



Polish Investment
& Trade Agency
PFR Group

Invest in Poland

Investment climate and public aid



PAIH. All the help investors need, in one place, free of charge.

The **Polish Investment and Trade Agency** (PAIH) is a state-owned organization supporting FDIs in Poland.



Tailor-made macroeconomic, HR, legal and sectoral datapacks



Information about different forms of public funding



Location consulting; online database of investment plots

Our experienced team with a practical attitude and excellent business acumen will ensure your investment process is as smooth as possible, with the assistance of a dedicated **Project Manager**.



Identification of potential partners and suppliers



Facilitating contacts with local and central government



Organization of site visits for prospective investors



Introduction to start-ups and technology providers; organising B2B meetings



Support in building partnerships with R&D institutes and innovation centres



Follow-up services post completion of the project; media relations aftercare





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Why Poland?



Poland – your place to invest

Basic information



5th most populous country in the EU
(38,0 mn inhabitants)
Largest country in CEE



14 cities exceeding 200k inhabitants



USD 1,30 tn total GDP (PPP)



57% debt-to-GDP ratio



USD 34 152 GDP per capita (PPP)



USD 99,1 bn
total value added in manufacturing



USD 252 bn total exports value



USD 10,9 bn inward FDI flows



<20% contribution of exports to GDP



USD 235 bn inward FDI stock
18% of GDP



Currency:

Polish Złoty (PLN)

1 EUR ~ 4,7 PLN

1 USD ~ 4,4 PLN



Tax rates:

CIT 19% (base rate), 9%, 5%

VAT 23% (base rate), 8%, 5%, 0%

PIT 17%, 32%





Unprecedented growth

*Highest growth rate in the OECD
between 1990 and 2019*

*No recession from 1991
through 2019*



Stable, robust economy

*Max score for Macroeconomic
Stability in the Global
Competitiveness Report*



Biggest labour and product market in CEE

*Over 40% of the region's total GDP
and labour pool*



FDI magnet

*Regional leader in foreign
inbound greenfield investment (2020)*

*One of the lowest decline in Europe in
inbound projects
(Europe: -30%, Poland -1.6%)*



Transparent

*Regional leader in the
Transparency International
Corruption Index*



Well-developed infrastructure

*1st in CEE in Airport Connectivity
& Quality of Road Infrastructure
(Global Competitiveness Report)*



Business-friendly

*40th in the Doing Business ranking
(1st in CEE)
2nd lowest tax wedge for labour costs
in the region – 35,6%
(below OECD average)*



Competitive cities

*European Cities of the Future (fDi
Intelligence):*

*Warsaw: 7th position (ahead of Berlin,
Madrid and Prague); 2nd in EU in Business
Friendliness among Major Cities*

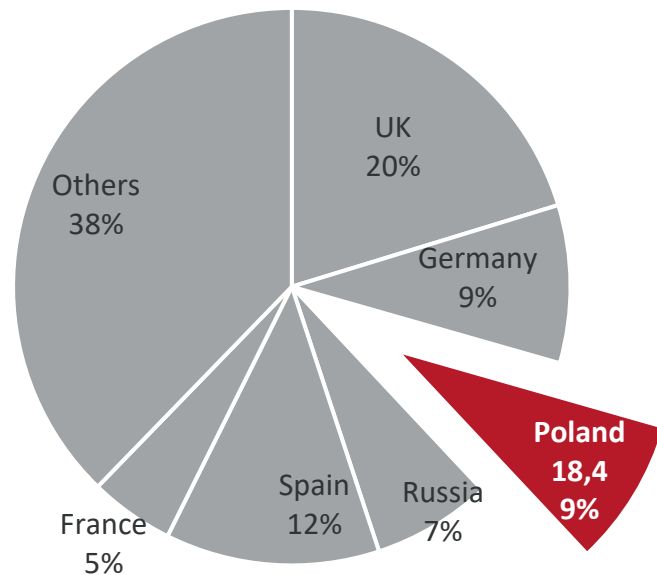
423 new FDI projects in 2021, Top 3 in EU

Poland had one of the lowest declines in project numbers after the start of pandemic

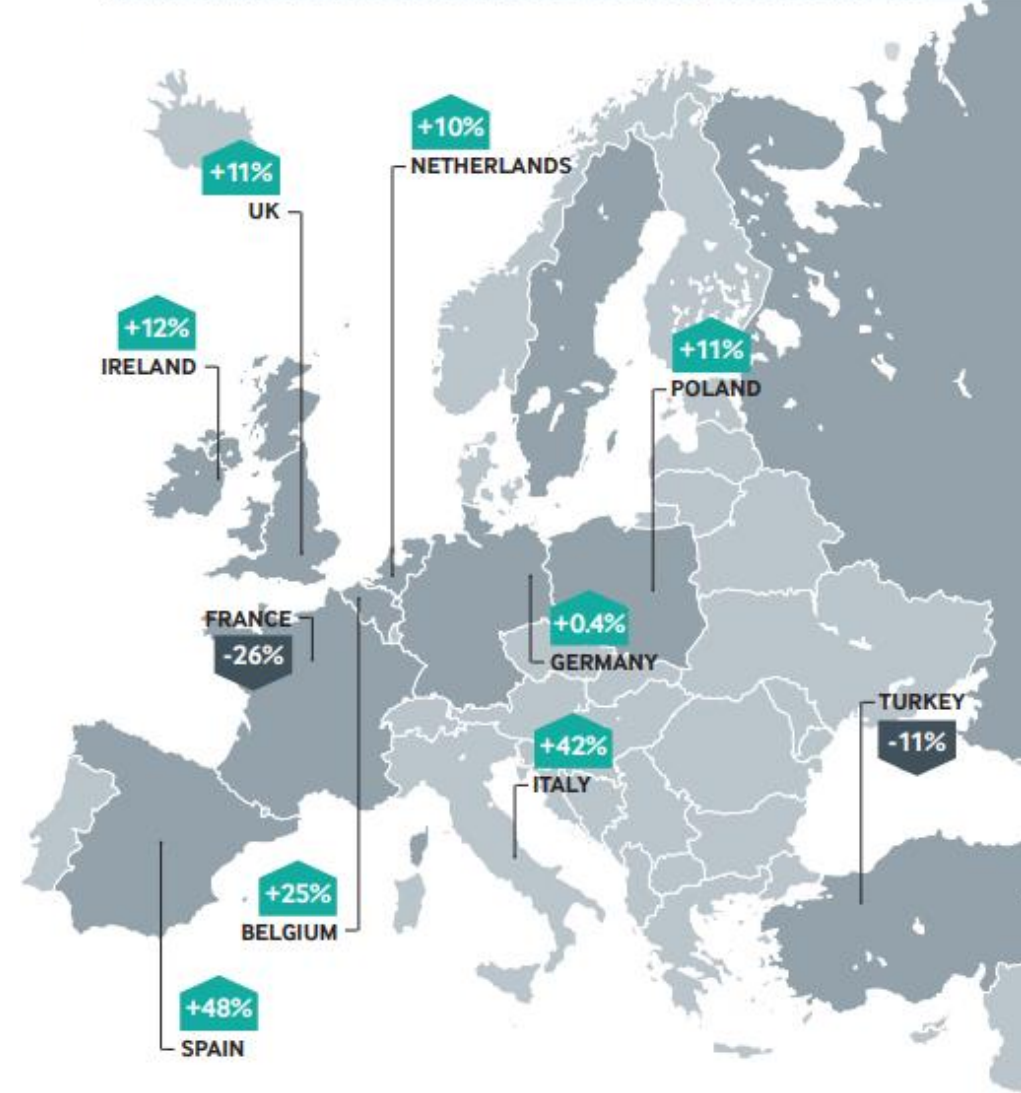
19% of new jobs created by FDI in Europe since 2019 has been created in Poland

Second country in FDI offshore projects

FDI by capital investment 2020, \$bn



PERCENTAGE CHANGE ON 2020 BY PROJECT NUMBERS





Safe place for business

Poland Energy Independence projects

Baltic Pipe

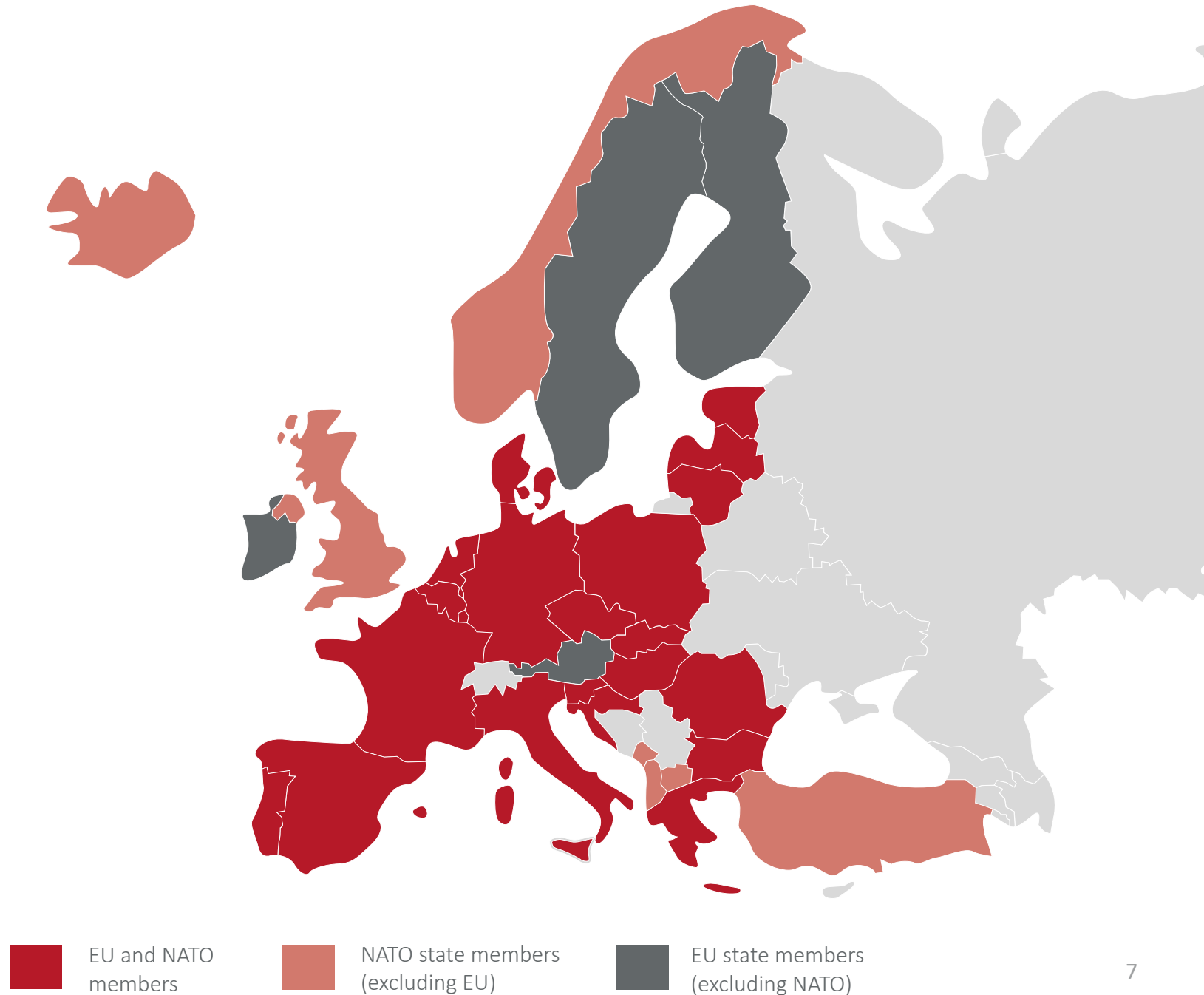
Completed and ready to start in 2022

Świnoujście LNG

Expansion to be finished in 2023

LNG Gdańsk included in 4th and 5th list EU's Projects of Common Interest, Operation starting in 2027

Poland as one of the first post-soviet countries in NATO guarantees **stability** and **safety** for FDIs





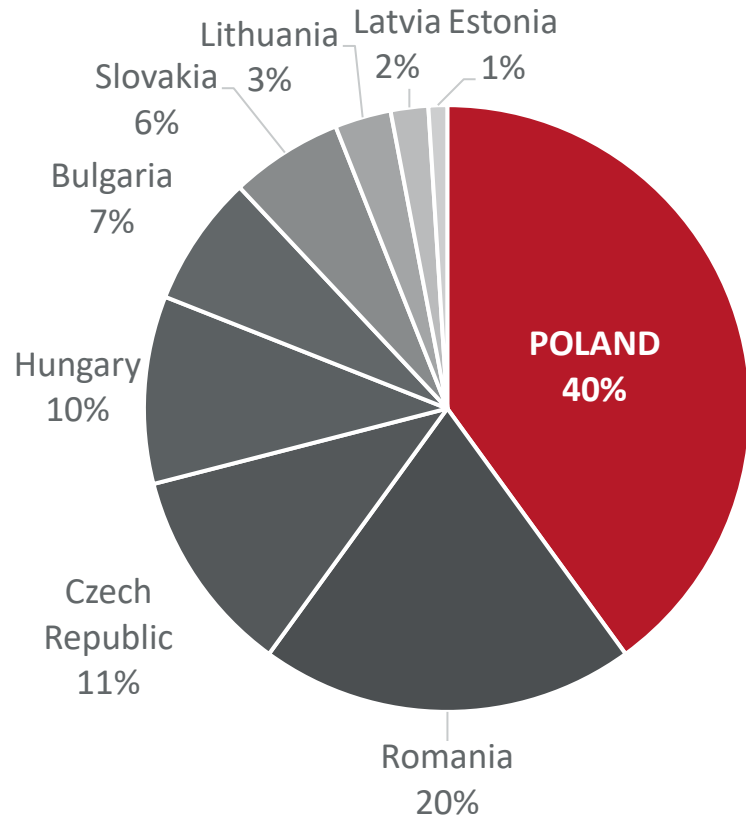
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Human resources



Poland's human resources

Population of CEE countries



Largest country
in Central Eastern Europe



Population **38,4 mn**
(**5th** in EU)



60% of the population live
in cities



23 mn of Poles in working age



39 Number of cities above
100,000 inhabitants



Human Resources in Poland

Largest country in Central Eastern Europe



60% of the population is at working age
9.8 mn Poles under the age of 25



5.6% unemployment rate (Jan 2022)
927 800 unemployed nation-wide

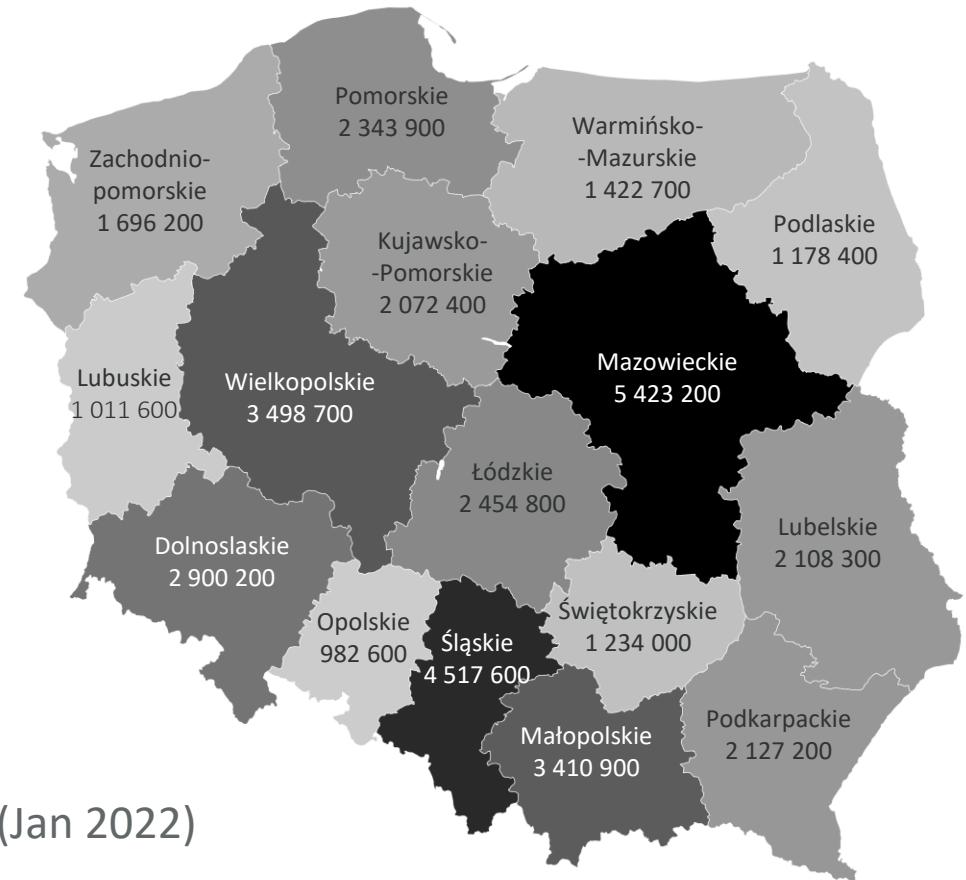


Largest inflow of foreign workers from outside the EU
Over **625 000** first residence permits issued for employment (2019)



PLN 3010 (EUR 653) minimum monthly wage for 2022
PLN 6 064 (EUR 1 347) average monthly wage in manufacturing (Jan 2022)

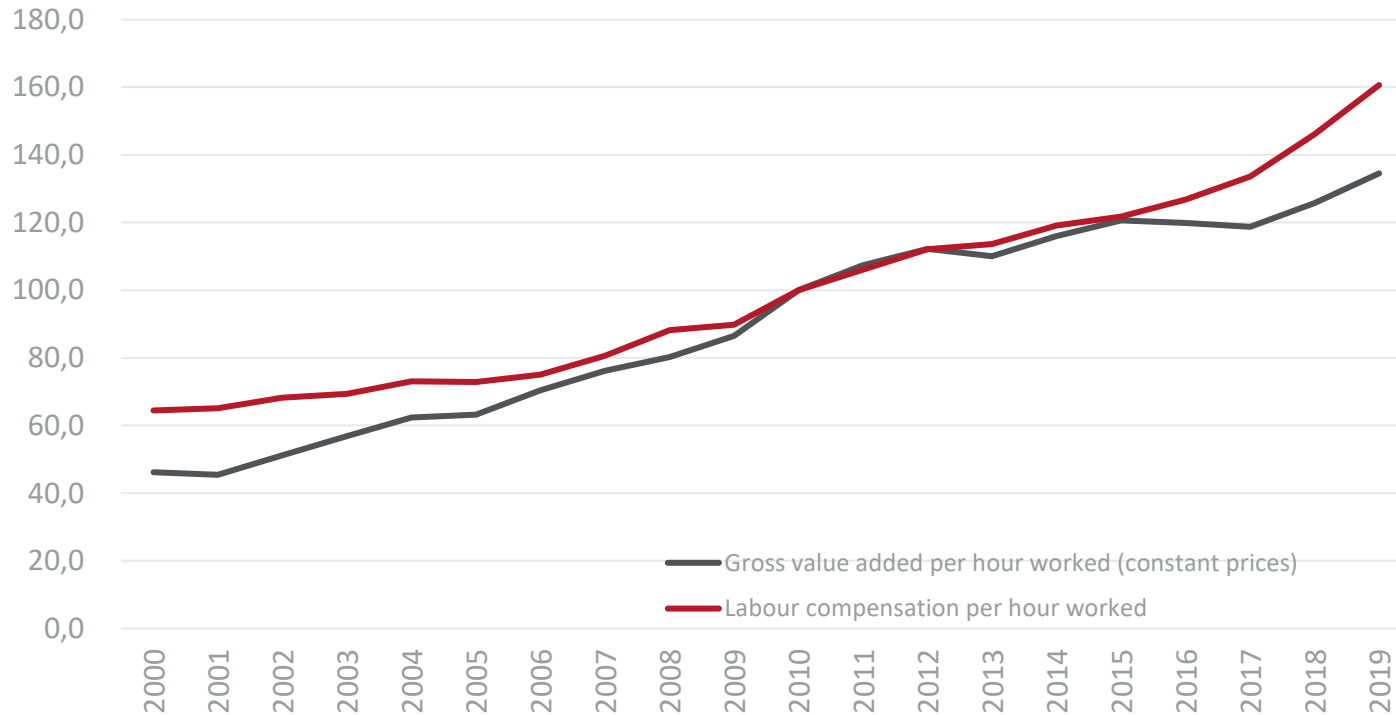
Population by province



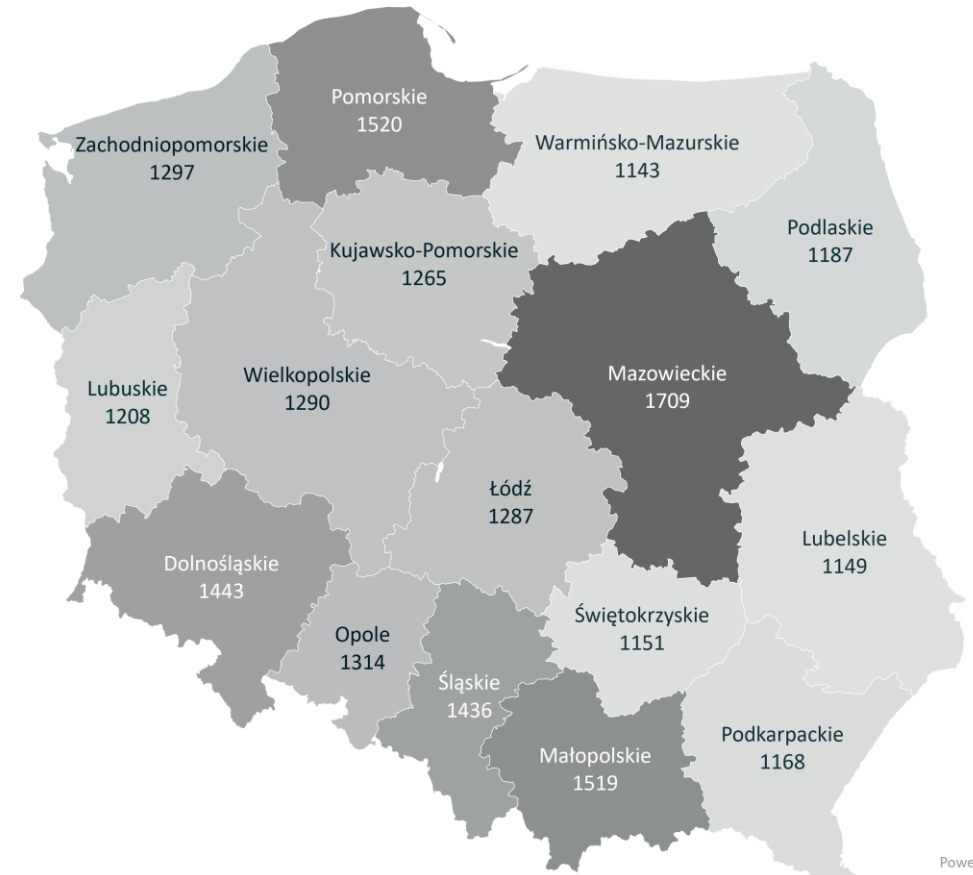
Productivity and wages

In manufacturing

Gross value added per worker against labour compensation, index 2010=100



Average Salary by voivodeship (EURO=4.65/ March 2022)



PLN 3010 (EUR 653) minimum monthly wage for 2022

PLN 6 064 (EUR 1 347) average monthly wage in manufacturing (Jan 2022)



Higher education

Translating education into innovation



- 20** universities
- 28** technical universities
- 37** economic universities
- 34** state vocational higher schools
- 200+** private higher education institutions



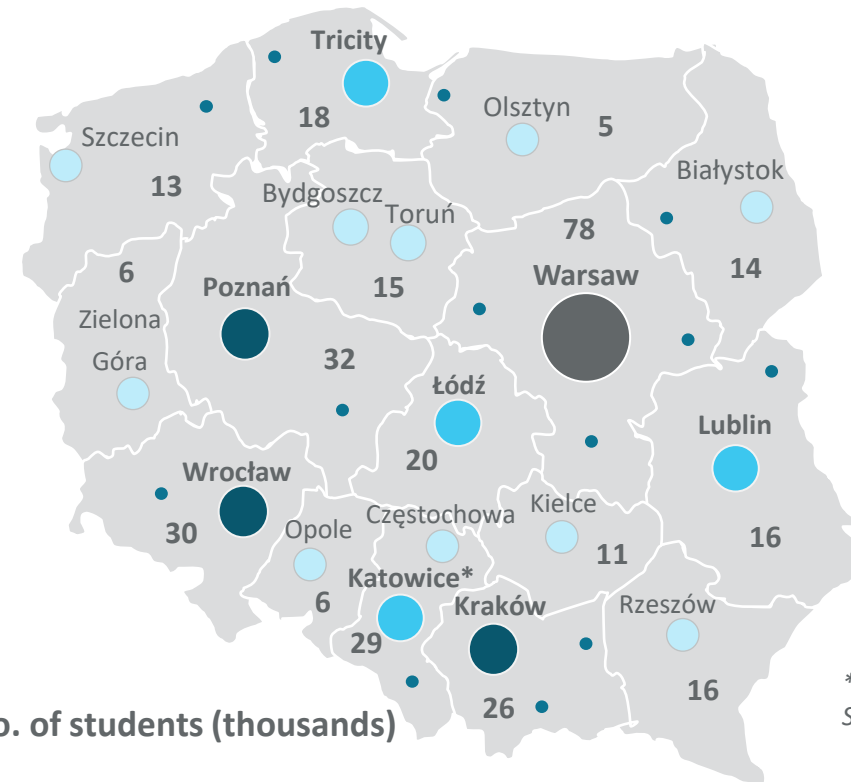
- 1,2M** students (2020/2021)
 - **131k** engineering & manufacturing students
 - **63k** ICT students
 - **218k** business & administration students



- 293k** graduates (2020)
 - **48k** engineering & manufacturing graduates
 - **12k** ICT graduates
 - **69k** business & administration graduates



Over **84 700** foreign students (2020/21)



No. of students (thousands)

- 201 >
- 151 – 200
- 101 – 150
- 51 – 100
- 50 <
- other regional academic hubs (over 3 thous.)

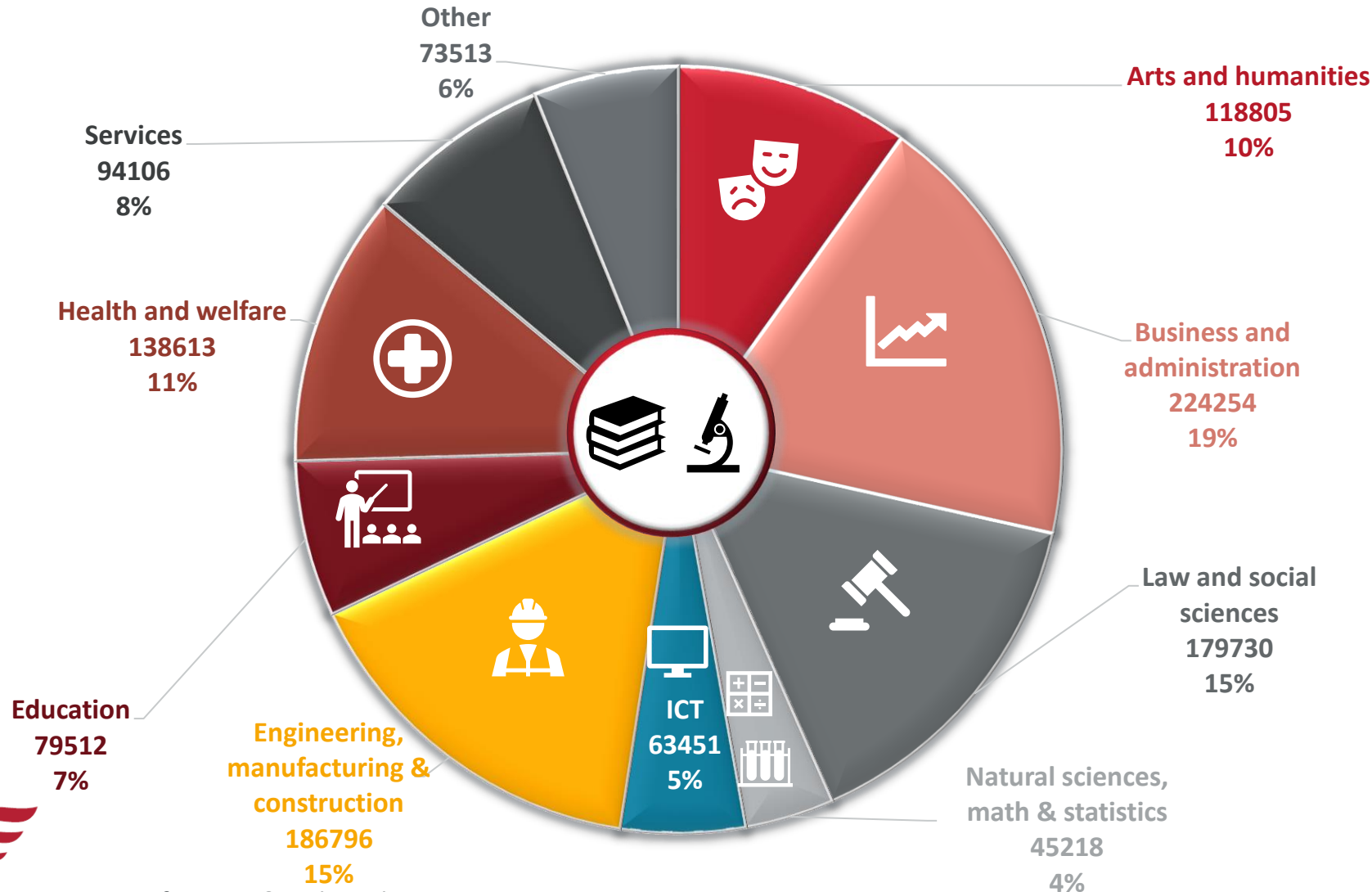
*Data for the entire Silesian Metropolis

11 no. of higher education institutions in the province


Higher education


Translating education into innovation

Students in higher education, 2019



 Population with higher education: **35%** of the working population

 **Warsaw, Kraków, Wrocław:** top European cities by share of population with higher education (only behind London)

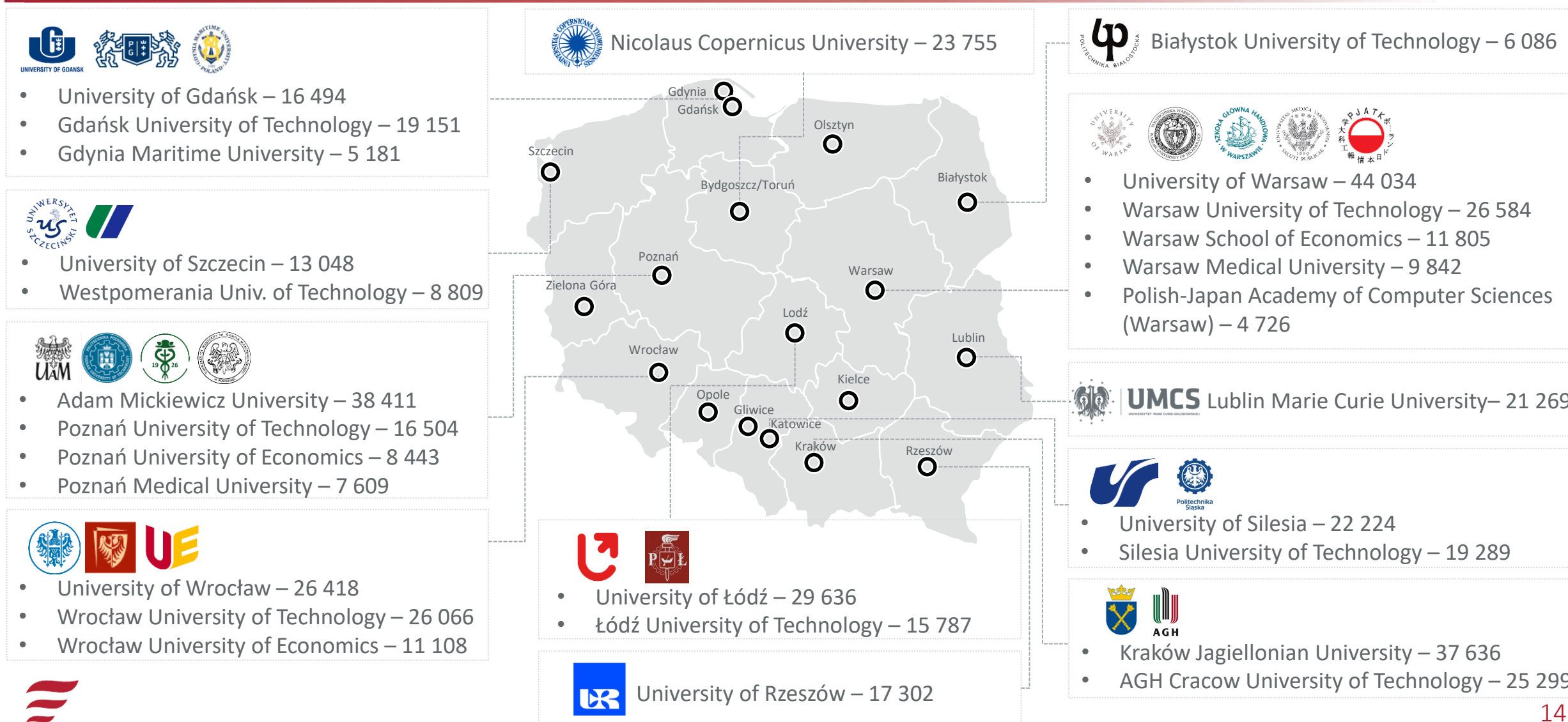
 Close collaboration between academia and industry

- **6-month industry placements** for students
- **Dual study** programs
- A new industry-oriented **PhD programme for implementation work**



Higher education

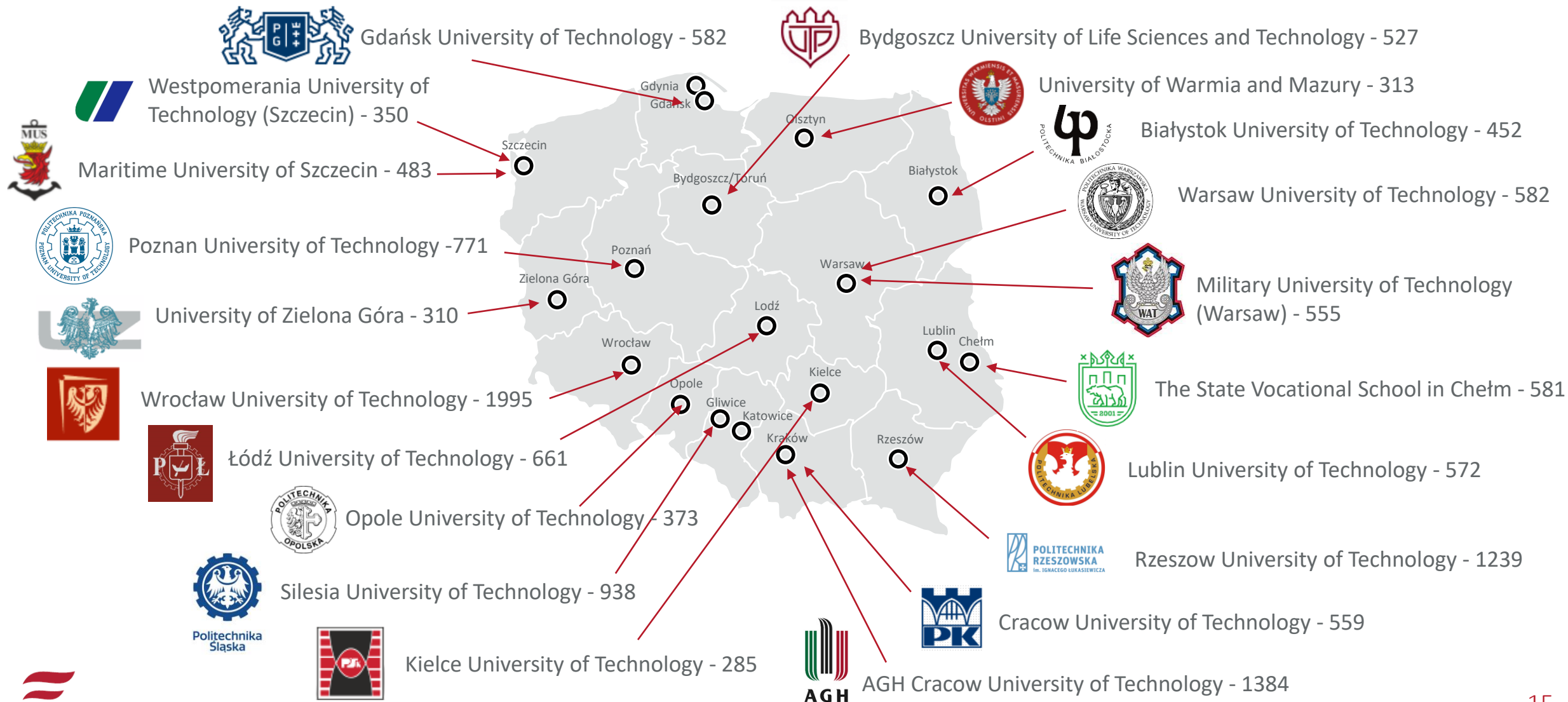
Major universities and number of students



Total for Poland: 1 291 869

Higher education

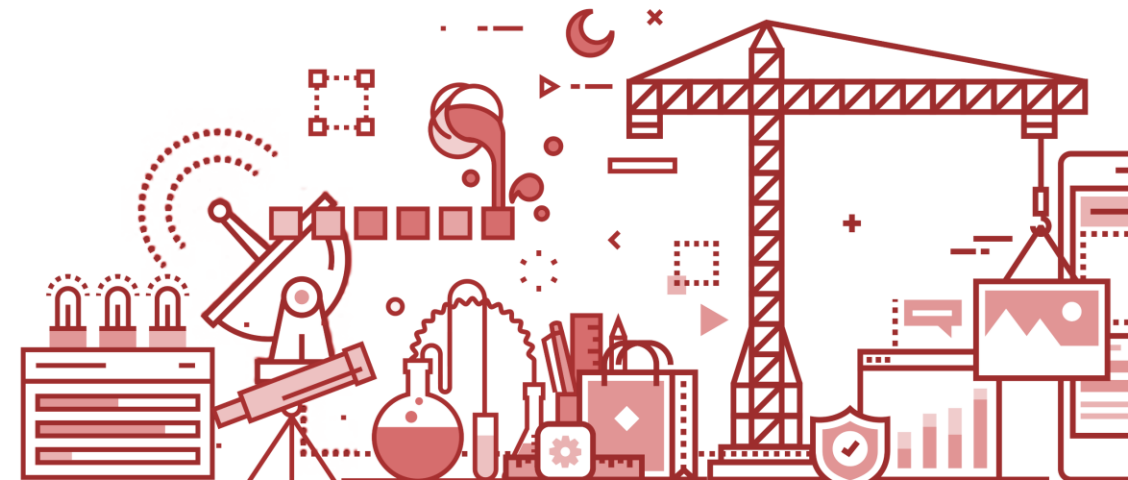
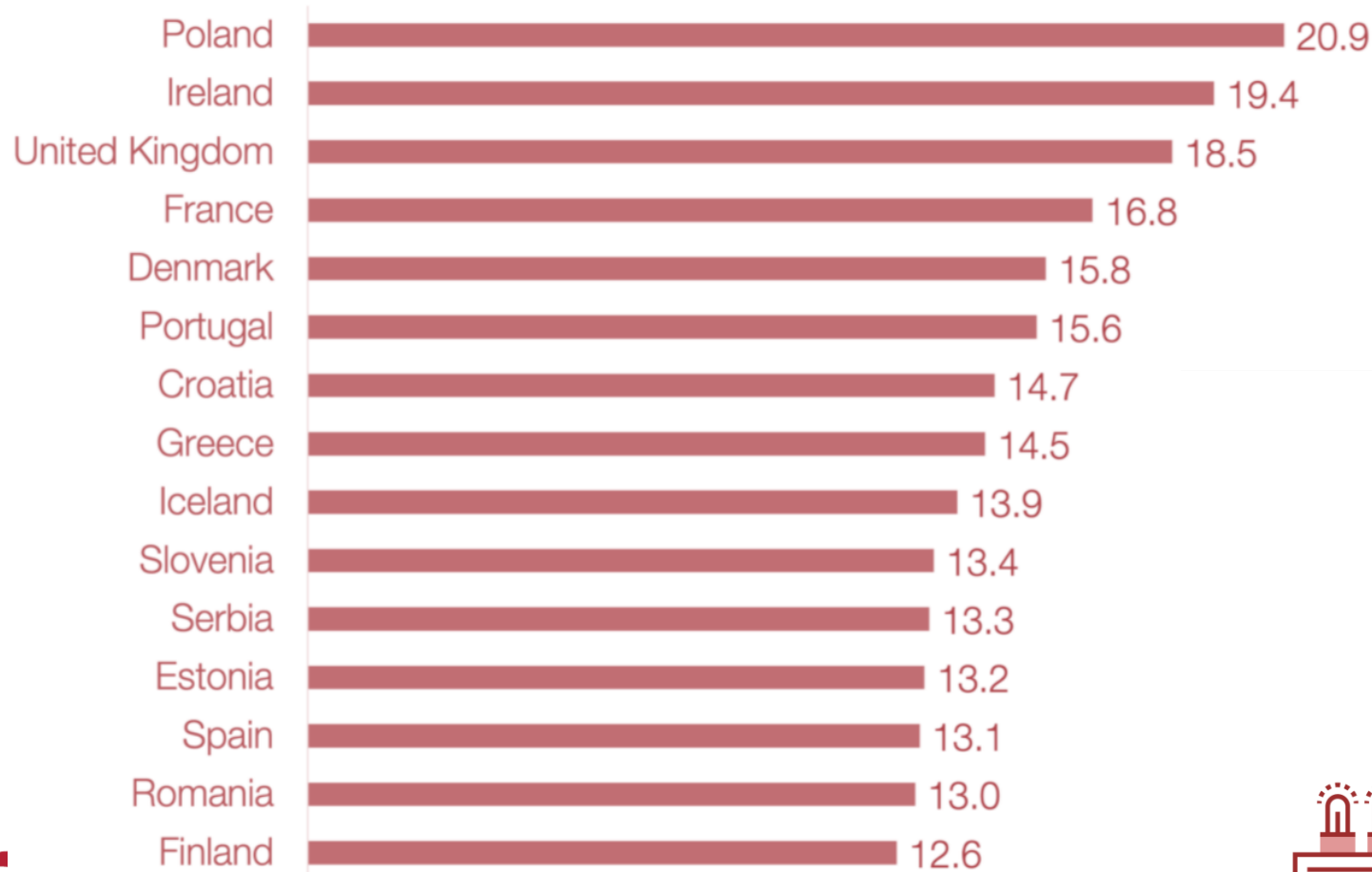
Mechanical / Mechatronics engineering – Selected Universities and number of students



Total number of Mechanical / Mechatronics engineering students in Poland in 2021: 17323

Poland is number one country for Female STEM graduates in the EU

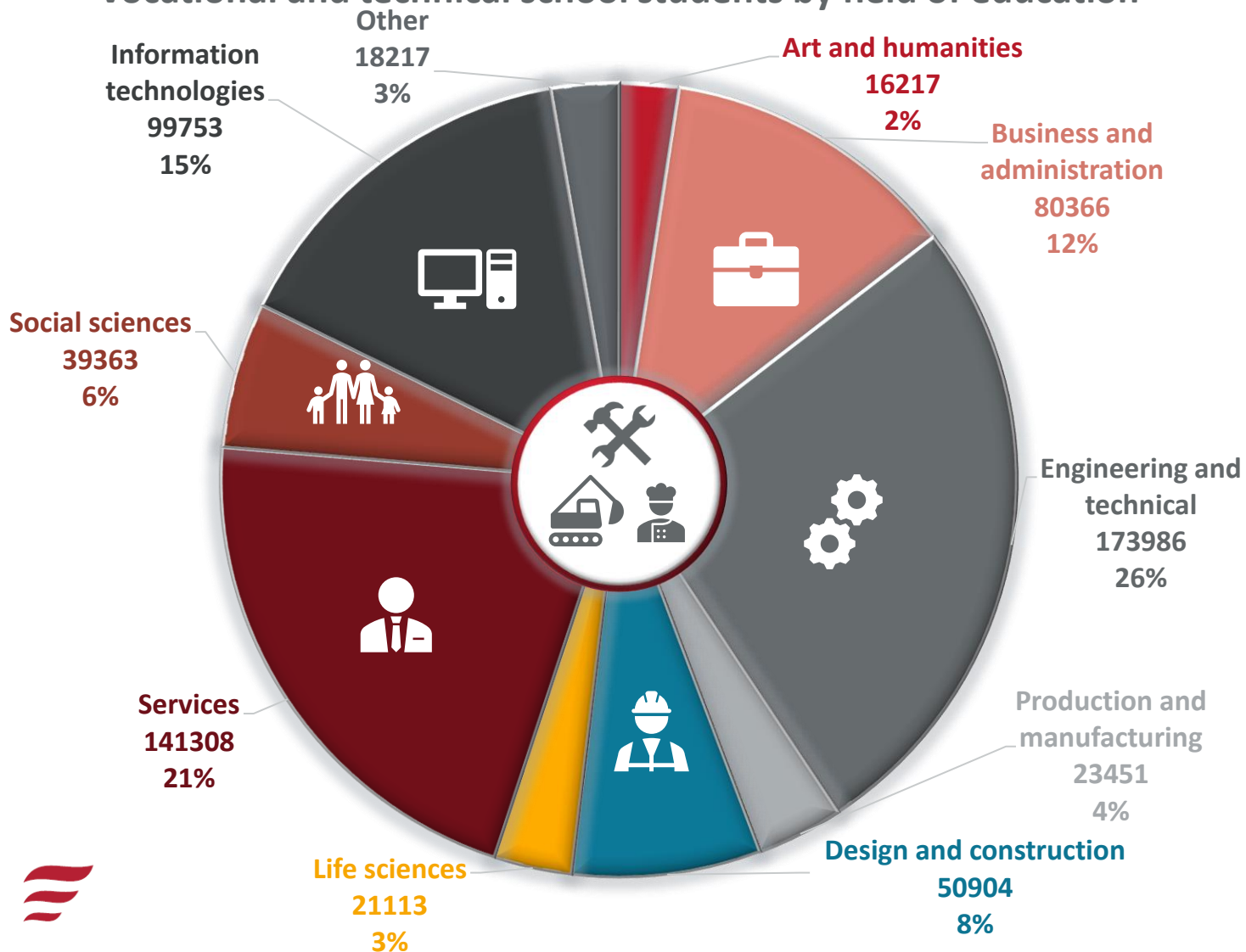
Female graduates in tertiary education, in STEM - per 1,000 of population aged 20-29 - EUROSTAT - 2017



Vocational and technical schools

Translating education into innovation

Vocational and technical school students by field of education



Total vocational and technical school students in Poland: **664 678**



More than **49%** of vocational and technical students educated in the field of technical and ICT studies

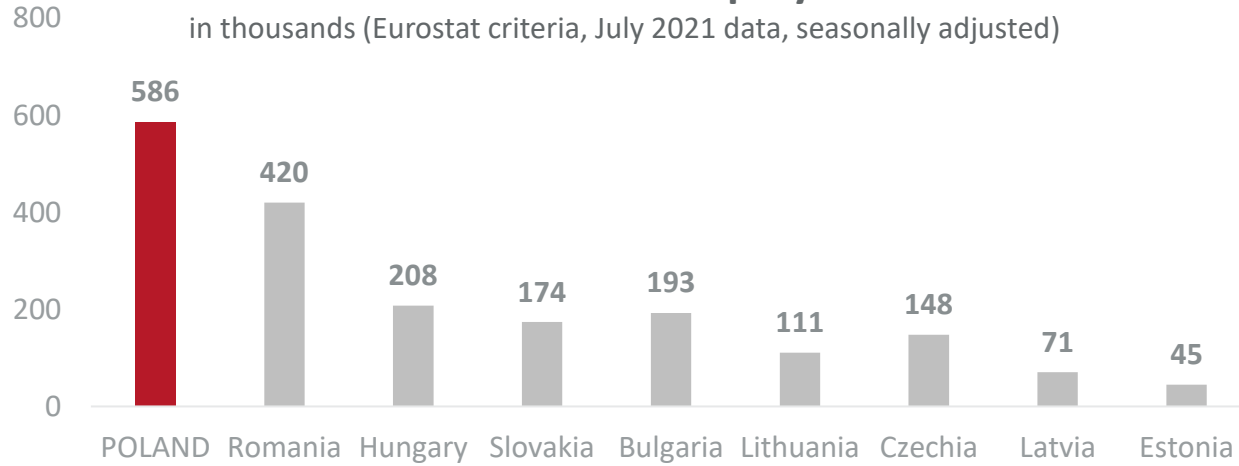


Wide range of **apprenticeships** and student **internships** frequently offered (co-financed by District Labor Offices)

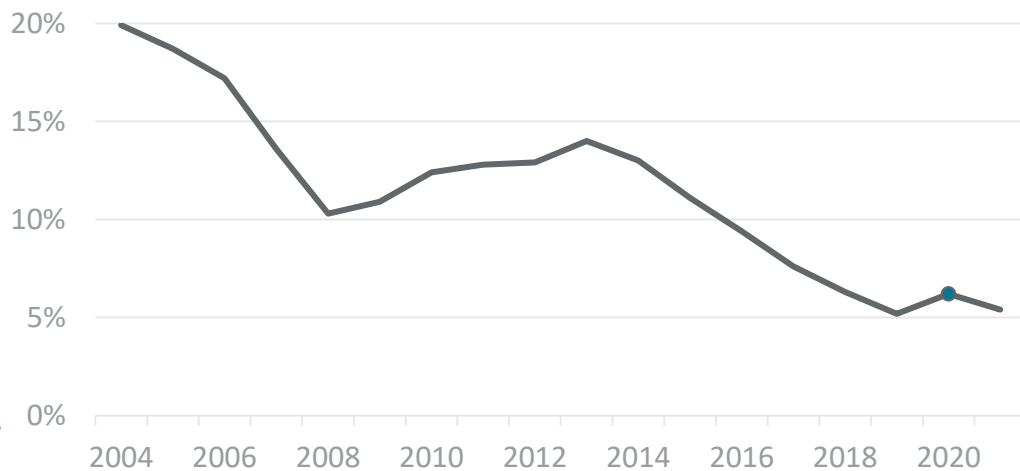


Number of unemployed

in thousands (Eurostat criteria, July 2021 data, seasonally adjusted)



Evolution of the unemployment rate

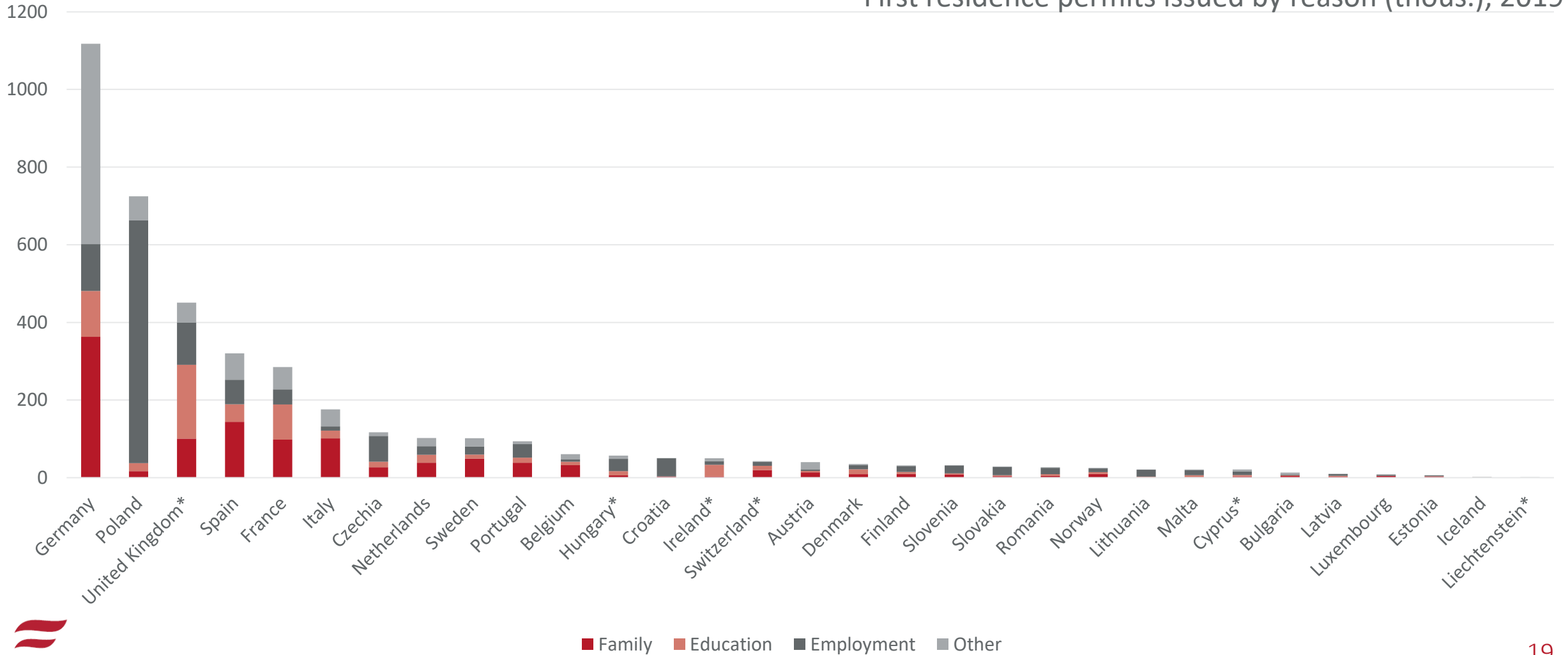


Unemployment rate by voivodeship (March 2022)



Poland has the largest inflow of foreigners for employment in the EU

First residence permits issued by reason (thous.), 2019



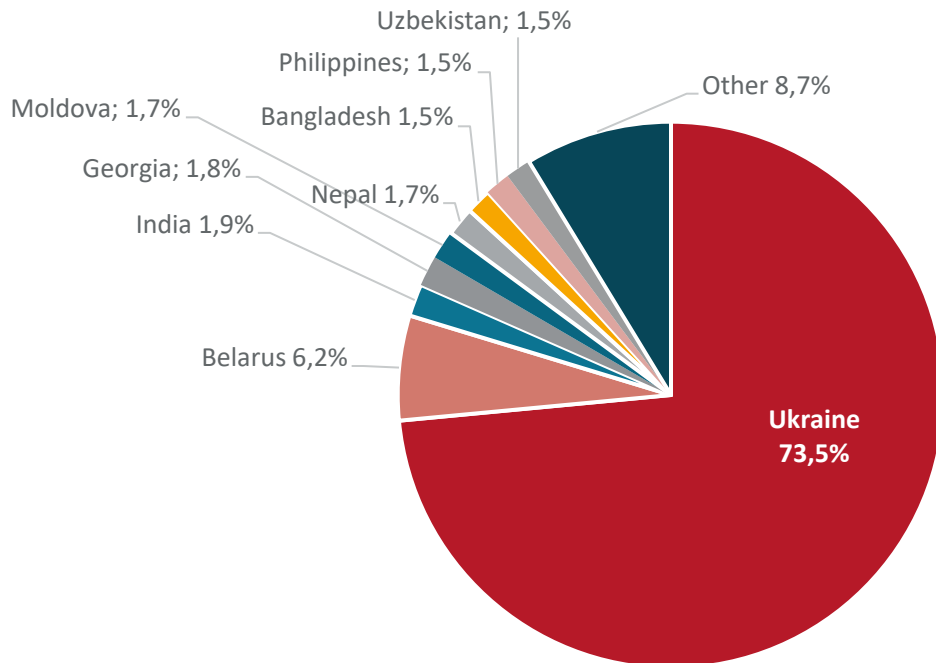
Foreign workers in Poland

Non-EU immigration

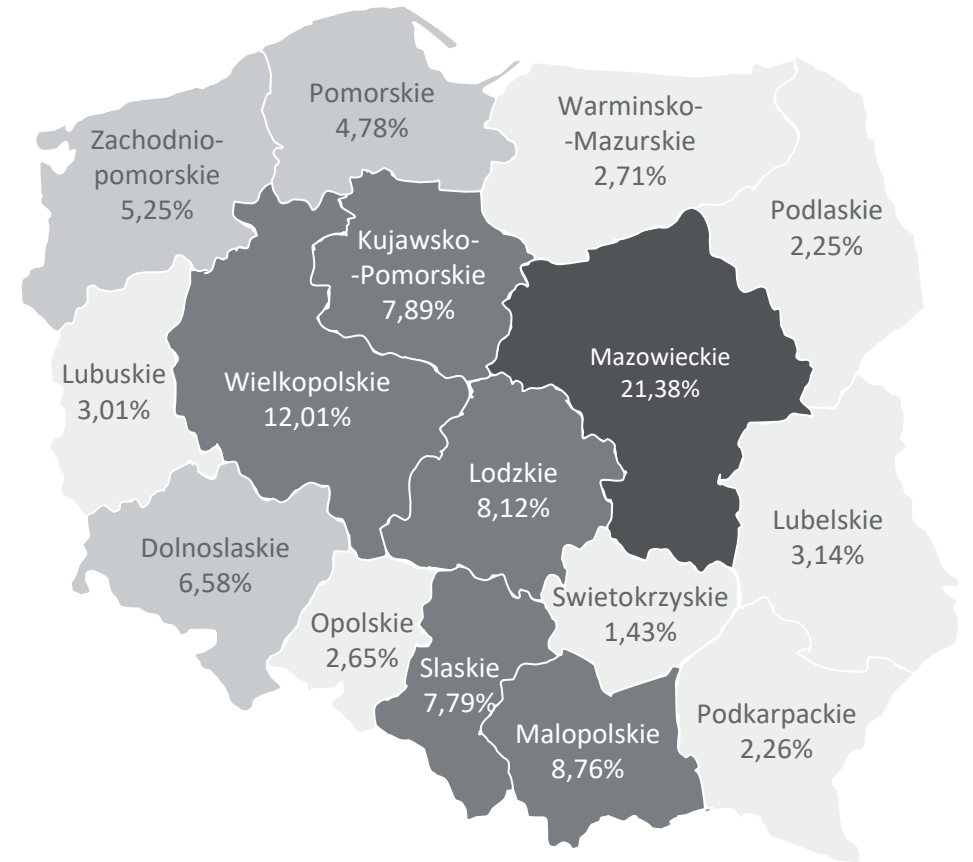
 **845 930** simplified work permits granted to citizens of Ukraine, Belarus, Russia, Georgia, Moldova and Armenia

 **427 700** work permits granted in 2019 (**30% more** than in 2018)

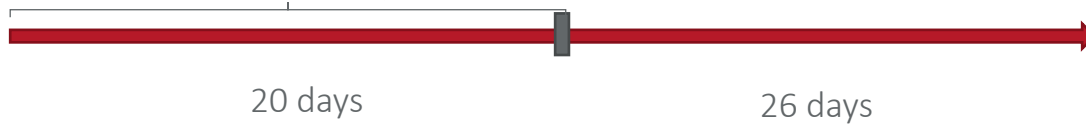
Structure of work permits issued, by the worker's country of origin, 2019



Structure of work permits issued by province (2019)



- Vacation days per year
10 years of work experience*



* Depending on education level, education time is partially accounted for in work experience

- National holidays per year: **13 days**
- Max working hours – average **5 days** per week as a standard



– per day – **8** per week – **40** per month – **160 – 176**

– overtime cannot exceed 150 hours per employee in a given calendar year (unless collective bargaining agreement stipulated differently)

- Overtime payments – **+50%**
- Payment for work on **Sundays** – **+100%**
- Payment for work on national holidays – **+100%**
- Night shift overtime – **+100% + 20%** of the minimum salary (2800 PLN)



Current trade union participation rate* (2020) – 12%

- Under normal circumstances, trade union participants **cannot be dismissed** without the consent of the trade union’s management board
- Less than **15%** of workers covered by **collective bargaining agreements**

* In enterprises of 10 or more employees (only employment contracts)

Notice periods

< 6 months of seniority
(inc. 3 month trial period)

6 - 36 months of seniority

> 36 months of seniority

2 weeks

1 month

3 months





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Location and infrastructure



Strategic location in the heart of Europe

Easy access to both Eastern and Western markets

 **4** Pan European Corridors  **41** intermodal terminals (6 sea, 35 land)*

 **2** Trans-European Transport Network projects (road/rail)

- Baltic-Adriatic Corridor
- North Sea-Baltic Corridor

 Belt & Road connection to Chengdu (***New Silk Road***)

 Rapidly developing internal highway infrastructure

- **5th longest highway network** in Europe
- **1 263,7 km** of motorways & expressways under construction

 Central-Eastern European Air Travel Hub

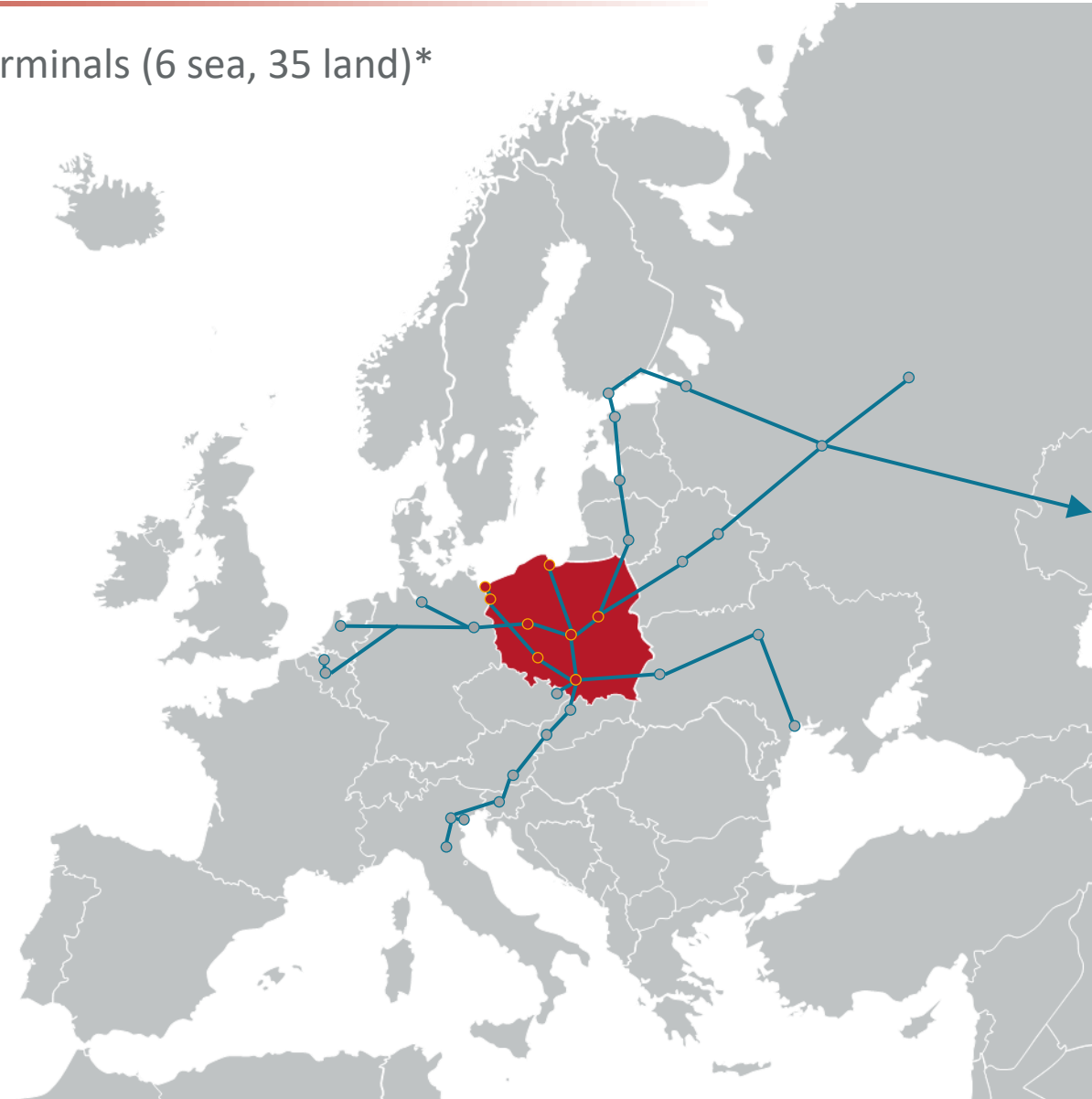
- **49,4 million passengers** in 2019
- **13** airports with regular European flights
- **4** airports serving major intercontinental routes

 Access to sea freight transport

- **4** large seaports
- **93,9 mn tons** cargo turnover in 2019
- **Deepwater Container Terminal** in Gdańsk



Location of intermodal terminals can be seen [here](#)



Strategic location in the heart of Europe

Easy access to both Eastern and Western markets



EUR 31.5 bn to be spent on road infrastructure in the years 2014-2025



63% of motorways & expressways planned for 2014-2023 completed



ca. 1 263,7 km of motorways and expressways under construction



Poland has the **fifth longest** highway network in Europe
(**1 738,3 km** motorways, **2 851,2 km** expressways)

Selected logistics infrastructure (December 2021)



- existing highway
- highway under construction
- highway in construction tender



harbour city



airport city

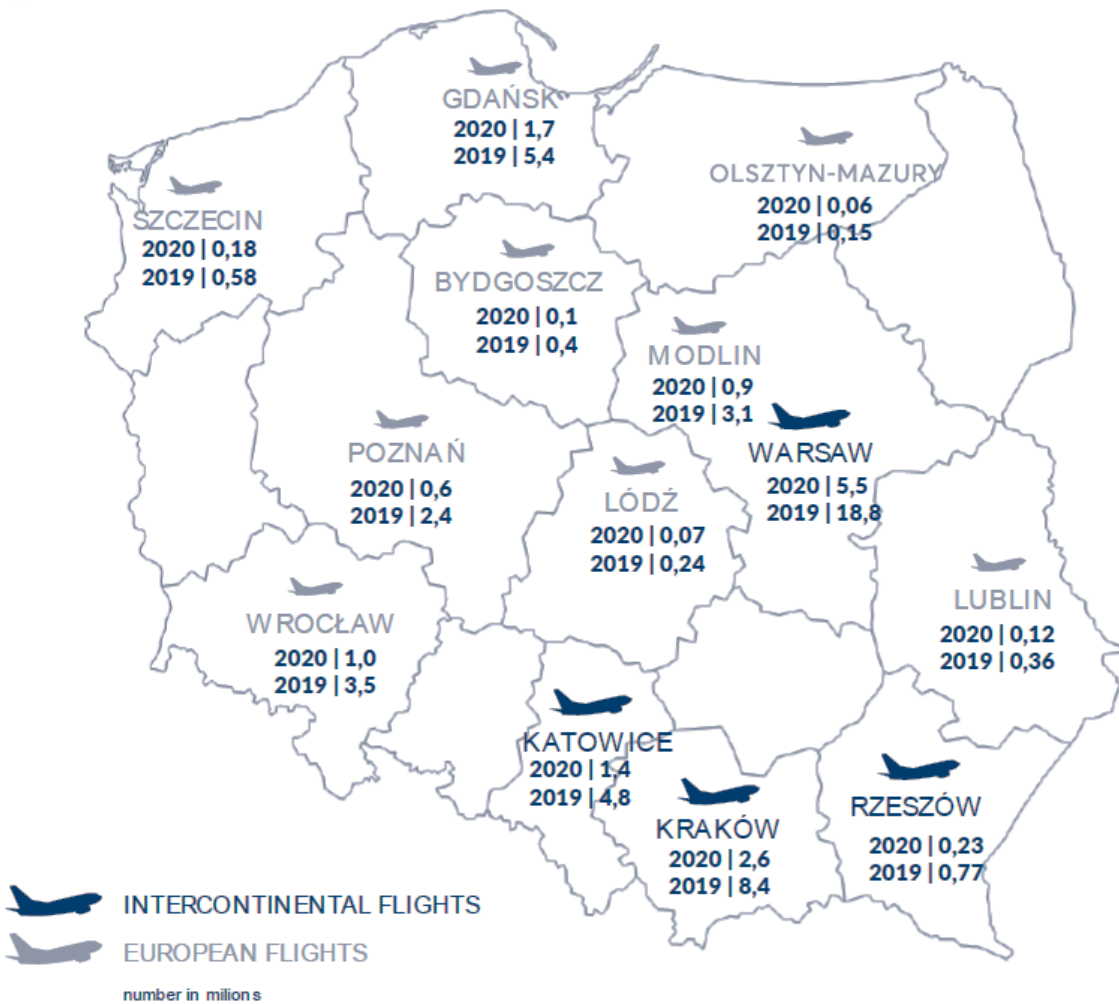


harbour & airport city

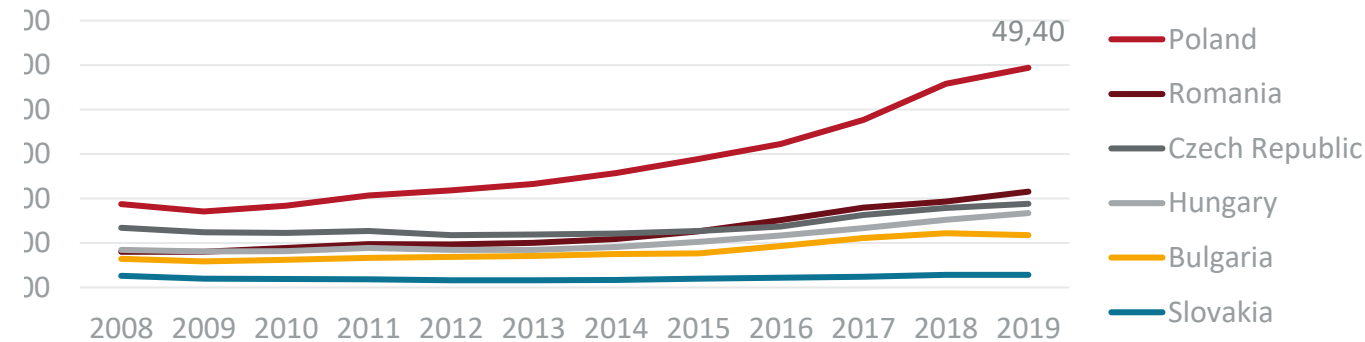


Airport infrastructure

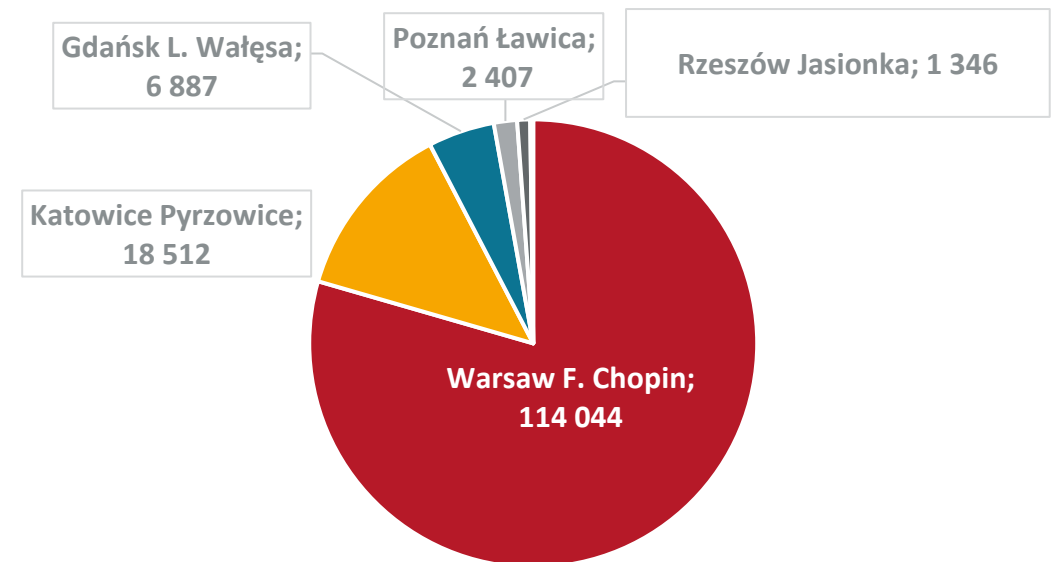
CEE's largest hub



Passengers served by CEE airports (mn)

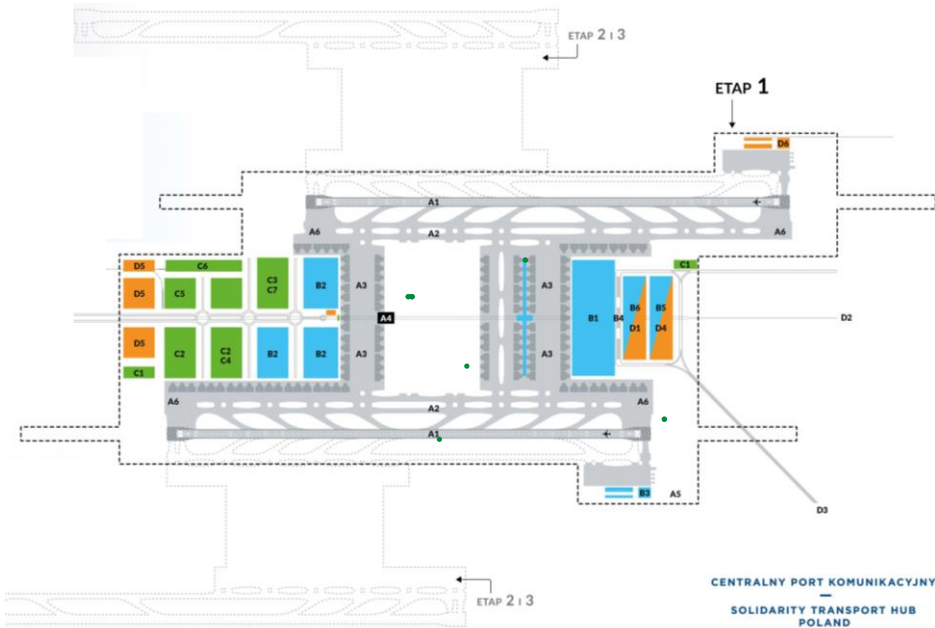


Annual cargo on board by airport in thous. tonnes (2019)

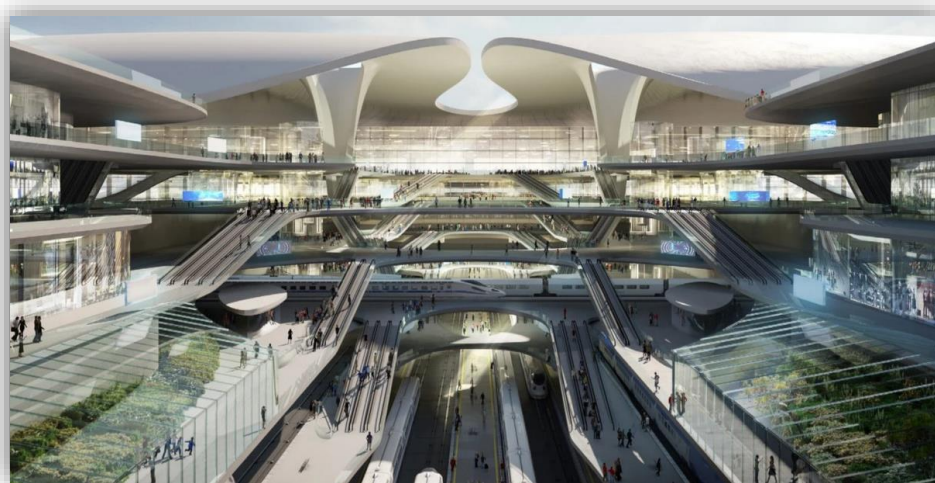


Airport infrastructure

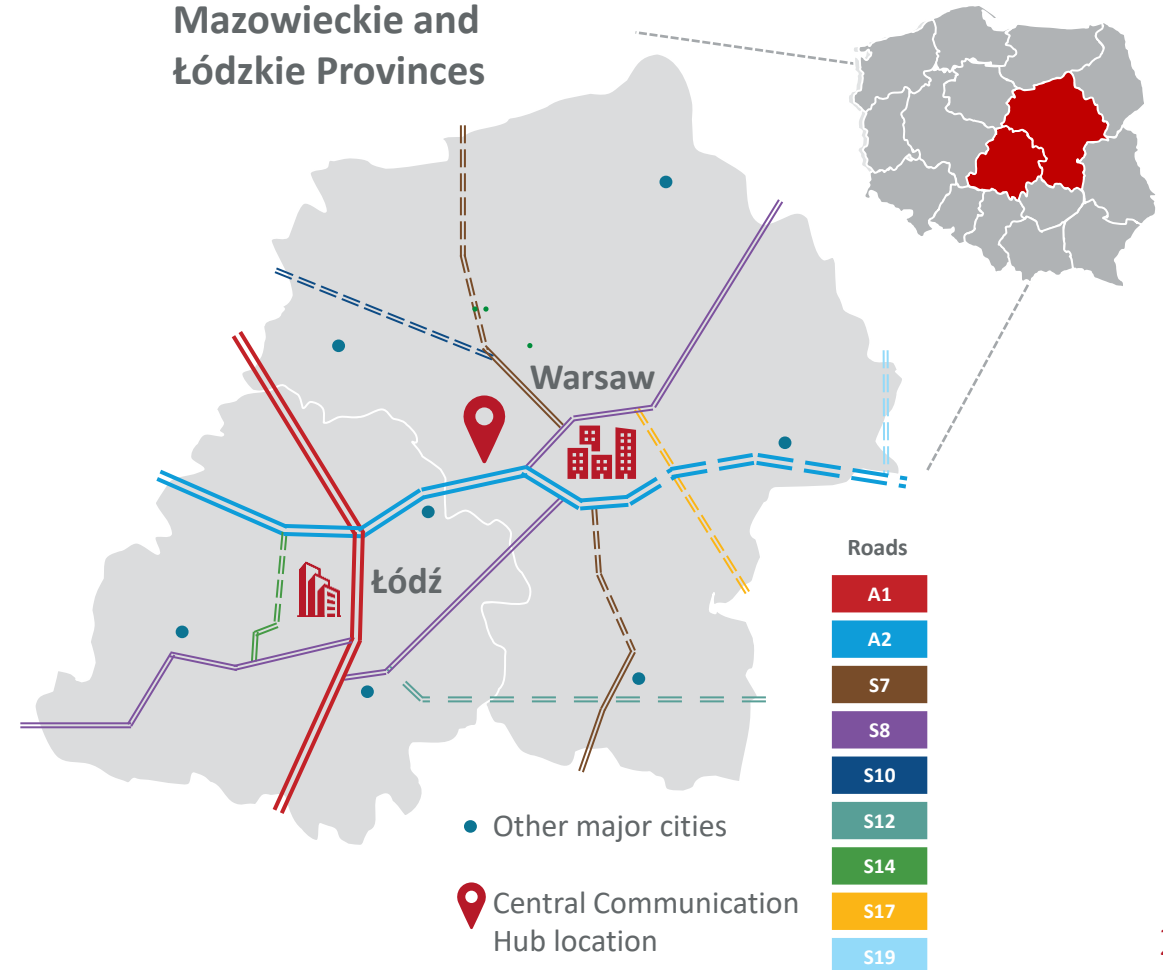
CPK hub – study and design



CENTRALNY PORT KOMUNIKACYJNY
—
SOLIDARITY TRANSPORT HUB
POLAND



Mazowieckie and Łódzkie Provinces



Seaports

Logistical advantages



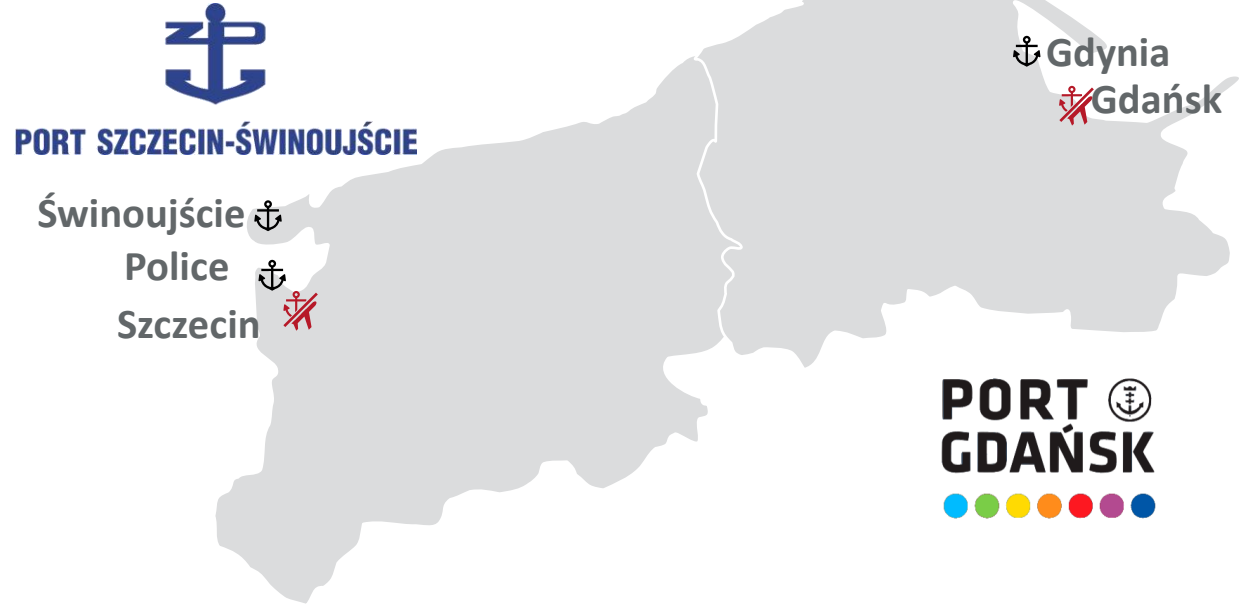
93,9 mn ton cargo turnover in 2019
2,3% year-on-year increase



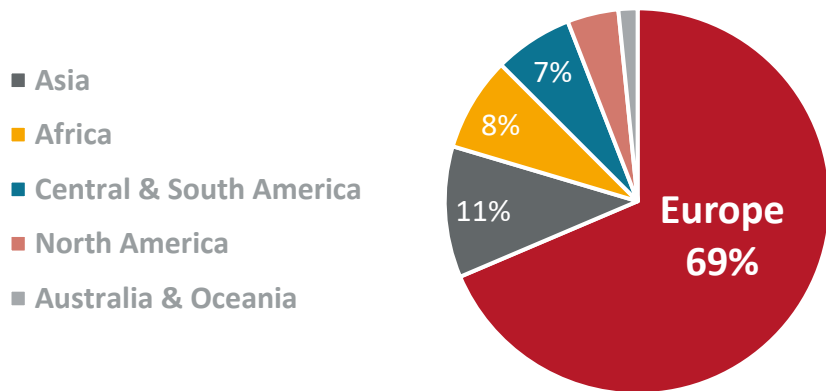
DCT (Deepwater Container Terminal) in Gdańsk
Annual handling capacity of **3 mn TEU**



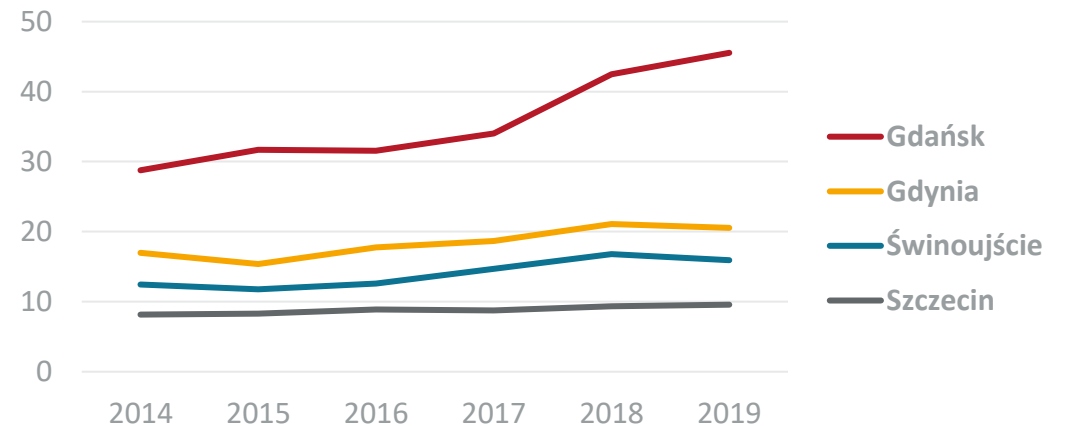
6 intermodal sea terminals (sea-road / sea-rail)



Cargo turnover by port of origin, in % of total turnover



Annual cargo turnover by destination port, in mn ton












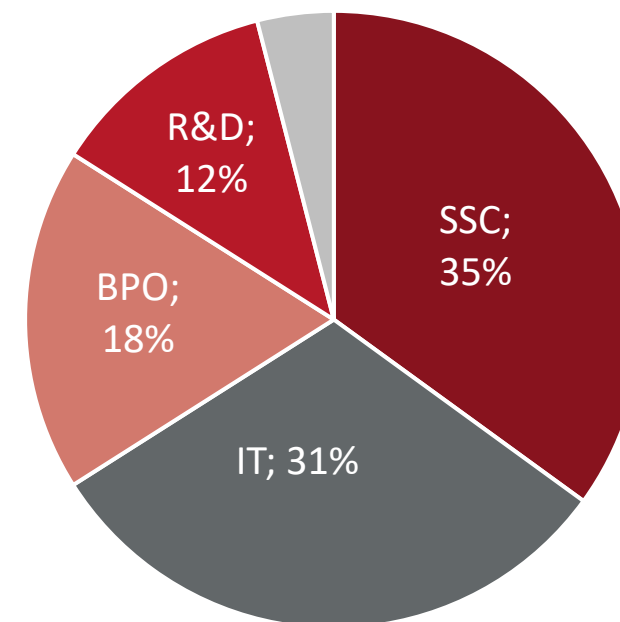
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Strong BSS/SSC sector



- 355 300**  Total employment in BSS
- 223**  Average employment in a BSS center
- 10%**  Employment growth (y-o-y)
- 12%**  Share of foreign nationals in employment
- 38**  Number of languages in which services are provided
- 1 500**  Business Services Centers
- 7**  locations with more than 10 000 BSS employees

Types of centers
(total employment)





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Growth of the R&D sector



Rapid development of the R&D sector

5 860 R&D entities registered

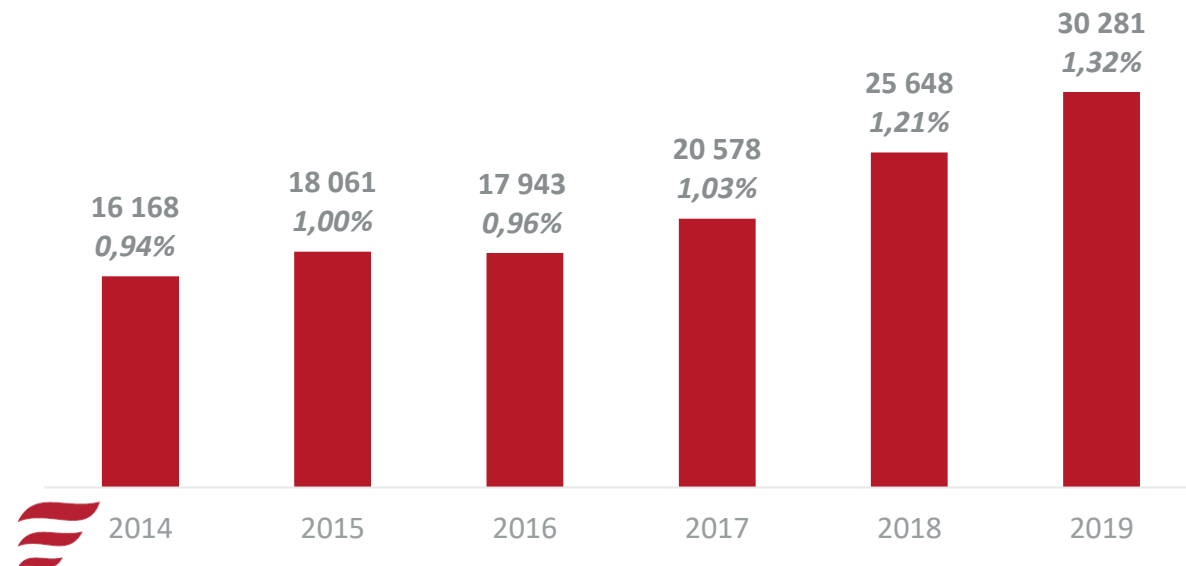
69% increase in the number of R&D entities since 2014

10th worldwide in terms of STEM investment

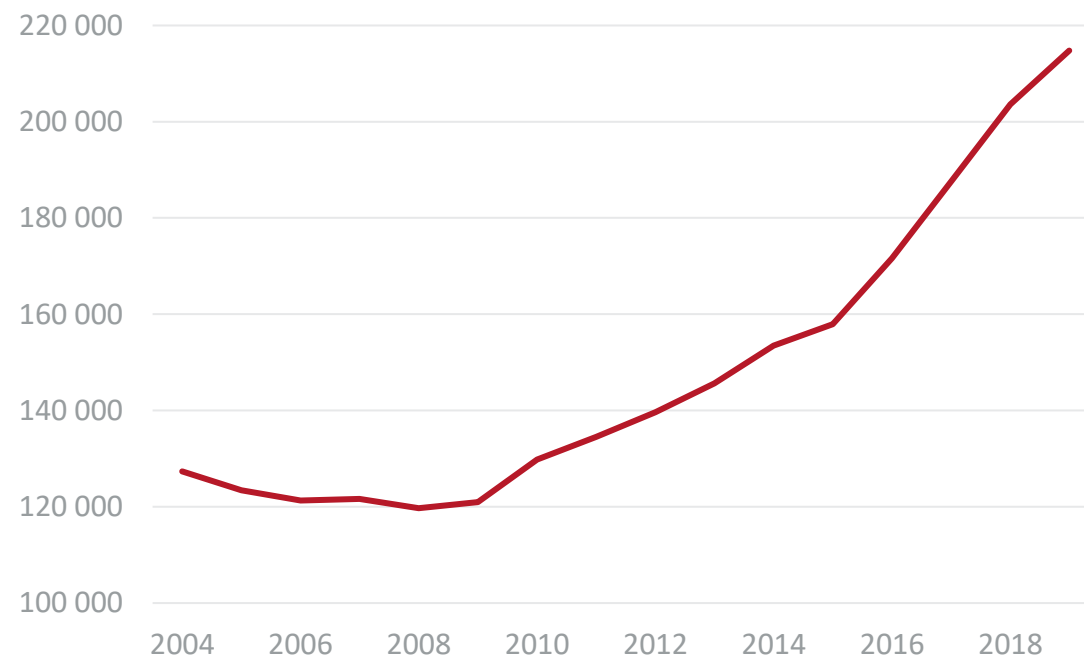
47% of R&D employees in higher education institutions

56 200 external R&D employees

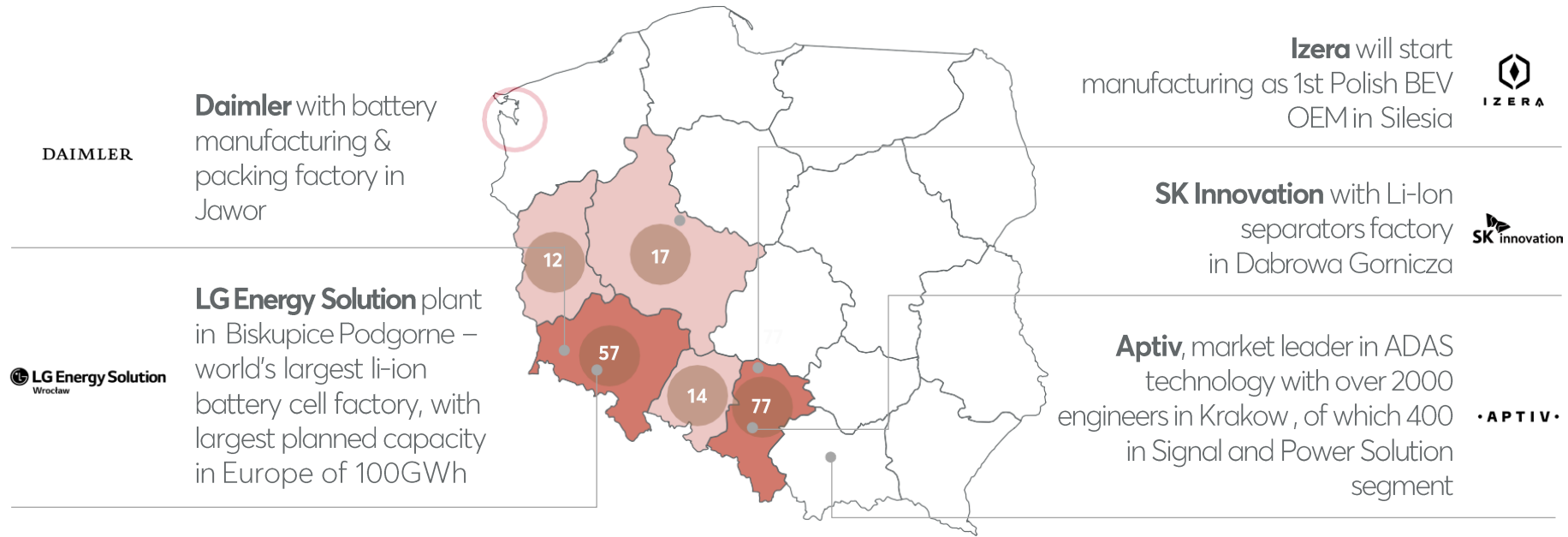
R&D expenditure in PLN mn
(percentage of GDP)



Internal employment in the R&D sector in Poland



Competitive landscape of suppliers across the whole value chain








and many more...

*The companies were selected on the basis of the assessment of PAIH experts

Largest factory of electric batteries in Europe



-  Manufacturer of EV battery materials and components
-  Manufacturer of EV cells and batteries
-  Manufacturer of EVs
-  Manufacturer of e-buses
-  Center for development of AD and ADAS technologies

Expected capacity will be the largest in Europe with 100GWh p.a.

> 50% of public transport vehicles will be electric or hybrid by 2030

The factory is stimulating formation of a cluster in Lower Silesia centred around EV solutions

Unique and the most effective Lilon technology offering products at the most competitive price, below USD 100 per KWh

*The companies were selected on the basis of the assessment of PAIH experts, examples of companies that have agreed to use their logotype

Gdańsk

Northvolt Poland Sp.z o.o (SE)

State-of-the-art production facility, including a R&D center, for battery modules and energy storage solutions
100 Jobs & 10.000 modules / year
SoP 2019

northvolt



Kobierzyce

LG Chem Wrocław Energy Sp. z o.o (KR) € 1 315mln

Fully integrated production system covering the production of all components including cells, modules and packs,
SoP 2018

Jelcz Laskowice

Toyota Motor Manufacturing Poland Sp. z o.o. (JP) € 94,35mln

Wałbrzych
Toyota Motor Manufacturing Poland Sp. z o.o. (JP) € 64,8 mln
Engines and transmission systems for hybrid cars
SoP 2019-2020

Oława

Guotai Huarong (Poland) Sp. z o.o. (CN) € 39 mln

1mln sets of electrolyte for battery packs
SoP 2020

Jawor

Daimler (DE) € 200 mln

EV battery assembly plant; 100 k battery packs / year
SoP NA

Skarbimierz

Mitsui High-Tec Europe Sp. z o.o (JP) € 37,9 mln

Electric engine motorcore
SoP 2020

Nysa

Umicore Poland Sp. z o.o € 320 mln

Cathode materials
SoP 2020

Konin

Johnson Matthey (UK)

Cathode Materials
SoP 2022

Zabrze

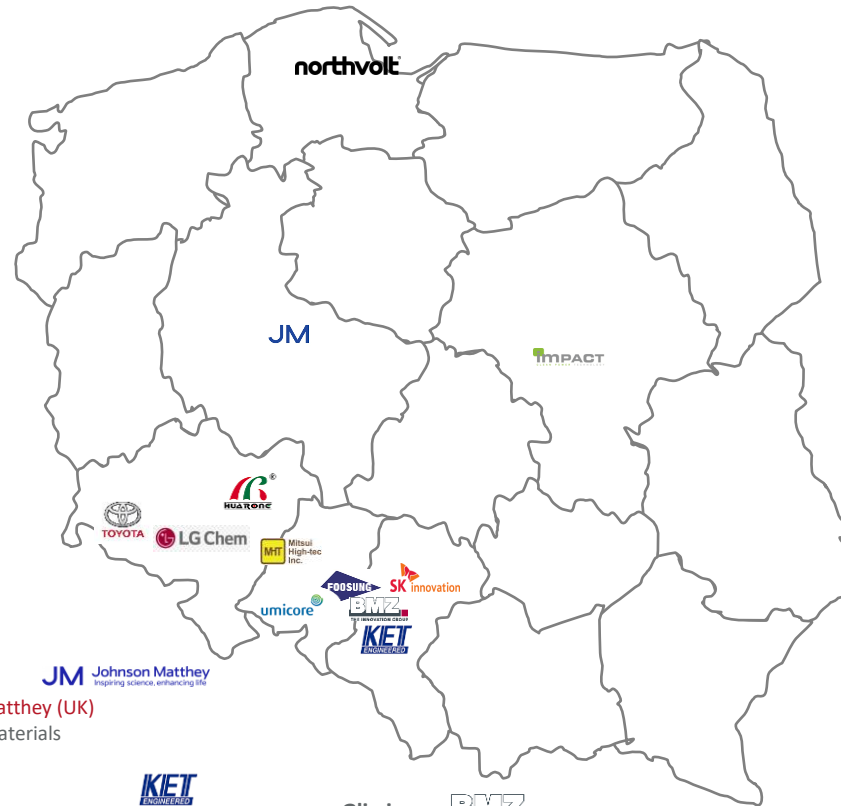
Korea Electric Terminal (KR) € 21 mln

EPR (Electronic Precharge Relay)
SoP 2020

Kędzierzyn Koźle

Foosung Poland (KR) € 100 mln

Lithium hexafluorophosphate
SoP 2021



Case study LG Chem

- CAPEX of EUR 1 315 billion
- Construction of stage 1 completed,
- Stage 2 to be finalized this year
- Employment of 2 500 FTEs,
- Annual battery capacity for some 300,000 Evs
- Projected capacity: 70 GWh = 2x gigafactory Tesla
- Capacity to rapidly increase
- Fully integrated production system covering the production of all components including cells, modules and packs,
- Part of the global production system of LG Chem, based on four locations - in Ochang, South Korea, in Holland, the United States, Nanjing in China and in Wrocław.
- "We will turn the Poland battery plant into a mecca of battery production for EVs around the world," Lee Ung-Beom, president of LG Chem's energy systems division, said





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Public aid programs in Poland

Available financial aid for new investments
The highest support levels in the EU!



Cash grants

for large investments, innovative investments, R&D projects, training



Tax incentives

for most types of investments and R&D projects



Preferential loans

for environmental projects and technological innovations (SME)



Equity contribution

for startups and strategic projects



- **National incentives** offered by the government
- **EU Funds** – Poland is a big funding beneficiary for the 2021 -2027 financing period – **EUR 76 bn**
- **International incentives** involving international cooperation (eg. Horizon 2020, Norway Grants)

Key supported areas



R&D



Innovations



Environment



Human resources

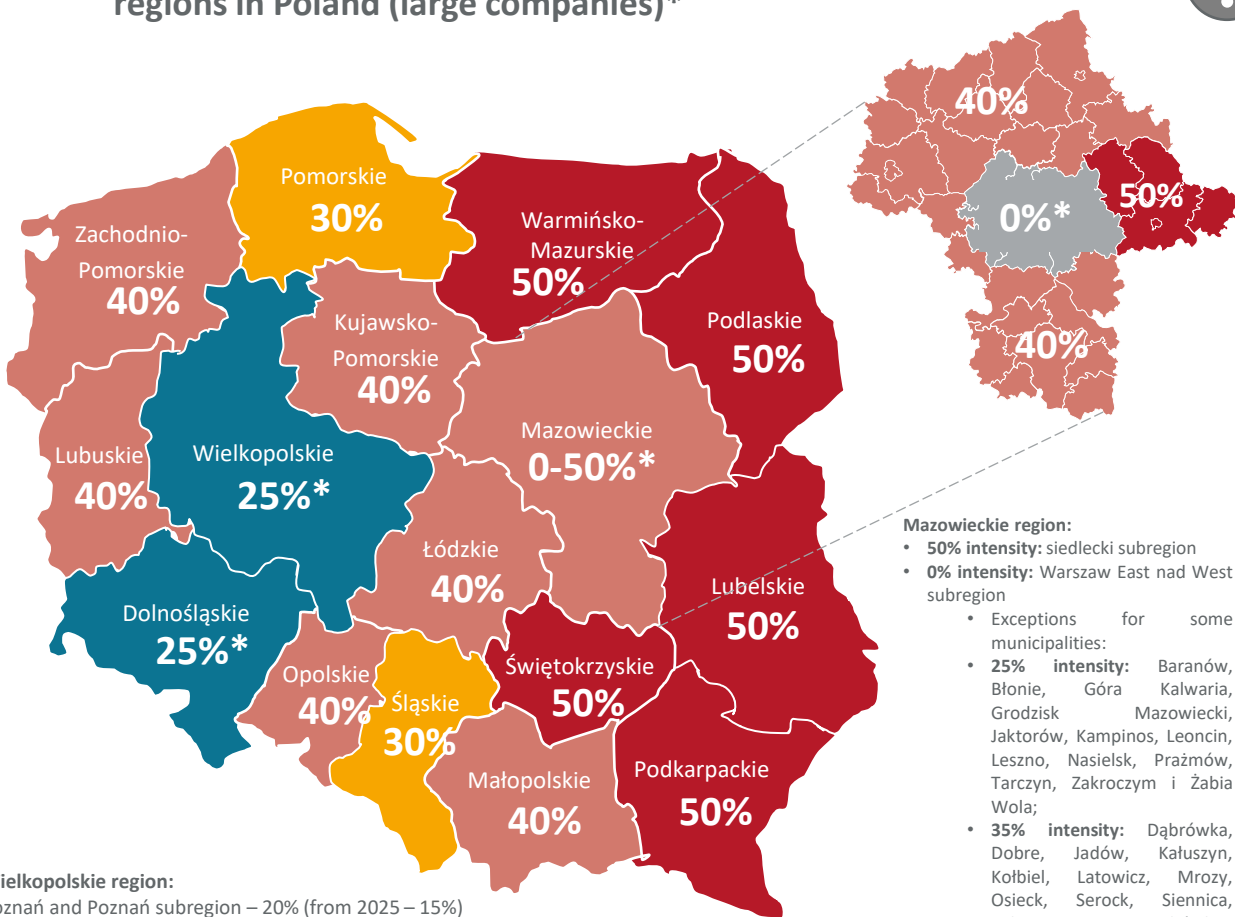


SMEs



Regional public aid package to support new investments

Maximum levels of support for 2022-2027 in different regions in Poland (large companies)*



Wielkopolskie region:
Poznań and Poznań subregion – 20% (from 2025 – 15%)
Dolnośląskie region:
Wrocław – 20% (from 2025 – 15%)

Mazowieckie region:

- 50% intensity: siedlecki subregion
- 0% intensity: Warszawa East nad West subregion
 - Exceptions for some municipalities:
 - 25% intensity: Baranów, Błonie, Góra Kalwaria, Grodzisk Mazowiecki, Jaktorów, Kampinos, Leoncin, Leszno, Nasielsk, Prażmów, Tarczyn, Zakroczym i Żabia Wola;
 - 35% intensity: Dąbrówka, Dobrze, Jadów, Kałuszyn, Kołbiel, Latowicz, Mrozy, Osieck, Serock, Siennica, Sobienie-Jeziory, Strachówka i Tłuszcz.



Note: In order to avoid notification of the public aid granted to the European Commission (additional bureaucratic procedure), the maximum amount of aid cannot exceed the following limits:

Region with max level of support	15%	20%	25%	30%	35%	40%	50%
Max public aid (mn EUR)	11.25	15.0	18.75	22.5	26.25	30.0	37.5

Incentives available for new investments:

-  CIT exemption, between **10 and 15 years tax free**
 -  **Cash grants** for strategic projects up to 20% of investment costs
 -  **Real estate tax** exemption for up to 5 years
 -  **Financial and training support** from local employment offices
 -  **EU Funds** available for innovative and R&D projects
- } National incentives
 } Local incentives
 } EU Funds



Regional aid map for 2022-2027

Maximum regional aid thresholds as a percentage of eligible investment costs

GBER

Maximum amount of regional aid =

$$R \times (A + 0,50 \times B + 0^* \times C)$$

* 0,34 - in case the beneficiary decides to notify the project to the European Commission

where:

R is the maximum aid intensity applicable in the area concerned

A is the initial EUR 50 million of eligible costs

B is the part of eligible costs between EUR 50 million and EUR 100 million

C is the part of eligible costs above EUR 100 million

Example 1 – Production project:

- Location: Opole (40% - aid intensity)
- Capex: 80 mln EUR

Maximum public aid for this project is:

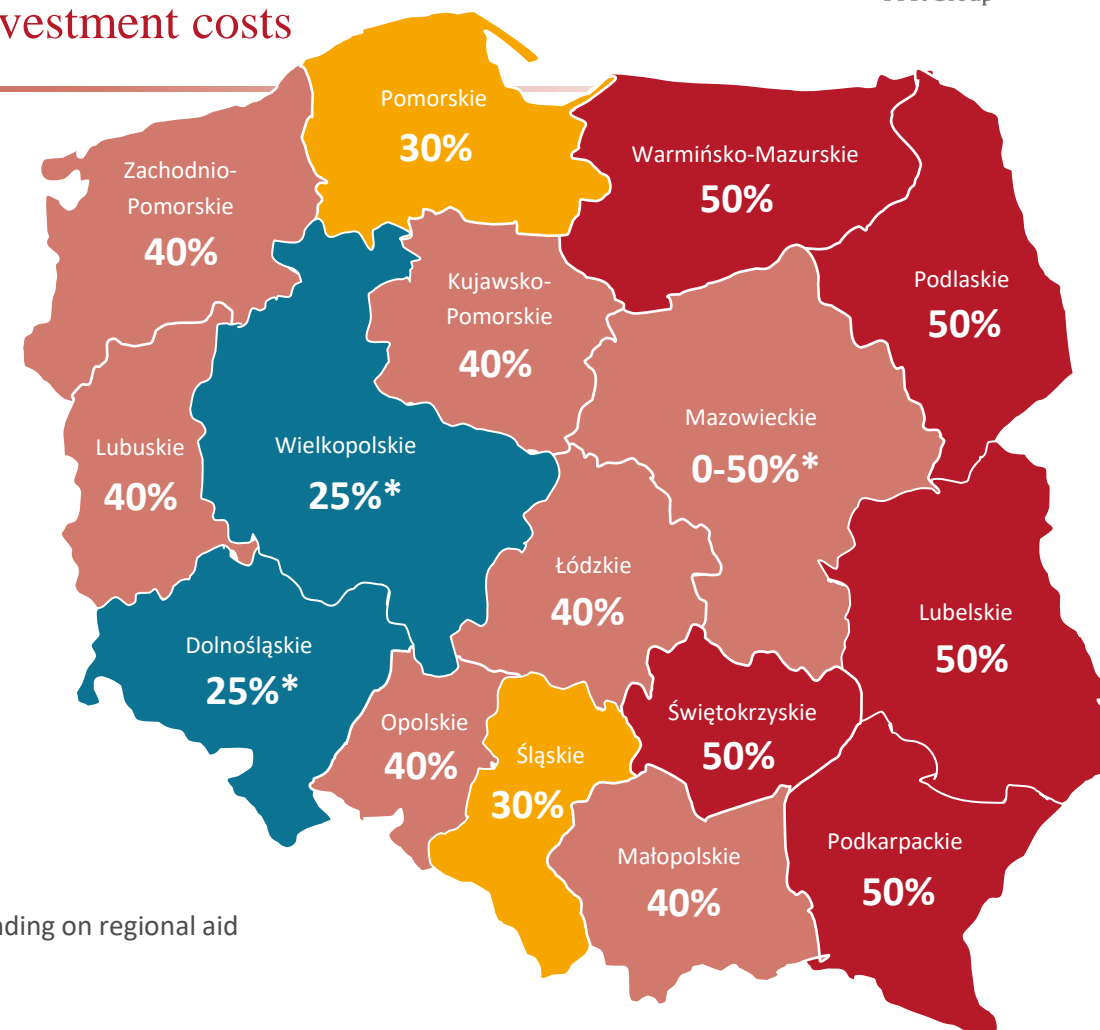
$$40\% \times (50 \text{ mln EUR} + 0,50 \times 30 \text{ mln EUR} + 0) = 26 \text{ mln EUR}$$

Note:

Under GBER (General Block Exemption Regulation), notification to European Commission is not **necessary** for projects which do not exceed **EUR 100 mn**

Maximum aid without notification (depending on regional aid threshold) amounts to:

- 15% - **EUR 11.25 mn**
- 25% - **EUR 18.75 mn**
- 30% - **EUR 22.5 mn**
- 35% - **EUR 26.25 mn**
- 40% - **EUR 30 mn**
- 50% - **EUR 37.5 mn**



The public aid intensity is increased for micro, small and medium enterprises for **20 and 10 pp** respectively



CIT exemption available in the
all of Poland

14 Special Economic Zones
responsible for granting CIT exemption based on location



10 to 15 years CIT-free

based on location

DURATION OF SUPPORT	Aid intensity	20-25%	30-40%	50%
	Years of exemption		10	12



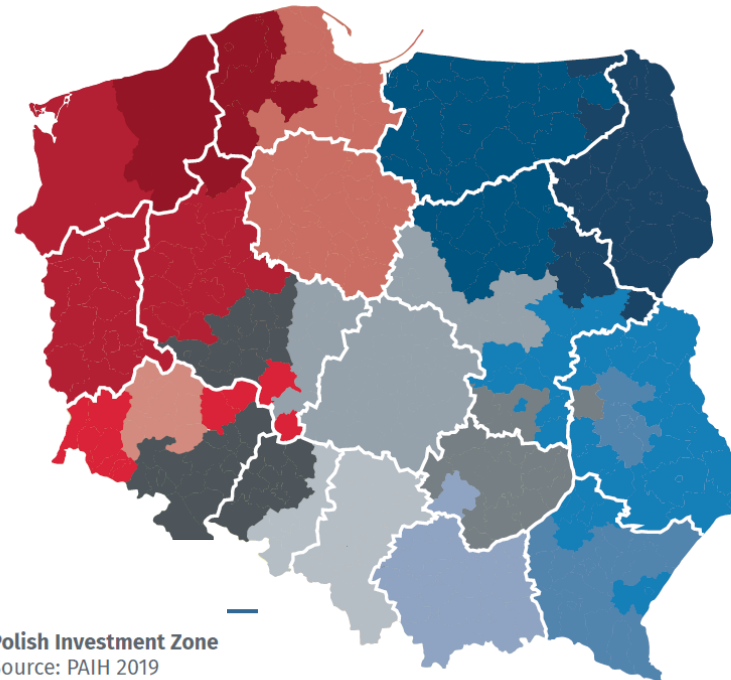
Qualitative criteria

4 ÷ 6 points out of 13 maximum based on location



Quantitative criteria

Minimal expenditure 0,2 ÷ 100mn PLN based on location



Polish Investment Zone
Source: PAIH 2019

Name of zone

- Kamiennogórska SSE Małej Przedsiębiorczości
- Katowicka SSE
- Kostrzyńsko-Słubicka SSE
- Krakowski Park Technologiczny
- Legnicka SSE
- Łódzka SSE
- Pomorska SSE
- Słupska SSE
- SSE "Starachowice"
- SSE Euro-Park Mielec
- Suwalska SSE
- Tarnobrzaska SSE EURO-PARK WISŁOSAN
- Wałbrzyska SSE Invest-Park
- Warmińsko-Mazurska SSE



Real estate tax exemption

Available in most locations (greenfield projects only)

Local instrument

RET
exemption

RET exemption is a form of regional state aid. It is available in communes (smallest administrative units) that adopted resolutions concerning the possibility of exemption from real estate tax. In each commune tax rates are set by local authorities, **within the limits below:**

RET
max limits
in 2022

25.74 PLN/sqm for buildings
1.03 PLN/sqm for land
2% of construction value

Example:

Area of plot: 40 000 sqm
Area of building: 13 750 sqm
Value of constructions PLN 2 m

Annual max RET rates:

Tax on land: PLN 41 200
Tax on building: PLN 353 925
Tax on constructions PLN 40 000

Example

Kobierzyce, Dolnośląskie province
Investment by a large enterprise

Investment costs (PLN m)	Full exemption (years)
0,5	up to 1
1	up to 2
5	up to 3
25	up to 5

5-year tax exemption:

Public aid: PLN 421 150/EUR 91 554
Exchange rate: PLN to EUR – 4.6



Entry criteria

Type of investment	Min. eligible costs (mn PLN)	Min. new employment	Additional requirements	Max. support (percentage of CAPEX)
Strategic	160	100		up to 10% or 15% ^{1)&2)}
Innovative	7	20	Innovativeness confirmed by the MInistry	up to 10% or 15% ^{1)&2)}
R&D	1 (over 100k per employee)	10 ³⁾		up to 15% or 20% ^{1)&2)}

1) in medium-sized cities losing their socio-economic functions or in poviats/cities with poviat status where the unemployment rate is higher than 160% of the national average

2) in 5 voivodeships of Eastern Poland (Warmińsko-mazurskie, Podlaskie, Lubelskie, Świętokrzyskie, Podkarpackie)

3) university graduates only (MA, BA, MSc, BSc)

Important

- ✓ The grant **cannot exceed PLN 3 mn** if combined with other forms of regional aid (not applicable to R&D projects)
- ✓ **15% of the grant** to be spent on cooperation with higher education institutions
- ✓ Possibility to **increase the amount of grant** amount for training (between **25-50%^{1&2)} of training costs**)
- ✓ **On-going application procedure**
- ✓ **Beneficiaries:** companies
- ✓ Subsidy operated by the **Polish Investment and Trade Agency**, granted by the **Ministry of Economic Development and Technology**

Assessment criteria



Structural Development



Scientific development



Sustainable Development



HR Development



Social Responsibility



Poland - part of the European Initiative on Processors and semiconductor technologies



IPCEI mechanism

enables project co-financing in the amount not available in other support instruments
Companies may receive the aid of up to 100% of the financial gap calculated for the range of eligible costs. This support has a significant advantage over EU funds known to entrepreneurs, which are covered by state aid rules IPCEI is the support granted on the top of the regional public aid It is an opportunity for R&D cooperation on high electronic technologies with European leaders and provides the possibility of entering into the supply chain of many industries IPCEI is a chance to build and use unique niches in supply chains, e.g., in photonics



Declaration: A European Initiative on Processors and semiconductor technologies

As a signatory Member State, Poland has agreed to work together to bolster Europe's electronics and embedded systems value chain. Being part of the initiative will include a particular effort to reinforce the processor and semiconductor ecosystem and expand industrial presence across the supply chain to address the critical technological, security, and societal challenges.



European Chips Act

As EU Member State, Poland supports the recently announced European Chips Act as a coherent European microelectronics vision and strategy.

Green and digital priorities

The Recovery and Resilience Facility is the key instrument to help the EU emerge stronger and more resilient from the current crisis and offers an unprecedented opportunity to speed up the recovery in Europe and reinforce the commitment to the twin transitions: green and digital.

Microelectronics Technology Park near Warsaw

The project's goal is to create a solid foundation for Key Digital Technologies (KDT) and their application in the state's economy. It will contribute to increasing the technological sovereignty of Poland and Europe. In particular, the project aims to obtain the possibility of safe design, production, and implementation of:

- integrated circuits (in particular microprocessors of larger scales),
- photonic devices and
- sensors and their integration

The park will form the core of the Polish sector of microelectronics, supporting the security needs in special-purpose electronics and industrial applications. The proximity of companies and institutes of the Łukasiewicz Research Network will create conditions for developing a microelectronic ecosystem.

Poland - part of the European Initiative on Processors and Semiconductors Technologies



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Commission may consider to approve aid to chips manufacturing facilities directly

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Additional Support from PFR

Assistance with purchasing/delivering Green Power

It is within the capacity of PFR to coordinate a **special programme** dedicated to support Intel's electricity demand.

Non-physical contract for supporting RES:

Regardless on power consumption profile of Intel's factory.

PFR partners: Companies such as: Independent Power Producers (IPP); Power Traders; power producers cooperating with PFR or being within PFR investment portfolio

Product: Guarantees of origin (GO) from the renewable installation which secure that contracted amount of electricity assigned to the off taker has been produced from RES sources.

Electricity price is agreed under PPA with trader. GO provided in paralel.

Ticket: from 0% to 100% of power consumption

Physical contract for Power:

Tailored directly for power consumption profile of Intel's factory

PFR partners: Companies such as: Independent power producers (IPP); power Traders; power producers cooperating with PFR or being within PFR investment portfolio

Product: phisical delivery of power to the factory, subject to:

- a) the available RES capacity of PFR Partners,
- b) Factory hourly / daily / annually consumption profile,
- c) Electricity price and profile is agreed under the PPA with the RES company,
- d) Due to RES profile, grid supply is essential.

Ticket: from 0% to 100% of power consumption

Renewable Energy Program for Power Producers

To Whom: The Programme is dedicated for RES investors who want to become an Independent Power Producer (IPP) and are going to sell produced electricity directly to the final consumer or trading company under the Power Purchase Agreement (PPA).

Sponsor contribution: 20% of CAPEX including max 10% of developed project

Ticket: Up to 80 % of CAPEX

Senior Debt tenor: up to 15 Yrs (commercial Bank)

Subordinated debt tenor: up to 18 Yrs (PFR)

Bank's repayment: scheduled

PFR repayment: Flexible repayment schedule (interest sheduled, capital based on cash sweep & voluntarily payments)

Other PFR involvement

To Whom: Investors who start new activity in Poland or increase existing activity which is in the scope of PFR investment fund statute.

Form: Join Venture

Type: Equity / mezzanine / subordinated debt

Ticket: Up to 49% of shares

Tenor: depends on type of investment and partner profile





Innovation tax instruments in Poland

Available tax instruments related to R&D activity and intellectual property

- R&D-related costs can be deducted even **twice!**
- Preferential tax rate of 5% for income related to intellectual property!



R&D in Poland

Favorable conditions for shared growth



R&D Center Status

Pursue R&D activities and benefit from the official status of an R&D Center

Straightforward procedure – one-stop-shop at the Ministry of Economic Development

Easier access to funds for innovativeness development from public aid programs

Annual benefits – R&D expenditure is **deductible** from your tax base



R&D Tax Cut

Easy-to-apply tax instrument for R&D activity

Deductions of 200% and 250% for R&D Centers – costs can be deducted twice or even 2,5 times!

Benefits available regardless of company size – SMEs and MNCs treated equally

Long-term tax benefits – tax cuts available over 6 consecutive tax years



Innovation Box

5% Tax Rate for eligible income gained through the sale of IP rights

Invent & Commercialize – sell it in Poland and enjoy a lower tax rate

Covers the most popular IP rights – copyright in computer programs, patents, industrial designs

Long-term tax benefit – applicable during the entire lifespan of the rights



R&D-related incentives do not count within the regional aid limit



Key industries in Poland

A mature economic environment



Automotive and electromobility

- **253 000** employed
- **10,5%** total share in manufacturing
- **1000+** automotive companies
- EU's **e-mobility hub**



Aerospace

- **40 000** employed
- **140** aviation companies
- strong **aviation clusters**



Business Services Sector

- **307 000** employed
- **1 400** BSS centers
- **43%** employment growth in the past 4 years



Research & Development

- **170 000** employed
- **40%** employment growth in past 5 years



Food processing

- **397 000** employed
- **11,3%** of Poland's GDP
- **27 bn EUR** exports value



Electronics and white goods

- **100 000** employed
- **14,2 bn EUR** sales value
- **No. 1** producer of large white goods in the EU



Automotive and electromobility

Polish automotive industry at a glance


 **over 340** production companies within the sector

 **ca. 300** companies with foreign capital

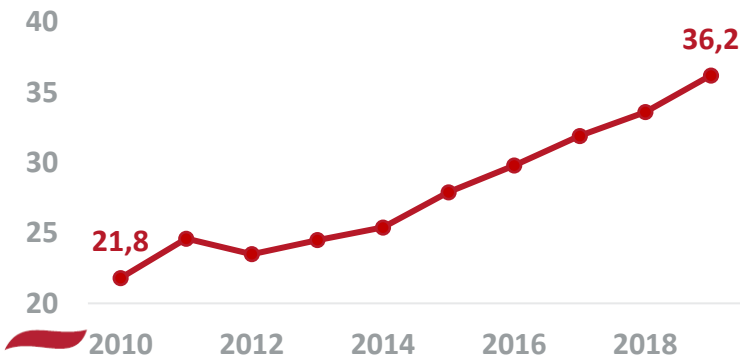
 **EUR 36,2 bn** sold production value (2019)

 **210 thous.** employed in the sector (production)

 **EUR 28,6 bn** exports (2020)

 **20%** of world automotive component FDI chose CEE in 2020

Automotive industry exports (billion EUR)



NEW!
TUOJU 拓普

NEW!
L


NEW!
SK

NEW Expansion!
FCA
STELLANTIS
PSA
GROUPE


 Case Study **STELLANTIS**
FCA FIAT CHRYSLER AUTOMOBILES
FIAT ASABUCCI LANCIA ALFA ROMEO Jeep

Expansion: **2021/2022**
CAPEX: **EUR 170+ mn**
Employment: **2500+ people**
Product: **New models of EV cars**
Location: **Tychy near Katowice**






Batteries & components

 **Strong manufacturing base** throughout the supply chain, with **16 major facilities** in operation or under construction and **numerous new projects** in the pipeline


 **Top European exporter** of EV batteries


 Kobierzyce will be home to the **largest EV battery plant** in the world following **LG Chem's** expansion (**6,000 employees, 68 GWh** produced)



-  Manufacturer of EV battery materials and components
-  Manufacturer of EV cells and batteries
-  Manufacturer of EVs
-  Manufacturer of e-buses
-  Centre for the development of autonomous vehicles

Electric vehicles


 The entire global production of **Volkswagen e-Crafter** moved to Września (**2,000 cars** to be produced per year)

 **7 e-bus manufacturing plants**, with ca. **300 units** manufactured in 2019 (over 80% for exports)

 Plans of the **Electromobility Poland** consortium to develop **the Polish EV Izer** (envisaged start of mass production in 2023)


Government support


 Electromobility at the **centre of the Responsible Development Strategy**


 **Over EUR 1.5 bn** available for projects supporting the development of e-mobility in Poland

 **Over EUR 200 mn in public aid** granted for various e-mobility projects

Autonomous vehicles

 **APTIV and Uber**, global leaders in the development of autonomous vehicles, have **already invested in Kraków**

 A number of cities testing **autonomous driving systems for public transportation**

 **Polish startups** (e.g. deepsense.ai) working on **AI-based solutions** for the automotive industry with its major players



White goods

Polish white goods industry at a glance

 **31 factories** producing household appliances

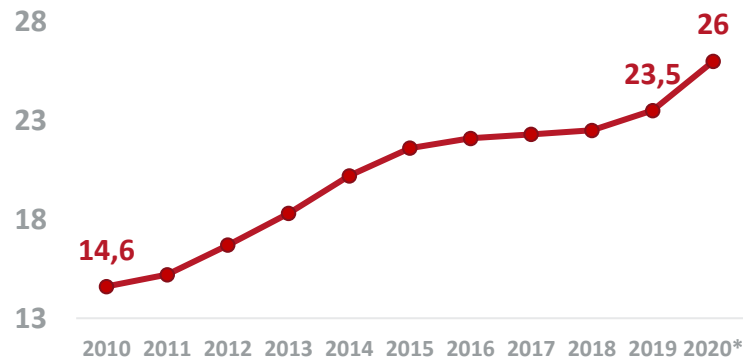
 **No. 1** producer of large white goods in EU

 **EUR 5,2 bn** sold production value

 **30 thous.** employed in the sector

 **Over 85%** production for exports

Production of large white goods (million units)



Case Study

Miele

Start of operations: **2019/20**

CAPEX: **50 mn EUR**

Employment: **400 people**

Size of the plot: **29 ha**

Product: **washing machines**

Location: **Ksawerów**

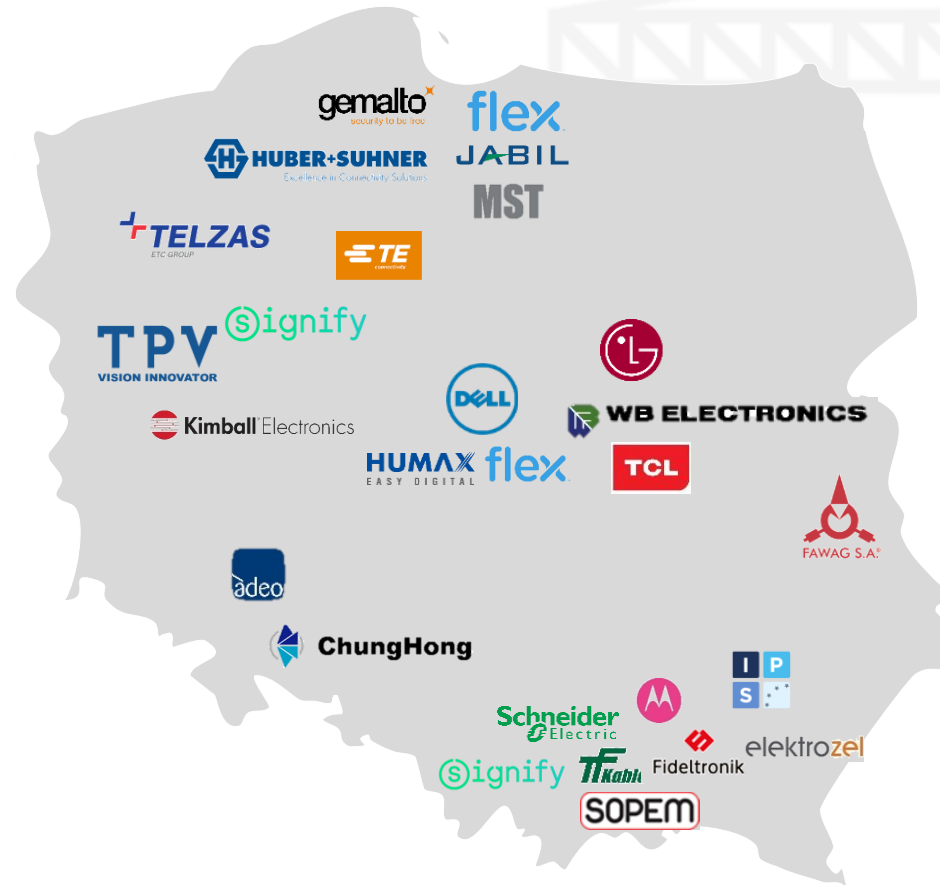


Electronics

Polish electronic industry at a glance

-  **over 480** companies in the sector
-  **EUR 7,6 bn** sold production
-  **56 thous.** employed in the sector (2018)
-  **EUR 5,4 bn** exports (2018)
-  **EUR 2,6 bn** cumulative value of FDI

-  **Annual production volume (2018):**
 - Digital machines – **3,33 million**
 - Telephones – **416 thousand**
 - Radios – **2,24 million**
 - Television sets – **35,5 million**



Case Study

TPV VISION INNOVATOR


- Start of operations: **2008**
- Reinvestment: **2018**
(new distribution center)
- CAPEX: **50 mn EUR**
- Employment: **2400 people**
- Factory floor: **100 000 sqm**
- Product: **LCD TV sets**
- Location: **Gorzów Wielkopolski**



Chemical sector

Polish chemical industry at a glance

 **Over 13 000** companies

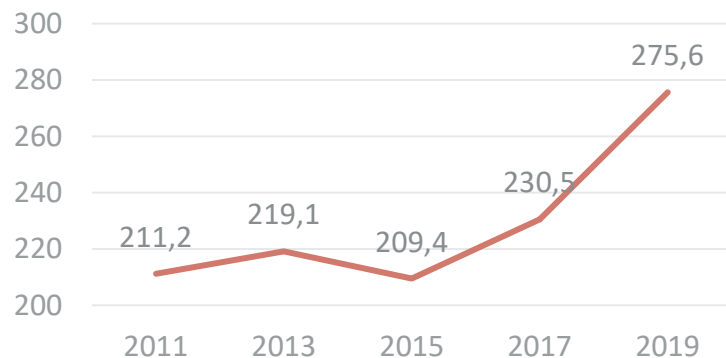
 **EUR 64,12 bn** sold production value (2019)

 **16,7%** share in total industrial production sold (2019)

 **327 thous.** employed in the sector

 **EUR 33 bn** exports (2019)

Chemical sold production value, PLN billion
2011-2019



 **Ongoing project**




POLYOLEFINS


One of the largest European investments in the chemical sector

CAPEX (2020): **321,64 mln EUR**

CAPEX (2021): **396,12 mln EUR**

Construction of an integrated chemical complex

 Production of propylene from propane

 Production of polypropylene from propylene





Polish Investment
& Trade Agency
PFR Group

Summary





Vast pool of highly skilled labour

26,3 million inhabitants under the age of 55
Largest inflow of workforce from outside the EU
31% of population with higher education



Big internal market

5th biggest country in the EU (population)
Unlimited access to the EU market of **446 million** inhabitants
Over **40%** of CEE's total GDP



Academic hub

1,2 million students
314 thousand graduates each year
8 cities with at least 50 thous. students



Developed infrastructure

1250 km of high-speed roads under construction
5th longest highway network in Europe
45,8 million passengers served by airports annually



Business-friendly environment

1st place in CEE as the most attractive country
to establish operations in
Katowice SEZ: **best free zone in EU** (2015, 2016, 2017, 2019)
34 positions up in the Doing Business ranking since 2012



Attractive incentives

Poland Investment Zone:
up to **15 years** CIT-free in **all of Poland**
50% aid intensity in Eastern Poland (max level in the EU)





Polish Investment
& Trade Agency
PFR Group

Polish Investment and Trade Agency

Centre for Investments

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