

**FINANCIAL STATEMENTS
OF THE AUSCHWITZ-BIRKENAU FOUNDATION
FOR THE FINANCIAL YEAR
FROM 1 JANUARY
TO 31 DECEMBER 2020**

Auschwitz-Birkenau Foundation

Translation of the financial statements for the financial year from 1 January to 31 December 2020 originally issued in the Polish language

Translation of the financial statements of the Auschwitz-Birkenau Foundation for the financial year from 1 January to 31 December 2020 originally issued in the Polish language

In accordance with the Accounting Act of 29 September 1994 (uniform text – Journal of Laws 2021 item 217 with amendments, further: the Accounting Act), the Management Board of the Foundation ensured preparation of the attached financial statements including:

- an introduction to the financial statements;
- a balance sheet prepared as at 31 December 2020 with total assets and liabilities plus equity of PLN 696,715,355.62;
- a profit and loss account for the financial year from 1 January to 31 December 2020 disclosing a financial result of PLN 181,115,198.67*;
- a statement of changes in equity for the financial year from 1 January to 31 December 2020 disclosing an increase in equity of PLN 180,202,849.62;
- a cash flow statement for the financial year from 1 January to 31 December 2020 disclosing an increase in cash of PLN 92,167,209.36;
- additional information and explanations.

The attached financial statements present a true and fair view of the Foundation's economic and financial position, financial result and profitability. In preparing the financial statements, the Foundation ensured the selection and consistency of accounting principles appropriate for the Foundation's activity.

In the measurement of assets and liabilities and determination of the financial result, the Foundation was assumed to operate as a going concern for the foreseeable future without any material reduction in the scale and in line with its actual and legal status.

The Management Board of the Auschwitz-Birkenau Foundation is responsible for fulfilling the statutory accounting duties.

* The net profit results from: profit on operating activities in the amount of PLN 141,500,534.91, financial costs in the amount of PLN 47.38 and financial income in the amount of PLN 39,614,711.14, including unrealized exchange rate differences in the amount of PLN 19,122,324.30 and realized exchange rate gains in the amount of PLN 4,585,756.51.

The Management Board of the Foundation:

Piotr Cywiński -
President of the Management
Board

Łukasz Rozdeiczner-Kryszkowski -
Vice President of the Management
Board

Wojciech Soczewica -
Member of the Management
Board

Elwir Świętochowski -
Member of the Management
Board

Responsible for keeping accounting records:

Date of preparation:

Deloitte Doradztwo Podatkowe Dąbrowski i Wspólnicy sp.k.

29.06.2021

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Introduction to the financial statements

1. Information on the entity:

- a) name: Auschwitz-Birkenau Foundation
- b) registered seat: 00-534 Warsaw, Mokotowska 56/9
- c) scope of activities: the statutory objective of the Foundation is to ensure the preservation of the Auschwitz Memorial Site – the grounds and remains of the former concentration camps, KL Auschwitz I and Auschwitz II Birkenau as overseen by the Auschwitz-Birkenau State Museum in Oświęcim (further: the Museum), as well as to support the Museum's mission.

The Foundation achieves its statutory objectives by:

- collecting funds for the preservation of the Memorial Site, including the provision of grants;
 - supporting scientific, educational, publishing, exhibition and cultural activities connected with Museum's mission;
 - co-operating with individuals and legal entities whose activities correspond to the Foundation's goals;
 - co-operating with governments, local authorities, non-government, academic and research organizations in Poland and globally in the scope specified in the Foundation's objectives;
 - initiating and financing own projects, including co-operation with the Museum and other organisation.
- d) authority maintaining the register - the Foundation was registered in the National Court Register maintained by the Regional Court for the capital city of Warsaw in Warsaw, XII Commercial Division of the National Court Register on 23 April 2009 and was granted register number 328383.

2. Duration of the entity: unlimited.

3. Period covered by the financial statements:

The financial statements were prepared for the period from 1 January to 31 December 2020. The comparative data cover the financial period from 1 January to 31 December 2019.

4. The Management Board of the Foundation:

- Piotr Cywiński - President of the Management Board
- Rafał Pióro - Vice President of the Management Board*
- Łukasz Rozdeiczer-Kryszkowski - Vice President of the Management Board
- Wojciech Soczewica - Member of the Management Board
- Elwir Świętochowski - Member of the Management Board

* Rafał Pióro resigned from his functions as a management board member of the Auschwitz-Birkenau Foundation on 1 January 2020. The change was registered in the National Court Register on 26 October 2020.

5. The Foundation has no internal organizational units preparing independent financial statements.

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6. The financial statements were prepared based on the assumption that the Foundation will continue to operate as a going concern in the foreseeable future. The Management Board believes that there were no circumstances indicating that the Foundation may not be a going concern.
7. The financial statements were prepared in accordance with the Accounting Act.

Description of adopted accounting principles, including principles of measuring assets and liabilities (together with depreciation), determining the financial result and method of preparing the financial statements in the extent left by the Accounting Act at the Foundation's discretion.

Intangible assets

Intangible assets are recognized if it is probable that the future economic benefits that are directly attributable to the asset will flow to the Foundation. Initially, intangible assets are recorded at acquisition cost or cost of production. The initial value of intangible assets is adjusted by depreciation and impairment write-downs. Intangible assets are depreciated using the straight-line method over their estimated useful lives.

An assessment is made at each balance sheet date to determine whether the carrying amounts of assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of such assets are written down to their net realisable values. The resulting impairment losses are recognized under other operating expenses.

Tangible fixed assets

Tangible fixed assets are stated at acquisition cost, cost of production or re-valued amount, less accumulated depreciation and impairment losses.

Costs incurred on an asset already in use, such as repairs, maintenance or operating fees, are expensed in the reporting period in which they were incurred. If however, it is possible to demonstrate that such costs increase the expected future economic benefits to be derived from a given asset beyond the originally expected benefits, they are capitalized to the initial cost of the asset.

Tangible fixed assets, except for land, are depreciated using the straight-line method over their estimated useful lives, or over the shorter of their useful life and the term of the right to use the assets.

An assessment is made at each balance sheet date to determine whether the carrying amounts of assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of the assets are written down to their net realisable values. The resulting impairment losses are recognized under other operating expenses.

The following depreciation rates and methods were applied to particular groups of assets:

Tangible fixed assets	Depreciation method	Depreciation rate
Technical equipment and machinery	Straight-line method	14% - 30%
Vehicles	Straight-line method	20%

Investments in intangible assets

Intangible assets which are not used by the Foundation for the business activity, and which are sub-licensed, lent or leased, are presented as investments.

Initially, investments in intangible assets are recorded at acquisition cost or cost of production. The initial value of investments in intangible assets is adjusted by amortization and impairment write-downs. Investments in intangible assets are amortized using the straight-line method over their estimated useful lives.

An assessment is made at each balance sheet date to determine whether the carrying amounts of assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of such assets are written down to their net realisable values. The resulting impairment losses are recognized under other operating expenses.

Financial assets

Financial assets are initially measured at acquisition cost, which is the fair value the amount paid.

After initial recognition, financial assets classified as held to maturity are valued at the adjusted purchase price calculated using the effective interest rate. Profits and losses that arise from revaluation are recognized under financial profits or losses in the reporting period in which the revaluation took place.

Financial assets classified as available for sale are valued at the fair value. Interest from these assets accrued based on the effective interest rates are recorded as financial income. Profits or losses recorded in the revaluation reserve constitute the difference between the fair value of assets as of the revaluation date, and value of those assets at adjusted purchase price.

Receivables and liabilities

Receivables

As of the balance sheet date receivables were valued at the amount to be paid in accordance with the prudence principle.

Receivables are valued net of any impairment write-downs, taking into account the probability of settlement. Write-downs of receivables are charged to operating costs or to financial costs – depending on the nature of the receivables.

Liabilities

A liability is a commitment to settle an obligation of a reliably estimated value, arising from previous events, resulting in use of existing or future assets of the Foundation.

Liabilities are measured at their face value as at the date of the transaction giving rise to the liability. As of the balance sheet date liabilities are valued at the amount to be paid.

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Foreign currency transactions

Business transactions denominated in foreign currencies are recognized on the date of their occurrence at the following exchange rates:

- in the case of foreign currency sales or purchases and the settlement of foreign currency denominated receivables or payables – the rate actually applied on the transaction;
- in other cases – the average National Bank of Poland (NBP) rate announced for a given currency on the day preceding the transaction date.

Assets and liabilities denominated in foreign currencies as of the balance sheet date are translated at that date using the average exchange rate determined by the NBP for a particular currency as of that day (exchange rates as of the end of the financial years 2019 and 2020 are presented below).

Currency	31.12.2020	31.12.2019
EUR	4.6148	4.2585
USD	3.7584	3.7977
GBP	5.1327	4.9971

Exchange gains or losses arising on a settlement date, being the result of a difference between the exchange rate applied to a payment and the exchange rate applied on the date when the asset or liability was recognised are allocated to financial income or financial expenses respectively.

The surplus of exchange losses over gains is recognized in financial expenses; the surplus of exchange gains over losses is recognized in financial income.

Cash and cash equivalents

Cash is valued at its nominal value. Cash denominated in foreign currency is valued at its face value converted into Polish zloty. As of the balance sheet date cash is valued at the average exchange rate for a particular currency announced by the NBP at that day.

Prepayments

Prepayments include expenses borne by the Foundation relating to future accounting periods. The costs are recognized over time and method of their settlement depends on the nature of the costs. Prepaid expenses are disclosed at the nominal value.

Statutory fund

Income of the Foundation from donations shall, as a general rule, constitute investment capital (Perpetual Capital), unless the donor's declaration or the grant agreement clearly requires a different application of a donation. After the year end the donations paid into the Perpetual Capital are transferred to the statutory fund until the level of EUR 120 million is achieved.

Provisions

Provisions are recognized when the Foundation has a present obligation (legal or generally accepted) resulting from past events and when it is certain or highly probable that fulfilment of this obligation would require the outflow of the resources and when a reliable estimate can be made with regard to the amount of the obligation.

Accruals

Accruals include probable liabilities pertaining to the current reporting period, arising in particular from:

- goods and services provided by suppliers, but not invoiced as at the balance sheet date, if the amount payable can be estimated in a reliable manner;
- the obligation to provide in the future services relating to current activities, the amount of which can be estimated even though the origination date of a liability is not yet known.

Accruals are recognized at their nominal value.

Accruals having the character of provisions are presented in the balance sheet as provisions for liabilities.

Accruals not having the character of provisions resulting from goods and services provided to the Foundation but not yet invoiced by the suppliers are presented in the balance sheet as trade liabilities. The determination of the quantity or the amount of supply (service) may require estimation.

Income

The income of the Foundation comprises cash and other financial assets received from sources specified in the Statutes.

Income derives from:

- domestic and foreign donations;
- income from the Foundation's assets;
- interest from investments, including bank deposits and securities (bonds), presented as financial income and financial costs.

The Foundation recognizes income from donations on a cash basis, on the date of their receipt in the bank account, except for donations for administrative purposes, which are recognized on the accrual basis, in the period in which donations are due.

Costs of statutory activities

Costs of statutory activities cover settlements of funds transferred to the Museum and recognized in the accounting books of the Foundation on the accrual basis, i.e. taking into account the level of usage of donations received by the Museum. Amounts transferred to the Museum, but not utilised (not spent) in the financial year, are shown as receivables of the Foundation under other receivables (item B.I.1.a of assets).

Interest

Interest income is recognized on the accrual basis (using the effective interest rate), unless collectability is in doubt.

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Profit and loss account format

The Foundation prepares the profit and loss account in the comparative format (non-manufacturing format), whereby income and expenditure are classified according to type.

Cash flow statement

The Foundation prepares the cash flow statement using indirect method.

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Balance sheet

in PLN

ASSETS	Note	31.12.2020	31.12.2019
A. FIXED ASSETS		<u>469,608,078.72</u>	<u>448,389,616.08</u>
I. Intangible assets	1	<u>113,693.00</u>	-
1. Other intangible assets		113,693.00	-
II. Tangible assets	2	<u>-</u>	<u>-</u>
III. Long-term investments		<u>469,494,385.72</u>	<u>448,389,616.08</u>
1. Intangible assets		738,000.00	-
2. Long-term financial assets	5	468,756,385.72	448,389,616.08
a) in other entities:		468,756,385.72	448,389,616.08
– other securities		468,756,385.72	448,389,616.08
B. CURRENT ASSETS		<u>227,107,276.90</u>	<u>68,037,238.12</u>
I. Short-term receivables		<u>177,109.29</u>	<u>205,466.29</u>
1. Receivables from other entities		177,109.29	205,466.29
a) other		177,109.29	205,466.29
II. Short-term investments	6	<u>226,013,892.56</u>	<u>67,301,009.83</u>
1. Short-term financial assets		226,013,892.56	67,301,009.83
a) in other entities		64,912,392.85	794,200.58
– other securities		64,893,956.22	775,647.03
– other short-term financial assets		18,436.63	18,553.55
b) cash and other monetary assets		161,101,499.71	66,506,809.25
– cash in hand and at bank		161,101,499.71	7,343,305.03
– other cash		-	59,163,504.22
III. Short-term prepayments	9	<u>916,275.05</u>	<u>530,762.00</u>
TOTAL ASSETS		<u>696,715,355.62</u>	<u>516,426,854.20</u>

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Balance sheet - continued

in PLN

EQUITY AND LIABILITIES	Note	<u>31.12.2020</u>	<u>31.12.2019</u>
A. EQUITY		<u>696,064,738.04</u>	<u>515,861,888.42</u>
I. Statutory fund	10	453,993,489.38	450,786,745.32
II. Revaluation reserve		1,915,565.92	2,827,914.97
III. Prior years' profits		59,040,484.07	58,587,638.18
IV. Net financial result for the financial year		181,115,198.67	3,659,589.95
B. LIABILITIES AND PROVISIONS FOR LIABILITIES		<u>650,617.58</u>	<u>564,965.78</u>
I. Short-term liabilities		<u>169,226.58</u>	<u>110,431.66</u>
1. To other entities		169,226.58	110,431.66
a) credits and loans		-	-
b) trade liabilities, maturing:		121,029.76	26,950.68
– within 12 months		121,029.76	26,950.68
c) tax, customs, insurance and other liabilities		17,205.02	33,595.57
d) remuneration		9,686.24	9,171.05
e) other		21,305.56	40,714.36
II. Accruals	9	<u>481,391.00</u>	<u>454,534.12</u>
1. Other accruals		481,391.00	454,534.12
– short-term		481,391.00	454,534.12
TOTAL EQUITY AND LIABILITIES		<u>696,715,355.62</u>	<u>516,426,854.20</u>

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Profit and loss account

in PLN

	Note	<u>01.01.2020-</u> <u>-31.12.2020</u>	<u>01.01.2019-</u> <u>-31.12.2019</u>
A. Income on statutory activity		155,270,705.45	3,581,266.06
I. Donations to Perpetual Capital	10	153,398,186.66	3,206,744.06
II. Other donations		972,520.00	-
III. Donations for administrative expenses		899,998.79	374,522.00
B. Costs of statutory activities of Auschwitz-Birkenau State Museum in Oświęcim	11	11,681,584.17	12,731,736.79
C. Profit from statutory activity		143,589,121.28	(9,150,470.73)
D. Administrative expenses of statutory activities		2,088,958.28	2,212,268.23
I. Depreciation		1,927.00	699.86
II. Consumption of materials and energy		25,865.62	31,616.16
III. External services	12	1,080,781.31	1,124,444.07
IV. Taxes and charges		-	-
V. Payroll	13	557,900.84	641,973.64
VI. Social security and other benefits	13	90,069.08	129,332.05
VII. Other expenses	14	332,414.43	284,202.45
E. Profit (loss) from statutory activity, after administrative expenses		141,500,163.00	(11,362,738.96)
F. Other operating income		476.62	1,237.11
I. Gain on disposal of non-financial non-current assets		201.00	1,226.10
II. Other operating income		275.62	11.01
G. Other operating expenses		104.71	454.53
I. Other operating expenses		104.71	454.53
H. Profit (loss) from operating activity		141,500,534.91	(11,361,956.38)
I. Financial income	7	39,614,711.14	15,678,440.21
I. Interest		15,906,630.33	15,678,440.21
II. Gain on disposal of investments		-	-
III. Other:		23,708,080.81	-
- <i>unrealized foreign exchange rate differences</i> *		19,122,324.30	-
- <i>realized foreign exchange rate differences</i>		4,585,756.51	-
J. Financial expenses	7	47.38	656,893.88
I. Interest		47.38	116.06
II. Other:		-	656,777.82
- <i>unrealized foreign exchange rate differences</i>		-	2,240,923.94
- <i>realized foreign exchange rate differences</i>		-	(1,584,146.12)

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Profit and loss account - continued

in PLN

	<u>01.01.2020-</u> <u>-31.12.2020</u>	<u>01.01.2019-</u> <u>-31.12.2019</u>
K. Profit (loss) from operations	<u>181,115,198.67</u>	<u>3,659,589.95</u>
L. Total financial result, including:	<u>181,115,198.67</u>	<u>3,659,589.95</u>
- <i>donations for Perpetual Capital</i>	153,398,186.66	3,206,744.06
- <i>income (loss) from unrealized foreign exchange rate differences</i>	19,122,324.30	(2,240,923.94)
M. Financial result net of donations to Perpetual Capital and unrealized foreign exchange rate differences	<u>8,594,687.71</u>	<u>2,693,769.83</u>

* The presented loss from foreign exchange rate differences in the financial year 01.01.2020-31.12.2020 (PLN 19,122,324.30) is a result of accounting valuation of assets held in EUR, USD and GBP, and is not realized.

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Statement of changes in equity

in PLN

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019</u> <u>-31.12.2019</u>
Opening balance of equity	515,861,888.42	506,109,112.50
Opening balance of statutory fund	450,786,745.32	435,287,349.80
Change in statutory fund:		
- increase due to transfer of donations to Perpetual Capital received in the previous financial year	3,206,744.06	15,499,395.52
Closing balance of statutory fund	<u>453,993,489.38</u>	<u>450,786,745.32</u>
Opening balance of revaluation reserve	2,827,914.97	(3,265,271.00)
Change in revaluation reserve:		
- increase due to revaluation of financial assets available for sale	-	6,093,185.97
- decrease due to revaluation of financial assets available for sale	912,349.05	-
Closing balance of revaluation reserve	<u>1,915,565.92</u>	<u>2,827,914.97</u>
Opening balance of prior years' profits	58,587,638.18	35,295,692.30
Change in prior years' profits – undistributed profit of the previous financial year	452,845.89	23,291,945.88
Closing balance of prior years' profits	<u>59,040,484.07</u>	<u>58,587,638.18</u>
Total financial result for the financial year	<u>181,115,198.67</u>	<u>3,659,589.95</u>
Closing balance of equity	<u><u>696,064,738.04</u></u>	<u><u>515,861,888.42</u></u>

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Cash flow statement

in PLN

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019-</u> <u>31.12.2019</u>
Cash flows from operating activities		
Total financial result	<u>181,115,198.67</u>	<u>3,659,589.95</u>
Total adjustments	<u>(34,975,906.34)</u>	<u>(11,567,732.35)</u>
Depreciation and amortization	1,927.00	699.86
Exchange rate gains (losses)	(19,122,324.30)	2,366,298.94
Interest and profit sharing (dividend)	(15,583,803.79)	(14,266,839.13)
Profit (loss) on investments	(201.00)	(1,226.10)
Change in the balance of receivables	28,357.00	(72,864.98)
Change in the balance of short-term liabilities excluding credits and loans	58,794.92	70,019.87
Change in the balance of accruals and prepaid expenses	(358,656.17)	336,179.19
Total net cash flows from operating activities	<u>(146,139,292.33)</u>	<u>(7,908,142.40)</u>
Cash flows from investment activities		
Inflows	<u>32,699,701.55</u>	<u>19,044,364.80</u>
Disposal of intangible and tangible fixed assets	201.00	2,325.68
From financial assets, including:	32,699,500.55	19,042,039.12
a) in other entities, including:	32,699,500.55	19,042,039.12
- sale of financial assets	16,752,104.70	3,659,640.00
- interest	15,947,395.85	15,382,399.12
Outflows	<u>86,671,784.52</u>	<u>30,337,600.00</u>
Purchase of intangible and tangible fixed assets	115,620.00	-
Real estate and intangible assets investments	738,000.00	-
For financial assets, including:	85,818,164.52	30,337,600.00
a) in other entities, including:	85,818,164.52	30,337,600.00
- purchase of financial assets	85,818,164.52	30,337,600.00
Total net cash flows from investment activities	<u>(53,972,082.97)</u>	<u>(11,293,235.20)</u>

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Cash flow statement – continued

in PLN

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019-</u> <u>31.12.2019</u>
Cash flows from financial activities		
Inflows	-	-
Outflows	-	-
Total net cash flows from financial activities	-	-
Total cash flows	<u>92,167,209.36</u>	<u>(19,201,377.60)</u>
Balance sheet change in cash, including:	94,594,690.46	(20,131,752.04)
- change in cash resulting from exchange rate differences	2,484,529.20	(922,186.76)
- change in interest accounted for deposits with maturity date shorter than 3 months	(57,048.10)	(8,187.68)
Opening balance of cash	<u>66,506,809.25</u>	<u>86,638,561.29</u>
Closing balance of cash, including:	<u>161,101,499.71</u>	<u>66,506,809.25</u>
- of limited disposability	-	-

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Additional information

prepared for the financial year ended 31 December 2020

in PLN

Additional information and explanations include only items related to the Foundation and specified in the attachment to the Accounting Act.

1. Intangible assets

	Other intangible assets	Total
Gross book value opening balance	-	-
Increases:		
- purchase	115,620.00	115,620.00
Gross book value closing balance	115,620.00	115,620.00
Accumulated amortization opening balance	-	-
Increases:	1,927.00	1,927.00
- amortization for the financial year	1,927.00	1,927.00
Decreases:		
- sale	-	-
Accumulated amortization closing balance	1,927.00	1,927.00
Net book value opening balance	-	-
Net book value closing balance	113,693.00	113,693.00

2. Tangible assets

	Technical equipment and machinery	Total
Gross book value opening balance	73,154.67	73,154.67
Decreases:		
- sale	23,055.73	23,055.73
- disposal	50,098.94	50,098.94
Gross book value closing balance	-	-
Accumulated depreciation opening balance	73,154.67	73,154.67
Increases:		
- depreciation for the financial year	-	-
Decreases:		
- sale	23,055.73	23,055.73
- disposal	50,098.94	50,098.94
Accumulated depreciation closing balance	-	-
Net book value opening balance	-	-
Net book value closing balance	-	-

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3. Classification of financial assets

	<u>31.12.2020</u>	<u>31.12.2019</u>
Financial assets classified as held to maturity:	<u>464,970,817.85</u>	<u>384,864,160.22</u>
- short-term	64,893,956.21	775,647.03
- long-term	400,076,861.64	384,088,513.19
Financial assets classified as available for sale:	<u>68,679,524.10</u>	<u>64,301,102.89</u>
- long-term	68,679,524.10	64,301,102.89
Total financial assets	<u><u>533,650,341.95</u></u>	<u><u>449,165,263.11</u></u>

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4. Revaluation of assets classified as financial instruments

Instrument	Issuer	Currency	Nominal value in currency	Purchase price in currency	Interest rate	Effective interest rate	Maturity date	Carrying value 31.12.2020***	Amount recorded as revaluation reserve in current year	Fair value 31.12.2020**	Maximum amount exposed to counterparty credit risk
Assets classified as available for sale*								68,679,524.10	-912,349.05	67,012,588.36	68,679,524.10
DE000A1YQC29	ALLIANZ SE	EUR	6,300,000.00	6,915,415.07	4.75%	-	Perpetual bonds	32,731,941.97	-1,017,287.07	32,474,663.71	32,731,941.97
FR0011697028	Electricite de France	EUR	2,600,000.00	2,862,421.92	5.00%	-	Perpetual bonds	14,379,032.85	42,064.87	13,815,169.86	14,379,032.85
FR0011697028	Electricite de France	EUR	3,900,000.00	4,281,318.49	5.00%	-	Perpetual bonds	21,568,549.28	62,873.15	20,722,754.79	21,568,549.28
Assets classified as held to maturity								464,970,817.87		490,869,297.22	464,970,817.85
PLBRE0005193	mBank	PLN	16,000,000.00	16,161,306.24	WIBOR 6M + 1.8%	1.95%	2028-10-10	16,205,712.17	N/A	16,090,077.26	16,205,712.17
PL0000109427	State Treasury	PLN	9,137,000.00	8,169,848.55	2.50%	3.81%	2027-07-25	8,548,948.06	N/A	10,132,933.00	8,548,948.06
PL0000108866	State Treasury	PLN	675,000.00	660,089.25	2.50%	2.80%	2026-07-25	671,883.08	N/A	743,310.00	671,883.08
PL0000108197	State Treasury	PLN	2,789,000.00	2,762,253.49	3.25%	3.58%	2025-07-25	2,790,263.18	N/A	3,134,836.00	2,790,263.18
PL0000108197	State Treasury	PLN	5,050,000.00	5,155,494.50	3.25%	3.18%	2025-07-25	5,134,793.20	N/A	5,676,200.00	5,134,793.20
PL0000107264	State Treasury	PLN	14,770,000.00	14,992,140.80	4.00%	4.07%	2023-10-25	14,848,699.15	N/A	16,365,160.00	14,848,699.15
PL0000107264	State Treasury	PLN	3,242,000.00	3,106,095.36	4.00%	4.69%	2023-10-25	3,207,803.05	N/A	3,593,076.18	3,207,803.05
PL0000500070	National Road Fund	PLN	12,055,000.00	14,996,420.00	5.75%	2.51%	2022-10-25	12,865,617.32	N/A	13,198,416.75	12,865,617.32
PL0000500070	National Road Fund	PLN	9,900,000.00	10,872,873.00	5.75%	4.60%	2022-10-25	10,195,989.53	N/A	10,947,420.00	10,195,989.53
PL0000500070	National Road Fund	PLN	5,950,000.00	6,664,000.00	5.75%	4.38%	2022-10-25	6,151,325.86	N/A	6,579,510.00	6,151,325.86
PL0000500070	National Road Fund	PLN	3,850,000.00	4,358,469.50	5.75%	4.27%	2022-10-25	3,987,744.36	N/A	4,257,330.00	3,987,744.36
PL0000500070	National Road Fund	PLN	2,500,000.00	2,831,925.00	5.75%	4.27%	2022-10-25	2,589,322.43	N/A	2,764,500.00	2,589,322.43
PL0003200025	Capital City of Warsaw	PLN	11,750,000.00	14,214,327.50	6.45%	4.17%	2022-09-23	12,391,017.32	N/A	13,040,150.00	12,391,017.32
PL0003200025	Capital City of Warsaw	PLN	7,300,000.00	8,381,349.00	6.45%	4.53%	2022-09-23	7,654,153.33	N/A	8,101,540.00	7,654,153.33
PL0003200025	Capital City of Warsaw	PLN	5,000,000.00	5,767,700.00	6.45%	4.60%	2022-09-23	5,236,650.51	N/A	5,549,000.00	5,236,650.51
PL0003200025	Capital City of Warsaw	PLN	1,285,000.00	1,489,687.65	6.45%	4.44%	2022-09-23	1,349,207.47	N/A	1,426,093.00	1,349,207.47
PL0000102646	State Treasury	PLN	9,770,000.00	10,993,594.80	5.75%	4.21%	2022-09-23	10,165,224.24	N/A	10,735,080.60	10,165,224.24
PL0000102646	State Treasury	PLN	5,620,000.00	6,203,024.42	5.75%	4.35%	2022-09-23	5,834,908.51	N/A	6,175,143.60	5,834,908.51
PLPKN0000141	PKN ORLEN	PLN	763,900.00	765,351.41	5.00%	5.15%	2020-04-09	0.00	N/A	0.00	0.00
PL0000111860	State Treasury	PLN	7,054,800.00	7,054,800.00	Inflation + 1.25%	3.82%	2023-07-04	7,253,067.38	N/A	7,781,058.17	7,253,067.38

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Instrument	Issuer	Currency	Nominal value in currency	Purchase price in currency	Interest rate	Effective interest rate	Maturity date	Carrying value 31.12.2020***	Amount recorded as revaluation reserve in current year	Fair value 31.12.2020**	Maximum amount exposed to counterparty credit risk
Assets classified as held to maturity											
PL0000112041	State Treasury	PLN	2,450,800.00	2,450,800.00	Inflation + 1.25%	3.78%	2023-09-04	2,512,559.10	N/A	2,699,889.01	2,512,559.10
PL0000112041	State Treasury	PLN	1,476,500.00	1,476,500.00	Inflation + 1.25%	3.69%	2023-09-25	1,510,091.70	N/A	1,623,937.37	1,510,091.70
PL0000112504	State Treasury	PLN	2,000,000.00	2,000,000.00	Inflation+ 1.25%	4.99%	2024-03-23	2,077,005.22	N/A	2,224,957.94	2,077,005.22
PL0000112587	State Treasury	PLN	21,000,000.00	21,000,000.00	Inflation+ 1.25%	4.92%	2024-04-29	21,691,042.65	N/A	23,325,454.03	21,691,042.65
PLPKN0000190	PKN Orlen	PLN	763,900.00	771,386.22	WIBOR 6M +1.2%	1.02%	2022-07-13	774,498.64	N/A	767,604.92	774,498.64
PLO234800202	PEKAO Leasing	PLN	10,350,000.00	10,338,573.60	0.26%	0.26%	2021-03-01	10,345,517.55	N/A	10,341,676.25	10,345,517.55
OTS0121	State Treasury	PLN	23,100,000.00	23,100,000.00	0.50%	0.50%	2021-01-28	23,120,083.14	N/A	23,119,543.31	23,120,083.14
OTS0221	State Treasury	PLN	12,620,000.00	12,620,000.00	0.50%	0.50%	2021-02-16	12,627,713.57	N/A	12,627,561.42	12,627,713.57
XS1130139667	Government of Lithuania	EUR	1,540,000.00	1,540,664.52	2.13%	2.13%	2026-10-29	7,132,034.26	N/A	8,211,720.49	7,132,034.26
XS1107727007	Citigroup	EUR	3,050,000.00	3,100,441.67	2.13%	2.01%	2026-09-10	14,250,277.60	N/A	15,650,781.55	14,250,277.60
XS1069772082	Rabobank	EUR	4,700,000.00	5,007,637.53	2.50%	2.06%	2026-05-26	22,500,923.95	N/A	21,898,755.81	22,500,923.95
XS1254428896	HSBC Holdings	EUR	2,540,000.00	2,580,009.16	3.00%	2.88%	2025-06-30	11,956,144.00	N/A	13,120,329.57	11,956,144.00
DE000DB7XJP9	Deutsche Bank	EUR	1,900,000.00	1,876,630.00	1.13%	1.37%	2025-03-17	8,756,846.79	N/A	9,081,317.25	8,756,846.79
XS1199439222	Abbey National	EUR	6,950,000.00	6,391,407.99	1.13%	2.09%	2025-03-10	31,135,999.02	N/A	33,696,548.54	31,135,999.02
XS1140857316	Standard Chartered	EUR	3,520,000.00	3,682,245.48	3.13%	2.66%	2024-11-19	16,578,121.10	N/A	17,936,081.04	16,578,121.10
XS0858585051	Standard Chartered	EUR	3,250,000.00	3,313,508.56	3.63%	3.47%	2022-11-23	15,096,556.49	N/A	15,994,723.75	15,096,556.49
CH0302790123	UBS	EUR	3,653,000.00	3,664,133.67	1.75%	1.70%	2022-11-16	16,909,420.82	N/A	17,505,796.42	16,909,420.82
XS1218287230	Credit Suisse	EUR	3,600,000.00	3,584,808.00	1.25%	1.31%	2022-04-14	16,748,928.75	N/A	16,922,037.81	16,748,928.75
US00206RDQ20	AT&T	USD	4,245,000.00	4,403,273.65	4.25%	3.88%	2027-03-01	16,534,280.63	N/A	18,685,084.70	16,534,280.63
US00206RCT77	AT&T	USD	995,000.00	1,020,257.27	4.13%	4.08%	2026-02-17	3,810,887.88	N/A	4,330,316.48	3,810,887.88
US278642AL76	eBay	USD	1,965,000.00	1,943,581.50	3.45%	3.85%	2024-08-01	7,401,679.21	N/A	8,042,469.93	7,401,679.21
US278642AL76	eBay	USD	482,000.00	455,357.45	3.45%	4.30%	2024-08-01	1,789,457.44	N/A	1,972,758.53	1,789,457.44
US278642AL76	eBay	USD	1,086,000.00	1,100,536.36	3.45%	3.42%	2024-08-01	4,148,002.64	N/A	4,444,845.98	4,148,002.64
US05581LAB53	BNP Paribas	USD	3,042,000.00	3,083,236.00	3.80%	3.76%	2024-01-10	11,664,183.80	N/A	12,434,588.23	11,664,183.80
XS0783934085	PKO BP	USD	3,309,000.00	3,499,281.29	4.63%	3.91%	2022-09-26	12,745,027.06	N/A	13,244,921.06	12,745,027.06
XS0783934085	PKO BP	USD	3,250,000.00	3,449,654.72	4.63%	3.81%	2022-09-26	12,537,049.11	N/A	13,008,762.00	12,537,049.11
XS0783934085	PKO BP	USD	708,000.00	750,775.59	4.63%	3.76%	2022-09-26	2,733,513.65	N/A	2,833,908.77	2,733,513.65
C0001290495_15122019	Government of Israel	USD	5,000,000.00	5,000,000.00	LIBOR USD 6M + 0.25%	0.56%	2021-12-01	18,800,641.95	N/A	18,832,090.53	18,800,641.95
Total assets								533,650,341.97	-912,349.05	557,881,885.58	533,650,341.97

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Financial assets classified as available for sale were revalued as at 31 December 2020 at fair value calculated on the basis of market quotations of each instrument as of the balance sheet date including interest accrued based on the effective interest rates. Financial assets classified as held to maturity were revalued as at 31 December 2020 at adjusted purchase price.

* Profits or losses arising from revaluation of the entity's financial assets classified as available for sale are recorded in revaluation reserve, in accordance with art. 21 of Decree of Ministry of Finance dated 12 December 2001 on specific rules of recognition, measurement methods, scope of disclosure and method of presentation of financial instruments (Journal of Laws dated 22 December 2001). In accordance with art. 25, paragraph 1 of the Decree interest from these assets accrued based on the effective interest rates are recorded as financial income. Profits or losses recorded in the revaluation reserve in accordance with art. 25, paragraph 3 of the Decree, constitute the difference between the fair value of assets as of the revaluation date, and value of those assets at adjusted purchase price. Accrued interest related to assets classified as available for sale amounted to PLN 1,666,935.74.

** Presented fair value for all instruments in the investment portfolio, was calculated on the basis of market quotations that do not take into account accrued interest.

For assets classified as held to maturity, where fair value is lower than carrying amount, the entity estimates that it is not required to account for impairment losses. The change in fair value of these assets results from short-term fluctuations of market prices and the entity's intention is to hold them until maturity date.

*** The carrying amount of assets classified as available for sale is presented including accrued interest (in Polish: "cena brudna").

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5. Long-term investments

At the balance sheet date long-term investments included bonds denominated in PLN, EUR and USD classified both as assets held to maturity and assets available for sale.

	<u>31.12.2020</u>	<u>31.12.2019</u>
Gross value opening balance	448,389,616.08	415,185,519.49
Increases:	42,076,117.06	37,729,644.16
- purchase of bonds	23,771,386.22	30,099,100.00
- unrealized foreign exchange rate differences	16,637,795.10	-
- interest accrued on debt instruments classified as available for sale	1,666,935.74	1,537,358.19
- revaluation at fair value recorded in revaluation reserve	-	6,093,185.97
Decreases:	21,709,347.42	4,525,547.57
- unrealized foreign exchange rate differences	-	1,207,174.94
- reversal of interest accrued in the previous financial year	1,537,358.19	1,552,995.07
- revaluation at adjusted purchase price	424,257.56	989,730.53
- revaluation to fair value recorded in revaluation reserve	912,349.05	-
- reclassification to short-term investments due to maturity date within twelve months	18,835,382.62	775,647.03
Gross value closing balance	468,756,385.72	448,389,616.08

6. Short-term investments

	<u>31.12.2020</u>	<u>31.12.2019</u>
Short-term investments in other entities:		
- securities with maturity date within twelve months including revaluation to adjusted purchase price	64,893,956.22	775,647.03
- short-term bank deposits with maturity longer than 3 months	18,415.06	18,415.06
- accrued interest on short-term bank deposits with maturity longer than 3 months	21.57	138.49
Total short-term investments in other entities	64,912,392.85	794,200.58
	<u>31.12.2020</u>	<u>31.12.2019</u>
Cash and other monetary assets:		
- cash at bank in PLN	11,264,720.32	3,000,852.23
- cash at bank in EUR	119,833,880.59	4,330,765.42
- cash at bank in USD	23,330,388.80	11,687.38
- cash at bank in GBP	6,672,510.00	-
- short-term deposits with maturity shorter than 3 months	-	59,106,456.12
- accrued interest on short-term deposits with maturity shorter than 3 months	-	57,048.10
Total cash and other monetary assets	161,101,499.71	66,506,809.25

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Short-term bank deposits included following deposits (divided into deposits with maturity shorter or longer than 3 months):

Bank	Currency	Deposit amount (in original currency)	Deposit amount (in PLN)	Maturity date	Annual interest rate	Accrued interest as at 31.12.2020 (in PLN)
Longer than 3 months						
PEKAO	PLN	18,415.06	18,415.06	2021-05-20	0.19%	21.57
Total			18,415.06			21.57

7. Financial income and expenditure**7.a. Interest from financial instruments (based on contractual interest rates)**

	Interest received in the financial year 01.01.2020- 31.12.2020	Interest due and received in the financial year* 01.01.2020- 31.12.2020	Interest accrued, but not received in the financial year 01.01.2020-31.12.2020		due above 12 months
			due in less than 3 months	due from 3 to 12 months	
Debt instruments classified as held to maturity	13,200,583.90	9,241,369.37	1,668,080.65	2,919,342.73	-
- denominated in PLN	6,546,401.96	4,905,503.27	108,491.89	2,060,134.24	-
• including interest on investments financed through already earned interest	20,484.73	19,580.01	6,943.95	504.02	-
- denominated in EUR	3,251,409.53	2,013,991.95	611,709.37	850,377.26	-
- denominated in USD	3,402,772.41	2,321,874.15	947,879.38	8,831.23	-
Debt instruments classified as available for sale	2,746,811.95	1,201,345.38	1,409,657.49	257,278.26	-
- denominated in EUR	2,746,811.95	1,201,345.38	1,409,657.49	257,278.26	-
Bank deposits	322,034.51	264,847.92	-	21.57	-
- denominated in PLN	200,127.72	169,022.82	-	21.57	-
• including interest on investments financed through already earned interest	199,903.08	168,936.67	-	-	-
- denominated in USD	121,906.79	95,825.10	-	-	-
• including interest on investments financed through already earned interest	4,614.53	2,926.09	-	-	-
Total	16,269,430.36	10,707,562.67	3,077,738.14	3,176,642.56	-

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	Interest received in the financial year 01.01.2019-31.12.2019	Interest due and received in the financial year* 01.01.2019-31.12.2019	Interest accrued, but not received in the financial year 01.01.2019-31.12.2019		
			due in less than 3 months	due from 3 to 12 months	due above 12 months
Debt instruments classified as held to maturity	12,707,107.47	8,855,751.94	1,529,034.26	2,176,441.65	-
- denominated in PLN	6,323,411.26	4,785,557.20	12,497.90	1,372,059.84	-
• including interest on investments financed through already earned interest	4,038.13	3,122.38	-	904.72	-
- denominated in EUR	3,314,593.51	2,033,735.25	559,990.91	786,050.44	-
- denominated in USD	3,069,102.70	2,036,459.49	956,545.45	18,331.37	-
Debt instruments classified as available for sale	2,675,291.65	1,125,733.20	1,300,592.57	236,765.62	-
- denominated in EUR	2,675,291.65	1,125,733.20	1,300,592.57	236,765.62	-
Bank deposits	1,405,323.17	1,339,882.89	57,048.10	138.49	-
- denominated in PLN	511,388.61	479,273.26	30,966.41	138.49	-
• including interest on investments financed through already earned interest	453,185.56	427,532.41	30,966.41	-	-
- denominated in USD	893,934.56	860,609.63	26,081.69	-	-
• including interest on investments financed through already earned interest	7,399.29	7,399.29	1,688.44	-	-
Total	16,787,722.29	11,321,368.03	2,886,674.93	2,413,345.76	-

* Interest due and received in the financial year includes interest received from financial instruments acquired during the financial year from the date of purchase of the financial instruments to the date of coupon payments. Interest received in the financial year but accrued and relating to previous financial periods is not included.

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7.b. Result on financial instruments year end revaluations and exchange rate differences realized in the financial year related to the financial instruments

	Result on revaluation at adjusted purchase price for the financial year 01.01.2020-31.12.2020	Exchange rate differences	
		Realized	Unrealized
Debt instruments classified as held to maturity	(436,004.59)	-	11,476,602.39
- denominated in PLN	(297,034.23)	-	-
- denominated in EUR	101,457.52	-	12,435,479.46
- denominated in USD	(240,427.88)	-	(958,877.07)
Debt instruments classified as available for sale	-	-	5,161,192.71
- denominated in EUR	-	-	5,161,192.71
Bank deposits	-	-	(1,878,260.44)
- denominated in EUR	-	-	(1,878,260.44)
- denominated in USD	-	-	-
Total	(436,004.59)	-	14,759,534.66

	Result on revaluation at adjusted purchase price for the financial year 01.01.2019-31.12.2019	Exchange rate differences	
		Realized	Unrealized
Debt instruments classified as held to maturity	(1,091,669.42)	(125,375.00)	(935,885.39)
- denominated in PLN	(869,299.03)	-	-
- denominated in EUR	(10,316.73)	113,125.00	(1,558,332.68)
- denominated in USD	(212,053.66)	(238,500.00)	622,447.29
Debt instruments classified as available for sale	-	-	(382,851.79)
- denominated in EUR	-	-	(382,851.79)
Bank deposits	-	-	(889,093.09)
- denominated in EUR	-	-	1,878,260.44
- denominated in USD	-	-	(2,767,353.53)
Total	(1,091,669.42)	(125,375.00)	(2,207,830.27)

7.c. Financial income (expenses)

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019</u> <u>-31.12.2019</u>
Financial income		
Interest:	15,906,630.33	15,678,440.21
- interest received in the financial year related to financial instruments	16,269,430.36	16,787,722.29
- result on revaluation at adjusted purchase price of financial instruments classified as held to maturity	(436,004.59)	(1,091,669.42)
- reversal of accrued interest on debt instruments classified as available for sale	(1,537,358.19)	(1,552,995.07)

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- accrued interest on debt instruments classified as available for sale	1,666,935.74	1,537,358.19
- interest received in the financial year related to current bank accounts	792.03	6,277.91
- reversal of interest on bank deposits accrued in the previous financial year	(57,186.59)	(65,440.28)
- interest on bank deposits accrued in the financial year	21.57	57,186.59
Gain on disposal of investments available for sale	-	-
Other:	23,708,080.81	-
- unrealized foreign exchange rate differences	19,122,324.30	-
- realized foreign exchange rate differences	4,585,756.51	-
Total financial income	39,614,711.14	15,678,440.21

Financial expenses

Late payment interest and budgetary interest	47.38	116.06
Other:	-	656,777.82
- unrealized foreign exchange rate differences	-	2,240,923.94
- realized foreign exchange rate differences	-	(1,584,146.12)
Total financial expenses	47.38	656,893.88

7.d. Foreign exchange rate differences

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019</u> <u>-31.12.2019</u>
Unrealized foreign exchange rate gains (losses) by category of assets:		
Debt instruments classified as available for sale	5,161,192.71	(382,851.79)
Debt instruments classified as held to maturity:	11,476,602.39	(935,885.39)
- long-term debt instruments	11,673,129.43	(824,323.15)
- short-term debt instruments	(196,527.04)	(111,562.24)
Bank deposits	(1,878,260.44)	(889,093.09)
Current bank accounts	4,362,789.64	(33,093.67)
Total unrealized foreign exchange rate differences	19,122,324.30	(2,240,923.94)

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019</u> <u>-31.12.2019</u>
Realized foreign exchange rate gains (losses) by category of assets:		
Debt instruments classified as held to maturity:	-	(125,375.00)
- long-term debt instruments	-	(238,500.00)
- short-term debt instruments	-	113,125.00
Current bank accounts	4,586,123.63	1,681,221.27
Settlements with employees	367.12	28,299.85
Total realized foreign exchange rate differences	4,585,756.51	1,584,146.12

8. Goals and principles of financial risk management

The entity invests all funds in debt securities of issuers with high ratings and bank deposits.

The Foundation follows an investment policy providing safety to the Perpetual Capital according to the rule ‘security is more important than returns’. For diversification of risk, assets are held in EUR, USD and PLN that are also the currencies of major donations. The Foundation does not use change in currency rates as a premise for investment decisions.

When the rating of a particular issuer falls below a pre-determined level, the Foundation acts immediately in order to maintain the desired high security levels of invested funds.

The Foundation limits concentration risk with a particular issuer by setting maximum ratios of the total investment portfolio that may be invested in the securities of one single issuer.

Interest rate risk is limited by investing generally in debt instruments with fixed interest rates. The only appearing exceptions to the rule in Foundation’s investment portfolio are perpetual bonds with variable interest rate starting from a specified date in the future, some inflation-indexed bonds issued by the State Treasury and bonds issued by the Government of Israel, mBank and PKN Orlen based entirely on the variable interest rate.

9. Accrued and prepaid expenses

	<u>31.12.2020</u>	<u>31.12.2019</u>
Accruals:		
- accounting services	153,291.00	311,800.00
- audit services	86,100.00	86,100.00
- services of gaining donors	-	56,634.12
- travel expenses	50,000.00	-
- unused holidays	30,000.00	-
- organization of meetings with donors	127,000.00	-
- other	35,000.00	-
Total accruals not being of provisions	<u>481,391.00</u>	<u>454,534.12</u>
	<u>31.12.2020</u>	<u>31.12.2019</u>
Prepaid expenses:		
- donations due from the entity rendering accounting services in favor of the Foundation	789,983.43	441,102.01
- donations due from the entity rendering audit services in favor of the Foundation	86,100.00	86,100.00
- donation due from Hay Group	36,900.00	-
- fees related to the Foundation’s website	-	543.80
- management board insurance premium	1,666.66	1,666.66
- property insurance premium	599.34	794.65
- travel insurance premium	-	199.85
- hosting	494.24	-
- Dropbox	376.25	355.03
- Zoom	155.13	-
Total prepaid expenses	<u>916,275.05</u>	<u>530,762.00</u>

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10. Statutory fund (Perpetual Capital)

The statutory fund consists of donations received for Perpetual Capital.

Donations to Perpetual Capital received in a given year are initially treated as income and are allocated to statutory capital (Perpetual Capital) in the subsequent financial year, following the approval of the financial statements by the Council of the Foundation.

The Foundation shows donations received in foreign currencies at the historic PLN average exchange rates of the NBP as at the day preceding receipt of each payment to the Perpetual Capital.

Donations received for Perpetual Capital in respective financial years:

- 2009	1,744,566.38
- 2010	1,959,355.73
- 2011	57,317,408.46
- 2012	66,223,090.96
- 2013	82,485,706.54
- 2014	75,030,995.72
- 2015	120,314,514.01
- 2016	14,441,883.48
- 2017	15,769,828.52
- 2018	15,499,395.52
- 2019	3,206,744.06
Total statutory fund as at 31 December 2020	453,993,489.38

Following the approval of the 2020 financial statements the statutory fund, including donations received in 2020, will amount to PLN 607,391,676.04

Most of the Funds received by the Foundation as donations was invested in debt instruments. The total value of the above financial debt instruments as at the balance sheet date amounted to PLN 533,650,341.95. Detailed information on the debt instruments was presented in note no. 4.

Additional funds resulting from gains earned by the Foundation related to investment of the donations (except for cash used by the Foundation to cover donations for the Museum and administrative costs) were located to bank deposits.

Donations to Perpetual Capital received in 2020 by donor:

Donor	Currency of donation	Amount of donation in original currency	Amount of donation in PLN*
The Netherlands	EUR	1,000,000.00	4,441,700.00
Ireland	EUR	10,000.00	44,534.00
Monako	EUR	50,000.00	215,170.00
Germany	EUR	28,860,782.00	128,179,949.96
Portugal	EUR	10,000.00	45,272.00
The USA	USD	2,000,000.00	7,731,600.00
The Great Britain	GBP	1,000,000.00	4,876,100.00
City of London	GBP	300,000.00	1,542,120.00
Italy	EUR	375,000.00	1,681,612.50
Binah Charitable Foundation	USD	76,511.09	290,887.51

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The Lawrence and Judith Tanenbaum Foundation	USD	37,878.79	142,462.13
The Auschwitz-Birkenau Memorial Foundation	EUR	143,529.10	3,469,985.10
	USD	672,140.82	
The Linda Frum Howard Sokolowski	USD	74,571.22	291,446.70
Peerage Realty Partner Inc.	USD	75,148.42	288,314.43
Ev. Kirchengem. Ober-Ramstadt	EUR	114.87	491.57
Ev.-luth. Kirchenkreisverband Osnabrück-Stadt und -Land	EUR	173.01	787.28
Alan Greenberg	USD	37,263.38	138,999.86
Others	EUR	1,249.35	5,542.15
Others	PLN	11,211.47	11,211.47
Total donations			153,398,186.66

Donations to Perpetual Capital received in 2019 by donor:

Donor	Currency of donation	Amount of donation in original currency	Amount of donation in PLN*
Pillar of Remembrance - Frank Lowy	USD	249,957.50	991,131.48
Ireland	EUR	10,000.00	42,610.00
Monako	EUR	15,000.00	64,623.00
Portugal	EUR	10,000.00	42,554.00
Canada	USD	376.36	1,440.93
Albert and Temmy Latner Family	USD	75,018.75	291,747.92
Edward Sonshine	USD	75,443.23	290,743.12
Joel York	USD	35,793.51	142,690.81
The G F Foundation	USD	75,075.08	294,369.39
The Gerald Schwartz Heather	USD	74,906.37	293,625.48
The Jay and Barbara Hennick Family Foundation	USD	76,126.67	291,618.43
The Lawrence and Judith Tanenbaum Family Foundation	USD	37,622.27	148,931.52
The Linda Frum Howard Sokolowski	USD	76,190.48	292,632.40
Others	EUR	1,010.00	4,350.16
Others	USD	2,485.00	9,512.83
Others	PLN	4,162.59	4,162.59
Total donations			3,206,744.06

* Donations were calculated at the average NBP exchange rates as at the day preceding each receipt.

11. Costs of statutory activities – donations transferred to the Museum

Year	Funds transferred to the Museum	Funds expensed by the Museum	Funds not used by the Museum, transferred back into the Foundation's bank account	Return of interest earned on funds transferred to the Museum*	Settlements with the Museum	Costs of statutory activities
2012	1,699,000.00	526,572.15	-	-	1,172,427.85	526,572.15
2013	2,144,991.00	1,053,501.31	-	56,519.54	1,148,009.23	996,981.77
2014	2,092,548.50	3,105,168.79	136,502.42	39,446.60	(1,166,195.65)	3,065,722.19
2015	5,226,091.79	5,026,352.89	279,419.49	18,310.45	(100,816.74)	5,008,042.44
2016	5,946,351.58	5,428,194.53	333,180.97	16,235.19	182,900.82	5,411,959.34
2017	7,664,742.85	8,733,269.14	23,168.41	4,332.99	(1,103,596.90)	8,728,936.15
2018	5,211,736.90	5,172,247.53	38,081.70	2,793.00	(131.79)	5,169,454.53
2019	12,847,927.28	12,737,885.10	41,112.35	6,148.31	72,285.14	12,731,736.79
2020	11,775,871.16	11,682,406.53	116,406.91	822.36	(28,268.23)	11,681,584.17
	54,609,261.06	53,465,597.97	967,871.72	144,608.44	176,613.73	53,320,989.53

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* In accordance with the General Agreement concluded between the Foundation and the Museum, interest earned on funds transferred to the Museum, generated in given financial year in the bank account supporting projects financed by the Foundation, is reimbursed to the Foundation not later than on 15 January of the following financial year.

Reimbursed interest reduces the costs of project finance transferred and used by the Museum in the year, in which interest was accrued.

12. Administrative expenses – external services

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019</u> <u>-31.12.2019</u>
- accounting services	478,183.43	391,222.00
- expert services	236,892.00	199,992.00
- audit services	86,100.00	86,100.00
- gaining donors	74,481.31	118,979.64
- rent of premises	61,259.58	60,688.20
- design and preparation of publications	26,918.55	57,067.16
- IT services	23,540.19	28,460.00
- design of donor board	22,307.50	-
- translations	18,922.60	22,128.04
- bank charges	16,825.70	6,979.20
- IT audit	12,300.00	-
- telecommunication services	11,623.47	9,119.06
- postal, courier and transport services	8,646.87	10,353.81
- lease of a copier	1,779.32	-
- notary and legal services	28.29	9.84
- maintenance, repair, renovation	-	679.21
- business cards printing	-	861.00
- cleaning services	-	9,246.00
- FAB 10 th Anniversary	-	119,223.70
- other external services	972.50	3,335.21
Total	<u>1,080,781.31</u>	<u>1,124,444.07</u>

13. Administrative expenses – payroll, social security and other employees benefits

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019</u> <u>-31.12.2019</u>
- remuneration of Management Board members	299,879.95	302,795.86
- remuneration of other employees	258,020.89	335,177.78
- social security	57,361.81	92,850.93
- medical benefits	29,613.99	28,148.52
- training	1,197.00	4,514.60
- other employee benefits (tickets, visa fees)	1,896.28	3,306.00
- FAB 10 th Anniversary	-	4,512.00
Total	<u>647,969.92</u>	<u>771,305.69</u>

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14. Administrative expenses – other

	<u>01.01.2020</u> <u>-31.12.2020</u>	<u>01.01.2019</u> <u>-31.12.2019</u>
- business travels	120,373.54	160,824.23
- meetings of supervisory authorities	92,682.76	49,466.47
- gaining donors	55,000.00	15,327.80
- training	42,393.93	-
- representation cost	16,339.25	14,439.46
- property insurance	1,212.70	1,176.11
- personal insurance	1,110.85	1,063.31
- FAB 10 th Anniversary	621.61	41,905.07
- other	2,679.79	-
Total	<u>332,414.43</u>	<u>284,202.45</u>

15. Corporate income tax

The Foundation is exempted from corporate income tax pursuant of the Corporate Income Tax Act of 15 February 1992 (uniform text – Journal of Laws 2019 item 865).

Regulations regarding goods and services tax, corporate income tax, natural person's income tax or social security contributions are subject to changes, as a result of which there is often no reference to fixed regulations or legal precedents. The existing legislation contains ambiguities that cause differences in opinions as to the legal interpretation of tax regulations both between state authorities and between state authorities and enterprises. Taxes and other settlements (for example customs or foreign exchange) may be subject to control by authorities that are entitled to impose significant penalties, and the additional amounts of liabilities established as a result of the inspections must be paid with interest. These phenomena cause that the tax risk in Poland is higher than that usually found in countries with a more developed tax system.

Tax settlements may be reviewed for a period of five years. As a result, the amounts reported in the financial statements may change at a later date after the final determination of their amount by tax authorities.

16. Outlays on non-financial fixed assets incurred in the preceding year and planned for the following year

In the financial year the Foundation incurred outlays for non-financial fixed assets in the value of PLN 853,620.00.

The Foundation intends to incur in the following financial year outlays on non-financial fixed assets amounting to PLN 20,000.00.

17. Exchange rates applied for the purpose of valuation of items denominated in foreign currencies

According to the NBP table no. 255/A/NBP/2020 as at 31 December 2020 effective on the balance sheet date, exchange rate taken for the purpose of valuation of receivables, liabilities and cash was as follows: EUR 1 = PLN 4.6148, USD 1 = PLN 3.7584, GBP 1=PLN 5.1327.

According to the NBP table no. 251/A/NBP/2019 as at 31 December 2019 effective on the balance sheet date, exchange rate taken for the purpose of valuation of receivables, liabilities and cash was as follows: EUR 1 = PLN 4.2585, USD 1 = PLN 3.7977, GBP 1 = PLN 4.9971

18. Average employment in the financial year, including breakdown according to occupational groups

The Foundation employed 4 office workers as at 31 December 2020. Average employment in the current financial year equalled to 4.92.

19. Remuneration, including amounts payable to members of the managing and supervising bodies

In the financial year remuneration of members of the Management Board amounted to PLN 299.9 thousands.

No remuneration was paid to the members of the Foundation Council.

20. Loans and similar benefits granted to members of the managing and supervising bodies

The Foundation did not grant loans or any similar benefit to members of the Management Board or the Foundation Council.

21. Significant post-balance sheet date events

By the day of preparation of these financial statements there were no significant post-balance sheet date events in the Foundation, which would require to be included or additionally disclosed in these financial statements for the period from 1 January to 31 December 2020.

22. Significant events from previous years disclosed in the financial statements

None.

23. Changes in accounting policies made during the financial year

None.

24. Information required to ensure comparability of the financial statements for the preceding year with the financial statements for the financial year

None required.

25. Other significant information concerning the economic and financial position and financial results of the Foundation

The financial statements include all necessary information concerning the economic and financial position and the financial results of the Foundation.

In accordance with § 9 point 4 of the Statutes of the Foundation, it shall be indicated that in the financial year from 1 January to 31 December 2020 and in the comparative period ratio between interest received on Perpetual Capital and administrative expenses of statutory activities presented below was in line with the above-mentioned provisions of Statutes:

	<u>31.12.2020</u>	<u>31.12.2019</u>
- Interest received in the Foundations' bank account. Detailed information on interest is presented in note 7a	16,269,430.36	16,787,722.29
- Maintenance of cash value of Perpetual Capital*	2,029,694.02	2,549,877.02
- Interest received less allocation of amounts required to maintain cash value of Perpetual Capital	14,239,736.34	14,237,845.27
- Administrative expenses of statutory activities (reduced by donations received from suppliers)	1,475,474.85	1,734,946.23
- Assets (resources) available for statutory activities in form of donations to Auschwitz-Birkenau State Museum in the following year	12,764,261.49	12,502,899.04
- The percentage of administrative costs in net interest income reduced by maintenance of cash value of Perpetual Capital	10%	12%
- The percentage of assets (resources) available for statutory activities in form of donations to Auschwitz-Birkenau State Museum for the next year in realized interest reduced by maintenance of cash value of Perpetual Capital	90%	88%

*Maintenance of cash value of Perpetual Capital means adjustment of net interest income with the premium paid on the purchase of bonds and covered by Perpetual Capital funds (donations). In the case of purchasing bonds on the secondary market, due to changing market conditions, the return on the investments may be lower than the interest rate coupon established at the time of (bond) issue. In that case, the bonds are purchased for a price higher than their nominal value (premium). At maturity, the bondholder receives the nominal value of the bond in cash from the issuer. In order to maintain the cash value of the Perpetual Capital, the premium is covered from the interest received while keeping the bonds in the portfolio. Therefore, every year a certain part of the interest received creates a provision and is not an interest profit that can be spent on the statutory activity of the Foundation. At maturity the total premium value fills the gap in the equity. Thanks to this cash settlements, the value of the Perpetual Capital resulting from the donation remains unchanged in a given currency, regardless of the type of bonds purchased.

In August 2020 the value of the Perpetual Capital exceeded EUR 120 million. According to the statute, from that moment on, the administrative costs of the Foundation should not exceed the level of 10% of profits obtained from the Perpetual Capital. Previously, the costs could reach 30% of profits. The limit of costs, established using the proportionality principle, was at the level of 22.71% in 2020.