

Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo

Financial statements for the financial year from January 1, 2018. until December 31, 2018

ADDITIONAL INFORMATION AND EXPLANATIONS

Note No. 1

The scope of changes in intangible assets

Lp.	Specification	costs completed development work	Goodwill	Other values assets and legal	Advances on value assets and legal	Together
	Gross value at the beginning of the period	3,048,416.60	7,465,971.18	2 165 417.27		12 679 805.05
	Additions, including:					
	- acquisition					
	- internal displacement					
	- other					
1.	Reductions, including:					
	- Liquidation					
	- values update					
	- sale					
	- internal displacement					
	- other					
2.	Gross value at the end of the period	3,048,416.60	7,465,971.18	2 165 417.27		12 679 805.05
	Redemption at the beginning of the period	3,048,416.60	7,465,971.18	1,765,980.32		12 280 368.10
	Additions			168 094.81		168 094.81
	Reductions, including:					
3.	- Liquidation					
	- sale					
	- internal displacement					
	- other					
4.	Redemption at the end of the period	3,048,416.60	7,465,971.18	1,934,075.13		12,448,462.91
5.	Net value at the beginning of the period			399,436.95		399,436.95
6.	Net worth at the end of the period			231 342.14		231 342.14
7.	Wear rate from initial value (%)	100%	100%	89%		98%

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Note No. 1

Note No. 2

The range of changes in the value of fixed assets

Lp.	Specification	Own land	Buildings and structures	Devices technical and machinery	Means of transport	Other measures permanently
	Gross value at the beginning of the period	6,147,108.63	39 819 738.61	129 113 553.35	1,992,946.08	8 902 063.02
	Additions, including:		1,740,370.82	37,429,883.82	207,071.41	608 632.95
	- acquisition		1,740,370.82	37,429,883.82	207,071.41	608 632.95
	- internal displacement					
	- other					
1.	Reductions, including:			2,275,570.40	75,600.00	
	- Liquidation					
	- values update					
	- sale			2,275,570.40	75,600.00	
	- internal displacement					

	- other					
2.	Gross value at the end of the period	6,147,108.63	41 560 109.43	164 267 866.77	2 124 417.49	9 510 695.97
	Redemption at the beginning of the period		15 623 875.12	84 431 106.57	1 620 763.16	4,873,973.19
	Additions		1 635 709.12	9,237,990.71	197 092.46	555 633.24
	Reductions, including:			696 540.53		
3.	- Liquidation					
	- sale			696 540.53		
	- internal displacement					
	- other					
4.	Redemption at the end of the period		17,259,584.24	92 972 556.75	1,817,855.62	5,429,606.43
5.	Net value at the beginning of the period	6,147,108.63	24 195 863.49	44,682,446.78	372 182.92	4,028,089.83
6.	Net worth at the end of the period	6,147,108.63	24 300 525.19	71 295 310.02	306,561.87	4,081,089.54
7.	Wear rate from initial value (%)		42%	57%	86%	57%

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Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo**Financial statements for the financial year from January 1, 2018. until December 31, 2018****Note No. 3****The value of land in perpetual usufruct**

Lp.	Specification	Value as at December 31, 2018	Value as at December 31, 2017
1	Perpetual usufruct of land	6,147,108.63	6,147,108.63
	Together	6,147,108.63	6,147,108.63

Note No. 4

**Value of non-amortized or non-amortized by
unit of fixed assets used under contracts
lease, tenancy and other contracts**

Lp.	Specification	Value as at Dec 31 2018	Value as at Dec 31 2017
1	Fixed assets used under lease agreements		
2	Fixed assets used under lease agreements	27,000.00	27,000.00
3	Fixed assets used under lease agreements		
4	Fixed assets used on the basis of other contracts	759 657.73	759 657.73
	Together	786 657.73	786 657.73

Note No. 5

**Incurred in the last financial year and planned for
next year outlays on non-financial fixed assets**

Lp.	Specification	Value as of 01/01/2018 - 31.12.2018	Plans for the next year
1	Expenditure on environmental protection		
2	Outlays on other non-financial fixed assets	13,025,532.76	7,440,100.00
	Together	13,025,532.76	7,440,100.00

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Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo**Financial statements for the financial year from January 1, 2018. until December 31, 2018****Note No. 6****The scope of changes in long-term investments**

Lp.	Specification	Real estate	The values assets	Long-term financial assets JP	Long-term assets financial JnP, in which the unit owns	Long-term financial assets JNP	Other investments long-term
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		commitment to capital		
1.	Value at the beginning of the period	6,729,500.06	907 220.90	479 373.60
	Additions, including:		43,752.25	326 032.48
	- acquisition			315,000.00
and)	- apport			
	- values update		43,752.25	11,032.48
	- other			
	displacements			
	Reductions, including:		909 197.15	489,090.00
	- sale			
b)	- apport			
	- values update			
	- other			
	displacements		909 197.15	489,090.00
2.	Value at the end of the period	6,729,500.06	41,776.00	316 316.08

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Note No. 7

The scope of changes in financial assets from related entities

Lp.	Specification	shares	stock	Other papers valuable	Loans granted	Other long-term assets financial	Together
1.	Value at the beginning of the period	6,729,500.06					6,729,500.06
	Additions, including:						
	- acquisition						
and)	- apportion						
	- values update						
	- other						
	Reductions, including:						
	- sale						
b)	- apportion						
	- values update						
	- other						
	displacements						
2.	Value at the end of the period	6,729,500.06					6,729,500.06

Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo

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Note No. 8

**The range of changes in financial assets from other entities in which the entity
has a commitment to capital**

Lp.	Specification	shares	stock	Other papers valuable	Loans granted	Other long-term assets financial	Together
1.	Value at the beginning of the period	41,776.00			865,444.90		907 220.90
	Additions, including:				43,752.25		43,752.25
	- acquisition						
and)	- apport						
	- values update				43,752.25		43,752.25
	- other						
	Reductions, including:				909 197.15		909 197.15
	- sale						
b)	- apport						
	- values update						
	- other						
	displacements				909 197.15		909 197.15
2.	Value at the end of the period	41,776.00			0.00		41,776.00

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Note No. 9

The scope of changes in financial assets from other entities

Lp.	Specification	shares	stock	Other papers valuable	Loans granted	Other long-term assets financial	Together
1.	Value at the beginning of the period				479 373.60		479 373.60
	Additions, including:				326 032.48		326 032.48
	- acquisition				315,000.00		315,000.00
and)	- apport						
	- values update				11,032.48		11,032.48
	- displacements and others						
	Reductions, including:				489,090.00		489,090.00
	- sale						
b)	- apport						
	- values update						
	- other						
	displacements						
2.	Value at the end of the period				489,090.00		489,090.00
					316 316.08		316 316.08

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Note No. 10

Write-offs updating the value of inventories

Lp.	Specification	Gross book value per 31.12.2018	Revaluation write-offs on 31.12.2018	Net value as at December 31, 2018
1.	Materials	10 724 433.48		10 724 433.48
2.	Semi-finished products and work in progress	14 502 461.59	61,049.18	14,441,412.41
3.	Finished products	5 508 892.16	141,781.66	5 367 110.50
4.	Goods			
5.	Advances for deliveries	264.49		264.49
	Together	30 736 051.72	202 830.84	30 533 220.88

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Note No. 11

Scope of changes in short-term investments

Lp.	Specification	Short-term assets financial JP	Short-term assets financial in others units in which the unit owns involvement in capital	Short-term assets financial JnP	Other investments short-term	Together
1.	Value at the beginning of the period			808 164.14		808
	Additions, including:			10,953.50		10
	- acquisition					
and)	- apport					
	- values update			10,953.50		
	- other					
	Reductions, including:			307 558.66		307
				156,115.00		15

b)	- sale			
	- apport			
	- values update		151,443.66	15
	- other			
2.	displacements	909 197.16	489,090.00	1 398 2
3.	Value at the end of the period	909 197.16	1,000,648.98	1 909 8

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Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo

Financial statements for the financial year from January 1, 2018. until December 31, 2018

Note No. 12

The scope of changes in financial assets from other entities

Lp.	Specification	shares	stock	Other papers valuable	Loans granted	Other short term financial assets
1.	Value at the beginning of the period				649 299.50	158 864.64
	Additions, including:				10,953.50	
	- acquisition					
and)	- apport					
	- values update				10,953.50	
	- other					
	Reductions, including:				156,115.00	151,443.66
	- sale				156,115.00	
b)	- apport					
	- values update					151,443.66
	- other					
2.	displacements				489,090.00	
3.	Value at the end of the period				993 228.00	7,420.98

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Note No. 13

Write-downs of trade receivables

Lp.	Specification	Value na 01/01/2018	Additions	Decreases	Value na 31.12.2018
		98,856.30			98,856.30

1. Write-downs of receivables from related entities			
- Babcock	4,680.68		4,680.68
- Babcock	94 175.62		94 175.62
2. Write-downs of receivables from other entities	308 137.72		308 137.72
- WAW Mielec Sp. Z oo - Total	1,264.16		1,264.16
- VALVEPOL Sp. z o. o. - Sum	12,804.02		12,804.02
- ZF Steyr Prazisionstechnik	137,629.70		137,629.70
- MCP Technology	137 190.38		137 190.38
- Tamaris Industries	19 249.46		19 249.46
Together	406,994.02		406,994.02

Note No. 14

Long-term prepayments (assets)

Lp.	Specification	Value na 01/01/2018	Additions	Decreases	Value na 31.12.2018
1	Deferred tax assets	4,514,028.69	1,830,641.97		6,344,670.66
2	Other long-term prepayments				
	Together	4,514,028.69	1,830,641.97		6,344,670.66

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Note No. 15

Short-term prepayments (assets)

Lp.	Specification	Value as of 01/01/2018	Additions	Decreases	Value as at December 31, 2018
1	Insurance in kind	64,961.77	216 831.89	214 152.63	67 641.03
2	Perpetual usufruct fee		391,444.61	391,444.61	
3	The costs of re-invoicing of Forgem Polska Sp. z o. o	157 513.39	4,874.36	161,069.29	1,318.46
4	Others	15,738.40	400 321.41	388,777.25	27 282.56
	Together	238 213.56	1,013,472.27	1,155,443.78	96 242.05

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Note No. 16

Accruals (liabilities)

Lp.	Specification	Value as of 01/01/2018	Additions	Decreases	Value as at December 31, 2018
1	Negative goodwill				
2	Other prepayments	3,800,643.11	762,778.40	1,382,413.61	3 181 007.90
a)	long-term	1,474,669.10		282 278.40	1 192 390.70
-	Subsidies	1,474,669.10		282 278.40	1 192 390.70
b)	short-term	2,325,974.01	762,778.40	1 100 135.21	1,988,617.20
-	Leaves of Br.	2 040 417.84		322 039.23	1,718,378.61
-	Holidays last year	261 556.17		15 317.58	246 238.59
	Other employee benefits				
	Subsidies short-term part		282 278.40	282 278.40	
-	Others	24,000.00	480,500.00	480,500.00	24,000.00
	Together	3,800,643.11	762,778.40	1,382,413.61	3 181 007.90

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Note No. 17

Data on the structure of share capital

Lp.	Specification	Number of shares held / shares	Nominal value	Share capital na 31.12.2018	Share in capital basic on 31/12/2018
1.	Metcap Sp. z o. o	180,100.00	500.00	90,050,000.00	100.00%
	Together	180,100.00	-	90,050,000.00	100.00%

Note No. 18

Proposals as to the method of profit distribution, coverage loss

Lp.	Specification	Value as at December 31, 2018
1.	Coverage of losses from supplementary capital	-2,952,302.48
2.	Coverage of loss from profit for future years	-3 339 820.89
	Together	-6 292 123.37

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Note No. 19

The cost of producing fixed assets under construction

Lp.	Specification	Total manufacturing costs	Including financing costs	
			interest	exchange differences
1	Fixed assets put into use in 2018	39,985,959.00	166 197.89	-59,094.84
2	Fixed assets under construction in 2018	13,025,532.76		
	Together	53,011,491.76	166 197.89	-59,094.84

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Note No. 20

Scope of changes in provisions

Lp.	Specification	Value na 01/01/2018	Additions	utilization	Solution	Value na 31.12.2018
1.	Provision for deferred income tax	3,661,163.52	91 334.63			3 752 49
2.	Provisions for pensions and similar benefits	12 109 775.98	1 864 105.69	1,345,566.67		12 628 31
a)	long-term	10 110 899.98	196 291.02			10,307,
-	Jubil Awards. and clearance	10 110 899.98	196 291.02			10,307,
b)	short-term	1,998,876.00	1,667,814.67	1,345,566.67		2 321
-	Jubil Awards. and clearance	1,998,876.00	1,667,814.67	1,345,566.67		2 321
3.	Other provisions	2 481 935.45	1 135 403.98	2 056 409.87	353,000.00	1 207 92
a)	long-term	2 254 982.20		891,731.76	353,000.00	1,010
-	Provision for environmental protection costs	1,901,982.20		891,731.76		1,010
-	Provision for the costs of decommissioning buildings	353,000.00			353,000.00	

b) short-term	226,953.25	1 135 403.98	1,164,678.11		197
- Provision for warranty and warranty costs	184 662.25	1,094,302.85	1,122,278.94		156
- The reserve charges for the environment	42,291.00	41 101.13	42 399.17		40
Total provisions for liabilities	18,252,874.95	3,090,844.30	3 401 976.54	353,000.00	17,588,74

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Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo**Financial statements for the financial year from January 1, 2018. until December 31, 2018**

Note No. 21

Time structure of long-term liabilities

Lp.	Specification	Balance sheet value on 31/12/2018	Due until 1 year	due over 1 to 3 years	due over 3 to 5	dt ove
1. Long-term liabilities towards related entities						
- bank loans						
- due to debt securities						
- other financial liabilities						
- other						
2. Long-term liabilities towards other entities		30 159 950.25		19 279 748.48	8,064,664.96	
- bank loans		24,929,783.21		15 357 123.20	6 757 123.20	
- due to debt securities						
- other financial liabilities		5 230 167.04		3,922,625.28	1,307,541.76	
- other						
Total long-term liabilities		30 159 950.25		19 279 748.48	8,064,664.96	

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Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo**Financial statements for the financial year from January 1, 2018. until December 31, 2018**

Note No. 22

Division of receivables and liabilities into long-term and short-term parts

Lp.	Specification	Balance sheet value on 31/12/2018
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1. Total bank loans	46 532 356.68
including :	
short-term part	21,602,573.47
long term part	24,929,783.21
2. Total loans granted	2 218 741.24
including :	
short-term part	1 902 425.16
long term part	316 316.08
3. Total leases	8 597 109.87
including :	
short-term part	3 366 942.83
long term part	5 230 167.04
4. Receivables regarding the sale of real estate to Forgem Polska	1,840,998.66
including :	
short-term part	187 220.16
long term part	1 653 778.50

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Note No. 23

Average employment

Lp.	Specification	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
1.	Employees directly prod.	532,00	588,00
2.	Employees indirectly prod.	139,00	156,00
3.	White-collar workers	210,00	205,00
	Together	881,00	949,00

Note No. 24

Remuneration of members of the governing bodies managers and supervisors paid or payable

Lp.	Specification	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
1. Wages paid		1,322,593.48	2,385,454.69
-	Management	1,306,993.48	2,369,854.69
-	Board of directors	15,600.00	15,600.00
2. Remuneration due			
	Together	1,322,593.48	2,385,454.69

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Note No. 25

**List of companies in which the entity holds at least 20% of shares
in the capital or the total number of votes in the company's decision-making body**

Lp.	Specification	Share in capital	Share in number votes	Equity on 31.12.2018	Score 01/01/2018 - 31.12.2018
1.	ForgeX Polska Sp. z o. o. 35-078 Rzeszów ul. Hetmańska 120	94.90%	94.90%	6 145 228.13	1,295,906.82
2.	Metallurgical Plant Do Brasil LTDA 13321-480 SALTO, RUA ETNA 310	20.00%	20.00%		

Note No. 26

**Material structure of revenues from the sale of products,
goods and materials**

Lp.	Specification	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
1.	Net revenues from the sale of products	207 017 659.82	215 700 928.15
	- Sale of products	207 017 659.82	215 700 928.15
2.	Net revenues from the sale of services	3,834,027.99	4,777,224.26
	- Sale of services	3,834,027.99	4,777,224.26
3.	Revenue from the sale of goods		
4.	Revenue from the sale of materials	5,293,829.75	4 830 261.70
	- Sale of materials	5,293,829.75	4 830 261.70
	Total net revenues from sales	216 145 517.56	225 308 414.11

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Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo

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Note No. 27

**Territorial structure of revenues from the sale of products,
goods and materials**

Lp.	Specification	01/01/2018 - 31/12/2018	01/01/2017 - 31/12/2017
1.	Net revenues from the sale of products	207 017 659.82	215 700 928.15
	- Country	23 834 741.52	24 721 185.28
	- Export	183 182 918.30	190 979 742.87
2.	Net revenues from the sale of services	3,834,027.99	4,777,224.26
	- Country	2 123 381.61	3 493 881.54
	- Export	1,710,646.38	1,283,342.72
3.	Revenue from the sale of goods		
4.	Revenue from the sale of materials	5,293,829.75	4 830 261.70
	- Country	3,513,392.96	2,979,829.78
	- Export	1,780,436.79	1,850,431.92
	Total net revenues from sales	216 145 517.56	225 308 414.11

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Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo**Financial statements for the financial year from January 1, 2018. until December 31, 2018****Note No. 28****Costs by type and cost of own production of products
need**

Lp.	Specification	01/01/2018 - 31.12.2018	01/01/2017 - 31.12.2017
1.	Depreciation	11 794 520.34	11 739 041.05
2.	Consumption of materials and energy	120 284 043.04	112 910 384.58
3.	Third party services	28 623 298.33	28 601 530.11
4.	Taxes and fees	3,027,661.58	3,050,237.22
	- excise tax		
5.	Salaries	46 921 886.81	50 023 729.09
6.	Social security and other benefits	12 156 573.00	12 571 317.28
7.	Other prime costs	753,080.64	704 948.18
	Total costs by type	223 561 063.74	219 601 187.51
	The cost of manufacturing products for the unit's own needs	1 018 252.10	1,029,781.94

Note No. 29

Explanation of the structure of cash accepted in the cash flow statement

**Structure of cash for the flow statement
cash**

Lp.	Specification	Value na 31.12.2018	Value na 31.12.2017
1.	Cash on hand	9,183.92	12,252.36
2.	Cash in bank accounts	1,291,047.11	2,514,739.49
3.	Exchange differences	1,552.08	-25 702.76
	Together	1,301,783.11	2 501 289.09

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Zakład Metalurgiczny "WSK Rzeszów" Spółka z oo**Financial statements for the financial year from January 1, 2018. until December 31, 2018****Additional information for the cash flow statement**

The most important causes of inconsistencies between balance changes in the state of some positions and changes disclosed in the cash flow statement result from:

- presentation of investment commitments;
- presentation of liabilities due to loans and factoring;
- presentation of lease liabilities.

2018
in PLN

Current liabilities

Balance sheet change in liabilities short	10 842 695.35
Change in factoring, leasing and other status financial obligations	287 370.16
Change in investment liabilities	1,081,798.22

Change in liabilities short

in the cash flow statement	8,051,828.70
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Note No. 30

Average valuation of assets and liabilities at the balance sheet date
rates set by the NBP
 (according to the table: No. 251 / A / NBP / 2017 of 2017-12-29, No.
 252 / A / NBP / 2018 of 2018-12-31)

Lp.	Currency	2017.	2018.
1. EUR		4.1709	4.3000
2. USD		3.4813	3.7597

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Note No. 31

Conditional liabilities to domestic and foreign creditors as at December 31, 2018.

Lp.	Contingent liability title	State at the end fiscal year
1. Guarantees granted, including: granted to related entities:		
1.1. stand-by letter of credit granted by Zakład Metalurgiczny WSK Rzeszów Sp. with oo- issued by Bank BGŻ BNP Paribas SA- to secure the payment of the Company's liabilities Metalurgical WSK Rzeszów Sp. z o. o. against Aluminio Espanol SLU Madrid, Spain in amount 800 thousand EUR - <i>not related entity</i>		3,440.0 thous. PLN
1.2. a bank guarantee granted by Zakład Metalurgiczny WSK Rzeszów Sp. z o. o. - issued by Bank BGŻ BNP Paribas SA to secure the payment of liabilities of FORGEX Polska Sp. z o. o. against COGNOR SA in the amount of PLN 1 million - <i>per related entity</i>		1,000.0 thous. PLN
2. Sureties granted, including: granted to related entities:		
2.1. surety for COGNOR SA for PLN 2 million due to securing the repayment of commercial liabilities by FORGEX Polska Sp. z oo to COGNOR SA - Surety Agreement of June 30, 2014, as amended changes - <i>for a related entity</i>		2,000.0 thous. PLN
3. Deposits and deposits		
3.1. Cash deposit for the Customs and Tax Office in the amount of 50 thousand PLN as security for payment of import customs and tax debts with deferred date payments - for simplified procedures - an unrelated entity		50.0 thous. PLN
Wadia - none		there is no
4. Endorsement of bills of exchange		
5. Concluded but not yet performed contracts		there is no
6. Unrecognized creditors' claims		there is no
7. Others		there is no
altogether		6,490.0 thous. PLN

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Note No. 32

Liabilities secured on the entity's assets

I. Registered pledges

Lp.	Specification	Primary value lien under the contract credit	The highest sum security according to the agreement
1.	Agreement for the multi-purpose credit line Bank BGŻ BNP Paribas SA WAR / 2120/11/166 / CB - below security receivables arising from this contract:		
1.1	Registered pledge on inventory (inventories materials and work in progress) with a declaration of submission	PLN 3,500,000.00	PLN 6,800,000.00

	enforcement of the claims of the pledges and with the transfer of receivables under this insurance contract with the value of:		
	1.2 Registered pledge on machines and devices according to the list along with a declaration of submission to the execution enforcement the subject of the pledge and together with the assignment of claims under the contract insurance worth:	3,000,000.00 PLN	PLN 6,800,000.00
2.	Agreement for the Loan Line Bank BGŻ BNP Paribas SA WAR / 2120/17/105 / CB and Guarantee Line Agreement no U / 0008872315/0008/2011/4400 - Bank BGŻ BNP Paribas SA - below securing claims arising from this contracts (joint collateral):		
	21 Registered pledge on machinery and equipment belonging to Borrowers according to the list together with the transfer of claims from insurance contracts worth:	PLN 481,610.19	1,800,000.00 EUR
	2.2 Registered pledge on machinery and equipment belonging to Borrowers according to the list together with the transfer of claims from insurance contracts worth:	PLN 1 161 328.98	1,800,000.00 EUR
3.	Overdraft Agreement in a Current Account No. BDK / KR-RB / 000088808/0679/11 - Bank Handlowy w Warszawie SA - ten individual registered pledge agreements on machines and devices belonging to the Borrower in total amount:		PLN 4,396,800.00
4.	Revolving Loan Agreement No. BDK / KR-O / 000088808/0009/15 - from Bank Handlowy w Warszawie SA - from the registry office to machines and devices belonging to the Borrower according to letters with the transfer of receivables under the insurance contract for	PLN 4,001,278.45	PLN 4,000,000.00

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	values:		
5.	Multi-product Agreement No. 887/2015/00000391/00 - ING Bank Śląski SA - security of receivables below resulting from this contract:		
	5.1 Registered pledge on machines and devices belonging to Borrowers according to the list together with the transfer of claims from insurance contracts worth:	PLN 5 361 782.82	PLN 9,900,000.00
	5.2 Registered pledge on the double-spindle center device Chiron WERKE machining owned by the Borrower together with transfer of claims under the insurance contract with the value of:		PLN 9,900,000.00
6.	Agreement No. 887/2016/00000661/00 for corporate credit foreign exchange for financing investments - ING Bank Śląski SA		
	6.1 with the registration data on the INDUCTO induction furnace belonging to the Borrower along with the assignment of claims with insurance contracts worth:		EUR 7,150,000.00
7.	Guarantee Limit Agreement No. K01188 / 16 - Bank Zachodni WBK SA - four separate agreements for registered pledges on machines and devices belonging to the Borrower. On 31/12/2018 the limit has expired - pledges during deletion.		600,000.00 EUR

II. mortgages

Lp.	Specification	Sum of the Mortgage
1.	Agreement No. 887/2016/00000661/00 for a corporate foreign currency loan for financing of investments - ING Bank Śląski SA Contractual mortgage on the right of perpetual usufruct of land with with located on it and constituting the property of the Plant Metallurgical "WSK Rzeszów" Sp. z o. o. buildings and equipment	EUR 5 814 288.00

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Additional information notes

1. Loans and similar benefits granted to members of management and supervisory bodies - did not occur.
 2. Concluded contracts not included in the balance sheet to the extent necessary to assess their impact on the property, financial situation and financial result - did not occur.
 3. The statutory auditor's remuneration for the audit of the financial statements for 2018 is PLN 23,000 + 23% VAT.
 4. The total balance of funds accumulated on VAT settlement accounts as at December 31, 2018 is PLN 0.
 5. Significant transactions concluded by the entity on terms other than market terms with related parties - did not occur.
 6. Information on significant events relating to previous years included in the financial statements of the financial year - did not occur.
- Information on joint ventures that are not subject to consolidation - not applicable
7. Information on transactions with related entities:

Receivables from related parties:	2018.
ForgeX Polska	PLN 2 470 782.41
METCAP	PLN 442.80
(trade receivables)	
ForgeX Polska	0.00 PLN
(non-trade receivables - loans)	
ForgeX Polska	
(investment receivables)	PLN 1,840,998.66
Liabilities from related entities:	
ForgeX Polska	PLN 80,060.40
(non-trade receivables)	
Sales to related entities:	
ForgeX Polska	PLN 1,311,522.55
METCAP	PLN 1,440.00
Purchases from related entities:	
ForgeX Polska	PLN 1,319,167.10

8. Name and seat of the entity preparing the consolidated financial statements at the highest level of the capital group

METCAP Spółka z o. O. Rzeszów ul. Hetmańska 120 (Monitor B publication)

ZM "WSK Rzeszów" Sp. z o. o. will not prepare a consolidated report and will benefit from the exemption under Art. 56 (2) of the Accounting Act.

Related entities apply national accounting standards.
9. Information on extraordinary gains and losses, with a breakdown into random and other - did not occur
10. Income tax on the result on extraordinary operations - did not occur

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11. Information on revenues, costs and results of activities discontinued in the financial year or to be discontinued in the following year - did not occur
12. Events after the balance sheet date

After the balance sheet date, there were no significant events affecting the material and financial situation of the company.