KLIMA-THERM GROUP

ANNUAL REPORT 2021 & COMPANY PROFILE

WE
CARE
ABOUT
AIR

WE
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ABOUT
AIR

We recommend

Who we are

Year 2021 in figures

Brands and products

Production

„Despite objective difficulties (...) it was a very good year for Klima-Therm Group. After weakening the revenue growth dynamics in 2020, we ended 2021 with sales at the level of EUR 120 million – by 25 percent more year-on-year. We significantly improved net profit, by 42 percent, and EBIT also increased by half."

Daniel Jaśkiewicz,
Founder and President of the Management Board of Klima-Therm Group

Sustainable development

Financial report

Chapter

1

A FEW WORDS ABOUT US

Who we are

1.1

Klima-Therm Group exists since 1996. It is one of the largest suppliers in the sector of air conditioning, ventilation and heating systems – HVACR in short – and a company developing dynamically in the segment of Renewable Energy Sources (RES).

It offers comprehensive solutions dedicated to professional use – for large commercial facilities and industrial buildings, as well as home systems for individual customers.

The essence of the company's activity is to provide top-class solutions that ensure optimal temperature and air quality parameters and guarantee the proper course of technological processes.

Our achievements in 2021:

Turnover	**120**	M EUR
	548	M PLN
Revenue dynamics y/y	**+ 24**	M EUR
	+ 109	M PLN
	25	%
Devices sold	150	thous. units

* All the financial figures expressed in EUR have been converted at the weighted average exchange rate of the National Bank of Poland as of 2021; 1 EUR = 4.5775 PLN.

Our industry

HVACR

Heating **Ventilation** **Air Conditioning** **Refrigeration**

+

RES

Renewable Energy Sources

Activity	Applications	Clients
Production	Residental	Institutional Customers
Distribution	Commercial	HVACR Consultants
	Industrial	Wholesalers and Distributors
		Installers
		End-users

What we do

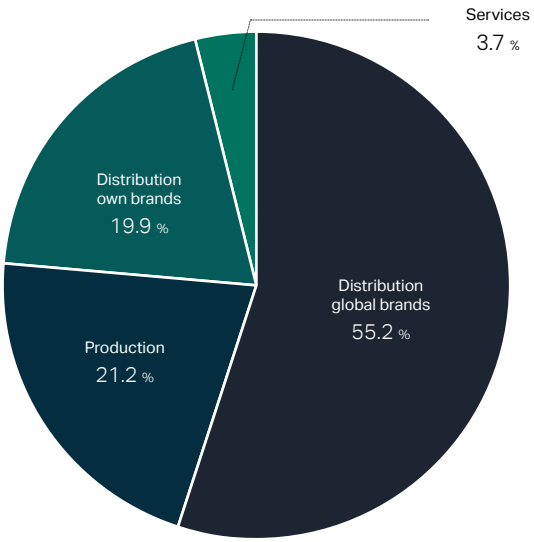
Klima-Therm Group conducts distribution and production activities.

Business model combining distribution and production of various types of equipment, in different price segments, translates into high flexibility of the organization in relation to the needs and requirements of all groups of customers - investors, general contractors, HVACR system consultants, installers or end users. The flagship air-conditioning brands distributed by the company include Fujitsu, Kaisai, Klima-Therm by Clint and Klima-Therm by Sabiana. A wide range of solutions covers Split and Multi Split air conditioners, Airstage VRF systems, chilled water systems, fan coil units, air-to-water heat pumps and compact recuperation units. The second segment of Klima-Therm Group's activities is the production of air handling units under the Klimor brand.

In 2021, the company expanded its basic offer of HVACR equipment and systems with new products from the RES category: photovoltaic (PV) modules, inverters and complementary areas.

Revenues of Klima-Therm Group by type of activity; 2021

Distribution – global brands	55.2 %
Production	21.2 %
Distribution – own brands	19.9 %
Services	3.7 %



How we oparate

Globally

The leading entities in the structure of Klima-Therm Group are companies operating in Poland: Klima-Therm Sp. z o.o. - a distributor of air conditioning systems - and a manufacturer of air conditioning and ventilation units Klimor Sp. z o.o. Through foreign companies: Klima-Therm AB, Klima-Therm OY, Klima-Therm OÜ and Klima-Therm GmbH, the Klima-Therm Group supplies products that meet the needs of customers in Sweden, Finland, Estonia and Germany. Klimor USA Inc. is responsible for sales in North America.

Åland Islands I Austria I Belarus I Belgium I Bulgaria I Canada I China I Czech Republic I Denmark I Estonia I Finland I France I Georgia Germany I Greece I Hungary I Iceland I Italy I Jordan I Kazakhstan I Kosovo I Kuwait I Latvia I Lithuania I Malta I Moldova I Netherlands Norway I Poland I Portugal I Romania I Slovakia I Slovenia I Spain I Sweden I Switzerland I Ukraine I United Kingdom I United States of America

Revenue structure of Klima-Therm Group

In Poland

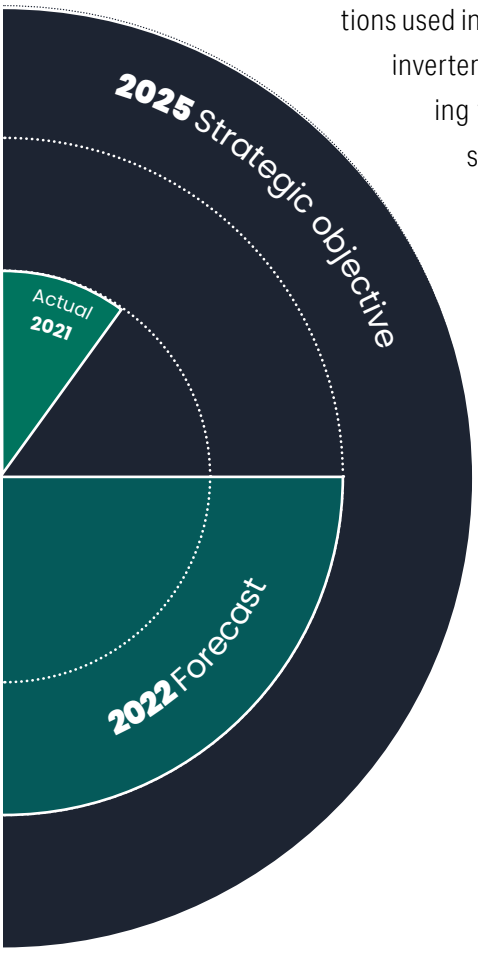
In Poland, the Klima-Therm Group has a network of offices and representatives, consisting of a dozen or so branches, and its retail network includes almost 1,500 partner outlets. Production plants, where Klimor brand equipment is manufactured, are located in Pomerania (northern Poland).

Where we are headed

1.2

Renewable Energy Sources (RES)

The company aims to provide customers with state-of-the-art, energy-efficient heating, air-conditioning and ventilation solutions based on natural, ecological and inexhaustible resources. The company will achieve this goal first of all by building a complementary offer of products from the category of Renewable Energy Sources (RES), which are the global trend and the future of the pro-ecological EU policy included, among others, in the assumptions of the European Green Deal. Currently, the Klima-Therm Group focuses primarily on intensifying sales of ecological air heat pumps, which are considered to be one of the key technologies supporting implementation of energy transformation and decarbonization of heating. The second pillar of development strategy in the area of RES are the solutions used in low- and zero-energy buildings, such as photovoltaic modules, inverters for PV installations, valve sets and fan coil units. In the coming years, Klima-Therm Group will also expand its offer by energy storages and hybrid batteries with inverters, thus diversifying it score business activities.

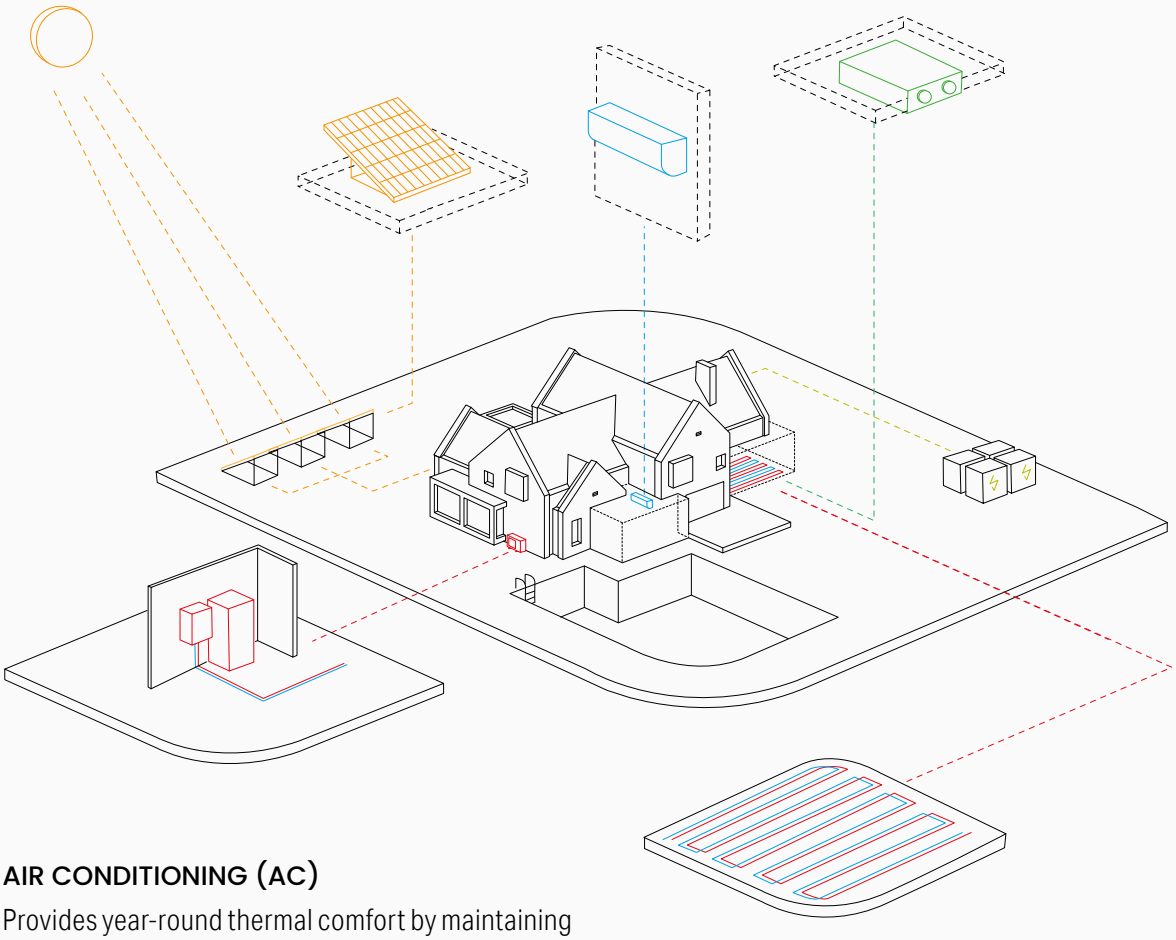


Share of RES products in sales of the Klima-Therm Group

Actual 2021	10 %
Forecast 2022	25 %
Strategic objective 2025	>50 %

New perspective:

ECOSYSTEM OF COMPLEMENTARY TECHNOLOGIES FOR GREEN BUILDING



AIR CONDITIONING (AC)

Provides year-round thermal comfort by maintaining an appropriate temperature and humidity range

VENTILATION (V, ERV)

Mechanical air exchange at optimal quality and temperature parameters, also enhanced with heat recovery to reduce energy consumption

AIR-TO-WATER HEAT PUMPS (HP-ATW)

Heat pumps use aerodynamic energy to heat or cool buildings and to heat domestic hot water

PHOTOVOLTAICS (PV)

Technology for capturing and converting solar radiation into electricity using solar cells and inverters

ENERGY STORAGE SYSTEMS (ESS)

They allow to accumulate and store generated surplus energy

New challenges:

GREEN ENERGY TRANSFORMATION

Klima-Therm Group is an active member of industry organizations focused around the process of transformation of the Polish energy sector

SBF

POLISH ENERGY STORAGE ASSOCIATION

Key facts

1.3

25 years

Long presence on the market

3 production plants

Production of ventilation units

17.5 thous. m^2

The total area of production plants

521

Employees

14 offices

Branches all over Poland

122 people

The biggest sales team in the industry

1 500

Points of indirect sale

30

Foreign distributors

40 countries

Recipients on all over the world

HVACR industry leader in Poland

7 companies in 6 countries

The most important awards, distinctions and certificates

DELTA
2021
Biznesowa nagroda
Stowarzyszenia Polska Wentylacja
II miejsce
KLIMA-THERM Sp. z o.o.
Kategoria – firmy działające do 30 lat
DELTA
2021
Biznesowa nagroda
Stowarzyszenia Polska Wentylacja
III miejsce
KLIMOR Sp. z o.o.
Kategoria – firmy działające ponad 30 lat

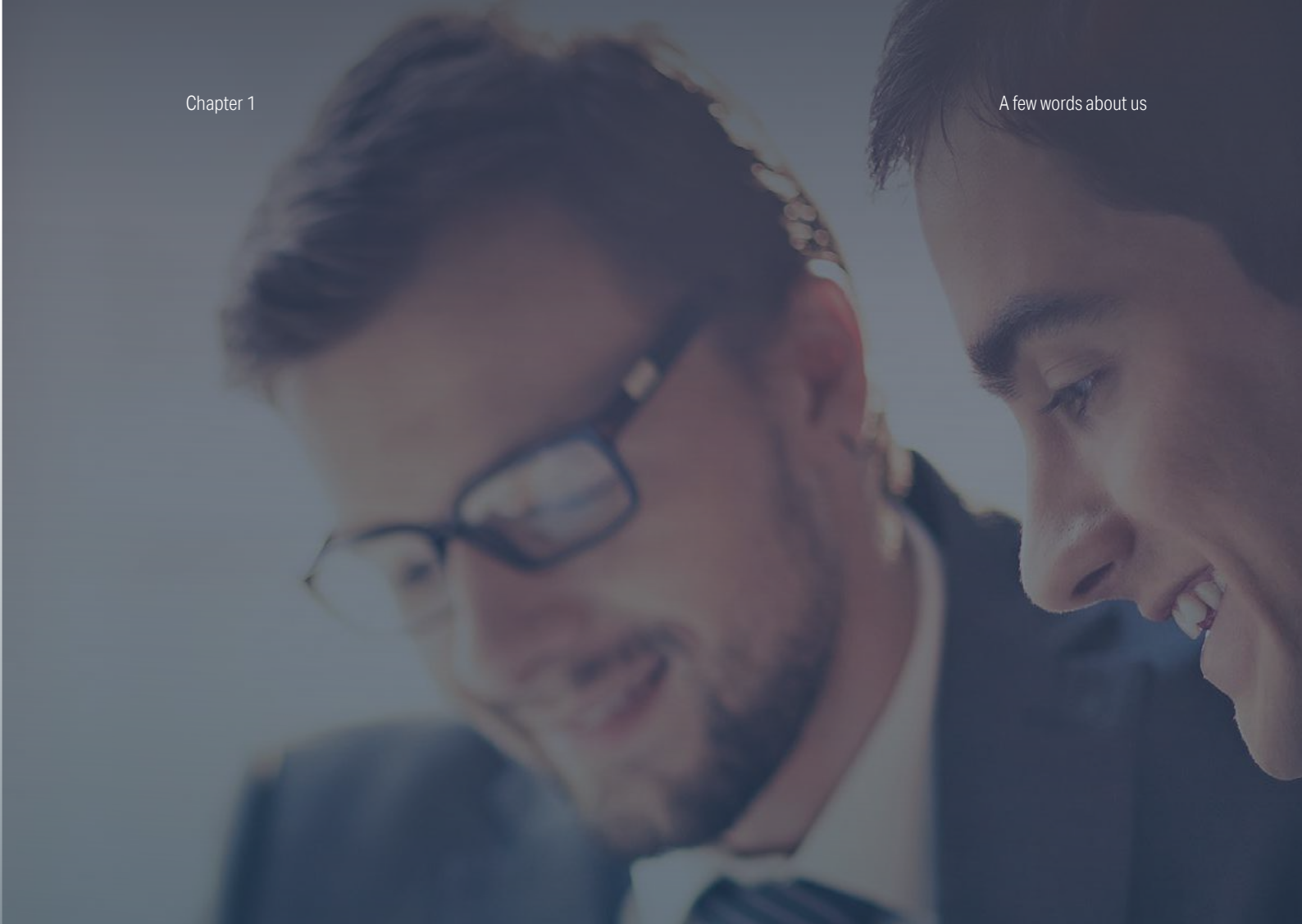
Vision, Mission, Goals

1.4

The mission of Klima-Therm Group, contained in the slogan "We care about Air", is to care about the quality and comfort of air – in the office, at home and in all premises where people work and stay.

The company's vision is based on offering its clients the most modern solutions in the field of air conditioning, ventilation and heating: energy-saving, environmentally-friendly, functional and durable. These solutions should not only correspond to current trends, but, above all, be in line with the needs and expectations of investors and users.

As much as we care about the air, we care about the closer and further surroundings of our business. We are convinced that transparent and ethical conduct, commitment to the company's stakeholder group and respect for the environment create added value that affects our common future.



Our goals are focused on increasing competitiveness and ensuring the company's continued growth – in Poland and internationally through:

- Parallel development of distribution and production activities
- Offering complementary products in different price segments
- Intensifying sales of own brands
- Strengthening sales of ATW heat pumps
- Development of the offer of products from the Renewable Energy Sources (RES) group
- Implementing the latest air-conditioning and ventilation technologies

Management Board

1.5

"My role in the organisation comes down to being a signpost that sets directions, creates opportunities, and gives a new perspective to development. The real potential of Klima-Therm Group lies in the competence of its managers and employees, because they are the most valuable capital of the company - the source of successes, as well as the best insurance policy for difficult times."

Daniel Jaśkiewicz,
Founder and President of the Management Board of Klima-Therm Group

He established the Klima-Therm company in 1996, and a year later, he started cooperation with a Japanese corporation Fujitsu General in the role of a strategic partner of the company in the area of air conditioning systems distribution. At the end of 2010, he purchased Klimor company, which turned out to be a breakthrough moment in building its own production facilities and entering the ventilation segment. He strengthened the competences of Klima-Therm Group as a producer by taking over the companies Clima-Produkt, Barbor and Quatrovent, to consolidate the activity under the Klimor brand in the next step. Since 2011, he has been consistently building his own brand of KAISAI air conditioners and heat pumps, thanks to which he has raised the competitiveness of the organisation in the prospective market segments.

Andrzej Walendowicz,

Vice-President of the Management Board, Commercial Director

Associated with Klima-Therm Group since 2007. He holds the position of the Commercial Director and, at the same time, Vice President of the Management Board in Klima-Therm and Klimor companies. He graduated from the Gdańsk University of Technology, Faculty of Mechanical Engineering, specialization: Ventilation and Air Conditioning. As an experienced manager with a degree in the industry, he successfully led Klima-Therm Group through the process of business transformation - he built a sales department based on high-class technical and commercial specialists, strengthening the engineering profile of the organization.

Jarosław Gawroński,

Member of the Board, Financial Director

A graduate of the Gdańsk University of Technology and the prestigious MBA programme organised by GFKM and RSM Erasmus University, which he completed with honours. He has extensive experience in financial reporting, controlling and liquidity management of companies. In Klima-Therm since 2008, and in Klimor since 2011, he has held the position of Financial Director and Board Member of both companies. Previously, he managed the finances of Polish branches of European leaders in the food industry and worked for one of the largest auditing companies. He is qualified as a chartered accountant.

Marek Kupiec,

President of the Management Board of Klimor

He has been working in the ventilation industry since 1994, for 15 years in Klima-Therm Group. In 2011 he took over as President of the Management Board of Klimor, earlier he held the position of Technical Director in Klima-Therm as Vice President of the Management Board. He graduated from the Gdańsk University of Technology, specialising in Ventilation and Air Conditioning. As he emphasizes, he considers the following as his biggest success "creating and building a harmonious creative and manufacturing organism, which has become an industry leader".

Chapter

2

YEAR 2021 IN FIGURES

455 M EUR

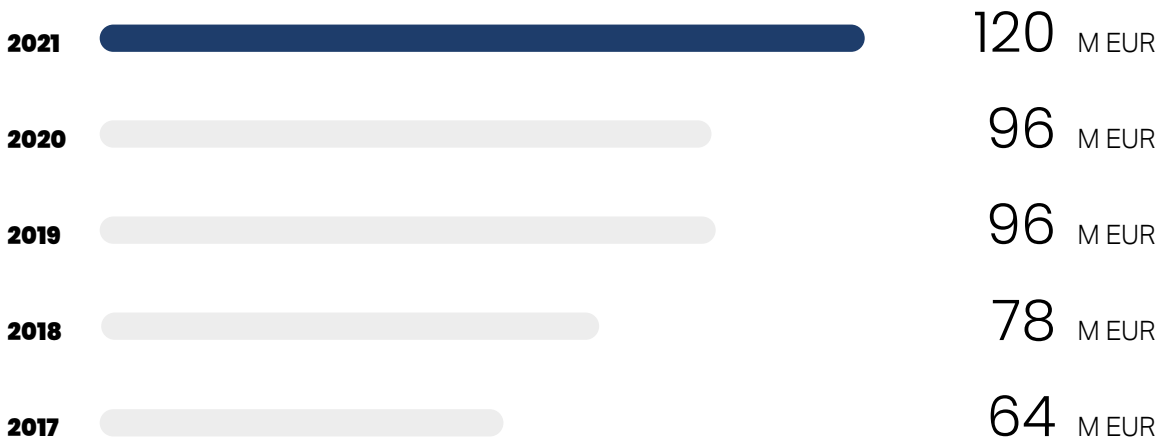
Total revenue of Klima-Therm Group

in 2017–2021

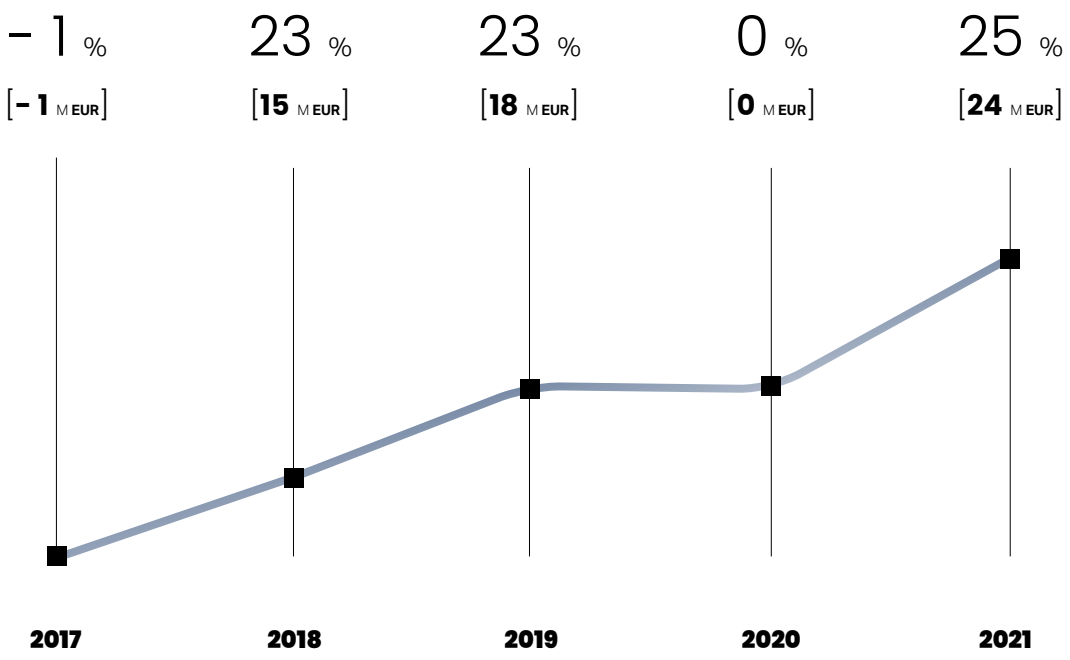
Financial results

2.1

Klima-Therm Group turnover 2017–2021



Revenue growth from 2017 to 2021



Financial analysis

2.2

Key indicators

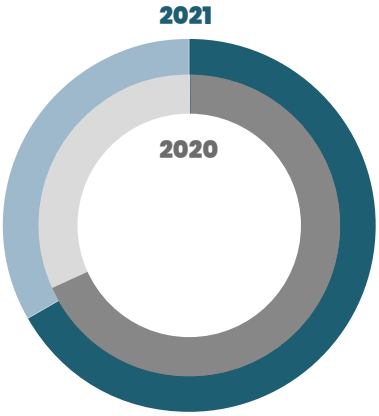
Net sales revenues	(2021) 119 656	thous. EUR
	(2020) **95 804**	thous. EUR
Sales growth	(2021) 23 852	thous. EUR
	(2020) **-688**	thous. EUR
	(2021) 25	%
	(2020) **0**	%
Net profit	(2021) 8 660	thous. EUR
	(2020) **6 104**	thous. EUR
Net profit growth	(2021) 42	%
	(2020) **6**	%
Cash flows from operating activities	(2021) 12 768	thous. EUR
	(2020) **1 644**	thous. EUR
Operating profit (EBIT)	(2021) 10 368	thous. EUR
	(2020) **6 866**	thous. EUR
Depreciation	(2021) 963	thous. EUR
	(2020) **1 042**	thous. EUR
EBITDA	(2021) 11 332	thous. EUR
	(2020) **7 908**	thous. EUR

Sales figures

2.3

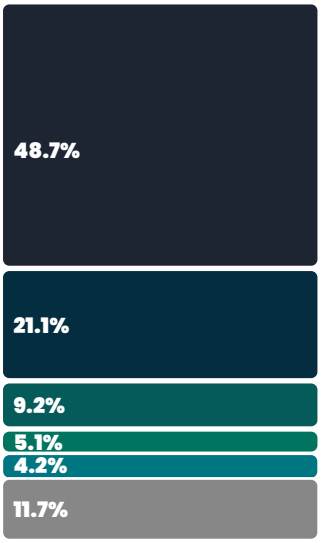
Klima-Therm Group - Globally

Net sales of Klima-Therm Group



Poland	(2021)	77 091	thous. EUR
Poland	(2020)	**63 313**	thous. EUR
Foreign markets	(2021)	42 565	thous. EUR
Foreign markets	(2020)	**32 492**	thous. EUR

TOP 5 foreign sales markets

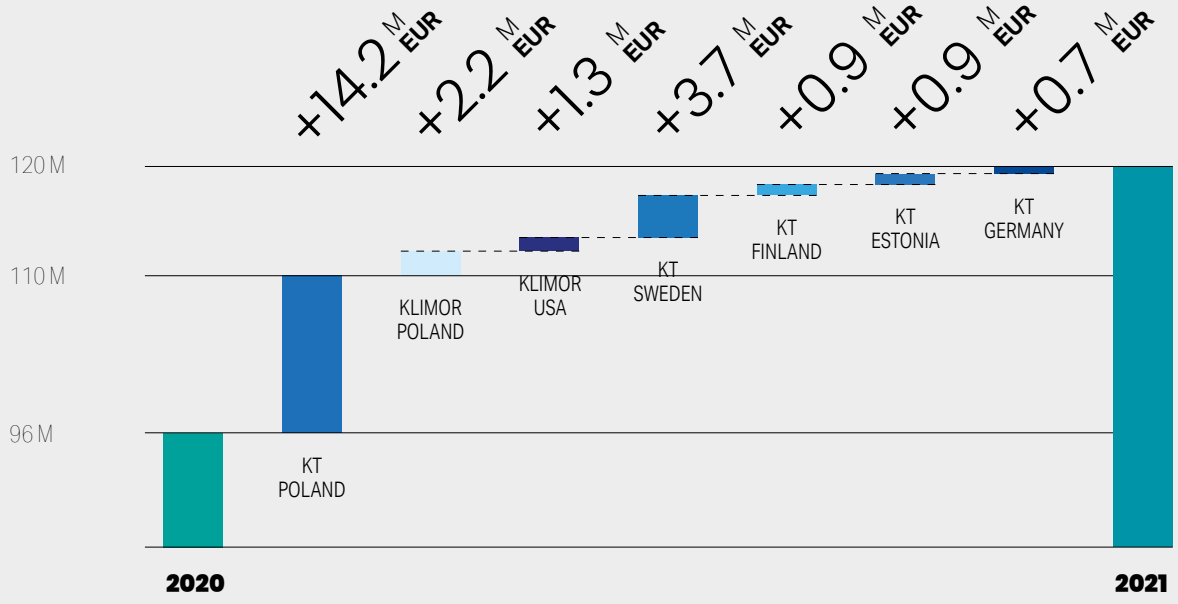


Nordic countries	48.7	%
Balkan countries	21.1	%
Baltic countries	9.2	%
North America	5.1	%
Benelux	4.2	%
Other	11.7	%

Sales growth dynamics of Klima-Therm Group 2021 vs. 2020

Poland	Foreign countries	Total
21.8 %	**31.0 %**	**24.8 %**
+ 13.8 M **EUR**	+ 10.1 M **EUR**	+ 23.9 M **EUR**

Klima-Therm Group revenues - sources of sales growth 2021 vs. 2020
by COMPANIES



Increase in export sales of own-brand products; 2021 vs. 2020

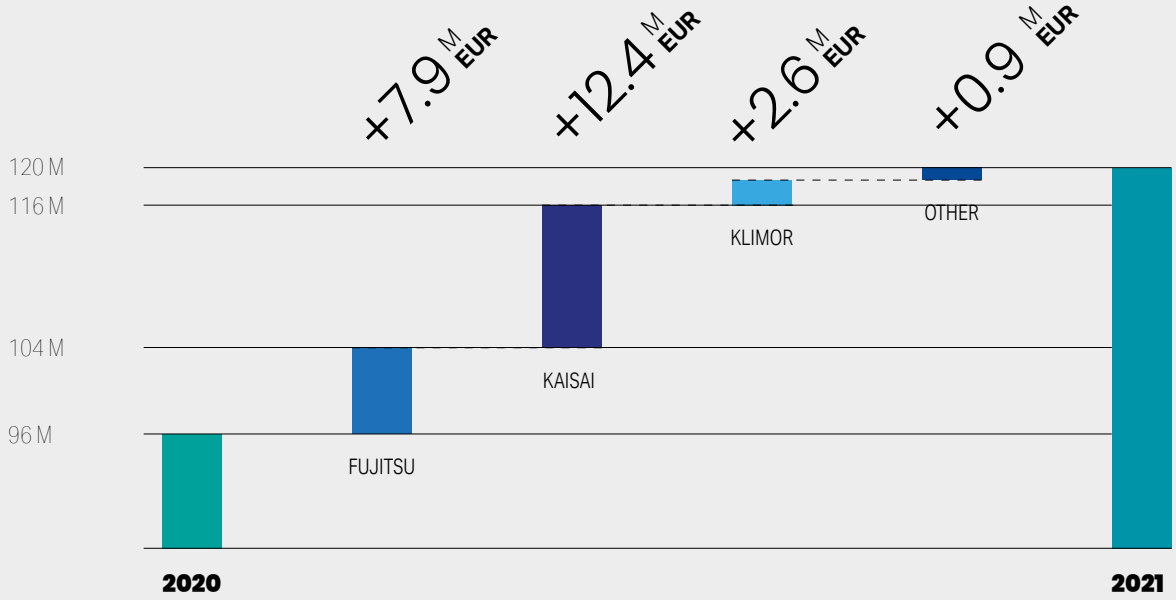
Kaisai

57.1 %

Klimor

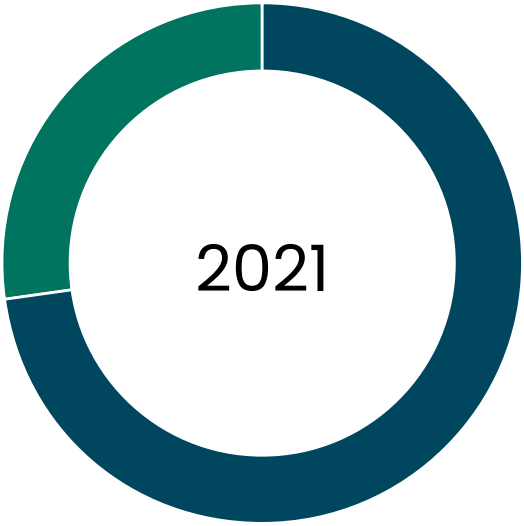
68.1 %

Klima-Therm Group revenues - sources of sales growth 2021 vs. 2020
by PRODUCT BRAND



Home market (Poland)

Structure of sales in Poland; 2021



Klima-Therm	73	%
Klimor	27	%

Domestic sales growth of companies; 2021

Klima-Therm

26.9%

2021 vs. 2020

Klimor

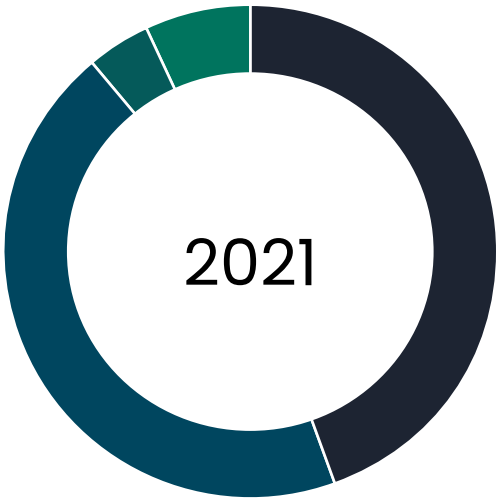
9.7 %

2021 vs. 2020

Domestic sales growth - key brands; 2021

Kaisai	Fujitsu General	Klimor
64.0 %	**13.2 %**	**6.3 %**
2021 vs. 2020	2021 vs. 2020	2021 vs. 2020

Share in sales of major air conditioning manufacturers (AC); 100%



Fujitsu General	44.6 %
Kaisai	44.3 %
Klima-Therm by Clint Klima-Therm by Sabiana	4.3 %
Other	6.8 %

Chapter

3

COMMENTARY FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Commentary from the President of the Management Board

3.1

The year 2021 was an extraordinary year for Klima-Therm Group, as for the whole world.

The pandemic changed the way we think about doing business, in all areas, which influenced the need for our organisation to be even more flexible than before in planning and achieving sales targets and managing costs.

Despite objective difficulties caused by the pandemic, such as inflation or broken supply chains, it was a very good year for Klima-Therm Group. After weakening the revenue growth dynamics in 2020, we ended 2021 with sales at the level of EUR 120 million – by 25 percent more year-on-year. We significantly improved net profit, by 42 percent, and EBIT also increased by half.

Such significant dynamics was influenced by very high demand, both on the market of small air-conditioning and ventilation units, and large systems – mainly for previously "frozen" projects. However, the highest growth – by several times – was recorded in the segment of RES equipment. It is a great success, because on the basis of sales of heat pumps we managed to build a separate commercial structure and expand our portfolio with new, future-oriented solutions. Export also had a significant share in the sales dynamics; all our distribution companies in Europe recorded increases, and Klimor USA significantly boosted the sales of air handling units.

To sum up – in each of our strategic areas we have a lot to boast about, and it is hard to imagine a better summary of the anniversary year of 2021. It is a huge success of all employees of the Klima-Therm Group who, in the difficult pandemic year, did not lack motivation to work together, for which I would like to thank them!

As we close the publication of the "Annual Report 2021", the war in Ukraine continues and inflation in Poland has reached a double-digit value. No one can indicate with 100% certainty how the coming months will unfold.

However, I can assure you that as the Klima-Therm Group, we look to the future with optimism, because volatility and the need to adapt to change have been inherent in our activities since the beginning of the company's existence, and thanks to this attitude, as an organisation, we do not cease to develop.

Daniel Jaśkiewicz,
Founder and President of the Management Board of Klima-Therm Group

Chapter

4

ABOUT KLIMA-THERM GROUP

KlimaTherm GROUP

Subsidiaries

4.1

Klima-Therm Sp. z o.o. Poland

160 %

Revenue growth
2021 vs. 2017

Klima-Therm, the General Representative of the Japanese Fujitsu General concern in Poland, Scandinavia, Finland and the Baltic countries, celebrated its 25th anniversary in 2021. The company provides top-class solutions for air conditioning, ventilation, refrigeration and heating. Flagship brands distributed by Klima-Therm include Fujitsu, Kaisai, Klima-Therm by Clint and Klima-Therm by Sabiana. The company's rich offer includes Split and Multi Split air conditioners, Airstage VRF systems, chilled water systems and heat pumps. As an umbrella company, Klima-Therm forms an international capital group comprising entities in Poland, Sweden, Finland, Estonia and Germany.

Klimor Sp. z o.o. — Poland

62 %

Revenue growth
2021 vs. 2017

Company with tradition and producer of the first Polish air handling unit. Founded in 1967 in Gdynia, the company has been operating within the structures of Klima-Therm Group since 2010. It has three production plants located in Gdynia, Pszczółki and Skowarcz. Klimor products are mainly based on an extensive range of modern air conditioning and ventilation units, as well as a group of profiled products dedicated for the so-called clean technologies (hospitals, laboratories), rooms with a high degree of humidity (indoor swimming pools) and production halls. The basic offer is supplemented with solutions for the shipbuilding industry.

Klima-Therm AB — Sweden

76 %

Revenue growth
2021 vs. 2017

The Swedish distribution company of the Klima-Therm Group – until January 2020 operating under the name FG Nordic – was established in 2004 in Gothenburg. It offers a comprehensive range of office, industrial air-conditioning products and solutions for domestic use based on brands such as Fujitsu, Fuji Electric, MTA, Kaisai and Emicon, among others. With the acquisition in 2016 of SKiAB, General Distributor of Clivet brand chilled water systems, the company has increased its recognition in the Swedish market, currently serving approximately 750 Customers. For several years, Klima-Therm AB has been dynamising its activities, which is reflected in a systematic increase in revenues.

Klimor USA, Inc. USA

85 %

Revenue growth
2021 vs. 2019

The establishment of Klimor USA in 2016 is closely related to Klima-Therm Group's strategy assuming, among others, the expansion of production activities and opening to new customers and new markets outside Europe. Klimor USA operates in the United States and Canada based on a network of independent representatives including more than 100 partner branches. The company boasts more than a hundred completed investments, and among its largest references from 2021 are buildings such as TELUS Vancouver (BC), Princeton University (NJ), Eastern Oregon University, La Grande (OR), Merck Durham Plant (NC) or Florida Institute of Technology in Melbourne (FL).

Klima-Therm OY Finland

52 %

Revenue growth
2021 vs. 2017

One of three subsidiaries in Northern Europe – formerly known as FG Finland – was established in 2004 in Helsinki. As the exclusive distributor of Fujitsu, General and Fuji Electric air-conditioning units on the Finnish market, it effectively contributes to strengthening the position of the Klima-Therm Group in the Nordic countries in terms of sales of air-conditioning systems, including popular, ecological air-to-water heat pumps. The company is developing, flexibly adjusting its offer to current market needs. The main goal of Klima-Therm OY is to develop a leading market share in sales of heating and cooling equipment in Finland.

Klima-Therm OÜ — Estonia

61 %

Revenue growth
2021 vs. 2017

The headquarters of the Estonian company Klima-Therm OÜ (formerly FG Baltics) is located in Tallinn. Since 2008, the company has been operating on the Lithuanian, Latvian and Estonian markets as the General Representative of Fujitsu, General and Fuji Electric brands. Its offer includes air conditioning and heating systems dedicated for large buildings, as well as solutions for individual customers. The portfolio of products distributed by the company includes, first of all, air-to-water and air-to-air heat pumps, as well as Split and Multi Split air conditioners. On the Estonian market, Klima-Therm OÜ operates in cooperation with its strategic business partner, FSK OÜ.

Klima-Therm GmbH — Germany

0.7 M **EUR**

Revenue total
2018 – 2021

The German company of the Klima-Therm Group was founded in June 2018 with its headquarters in Dortmund. It was founded under the original name KAISAI (Euro) GmbH, with the primary objective of introducing KAISAI brand air conditioners and heat pumps to the markets in Germany and Austria. As the business grew, the company expanded its portfolio of distributed equipment to include, among others, the Klimor brand. As a consequence of portfolio expansion and business dynamics in German-speaking countries, in January 2022 the company changed its name to Klima-Therm, which completed the process of consolidation of the Group's distribution activities under one strong and recognisable brand.

Brands and products

4.2

Klima-Therm Group offers its Clients a carefully selected portfolio of brands of global manufacturers and its own brands.

The leading distribution products in the company's portfolio are Fujitsu – a Japanese brand of residential and commercial air conditioning systems of the premium segment – and Klima-Therm by Clint from the group of chilled water systems. On its own products, led by Klimor air conditioning and ventilation units as well as air conditioners, heat pumps and devices from the Renewable Energy Sources (RES) group of the Kaisai brand, the Klima-Therm Group has built the second strong pillar of its activity.

A range of solutions combining the brands of leading suppliers and own solutions is the driving force behind the development of Klima-Therm Group as an organisation. Such a portfolio of brands provides Clients with even greater choice and comfort of cooperation, as well as increases the company's competitiveness in terms of constructing a flexible offer – tailored to specific project conditions, specific investment needs and budget.

We are identified by strong brands

DISTRIBUTION BRANDS

FUJITSU	KLIMA-THERM BY CLINT	KLIMA-THERM BY SABIANA	KLIMA-THERM BY MONTAIR	GENERAL	Fuji Electric	CLIVET
Air conditioning Heat pumps	Chilled water systems	Fan coils	Close control systems	Air conditioning	Air conditioning	Chilled water systems Heat pumps

Product brands in Klima-Therm Group's portfolio: Sales structure; 100%

Distribution brands	49.2	%
Own brands	50.8	%

Distribution brands	58.8	%
Own brands	41.2	%

OWN BRANDS

Klimor	KAISAI	auratsu	
Air handling units	Air conditioning Heat pumps Renewable Energy	Air conditioning Heat pumps	HVACR components

Types of products distributed on home markets

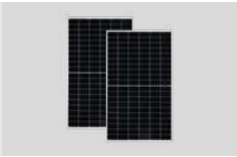
		Poland	Sweden	Finland	Estonia	USA	Germany
FUJITSU	SPLIT	■	■	■	■		
	VRF	■	■	■	■		
	ATW HP	■	■	■	■		
Fuji Electric	SPLIT	■	■	■	■		
GENERAL	SPLIT	■	■	■	■		
	VRF	■					
KLIMA-THERM BY CLINT	CHILLER	■					
	FAN COIL	■					
KLIMA-THERM BY SABIANA	FAN COIL	■					
CLIVET	CHILLER		■				
	FAN COIL		■				
	ATW HP		■				
KAISAI	SPLIT	■	■	■			■
	PORTABLE AC	■	■				■
	ATW HP	■	■	■			■
	DHW	■					
	PV	■					
	PV INVERTERS	■					
	ERV	■	■				■
	AIR CURTAINS	■	■	■			■
Klimor	AHU	■	■	■		■	■
	ERV	■				■	

Leading Solution Sectors – Sales Structure (2021); %

	Distribution brands	Own brands
Air conditioning 62.6%	Fujitsu (RAC, PAC, VRF) General (RAC, PAC, VRF) Fuji Electric (RAC, PAC, VRF)	Kaisai (RAC, LCAC) Auratsu (RAC)
Ventilation 19.2%		Klimor Barbor
Renewable Energy Sources (RES) Heat pumps ATW Photovoltaics and complementary areas Recuperators 9.8%	Fujitsu (Waterstage) Fujitsu ERV	Kaisai (Arctic) Kaisai PV Kaisai ERV (KVX) Kaisai HP Auratsu HP Klimor ERV (KCO+/KCX+)
Chilled Water Systems 2.1%	KT by Clint KT by Sabiana	
Other 6.3%		

Product brands in Klima–Therm Group portfolio by solution category

Brand / Type		Split / Multi Split AC		VRF	AHU
		RAC	PAC / LCAC		
Application		houses, apartments, small offices and premises	medium-sized commercial facilities	large commercial facilities, public utility buildings	large commercial facilities, public utility buildings, special purpose facilities
Distribution brands	Fujitsu	■	■	■	
	General	■	■	■	
	Fuji Electric	■	■	■	
	Klima-Therm by Clint				
	Klima-Therm by Sabiana				
Own brands	Klimor				■
	Kaisai	■	■		
	Auratsu	■			

Renewable Energy Sources (RES)			Chilled water systems	
HP-ATW	**ERV**	**PV**	**Chillers**	**Fan coils**
single family houses, offices, warehouses	homes, apartment buildings, restaurants, offices	residential and commercial buildings of various types, PV farms	large multi-purpose buildings	large office buildings, industrial buildings
				
■	■			
■	■			
			■	■
				■
	■			
■	■	■		
■				

123 954

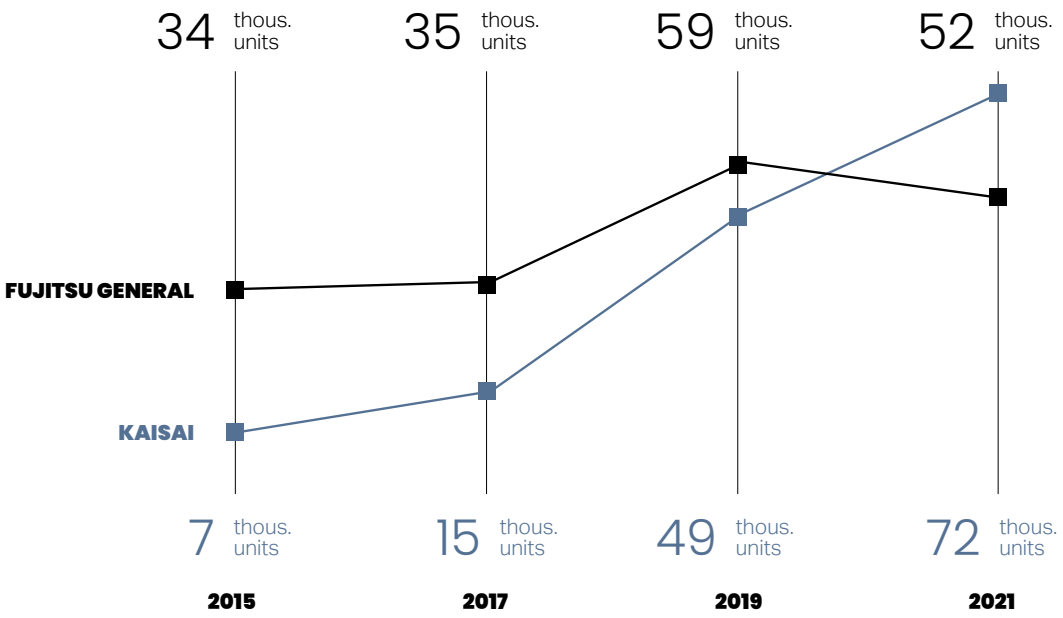
Split units sold

in 2021

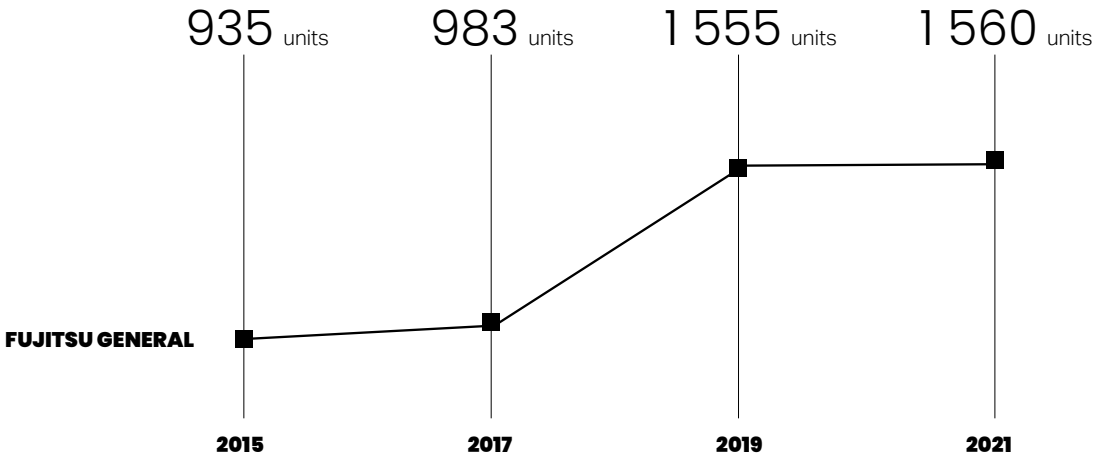
Trends in sales
– quantitative data (in units)

AIR CONDITIONING

Split type air conditioning systems (AC)

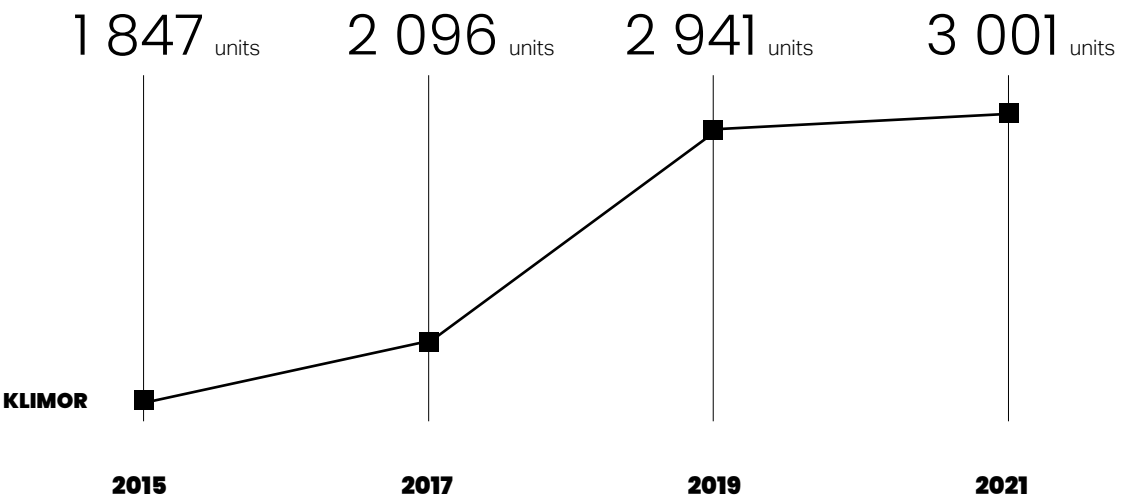


VRF type air conditioning systems



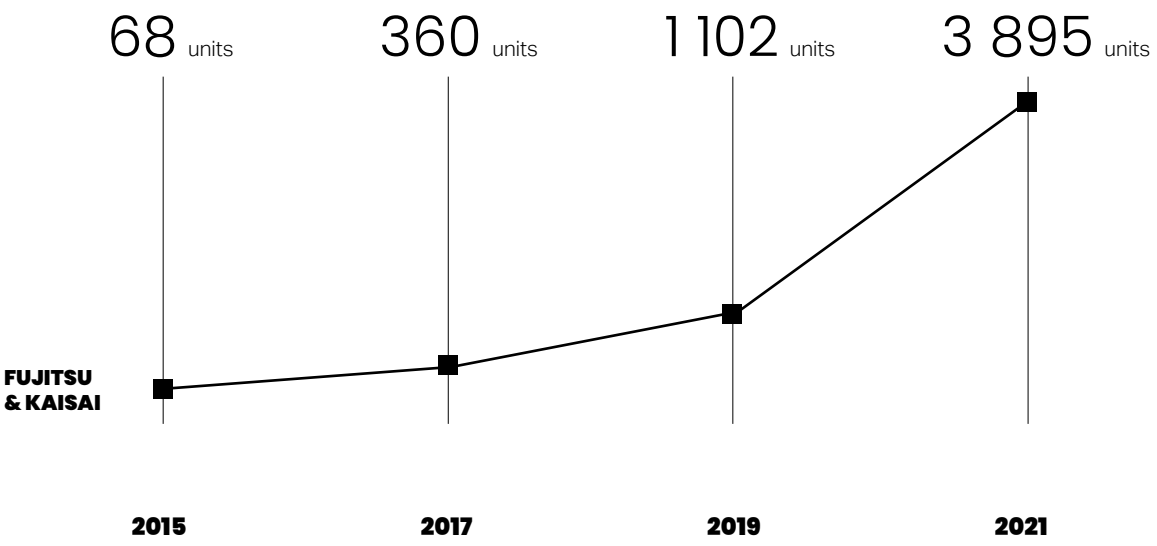
VENTILATION

Air handling units (AHU)



HEATING

ATW heat pumps



BLAST

Summary 5 years:

499 406

HVAC units sold

Dynamics of volume sales of equipment 2021 vs. 2017

Heat pumps ATW **Fujitsu, Kaisai, Auratsu**	x 60
Air conditioners RAC/LCAC **Kaisai, Auratsu**	x 4
Air conditioners RAC/PAC **Fujitsu General**	+ 47 %
VRF systems **Fujitsu General**	+ 59 %
Air handling units **Klimor**	+ 43 %

Volume sales of equipment – total 2017–2021; in units

Split / Multi Split air conditioners	460 539 units	ATW heat pumps	5 491 units
Air handling units	13 507 units	Recuperative ERV units	3 981 units
Fan coil units	8 240 units	Chilled water units	595 units
VRF systems Fujitsu General	6 813 units	Close control systems	240 units

Sales channels

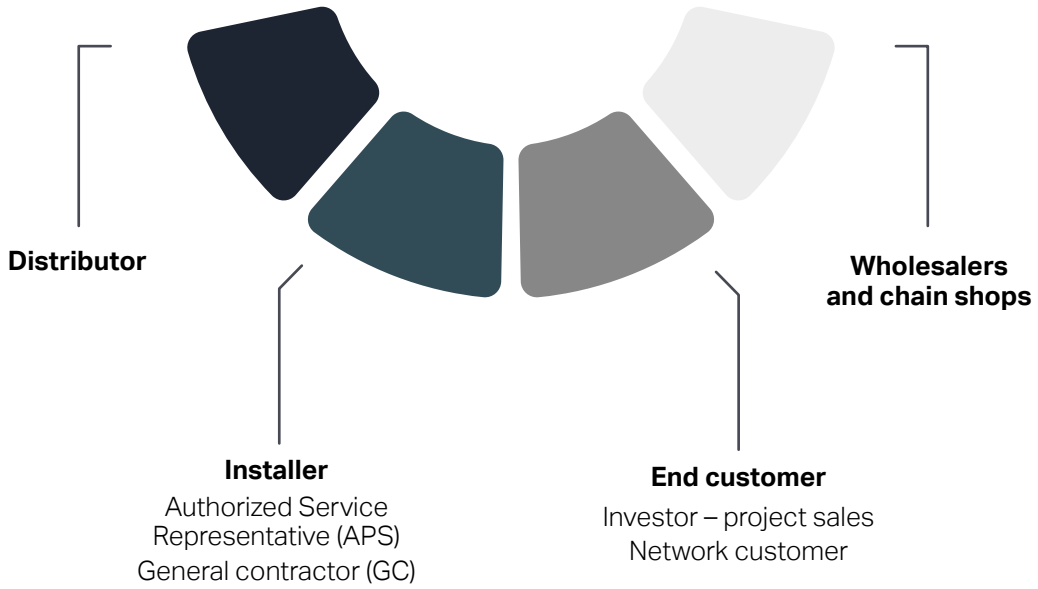
4.3

Klima-Therm Group relies on four primary channels for its sales activities.

Sales of large air conditioning and ventilation systems are carried out primarily to end customers in cooperation with HVACR installation designers. System equipment, including split-type air conditioners and domestic heat pumps, goes to individual customers through a network of authorised distributors and installers. Sales through wholesalers and chain shops complement the basic B2B sales model.

A team of technical and commercial advisors and employees of the customer service department of Klima-Therm Group is responsible for the implementation of the sales process – in all channels.

Key sales channels of the Klima-Therm Group



Main sales models

LEADING PRODUCT GROUPS	Transaction type (1)	Sales Channels – Klima-Therm Group Clients
Split/ Multi Split air conditioners, Mini VRF systems, ATW Split heat pumps, Compact recuperative and regenerative AHUs	B2B	Distributor Authorised Installer
		Distributor
		Home appliance stores*
Split air conditioners, Portable air conditioners, ATW Monoblock heat pumps, Compact recuperation units, PV modules and complementary areas	B2B	Wholesalers
		Home appliance stores*
VRF systems, Chilled water systems, Air handling units	B2B	Developer/ Investor + HVACR Consultant
		General contractor + HVACR Consaltant
		Network customer

* applies to the Swedish market

Transaction type (2)	Recipient (1)	Transaction type (3)	Recipient (2)
B2C	Individual user		
B2B	Enterprise		
B2B	Installer	B2C	Individual user
		B2B	Enterprise
B2C	Individual user		
B2B	Enterprise		
B2B	Installer	B2C	Individual user
		B2B	Enterprise
B2C	Individual user		
B2B	Enterprise		

3 878

Number of active customers in 2021

Customers who made at least one purchase in 2021

29 209

Number of invoices issued

7

average number of invoices per 1 client in 2021

6 699

Number of completed investments of Klima-Therm Group

in 2021

Our references

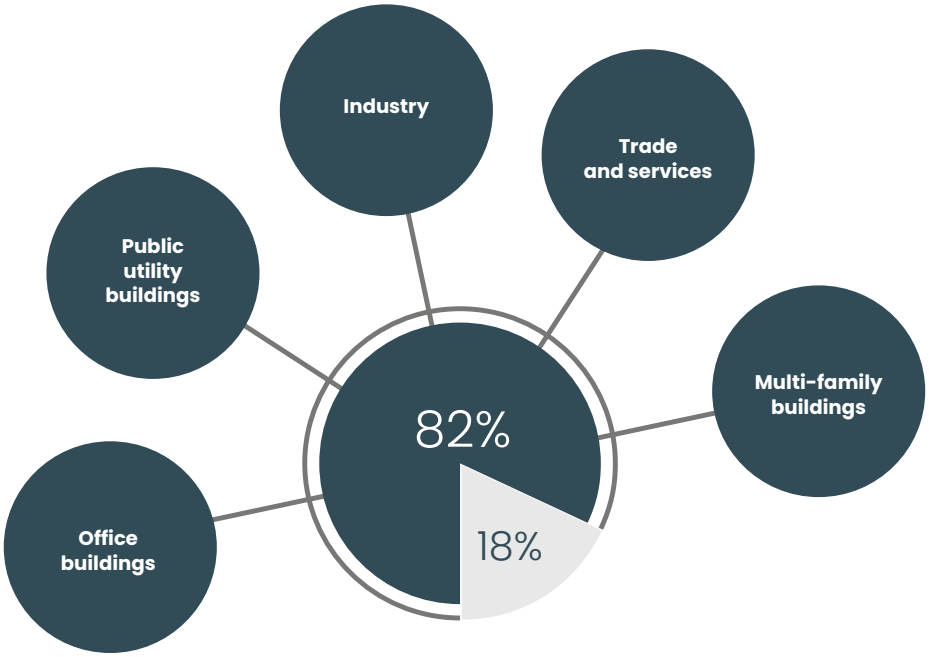
4.4

Well-known brands, a complementary portfolio of top-class solutions and a competent team of several hundred Employees

The key success factors of the Klima-Therm Group are measured by the trust of several thousand Customers, among whom are representatives of the largest global companies and brands.

Systems and equipment provided by our company take care of the air comfort of users throughout Poland and in many places around the world – this is not only something to be proud of, but above all it is our commitment to maintain the highest quality of offered products and provided services.

TOP 5 sectors (2021)



TOP 5 sectors	82 %
Other sectors	18 %

TRADE AND SERVICES

Biedronka	Galeria Młociny	Media Markt
Decathlon	Ikea	Reserved (Great Britain)
Empik	Leroy Merlin	Rossmann
eobuwie	Lidl	Super-Pharm
Galeria Arkadia	Lotos, Orlen	TBC Bank (Georgia)

INDUSTRY

BorgWarner	Hutchinson	Radwag
BSH	KGHM	Rosinski Packaging
Cyfrowy Polsat	Luiseville Manufacturing (Canada)	Tauron
Dr. Schumacher	Michelin	Tele-fonika Kable
Goodyear	PGE	Tikkurila
Grupa Azoty	Pollena	Valeo

EDUCATION

Allen Stevenson School (USA, New York)	Politechnika Warszawska	Uniwersytet Warszawski
GA Tech Polytechnic (USA, Atlanta)	Politechnika Łódzka	Uniwersytet Ekonomiczny w Krakowie
Judith Smith School (Canada, Montreal)	Solar Decathlon University (Canada, Montreal)	Uniwersytet Gdański
Politechnika Białostocka	The British School, Warszawa	Wyższa Szkoła Bankowa w Gdyni

HEALTHCARE AND PHARMACY

Białostockie Centrum Onkologii	Mt. Sinai Medical Center, Miami	Szpital Południowy, Warszawa
Centralny Szpital Kliniczny w Warszawie	Polpharma	Śląskie Centrum Chorób Serca, Zabrze
Eko-Med Clinics (Kazakhstan)	Polfa	U.S. Coast Guard Clinic (USA, Alabama)
Enel-Sport	Radomskie Centrum Onkologii	Uniwersytecki Szpital Kliniczny, Olsztyn
Island Hospital Anacortes, Washington	Sanofi-Aventis	Warszawski Uniwersytet Medyczny
Mazowiecki Szpital Onkologiczny	Saint Paul Hospital, Canada	

INOPA

HOTELS

Best Western Grand Hotel, Kielce	Hotel Różany Gaj, Gdynia	Primavera Conference & SPA, Jastrzębia Góra
Hotel Warszawa, Augustów	Ibis Hotel, Lithuania	Qubus Hotel, Zielona Góra
Hotel Żubrówka, Białowieża	Mercure Sepia, Bydgoszcz	Radisson SAS
Hotele Arche	Nadodrzański Dwór, Nowa Sól	Sofitel Luxury Hotels

OFFICE BUILDINGS

Agata Meble, Katowice	Future Four, Gliwice	Park Avenue, Warszawa
BCB Bałtyckie Centrum Biznesu	Kielecki Park Technologiczny	Rawa Office, Katowice
C200 Office, C300 Office, Gdańsk	Main Seneca Corporation, New York	Sagittarius Business House, Wrocław
Comarch Office, Kraków	Morska Agencja Gdynia	Szucha Premium Offices, Warszawa
Cybernetyki Office Center, Warszawa	Olivia Business Centre, Gdańsk	Tensor, Gdynia
Centaurus, Olsztyn	Orange Office Park, Kraków	Quatro Business Park Five, Kraków

PUBLIC AND FINANCIAL INSTITUTIONS

Archiwum Państwowe w Białymstoku	Getin Noble Bank	PKO BP
Centrum Dziedzictwa Historycznego Miasta Gdańska	ING Bank Śląski	PKP
Centrum Historii Zajezdnia, Wrocław	Maxwell Air Force Base, Alabama	PZU
Citibank Port Charlotte, Florida	Orlando Sanford Intl. Airport	Sąd Rejonowy w Białymstoku

CAR DEALERS

BMW
Ferrari
Lexus
Mercedes-Benz
Seat
Toyota

FOOD INDUSTRY

Dr. Oetker	Maluta
Frito Lay	Mlekovita
Ferrero Rocher	Nestle Group
Grzybki Bakery	Putka Bakery
JBB	Trumpf Mauxion Chocolates
Lubella	Wedel

Production and research activities

4.5

The production activity of the Klima-Therm Group is carried out in three Klimor plants

The production activity of the Klima-Therm Group proves that the highest class equipment can be produced in Poland. Its technical parameters and workmanship match the best world standards. Klimor produces air conditioning and ventilation units that meet a number of restrictive standards for certification, such as DIN 1946-4:2008, PN-EN 1886:2008, PN- EN 13053+A1:2011. Additionally, Klimor's manufacturing plant in Gdynia has been covered by the environmental management system according to ISO 14001:2015 integrated with the requirements of the ISO 9001 quality system. Since 2019, the manufacturer has been an active member of the European industry organisation Eurovent Association, and in 2020 it successfully completed the process of certification of its products according to EUROVENT technical norms and standards unified for the industry.

EUROVENT CERTIFIED PERFORMANCE
www.eurovent-certification.com

Our manufacturing resources

17 500 m^2

Total production and warehouse area of Klimor plants

143 people

Total number of production employees

594 thous. EUR

Value of investment in fixed assets – expansion and modernization of Klimor plants

Gdynia

Total production and warehouse area:	7 700 m²
Number of production employees:	85 people

Production range: Series of medium and large air conditioning and ventilation units from the EVO line for commercial applications

Pszczółki

Total production and warehouse area:	3 400 m²
Number of production employees:	29 people

Production range: Series of medium and large air conditioning and ventilation units from the EVO line for commercial applications

Skowarcz

Total production and warehouse area:	6 400 m²
Number of production employees:	29 people

Production range: "Klimor Smart Solution"; domestic ventilation equipment such as compact heat recovery units

R&D in Klimor (2021)

Team

16 R&D Engineers & PMs

Capabilities

50 years of experience

Analysis

5 400 hours of research work

Concept

23 400 hours of product development

Implementation

74 projects completed

Research & Development

Research and development is an important link in the production process. An experienced team of several R&D engineers and product managers translates customer needs into technical concepts. The implementation of each new idea is preceded by precise research, calculations and tests of prototypes – thanks to this Klimor equipment is constantly improved.

In-house R&D activity is not only about product development, it is also a valuable source of many groundbreaking concepts, which particularly dynamize the potential of Klima-Therm Group as a leading supplier of HVACR industry. One of them was the development and introduction to regular production in 2020 of a new line of EVO air handling units.

Warehousing and logistics facilities

4.6

Klima-Therm Group has a modern warehousing and distribution infrastructure of both regional and international range.

It consists of four logistics centres – in Poland (Dąbrowa Górnicza, Gdańsk), Sweden (Gothenburg) and Finland (Tuusula), as well as local warehouses located at Klimor plants.

All sales service processes are supported by the central SAP system, which at the beginning of 2022 was replaced by its latest, intelligent version for real-time management of the company's resources – SAP S/4HANA.

4 logistic centres

Dąbrowa Górnicza, Gdańsk, Gothenburg, Tuusula

15 thous.

Shipments accomplished (2021)

25 thous.

Euro EPAL completed (2021)

Chapter

5

SUSTAINABLE DEVELOPMENT

WE CARE ABOUT

SUSTAINABILITY

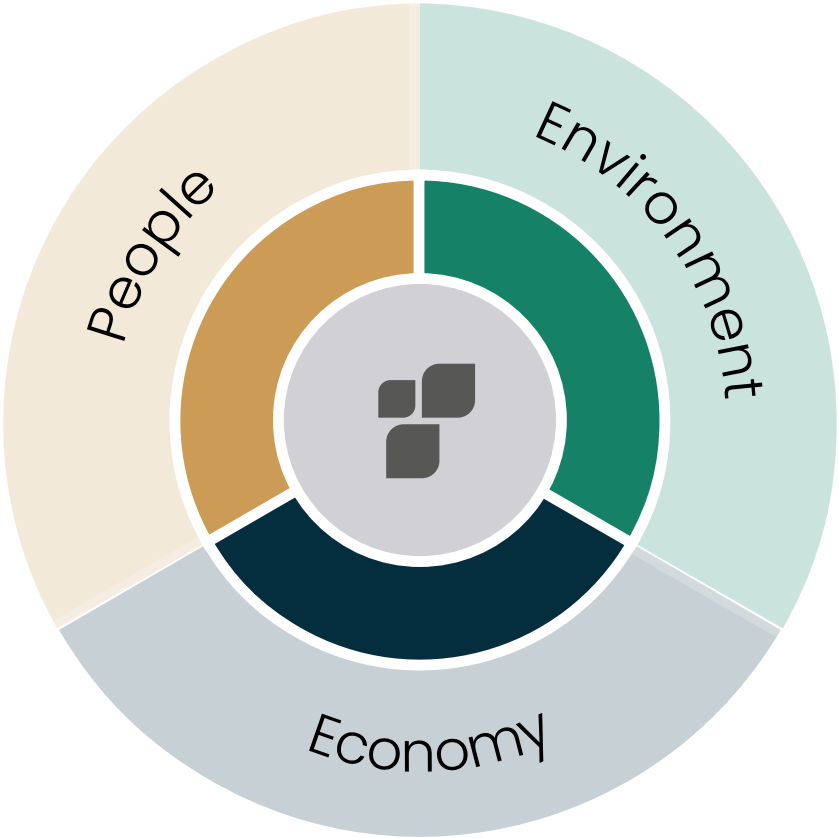
Our commitments

5.1

Responsibility is the main value on which we build our company.

We are convinced that by our actions we can positively influence our surroundings – the environment, people and the economy. Drawing on past achievements and developed practices, we focus on the future – in this way we want to ensure the continuity of the company's development for the benefit of the near and far environment, including society at large.

We care for the development of our company by offering values that are relevant to our surroundings



Environment

5.2

Reducing our environmental impact

- We focus on green energy
- We produce responsibly
- Fujitsu and Kaisai devices on the "green list"
- We build pro-ecological awareness among Employees
- We promote modern HVACR technologies
- We use air hygiene solutions
- Our products operate with environmentally friendly refrigerants
- We understand the importance of recycling
- We use an environmentally friendly car fleet

We focus on green energy

All three of Klimor's production plants have been equipped with PV photovoltaic installations, which in their current form cover between 40 and 50 percent of the annual electricity requirements of the production and office buildings. By investing in green energy, the company has not only optimised its operating costs – at the same time it has become a conscious participant in the energy transition process, which aims to increase the share of renewable energy sources in Poland's energy mix.

We produce responsibly

The environmental management system according to ISO 14001:2015 that has been implemented at Klimor's plants is an important certification of our company's responsibility towards the environment. In order to produce in a responsible manner, we are also building environmental awareness among employees involved in the entire logistics and production chain.

Fujitsu and Kaisai devices on the "green list"

Heat pumps and micro photovoltaic installations from the Klima-Therm company's offer are on the Green List of Devices and Materials of the Institute for Environmental Protection. This means that they meet the technical requirements specified in the "Clean Air" programme, and thus qualify for co-funding of thermomodernization of residential buildings.

We build environmental awareness among employees

Our employees can also have a real impact on the environment through their attitude and, above all, concrete actions. An aware and committed staff contributes to limiting the occurrence of undesirable events which additionally burden the environment. Aware and committed staff means above all:

- Reduced consumption of raw materials, energy and production materials
- Reduction of generated pollution and waste
- Reduction of charges for the use of natural goods

We promote modern HVACR technologies

The lubricant-free magnetic levitation technology using R1234ze(E) TURBOCORE is a unique solution to reduce the Total Equivalent Warming Impact (TEWI). With a minimum 15 year service life of the air conditioning system, TURBOCORE technology guarantees a TEWI of 45%. lower than standard screw technology for R134a units.

We use air hygiene solutions

Efficiency of exchange and indoor air quality depend primarily on the correct operation of ventilation and air conditioning equipment. In the face of COVID-19, solutions increasing the hygienic value of HVACR system, which dilute the air contaminated with virus, as well as eliminate harmful pathogens from the environment, have gained particular importance.

Bearing in mind the conditions of increased risk of infections, the Klima-Therm Group has introduced the latest system of directional hygienization with UV-C lamps into the offer of Klimor EVO air handling units. The highest requirements in terms of air cleanliness are also met by Kaisai Care air conditioners equipped, inter alia, with air ionization function, thanks to which the device effectively removes particles of viruses, bacteria and dust mites from the room.

Our products operate with environmentally friendly refrigerants

The product portfolio offered by Klima-Therm Group includes equipment using the latest ecological refrigerants. They are characterised by zero impact on the ozone layer and at least 50% lower GWP (Global Warming Potential) in relation to the commonly used agents on the market.

Our company is continually expanding its range of Split air conditioners and ATW heat pumps with R32 models. For Kaisai portable air conditioners and heat pumps, we use the natural, safe refrigerant R290, known by its common name propane. For chilled water systems, units are available with the new low GWP refrigerants ie: R454B, R452B, R513A. We also offer our customers the possibility of using R1234ze from the HFO group of refrigerants with GWP <1 in chillers.

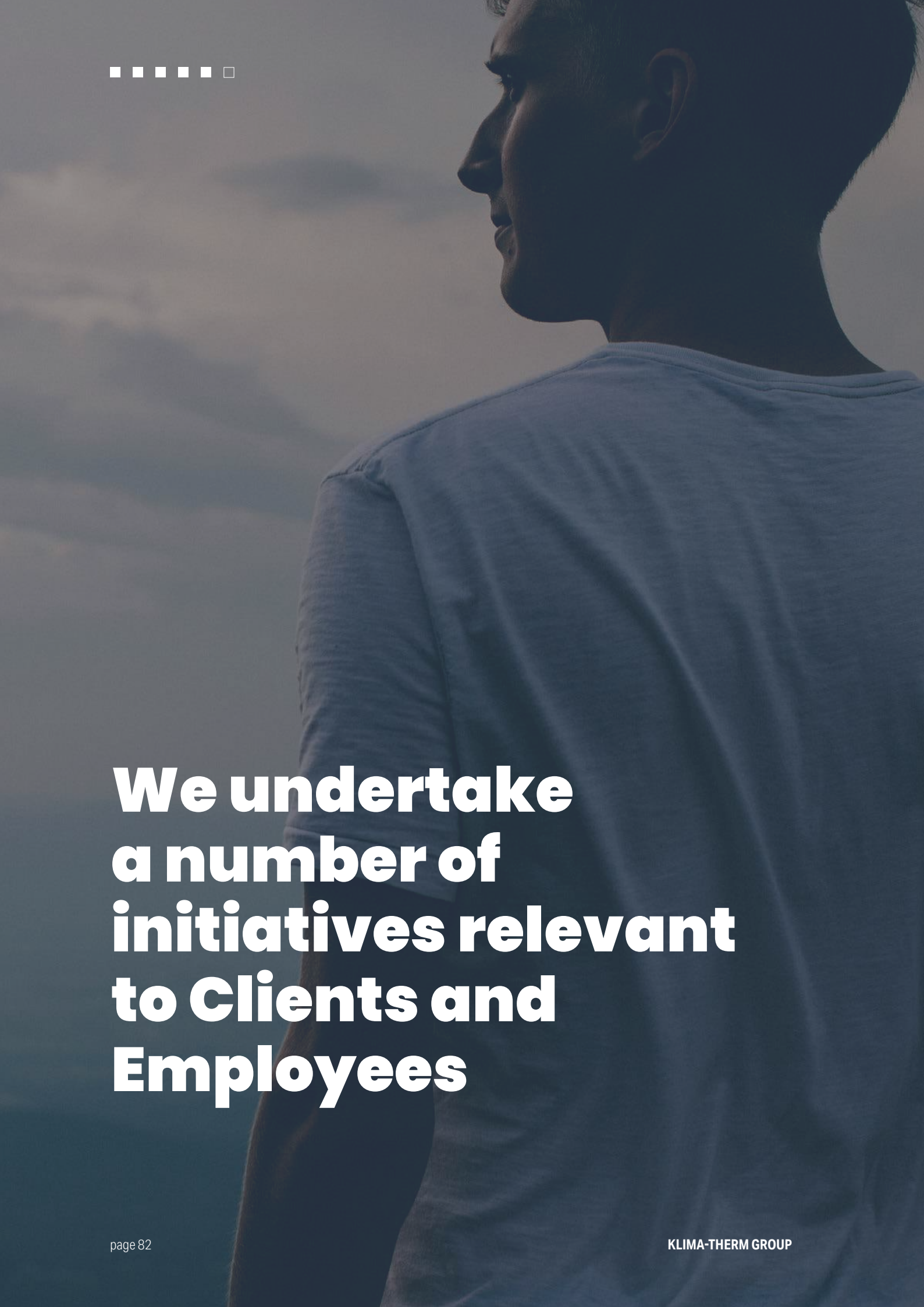
We understand the importance of recycling

We declare with responsibility that in Klima-Therm Group the recovery of used equipment reaches almost 100%. Each used appliance, disassembled by F-gas certified employees, is sent for recycling and utilization. Thus, we comply with the European Parliament's directive on the so-called electro-waste.

We use an environmentally friendly fleet of vehicles

The fleet of cars used by employees to carry out their work tasks is based on modern hybrid cars – much more environmentally friendly. In 2020, we completed the process of replacement of the entire car fleet with new Toyota Hybrid models.

Over
100
Hybrid cars



We undertake a number of initiatives relevant to Clients and Employees

People

5.3

Customers – best practices

- The longest equipment warranty on the market – up to 10 years
- Full warranty protection for ATW heat pumps
- Professional technical and commercial consulting
- Training activities
- Extensive database of technical information materials

The longest warranty on the market for AC units

KLIMA-THERM company, as the first in Poland, introduces 10-year guarantee for air conditioning devices. Such a record long warranty covers selected models of split type air conditioning units of the Japanese brand Fujitsu. The standard warranty period for air conditioning products is 5 years.

Full guarantee protection for ATW heat pumps

In 2021, Klima-Therm company took over the costs of spare parts supply and repair of Fujitsu and Kaisai ATW heat pumps and activities related to the warranty title are carried out through a network of cooperating Service Partners (PS).

Professional technical and commercial consulting

Klima-Therm Group trade department is composed of professionals – people with many years of experience and specialist education. Thanks to their high competence they provide our Clients with substantive support in selection of optimal solutions – tailored to specific project conditions, utility needs and budget.

Training activities

Klima-Therm Academy offers trainings at the highest level, carried out on the basis of modern facilities, with support of an experienced team of trainers – experts of the air conditioning industry. Trainings take place in three stationary Academy centres – in Gdańsk, Warsaw and Katowice, as well as online.

Summary of the training year in the Klima-Therm Group (2021 vs. 2020)

↑ 69 %	↑ 94 %	↑ 88 %
2 190	**239**	**90**
Number of persons trained	Training days	Number of webinars delivered

Modern Showroom in the Academy in Gdańsk – RES Room

Extensive database of technical information materials

Website – **dokumentacja.klima-therm.com** – statistics (as of 12.2021):

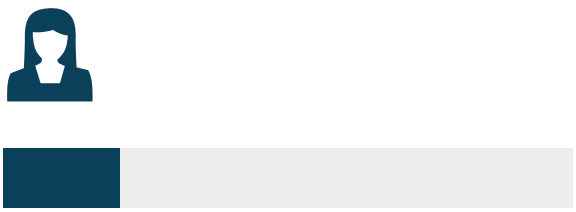
Number of realized searches (total)	1 116 315
Searches in the year 2021	205 679
Number of devices in the database	9 791
Number of documents in the database	5 174

With Employees in mind

- Equal employment opportunities
- Package of non-wage employee benefits
- Employee Pension Plan Programme (EPP)

Equal opportunities in employment

Employment structure (2021):



165 552 EUR

Value of non-wage benefits in the Klima-Therm Group

in 2021

Package of non-wage employee benefits (2021)*

58 638 EUR

Christmas gifts

68 465 EUR

Holiday benefits

38 449 EUR

School starter allowances

Employee Pension Plan Programme (EPP)**

253 473 EUR

Total value of funds paid by the employer (2019 – 2021)

298

Number of participants in Employee Pension Plans (EPP)

57 %

Percentage of Employees participating in EPP

* Data presented concerns only Employees of Polish companies ** As of 28.02.2022

Economy

5.4

By achieving our business goals, we also influence the economy

- We are a major employer
- We care about the efficiency of human resources
- We create new jobs
- We are a payer of public tributes

We are a major employer

Employment in Klima-Therm Group – as at 28.02.2022.

483
people

Poland

44
people

Foreign countries

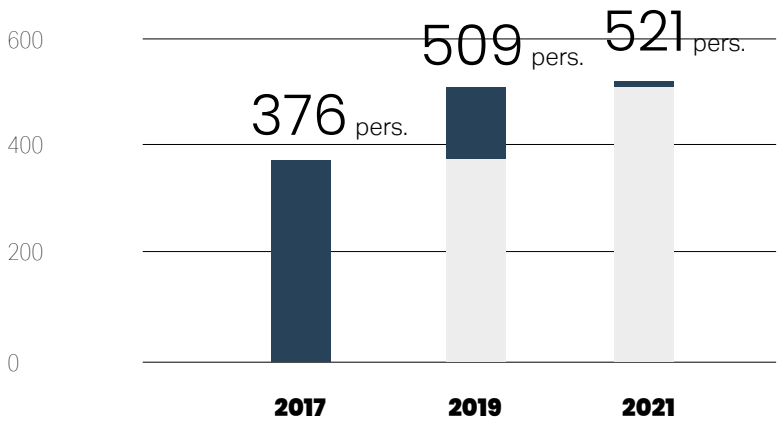
527 people

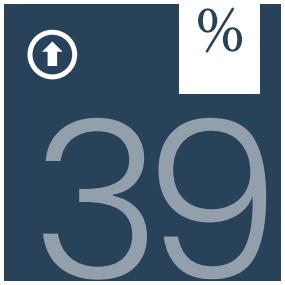
Employment in Klima-Therm Group

as at 28.02.2022

We create new jobs

Employment trends 2015 – 2021 (total)

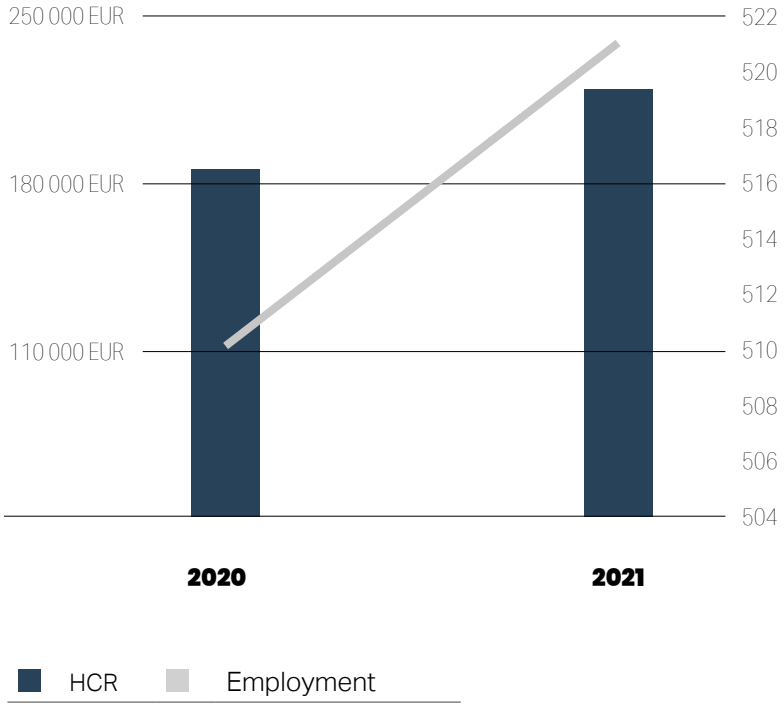


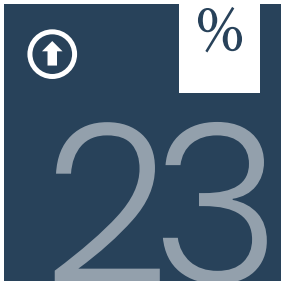


2021 vs. 2017

We care about the efficiency of human resources

Human capital revenue per FTE – HCR (2021)





HCR growth
2021 vs. 2020

Employment growth
2021 vs. 2020

We are a payer of public tributes

Value of funds paid for public income (thousands EUR)
CIT, VAT, PIT contributions (total)

26.7 M EUR

Amount of public contributions paid 2019-2021 (total)

10.5 M EUR

Public tributes 2021

31 %

Year-on-year growth rate

Chapter

6

CONSOLIDATED FINANCIAL STATEMENTS SUMMARY 2021

Consolidated balance sheet

ASSETS	31.12.2021	31.12.2020
Non-current assets		
Intangible fixed assets	4 475	5 304
Goodwill of subsidiaries	4 033	4 438
Tangible fixed assets	76 125	77 650
Long term investments	36 013	34 709
Long term prepayments and deferred expenses	3 893	3 251
	124 539	**125 352**
Current assets		
Inventories	110 744	117 976
Short term receivables	90 822	58 980
Short term investments	76 106	46 497
Short term prepayments and deferred expenses	3 778	2 508
	281 450	**225 961**
TOTAL ASSETS	**405 989**	**351 313**

EQUITY AND LIABILITIES	31.12.2021	31.12.2020
Equity		
Share capital	20 000	20 000
Reserve capital	64 526	62 000
Other capital reserves	3 803	3 803
Foreign exchange differences	187	1 096
Accumulated profit from previous years	3 095	822
Net profit	39 644	27 942
	131 255	**115 663**
Minority interest	418	349
Negative goodwill of subsidiaries	1 886	2 119
Liabilities and provisions for liabilities	272 430	233 182
Provisions for liabilities	23 125	20 801
Long term liabilities	55 686	69 564
Short term liabilities	193 178	142 487
Accruals and deferred income	441	330
	274 734	**235 650**
TOTAL EQUITY AND LIABILITIES	**405 989**	**351 313**

All the financial data expressed in thousands of PLN

Consolidated profit and loss account

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Net revenues and net revenue equivalents		
Net revenues from the sale of finished products and services	131 974	112 688
Change in inventories of finished goods and work in progress	1 996	(1 051)
Work performed by the entity and capitalized	98	119
Net revenues from the sale of merchandise and raw materials	413 658	326 788
	547 726	**438 544**
Operating expenses		
Depreciation	(4 410)	(4 772)
Materials and energy	(72 701)	(57 269)
External services	(46 388)	(38 537)
Taxes and charges	(2 080)	(2 554)
Payroll	(66 259)	(57 204)
Social security and other benefits	(15 117)	(13 406)
Other expenses by kind	(7 844)	(6 847)
Cost of merchandise and raw materials sold	(284 443)	(230 139)
	(499 242)	**(410 728)**
Profit on sales	48 484	27 816
Other operating revenues		
Profit on the disposal of non-financial fixed assets	63	59
Grants	234	243
Other operating revenues	1 060	5 762
	1 357	**6 064**
Other operating costs		
Revaluation of non-financial assets	(181)	(1 029)
Other operating costs	(2 199)	(1 422)
	(2 380)	**(2 451)**
Operating profit	47 461	31 429
Financial revenue		
Interest	4 296	4 166
Profit on the disposal of financial assets	122	-
Other	844	1 271
	5 262	**5 437**
Financial costs		
Interest	(1 199)	(1 281)
Other	(1 317)	(640)
	(2 516)	**(1 921)**
Gross profit on business activities	50 207	34 945
Amortisation of goodwill from subsidiaries	(405)	(405)
Amortisation of negative goodwill from subsidiaries	233	233
Profit before taxation	50 035	34 773
Corporate income tax	(10 108)	(6 703)
Profit attributable to minority shareholders	(283)	(128)
NET PROFIT	**39 644**	**27 942**

All the financial data expressed in thousands of PLN

Consolidated cash flow statement

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Cash flows from operating activities		
Net profit	39 644	27 942
Adjusted for:		
Minority interest	283	128
Amortisation and depreciation	4 714	5 076
Amortisation of goodwill from subsidiaries	405	405
Amortisation of negative goodwill from subsidiaries	(233)	(233)
Foreign exchange profit (loss)	(916)	548
Interest and participation in profits (dividends)	(3 157)	(2 957)
Profit on investing activities	(185)	(1 354)
Change in provisions	2 324	2 105
Change in inventories	7 232	(27 756)
Change in receivables	(31 842)	2 277
Change in short-term liabilities, excluding loans and borrowings	42 222	1 275
Change in accruals, prepayments and deferred income	(1 801)	192
Operating activities other adjustments	(243)	(122)
	18 803	(20 416)
Net cash flows from operating activities	**58 447**	**7 526**
Cash flows from investing activities		
Cash inflows	33 381	15 298
Disposal of tangible and intangible fixed assets	111	437
From financial assets, including:	8 692	10 608
of third parties	8 692	10 608
– interest	1 798	1 983
– other financial assets proceeds	6 894	8 625
Other investing proceeds	24 578	4 253
Cash outflows	(50 497)	(3 159)
Purchase of tangible and intangible fixed assets	(3 743)	(2 759)
Purchase of investment property and intangible fixed assets	(21)	-
Other investing disbursements	(46 733)	(400)
Net cash flows from investing activities	**(17 116)**	**12 139**
Cash flows from financing activities		
Cash inflows	-	23 384
Loans and borrowings	-	23 384
Cash outflows	(30 977)	(42 520)
Dividends and other payments to shareholders	(23 350)	(23 116)
Repayment of loans and borrowings	(5 613)	(17 404)
Repayment of finance lease liabilities	(725)	(862)
Interest paid	(1 095)	(1 138)
Other	(194)	-
Net cash flows from financing activities	**(30 977)**	**(19 136)**
Total net cash flows	**10 354**	**529**
Balance sheet change in cash	10 354	529
Cash at the beginning of the financial year	4 467	3 938
Cash at the end of the financial year	**14 821**	**4 467**

All the financial data expressed in thousands of PLN

Consolidated statement of changes in equity

	Share capital	Reserve capital	Other capital reserves	Foreign exchange differences	Profit from the previous years	Net profit	Total equity
Equity as of 01.01.2021	20 000	62 000	3 803	1 096	28 764	-	115 663
Distribution of profit from the previous years	-	2 526	-	-	(2 526)	-	-
Dividends	-	-	-	-	(23 143)	-	(23 143)
Net profit	-	-	-	-	-	39 644	39 644
Foreign exchange differences	-	-	-	(909)	-	-	(909)
Equity as of 31.12.2021	**20 000**	**64 526**	**3 803**	**187**	**3 095**	**39 644**	**131 255**

	Share capital	Reserve capital	Other capital reserves	Foreign exchange differences	Profit from the previous years	Net profit	Total equity
Equity as of 01.01.2020	20 000	59 136	3 803	441	26 802	-	110 182
Distribution of profit from the previous years	-	2 864	-	-	(2 864)	-	-
Dividends	-	-	-	-	(23 116)	-	(23 116)
Net profit	-	-	-	-	-	27 942	27 942
Foreign exchange differences	-	-	-	655	-	-	655
Equity as of 31.12.2020	**20 000**	**62 000**	**3 803**	**1 096**	**822**	**27 942**	**115 663**

Basis for preparation

The summary consolidated financial statements which comprise the consolidated balance sheet as at 31 December 2021, the consolidated profit and loss account, statement of changes in consolidated equity and consolidated cash flow statement for the year then ended, have been extracted from the annual consolidated financial statements for the year ended 31 December 2021 prepared in accordance with the Accounting Act dated 29 September 1994 (Official Journal from 2021, item 217 with amendments; "Accounting Act") and related bylaws and other applicable regulations.

The summary consolidated financial statements omit the notes comprising significant accounting policies and other explanatory information as required by the Accounting Act and related bylaws and other applicable regulations. Therefore, to obtain full understanding of the summary consolidated financial statements, they should be read in conjunction with the annual consolidated financial statements from which the summary financial statements were extracted.

All the financial data expressed in thousands of PLN

Independent Auditor's Report

TRANSLATORS' EXPLANATORY NOTE

The English content of this report is a free translation of the registered auditor's report of the below-mentioned Polish Company. In Poland statutory accounts as well as the auditor's report should be prepared and presented in Polish and in accordance with Polish legislation and the accounting principles and practices generally adopted in Poland.

The accompanying translation has not been reclassified or adjusted in any way to conform to the accounting principles generally accepted in countries other than Poland, but certain terminology current in Anglo-Saxon countries has been adopted to the extent practicable. In the event of any discrepancies in interpreting the terminology, the Polish language version is binding.

Independent auditor's report on the summary consolidated financial statements

To the Shareholders' Meeting of Klima-Therm Sp. z o.o.

Our opinion

In our opinion, the accompanying summary consolidated financial statements of the capital group Klima-Therm Sp. z o.o. ("the Group"), presented on pages from II-V of the Annual Report 2021, are consistent, in all material respects, with the audited consolidated financial statements, on the basis described on page V of the Annual Report 2021.

The summary consolidated financial statements

The Group's summary consolidated financial statements derived from the audited consolidated financial statements for the year ended 31 December 2021 comprise:

- the consolidated balance sheet as at 31 December 2021;
- the consolidated profit and loss account for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended.

The summary consolidated financial statements do not contain all the disclosures required by the Accounting Act of 29 September 1994 ("Accounting Act"). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The audited consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 26 April 2022.

Management responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described on page V of the Annual Report 2021.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

Registered Auditor preparing this report and responsible for the audit of Group's consolidated financial statements on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of Registered Audit Companies with the number 144:

Marcin Dreliszak
Registered Auditor
No. 13645

Gdańsk, 26 April 2022

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., Olivia Gate, Al. Grunwaldzka 472, 80-309 Gdańsk, Polska ,
T: +48 (58) 552 9000, F: +48 (58) 552 9090, www.pwc.com

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., wpisana jest do Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m. st. Warszawy, pod numerem KRS 0000750050, NIP 526-021-02-28. Siedzibą Spółki jest Warszawa, ul. Polna 11.

Find Your Way to Klima-Therm Group

Klima-Therm Group Headquarters

ul. Ostrobramska 101A
04-041 Warszawa
tel. +48 22 517 36 00
www.ktg.pl

Klima-Therm Sp. z o.o.

Ostrobramska 101A
04-041 Warszawa
tel. +48 22 517 36 00
www.klima-therm.com
www.kaisai.com

Klima-Therm AB

Ögärdesvägen 17
SE-433 30 Partille, Sweden
tel. +46 (0) 31 33 665 30
www.klima-therm.com/se/

Klima-Therm OY

Karitie 7
01530 Vantaa, Finland
tel. +35 820 741 2222
www.klima-therm.com/fi/

Klima-Therm OÜ

Veerenni 53A/Töökoja 1
11313 Tallinn, Estonia
tel. +37 264 660 81
www.klima-therm.com

Klima-Therm GmbH

Technologie Zentrum
Dortmund
Emil-Figge-Straße
76-80 / D-44227
tel. +49(0)231 9742 5640
tel. +49(0)152 53812468
info.de@klima-therm.com
www.klima-therm.com/de/

Klimor USA Inc.

410 Peachtree Parkway,
Suite 4245,
Cumming, GA, 30041
tel. + 1 (678) 341 5242
fax + 1 (678) 341 5101
www.klimor.com

Klimor Sp. z o.o.

Headquarters and
Production Plant Gdynia
Bolesława Krzywoustego 5
81- 035 Gdynia
tel. +48 58 783 99 99
www.klimor.com

Production Plant Pszczółki
Żuławska 6
83-032 Pszczółki
tel. +48 58 700 94 99

Production Plant Skowarcz
Skowarcz, Klimatyczna 4
83-032 Pszczółki
tel. +48 58 700 94 99

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