)

<i>in thousand PLN</i>	The 1st quarter 2022	% of share	The 1st quarter 2021	% of share
Sales in the territory of the Republic of Poland	21,788	87.93%	38,481	91.93%
Sales on foreign markets	2,990	12.07%	3,377	8.07%
<b>Total</b>	<b>24,778</b>	<b>100%</b>	<b>41,858</b>	<b>100%</b>

### 3. Seasonality or cyclicity of operations of ELZAB S.A.

In the scope of basic products of ELZAB S.A., i.e. fiscal devices, seasonality is associated with the entry into force of ordinances of the Minister of Finance imposing the obligation to install fiscal devices on new groups of taxpayers.

The last change that caused a significant increase in revenues/production was the amendment to the Act on Value Added Tax and the Act - Measures Law, which entered into force on May 1, 2019, and introduced the obligation to have online cash registers by specific groups of taxpayers:

- from January 1, 2020, for taxpayers selling fuel and providing vehicle mechanics and tire replacement services,
- due to the current situation caused by the coronavirus pandemic, for entities providing services related to gastronomy (also seasonally), hotel and coal sales, the obligation to replace the existing cash registers with online cash registers was postponed from July 1, 2020 to January 1, 2021.
- due to the current situation caused by the coronavirus pandemic, for taxpayers providing hairdressing, cosmetic, construction, legal services, medical care provided by doctors and dentists and from the fitness industry (in terms of admission), the obligation to replace previously held cash registers with online cash registers was postponed from January 1, 2021 to July 1, 2021.

Seasonality does not apply to the replacement market, where decisions on the purchase of fiscal devices are made after the fiscal module is full.

Seasonality in sales on foreign markets applies, as on the domestic market, to the primary market and involves the implementation by the relevant administrative authorities of a given country of regulations regarding taxpayer groups covered by the obligation to install fiscal devices.

Seasonality of sales directly impact on the seasonality of production.

### 4. Important information about changes in estimates

In the first quarter of 2022, in ELZAB S.A. and its subsidiaries, the following changes occurred in items of impairment write-off, provisions and accrued expenses (in thousand PLN):

1. Impairment write-offs of receivables and interest on late payments decreased by PLN 8 thousand in the first quarter of 2022 compared to the status as at December 31, 2021, and amounts to PLN 706 thousand.
2. In the first quarter of 2022, the value of sold products, goods and materials was increased by the effect of revaluation of inventories in the amount of PLN 260 thousand.
3. Other changes in provisions and passive accruals (in thousand PLN):

The ELZAB Group  
the 1st quarter of 2022 (in thousand PLN)

	As at 31.03.2022	As at 31.12.2021	Change
Provision for retirement and pension benefits	417	423	-6
Provision for unused employee leaves	418	328	90
Provision for quarterly / annual bonus	1,728	1,745	-17
Provision for review and audit of financial statements	77	52	25
Provision for the guarantee fund	880	1,487	-607
Other	247	305	-58
<b>Total provisions and passive accruals</b>	<b>3,767</b>	<b>4,340</b>	<b>-573</b>

Provisions were included respectively in production costs, selling costs and general costs.

4. Assets from deferred income tax as at March 31, 2022 was PLN 1,325 thousand, and as compared to December 31, 2021, it shows the following changes in individual titles (in thousand PLN):

	As at 31.03.2022	As at 31.12.2021	Change
Retirement and pension benefits	71	72	-1
Unused leaves	79	63	16
Accrued costs	386	395	-9
Promotional and advertising fund	0	0	0
Guarantee fund	167	283	-116
Suspended margin on inventories	11	19	-8
Interests from obtained loans	371	318	53
Updating the value of shares held for sale	240	240	0
<b>Deferred income tax assets</b>	<b>1,325</b>	<b>1,390</b>	<b>-65</b>

Provisions for deferred income tax, as compared to December 31, 2021, decreased by PLN 84 thousand, and, at the end of the first quarter of 2022, amounted to PLN 998 thousand. The main amount is the provision for differences between the carrying and tax value of fixed assets and financial assets (bonds and loans).

As at March 31, 2022, assets were offset with deferred tax liabilities at the level of separate statements of the subsidiaries.

<b>Compensation of assets with deferred tax liabilities</b>	<b>31.03.2022</b>
Assets from deferred income tax	1,325
Deferred income tax provisions	998
Balance of assets from deferred income tax	327

## 5. Financial instruments

As at March 31, 2022, there were no open forward transactions in the ELZAB Group.

As at March 31, 2022, the ELZAB Group had receivables from loans granted in the amount of PLN 13,517 thousand (including accrued interest).

## 6. Significant transactions with the affiliates and data necessary to prepare the consolidated financial statements

	<i>Receivables of ELZAB from the affiliates/ provided advance payments</i>	<i>Receivables of ELZAB from the affiliates from granted loans</i>	<i>Liabilities of ELZAB for the affiliates</i>	<i>Liabilities of ELZAB to the affiliates from granted loans</i>
GRUPA HELLAS	7,797	3,301	73	0
MICRA METRIPOND KFT	142	0	0	0
COMP S.A.	249	0	330	22,380
INSOFT Sp. z o.o.	0	0	143	0
Comp Centrum Innowacji Sp. z o.o.	1,861	0	0	0
Polski System Korzyści Sp. z o.o.	7	0	0	0
JNJ Limited	0	13,492	0	0

	<i>Sale of ELZAB to the affiliates</i>	<i>Purchases ELZAB from the affiliates</i>	<i>Financial revenues/costs</i>
GRUPA HELLAS	708	48	16
MICRA METRIPOND KFT	261	0	0
COMP S.A.	389	610	-286
INSOFT Sp. z o.o.	0	81	0
Polski System Korzyści Sp. z o.o.	6	0	0

The above tables include the turnover for the first quarter of 2022 and the balance of liabilities and receivables as at March 31, 2022.

As at March 31, 2022, inventories of ELZAB S.A. products in the subsidiaries' warehouses amounted to PLN 1,250 thousand. The realised margin on inventories resulted in improved net financial result of the ELZAB Group for the first quarter of 2022 by PLN 43 thousand.

### **Significant agreements concluded with the affiliates**

The presented financial statements for the first quarter of 2022 shall be read together with the statements of the ELZAB Group and ELZAB S.A. for 2021, which contain necessary information and disclosures regarding agreements significant in terms of the operations of the Company.

In the period from December 31, 2021 to the date of publication of the statements for the first quarter of 2022, the Company did not conclude significant agreements with the affiliates.

## 7. Information on non-market transactions concluded between entities of the ELZAB Group

In the statements period, transactions that would be concluded on terms other than market terms did not occur between ELZAB S.A. and the affiliates.

## 8. Description of unique factors and events significantly impact on the achieved financial results

In the first quarter of 2022, no unusual events occurred that would significantly impact on the achieved financial results.

The impact of the coronavirus pandemic situation on the ELZAB Group is described point: Information on the impact of the spread of the covid-19 coronavirus on the operations of the Company.

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The impact of the situation related to aggression of Russian on Ukraine on the ELZAB Group is presented in point: Information on the impact of the situation related to the armed aggression of Russia on Ukraine on the company's operations

## 9. Goodwill from consolidation

As at March 31, 2022, goodwill on consolidation is PLN 0.

ELZAB HELLAS SPV Sp. z o.o. - The company has been included in the consolidation since August 2016.

Goodwill on consolidation arose on the purchase of shares PLN 1,000  
Goodwill as at March 31, 2021 PLN 0,000

ELZAB HELLAS S.A. - the company included in consolidation since September 2016. Goodwill does not occur due to the establishment of the company.

Compared to the end of 2021, the net goodwill on the company consolidation did not change.

## 10. Shares in the subsidiaries valued using the ownership rights method

Name of the affiliate	Basic operations	Place of registration and operation	Percentage of shares and voting rights held by the Group	
			As at 31.03.2022	As at 31.12.2021
COMP Centrum Innowacji Sp. z o.o.	activities related to IT consulting	Poland	49.88%	49.88%

Name of the affiliate	Cost	Cumulative share in profits/losses of the affiliates	As at 31.03.2022
			Net value
COMP Centrum Innowacji Sp. z o.o.	59,021	-33,722	25,299
<b>Total investments in the affiliates</b>	<b>59,021</b>	<b>-33,722</b>	<b>25,299</b>

Equity of the Comp Innovation Centre Group attributable to the ELZAB Group for the first quarter of 2022.	<b>-3,293</b>
- related to the financial result	-2,689
- related to the revaluation of the reserve capital	-604

Comp Innovation Centre Group	As at 31.03.2022
Current assets	23,932
Fixed assets	177,870
Short-term liabilities	39,331
Long-term liabilities	99,451

Comp Innovation Centre Group	For the period from 01.01.2022 to 31.03.2022
Revenues	6,492
Profit (loss) from continued activities	-6,148
Profit (loss) on discontinued operations (after tax)	0
Profit (loss) from the statements period	-6,148
Other total income for the period	-453
Total income for the period	-6,601
Dividends received from the affiliate	0

## 11. Information on loans, sureties and guarantees granted by ELZAB S.A. or by the subsidiaries

### Granted loans

As at March 31, 2022, the following loans exist within the group:

Borrower	Year of conclusion of the agreement	Interest rate	Total amounts of granted loans	Loan amount repaid in the first quarter of 2022	Loan amount to be repaid as at March 31, 2022
private individual	for 2016	EURIBOR 1M + margin	150 thousand EUR*)	0 thousand EUR	150 thousand EUR
private individual	for 2020	EURIBOR 1M + margin	5 thousand EUR	0 thousand EUR	5 thousand EUR
ELZAB HELLAS SPV	for 2016	EURIBOR 1M + margin	400 thousand EUR	0 thousand EUR	328 thousand EUR
ELZAB HELLAS SPV	for 2022	WIBOR 1M + margin	20 thousand PLN.	0 thousand PLN.	20 thousand PLN.
ELZAB HELLAS S.A	**2019 (consolidation of previous loans)	EURIBOR 1M + margin	324 thousand EUR	0 thousand EUR	324 thousand EUR
JNJ Limited	for 2021	EURIBOR 3M + margin	2,885 thousand EUR	0 thousand EUR	2,885 thousand EUR
B2B SOFT Sp. z o.o. (former ELZAB SOFT Sp. z o.o.)	for 2018	WIBOR 1M + margin	1,800 thousand PLN.	1,000 thousand PLN.	0 thousand PLN.

*Loans granted to ELZAB HELLAS SPV Sp. z o. o. and ELZAB HELLAS S.A. are excluded in the consolidated statements.*

\*) loan subject to write-off in 2021.

\*\*) In December 2019, ELZAB S.A. and ELZAB HELLAS S.A. concluded an agreement under which 11 loans granted by ELZAB S.A. were consolidated for ELZAB HELLAS S.A. As a result of the agreement, the amount of accrued interest as at December 31, 2019 in the amount of EUR 26 thousand together with the original amounts of loans granted in the total amount of EUR 298 thousand were consolidated into one loan of EUR 324 thousand.

On December 31, 2021, the Company concluded an agreement with JNJ Limited with its registered office in Dubai, a subsidiary of the affiliate - Comp Centrum Innowacji Sp. z o.o., in the amount of EUR 2,885 thousand. The loan is to be repaid in three installments: the first installment in the amount of EUR 1,000 thousand by August 31, 2022; the second installment in the amount of EUR 1,000 thousand by August 31, 2023; third installment in the amount of EUR 885 thousand by December 31, 2024. Interests will be paid with the repayment of the third loan installment. On March 11, 2022, an annex to the loan agreement was concluded, according to which new deadlines for the payment of loan installments were established: the first installment in the amount of EUR 500 thousand by 31 December 2023; the second installment in the amount of EUR 1,000 thousand by 31 December 2024; and the third installment in the amount of EUR 1,385 thousand by 31 December 2025.

At the same time, from the received loan amount, referred to above, JNJ Limited based in Dubai paid the trade receivables due to the company in the total amount of EUR 2,885 thousand. As a result of the above operations, total debt of JNJ Limited towards ELZAB S.A. did not change.

In the first quarter of 2022, ELZAB S.A. granted a loan to ELZAB HELLAS SPV Sp. z o.o. in the amount of PLN 20 thousand.

In the first quarter of 2022, B2B Soft Sp. z o.o. repaid the loan received with interest.

### Sureties

The subsidiaries did not grant loans, sureties and guarantees as at March 31, 2022.

## 12. Loads, credits and leasing liabilities

<b>Liabilities from credits, loans and leasing</b>	<b>As at 31.03.2022</b>	<b>As at 31.12.2021</b>
<b>Long-term liabilities</b>	<b>3,870</b>	<b>9,857</b>
Long-term bank credits and loans	1,865	7,559
Other long-term financial liabilities (leasing)	2,005	2,298
<b>Short-term liabilities</b>	<b>54,007</b>	<b>46,320</b>
Short-term bank credits and loans	52,818	45,145
Other short-term financial liabilities (leasing)	1,189	1,175

Bank credits as at March 31, 2022, include:

- ING Multi-Product Agreement - investment credit and non-revolving credit - the amount remaining to be paid is PLN 8,222 thousand.
- ING Multi-Product Agreement - credit to finance suppliers - the amount remaining to be paid is PLN 0 thousand.
- Overdrafts

<b>Credits on the current account as at 31.03.2022</b>	<b>Available limit</b>	<b>Used amount</b>	<b>Remaining amount to be used</b>
Millennium S.A.	6,000	5,974	26
mBank S.A.	6,000	5,981	19
ING Bank Śląski S.A.	4,000	3,947	53
<b>Total</b>	<b>16,000</b>	<b>15,902</b>	<b>98</b>

- factoring in ING Commercial Finance Polska SA The liability value was PLN 5,815 thousand. The limit of the amount available is PLN 12,000 thousand.

ELZAB HELLAS S.A. uses the contract to finance suppliers, the liability for this at the end of the first quarter of 2022 is EUR 74 thousand (PLN 344 thousand).

On August 27, 2018, the Multiproduct agreement was concluded with ING Bank Śląski S.A. with its registered office in Katowice, with a maximum credit limit of PLN 49,100 thousand and with a maximum repayment date until December 31, 2022.

Annex 9 to the Multiproduct agreement of August 27, 2018, signed on October 26, 2018, upheld the new loan repayment dates (as amended by Annex 6 of August 5, 2020) and, at the end of 2021, they are as follows:

- investment loan with a value of PLN 7 501 thousand - repayment date until May 31, 2023,
- non-renewable credit in the current account with the value of PLN 4,249 thousand - repayment date until May 31, 2023,
- loan financing suppliers with a value of PLN 10,000 thousand - repayment date until December 26, 2022,
- revolving credit facility in the current account with the value of PLN 4,000 thousand - repayment date until June 30, 2022.

At the same time, pursuant to Annex 9, the Multi-product agreement loan limit was reduced from PLN 46,100 thousand to the amount of PLN 32,900 thousand, with the payment deadline by June 7, 2023. In addition, a sublimit was made available for use under the working capital loan in the bank account in the amount of:

- PLN 9,000,000 from October 1, 2021 to October 31, 2021
- PLN 8,000,000 from November 1, 2021 to November 30, 2021
- PLN 7,000,000 from December 1, 2021 to December 31, 2021
- PLN 6,000,000 from January 1, 2022 to January 31, 2022
- PLN 5,000,000 from February 1, 2022 to February 28, 2022

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- PLN 4,000,000 from March 1, 2022 to March 31, 2022
- PLN 3,000,000 from April 1, 2022 to April 30, 2022
- PLN 2,000,000 from May 1, 2022 to May 31, 2022
- PLN 1,000,000 from June 1, 2022 to June 30, 2022

The Bank's receivables resulting from the working capital loan in the current account are secured by a guarantee granted by Bank Gospodarstwa Krajowego under the portfolio agreement of the Liquidity Guarantee Fund No. 3/PLG-FGP/2020 in the amount of PLN 5,600 thousand, which is, as at December 31, 2021, 80% of the current loan amount for the loan period extended by 3 months, i.e. until September 30, 2022.

On April 6, 2022, annex no. 10 to the Multiproduct Agreement was concluded with ING Bank Śląski S.A. with its registered office in Katowice, reducing the credit limit of the Multiproduct Agreement from the amount of PLN 32,900 thousand to the amount of PLN 24,400 thousand, starting from April 6, 2022, with the repayment date until November 6, 2023. At the same time, on the basis of the annex, an additional sublimit was made available for use:

- as part of a working capital loan in a revolving credit account in the amount of PLN 9,500 thousand from April 6, 2022 to March 30, 2023,
- as part of a working capital loan in a bank account in the amount of PLN 9,500 thousand from July 1, 2022 to March 30, 2023, while the total use under the aforementioned sublimits may not exceed PLN 9,500 thousand. In addition, the Annex introduces a change in the scope of hedging the repayment of the Multi-Product Agreement. The mortgage established to secure the Bank's receivables, in addition to the previously secured receivables, will additionally secure the Bank's receivables due to granting the Company working credits in a revolving credit account and in a bank account, in total up to PLN 9,500 thousand. At the same time, transactions of repurchase of reverse receivables were excluded from the secured receivables, due to the Bank ceasing to carry out such transactions under the Multiproduct Agreement at the request of the Company. Other terms, in particular the financial terms of the agreement do not differ from those commonly used in agreements of this type.

On April 7, 2020, ELZAB S.A. concluded annex 6 to the loan agreement at Bank Millennium regarding the renewal of the loan agreement of December 29, 2015 for the period until February 28, 2021. As part of the annex, new overdraft limits were set as follows:

- PLN 8,000,000 in the period from December 29, 2015 to February 27, 2020
- PLN 7,000,000 in the period from February 28, 2020 to July 30, 2020
- PLN 6,000,000 in the period from July 31, 2020 to February 28, 2021

Another annex no. 7 signed on March 1, 2021 maintained the credit limit in the amount of PLN 6,000 thousand, and extended the loan period until February 28, 2023. The financial terms of this agreement do not differ from those commonly used in agreements of this type. The above limit was allocated to finance current operations.

On July 6, 2015, ELZAB S.A. concluded a PLN loan agreement with mBank S.A. in the amount of PLN 4,000 thousand for the purpose of financing the current business activities of the Company. The financial terms of the agreement do not differ from those commonly used in agreements of this type. On August 20, 2015, the Company concluded Annex No. 1 to the PLN loan agreement with mBank regarding the increase of the limit from PLN 4,000 thousand up to PLN 6,000 thousand. Other terms remained unchanged. On June 30, 2021, annex no. 7 was signed, which extended the loan repayment date until June 30, 2022.

As at March 31, 2022, loans include:

- Provincial Fund for Environmental Protection and Water Management - the amount of PLN 522,000,

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- loan of ELZAB HELLAS SPV Sp. z o.o. from MONEA V Sp. z o.o. - amount of PLN 798 thousand
- loans of ELZAB S.A. from COMP S.A. - amount of PLN 22,380 thousand,
- loan of ELZAB S.A. from Multis Sp. z o.o. - amount of PLN 700,000

Liabilities from financial leasing and similar:

- at ELZAB S.A. - for financing the purchase of production and non-production equipment and cars, as well as for recognising in the books of assets and liabilities resulting from the equalisation of lease agreements and similar agreements with leasing (IFRS 16) - value of liabilities in this respect is PLN 3,194 thousand.

**13. Contingent and off-balance sheet liabilities and assets**

Contingent liabilities:

- as at March 31, 2022:
  - promissory note collateral for operating leasing agreements (on balance sheet finance leasing) concluded with ING Lease (Polska) Sp. z o.o. in Warsaw to finance the purchase of production and non-production equipment and cars. The total value of the leasing subject was PLN 2,305 thousand.
  - promissory note collateral for the credit agreement in the Millennium S.A. current account - the credit limit is PLN 6,000 thousand, mBank S.A - the credit limit is PLN 6,000 thousand, ING Commercial Finance Polska S.A. - the credit limit is PLN 12,000 thousand; Contingent liability for security limits for the bank guarantees of ING S.A. - the amount of the liability is PLN 535 thousand; contingent liability for the guarantee by Bank Gospodarstwa Krajowego PLN 3,2 million in the value of loan of PLN 4 million in ING Bank Śląski S.A.; contingent liability from the guarantee provided by Bank Gospodarstwa Krajowego is PLN 4,8 million in value of loan of PLN 6 million in Bank Millennium S.A.
- as at December 31, 2021:
  - promissory note collateral for operating leasing agreements (on balance sheet finance leasing) concluded with ING Lease (Polska) Sp. z o.o. in Warsaw to finance the purchase of production and non-production equipment and cars. The total value of the leasing subject was PLN 2,305 thousand.
  - promissory note collateral for the credit agreement in the Millennium S.A. current account - the credit limit is PLN 6,000 thousand, mBank S.A - the credit limit is PLN 6,000 thousand, ING Commercial Finance Polska S.A. - the credit limit is PLN 12,000 thousand; Contingent liability for security limits for the bank guarantees of ING S.A. - the amount of the liability is PLN 535 thousand; contingent liability for the guarantee by Bank Gospodarstwa Krajowego PLN 5,6 million in the value of loan of PLN 7 million in ING Bank Śląski S.A.; contingent liability from the guarantee provided by Bank Gospodarstwa Krajowego is PLN 4,8 million in value of loan of PLN 6 million in Bank Millennium S.A.

Contingent assets:

Loan collateral in the amount of EUR 150,000 granted by ELZAB S.A. to a natural person involves a registered pledge on all shares of MONEA V Sp. z o. o. to the highest collateral amount of EUR 300,000, and a surety of up to EUR 300,000 granted by MONEA V Sp. z o.o. to a natural person, as well as a registered pledge on shares constituting 33% of the share capital of ELZAB HELLAS SPV Sp. o.o., which MONEA V Sp. o.o. has in ELZAB HELLAS SPV Sp. z o.o. up to the highest collateral amount of EUR 300,000.



## 14. Post-balance sheet events

There were no significant events after the balance sheet date.

## 15. Basic financial indicators

The ELZAB Group		1.01 - 31.03.2022	1.01 - 31.03.2021
1	Gross sales profitability ratio %	20.16	27.77
2	Net profit margin ratio %	-17.32	2.05
3	Return on equity ROE %	-5.89	1.05
4	Return on total assets ROA %	-2.79	0.47
5	Current fluidity ratio	0.96	1.18
6	High liquidity ratio	0.42	0.73
7	Total debt ratio	52.62	55.35

ELZAB S.A.		1.01-31.03.2022	1.01-31.03.2021
1	Gross sales profitability ratio %	18.94	27.44
2	Net profit margin ratio %	-6.28	7.37
3	Return on equity ROE %	-1.37	2.93
4	Return on total assets ROA %	-0.80	1.50
5	Current fluidity ratio	1.09	1.29
6	High liquidity ratio	0.56	0.84
7	Total debt ratio	41.36	48.83

- 1 gross profit on sales / net revenues from sales %  
2 net profit / net revenues from sales %  
3 net profit / equity %\*  
4 net profit / total assets %\*  
5 current assets\* / short-term liabilities (excluding provisions and accruals)\*  
6 current assets - inventories - prepayments\* / short-term liabilities\*  
7 liabilities and provisions for liabilities\* / total assets\*  
\* (as at the beginning of the period + as at the end of the period) / 2

## VIII. Equities of ELZAB S.A.

### 1. Ownership structure of capital and changes in the shareholder structure

The structure of shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting as at March 31, 2022, and as at the date of publication of the statements, according to the knowledge of the Company, is as follows:

Full name (Company)	Number of ordinary shares	Number of preference shares	Total number of shares	Total number of votes	% of votes at the GM	Share in the share capital
COMP S.A.*	12,228,189	18,450	12,246,639	12,320,439	75.66	75.89
ELZAB S.A. (own shares)	405,662	0	405,662	405,662	2.49	2.51
Other shareholders	3,466,729	18,020	3,484,749	3,556,829	21.84	21.59
<b>TOTAL</b>	<b>16,100,580</b>	<b>36,470</b>	<b>16,137,050</b>	<b>16,282,930</b>	<b>100.00</b>	<b>100.00</b>

\* COMP. S.A. with its registered office in Warsaw holds a total of 12,652,301 shares of ELZAB S.A. which represents 78.41% of the share capital (directly - 12,228,189 ordinary shares, which is 75.78% of the share capital; directly - 18,450 preference shares, which is 0.11% of the share capital, indirectly - 405,662 own shares of ELZAB SA, which is 2.51% share in the share capital). Total number of votes from shares held by COMP S.A. amounts to 12,726,101, representing 78.16% of the total number of votes (directly 12,322,439 votes, representing 75.66% of the total number of votes; indirectly - 405,662 votes arising from own shares of ELZAB, representing 2.49% share in the total number of votes).

Total:	
Share capital	22.142.962.40 PLN
total number of shares	16,137,050
total number of votes	16,282,930
number of shares in public trading	16,137,050
number of shares on the stock exchange	16,100,580

### 2. Shares of ELZAB S.A. held by members of the Management Board and the Supervisory Board

The number of shares held by the Management Board of ELZAB S.A., according to the knowledge of the Company, as at the date of submitting the statements, is as follows (number):

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Bartosz Panek	President of the Management Board	1,000
Jerzy Popławski	Vice-President of the Management Board	0
<b>Total</b>		<b>1,000</b>

Members of the Supervisory Board of ELZAB S.A., according to the knowledge of the Company as at the date of submitting the statements, do not own any shares of ELZAB S.A.

The number of shares held directly and indirectly by members of the Management Board since the publication of the statements for 2021, according to the knowledge of the Company, has not changed.

### 3. Shares in the affiliates held by members of the Management Board and the Supervisory Board

According to the best knowledge of the Company, members of the Management Board and the Supervisory Board do not hold shares in the subsidiaries of ELZAB S.A.

President of the Management Board of ELZAB S.A., Mr. Bartosz Panek, has 37 shares of COMP S.A.

Members of the Management Board of ELZAB S.A. do not hold shares in other affiliates.

Shares and stakes in other affiliates held by members of the Supervisory Board of ELZAB S.A. (pcs):

- as at March 31, 2022 and as at the date of publication of the financial statements:

		COMP S.A.
Grzegorz Należyty	Chairman of the Supervisory Board	0
Jarosław Wilk	Vice-Chairman of the Supervisory Board	0
Andrzej Wawer	Secretary of the Supervisory Board	1,780
Jerzy Kotkowski	Member of the Supervisory Board	0
Kajetan Wojnicz	Member of the Supervisory Board	0
Krzysztof Morawski	Member of the Supervisory Board	0

In addition, as at March 31, 2022, Mr. Jerzy Popławski held 37,800 shares with a total value of PLN 1,890,000.00, representing 15.12% votes at the shareholders meeting in CE Management Group Sp. z o.o., which holds 302,719 shares of Comp S.A.

As at the date of publication of the financial statements, Mr. Jerzy Popławski holds 37,800 shares with a total value of PLN 1,890,000.00, constituting 15.12% votes at the shareholders meeting in CE Management Group Sp. z o.o., which holds 302,719 shares of Comp S.A.

In addition, as at March 31, 2022, Mr. Bartosz Panek held 2,000 shares with a total value of PLN 100,000.00, representing 0.80% votes at the shareholders meeting in CE Management Group Sp. z o.o., which holds 302,719 shares of Comp S.A.

As at the date of publication of the financial statements, Mr. Jerzy Popławski holds 2,000 shares with a total value of PLN 100,000.00, constituting 0.80% votes at the shareholders meeting in CE Management Group Sp. z o.o., which holds 302,719 shares of Comp S.A.

In addition, members of the Supervisory Board had an indirect share in COMP S.A. by CE Management Group Sp. z o.o.:

– as at March 31, 2022:

- Mr. Andrzej Wawer holds 16,883 shares with a total value of PLN 844,150.00, constituting 6.75% votes at the shareholders meeting in CE Management Group

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Sp. z o.o. with its registered office in Warsaw, which holds 302,719 shares of Comp S.A.;

- Mr. Krzysztof Morawski held 15,957 shares with a total value of PLN 797,850.00, constituting 6.38% votes at the shareholders meeting in CE Management Group Sp. z o.o. with its registered office in Warsaw, which holds 302,719 shares of Comp S.A.;
- Mr. Jarosław Wilk held 8,883 shares with a total value of PLN 444,150.00, constituting 3.55% votes at the shareholders meeting in CE Management Group Sp. z o.o. with its registered office in Warsaw, which holds 302,719 shares of Comp S.A.;

– as at the date of publication of the financial statements:

- Mr. Andrzej Wawer holds 16,883 shares with a total value of PLN 844,150.00, constituting 6.75% votes at the shareholders meeting in CE Management Group Sp. z o.o. with its registered office in Warsaw, which holds 302,719 shares of Comp S.A.;
- Mr. Krzysztof Morawski held 15,957 shares with a total value of PLN 797,850.00, constituting 6.38% votes at the shareholders meeting in CE Management Group Sp. z o.o. with its registered office in Warsaw, which holds 302,719 shares of Comp S.A.;
- Mr. Jarosław Wilk held 8,883 shares with a total value of PLN 444,150.00, constituting 3.55% votes at the shareholders meeting in CE Management Group Sp. z o.o. with its registered office in Warsaw, which holds 302,719 shares of Comp S.A.;

CE Management Group Sp. z o.o. is not under the control of any of the aforementioned persons (together they have a minority share).

The number of shares held by members of the Management Board and by members of the Supervisory Board in other affiliates has not changed since the publication of the statements for 2021.

#### 4. Own shares

ELZAB SA - OWN SHARES	year	number of shares	purchase price	value of shares at the purchase price	% of the share capital	% votes at the GSM	nominal value of the purchased shares	value of the purchased shares
<i>ELZAB S.A. - own shares acquired for redemption</i>	2008	405,662	4.91	1,993	2.51%	2.49%	552	1,997
<b>TOTAL</b>	<b>X</b>	<b>405,662</b>	<b>4.91</b>	<b>1,993</b>	<b>2.51%</b>	<b>2.49%</b>	552	1,997

The purchased shares are recognised in the equity of ELZAB S.A. and in the equity of the ELZAB Group with a negative sign.

#### 5. Payment of dividend

Not applicable.

**IX. Information about the issue, redemption and repayment of non-equity and equity securities**

In the first quarter of 2022, there were no such transactions.

**X. Position of the Management Board regarding the implementation of published forecasts**

The Management Board of ELZAB S.A. did not publish a forecast for 2022 regarding the financial results of the ELZAB Capital Group and the parent entity of ELZAB S.A.

**XI. Proceedings pending before court, competent arbitration authority or public administration authority**

In the first quarter of 2022, no proceedings were pending regarding liabilities or receivables of the ELZAB Group Companies that could have a material impact on the financial position or profitability of the Group.

**XII. Other information relevant to the assessment of human resources situation, assets, financial situation and financial result and their changes, and information relevant to the assessment of the implementation of liabilities by ELZAB S.A. and the ELZAB Group**

In the first quarter of 2022, apart from those described in the presented statements, there were no other events that could have a significant impact on the personnel, property, financial situation, financial result and the possibility of fulfilling obligations of the Company.

**XIII. Information on the impact of the spread of the covid-19 coronavirus on the operations of the Company**

The ELZAB Group, like most enterprises, continued to operate in the environment of negative effects resulting from successive waves of the SARS-CoV-2 and COVID-19 coronavirus pandemic.

Difficulties with access to some materials, mainly electronics, are still observed, and some suppliers are postponing delivery times and increasing prices in isolation from the foundations. The company is in constant contact with all suppliers, and the search for replacements is in progress, as well.

Another noticeable effect of the prolonged pandemic and the supply crisis on the energy market is inflation and an increase in exchange rates, which directly affect the prices of purchased services, materials or energy carriers.

Increases in interest rates in connection with the use of the Group of external sources of financing will also not be without effect.

The Company notes that it is not able to fully estimate the potential effects of the SARS-CoV-2 and COVID-19 coronavirus-related pandemic on the future results of the Company and the ELZAB GROUP, as many factors are currently beyond the control of the Company and the Group and are heavily dependent on development situation in the country and in the world, as well as decisions taken by state organs.

#### **XIV. Information on the impact of the situation related to the armed aggression of Russia on Ukraine on the company's operations**

As at the date of preparation of the financial statements, the ELZAB Group did not identify any direct impact on the presented financial statements. The ELZAB Group does not have trade flows with either Ukraine or Russia. In addition, it does not employ persons from these countries.

The ongoing war, combined with a prolonged pandemic, may adversely affect the economic situation around the world through turmoil in the currency markets, further rise in inflation and higher interest rates. A further increase in the prices of raw materials, services and energy carriers is possible.

#### **XV. Description of factors that will influence on the achieved results within at least the next quarter**

Macroeconomic and Company-independent factors:

- a) size of the replacement market for fiscal devices,
- b) economic situation and possible changes in law affecting the demand for fiscal devices exported by ELZAB S.A. (including Hungary, Greece, Kenya),
- c) The situation related to the SARS-CoV-2 coronavirus pandemic and the incidence of COVID-19,
- d) return of the economy to the potential preceding the pandemic by reducing the restrictions by the Polish and other governments,
- e) the current political situation and its unpredictable consequences related to the armed attack by the Russian Federation on Ukraine.
- f) currency turmoil, further increases in inflation and interest rates, further increases in the prices of raw materials, services and energy products.

Market and Company-dependent factors:

- a) increasing the share of the ELZAB brand on the fiscal devices market by introducing new functions of fiscal devices, new fiscal and non-fiscal products and new services to the offer,
- b) ability to quickly adapt the offer to new market requirements,
- c) increase in the share on the non-fiscal market through the development of sales of proprietary and distributed solutions in the field of electronic scales, price checkers, automatic identification devices, cash drawers, POS elements and sales management software, charging stations for electric vehicles.

#### **XVI. Financial risk and capital risk management**

Activities carried out by the ELZAB Group and ELZAB S.A. are exposed to various types of financial and capital risk.

Risk management aims at minimising the potential adverse effects of this risk on the financial result.

##### **Financial risk management**

Financial risk factors to which the activities of ELZAB S.A. and the subsidiaries are exposed to a greater or lesser extent include:

- Credit risk,
- Liquidity risk,

- Market risk, which consists of: price risk, interest rate risk and exchange rate risk.

**Capital risk management**

The purpose of capital risk management is to protect the capabilities of ELZAB S.A. and the ELZAB Group to continue operations so that it is possible to realise returns for shareholders and maintain an optimal capital structure in order to reduce its cost.

Information on financial and capital risk management was presented in the Consolidated Annual Statements for 2021.