

**Condensed Consolidated
Interim Financial Statements**

Cognor Holding S.A.

**as at and for the three months ended
31 March 2022**

29 April 2022

Condensed consolidated statement of financial position

<i>in PLN thousand</i>	<i>Note</i>	31.03.2022	31.12.2021	31.03.2021 <i>*restated</i>
Assets				
Property, plant and equipment	7	563 782	493 220	429 573
Intangible assets	7	14 924	15 139	18 096
Investment property		118	119	7 130
Investment in associates		971	1 015	1 141
Financial assets due to valuation of derivative instruments		34 843	15 689	-
Other receivables	8	31 639	14 777	9 405
Deferred tax assets		19 778	24 537	43 501
Total non-current assets		666 055	564 496	508 846
Inventories	9	546 481	425 801	331 236
Other investments		73	94	121
Financial assets due to valuation of derivative instruments		2 894	1 845	-
Current income tax receivables		38	38	38
Trade and other receivables	8	503 587	398 095	226 403
Cash and cash equivalents	16	277 219	107 810	129 092
Non-current assets classified as held for sale		6 988	6 993	-
Total current assets		1 337 280	940 676	686 890
Total assets		2 003 335	1 505 172	1 195 736

* data as of March 31, 2021 have been restated - details in note 4

Przemysław Sztuczkowski
President of the Management Board

Krzysztof Zoła
Member of the Management Board

Przemysław Grzesiak
Vice President of the Management Board

Dominik Barszcz
Member of the Management Board

The consolidated statement of financial position should be read in conjunction with the explanatory notes constituting part of the consolidated financial statements

Condensed consolidated statement of financial position - continued

<i>in PLN thousand</i>	<i>Note</i>	31.03.2022	31.12.2021	31.03.2021 <i>*restated</i>
Equity				
Issued share capital	11	257 131	257 131	254 431
Reserves		29 301	29 301	36 626
Foreign currency translation reserves		-	84	90
Retained earnings		465 407	317 369	41 440
Total equity attributable to owners of the Parent Company		751 839	603 885	332 587
Non-controlling interests		48 722	39 984	22 074
Total equity		800 561	643 869	354 661
Liabilities				
Interest-bearing loans and borrowings	13	308 800	249 987	200 546
Employee benefits obligation		12 705	14 343	12 580
Other payables	10	-	-	9 887
Government grants and other deferred income		5 059	5 301	952
Total non-current liabilities		326 564	269 631	223 965
Bank overdraft	13	49 908	17 200	-
Interest-bearing loans and borrowings	13	61 111	70 816	56 926
Liabilities due to the valuation of financial instruments		-	-	3 183
Employee benefits obligation		2 213	2 139	1 330
Current income tax payables		14 080	2 936	6 630
Provisions for payables		1 300	1 800	25
Trade and other payables	10	741 536	490 695	543 960
Government grants and other deferred income		4 582	4 538	5 056
Liabilities related to non-current assets held for sale		1 480	1 548	-
Total current liabilities		876 210	591 672	617 110
Total liabilities		1 202 774	861 303	841 075
Total equity and liabilities		2 003 335	1 505 172	1 195 736

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Condensed consolidated statement of profit or loss and other comprehensive income

<i>in PLN thousand</i>	<i>Note</i>	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Continuing operations			<i>*restated</i>
Revenues from contracts with customers		962 036	574 945
Cost of sales		(735 701)	(477 977)
Gross profit		226 335	96 968
Other income		8 040	6 173
Distribution expenses		(31 483)	(25 223)
Administrative expenses		(18 998)	(14 365)
Other (losses)/gains - net		(627)	4 194
Other expenses		(1 992)	(975)
Operating profit before financing costs		181 275	66 772
Financial income		21 045	827
Financial expenses		(8 946)	(8 931)
Net financing costs		12 099	(8 104)
Share of profit of associates		(44)	(53)
Profit/(loss) before tax		193 330	58 615
Income tax expense		(36 550)	(12 758)
Profit/(loss) for the period		156 780	45 857
Profit/(loss) for the period attributable to:			
Owners of the Parent Company		148 042	43 037
Non-controlling interests		8 738	2 820
Profit/(loss) for the period		156 780	45 857
Other comprehensive income - that will be classified subsequently to profit or loss when specific conditions are met			
Foreign currency translation differences		(84)	(6)
Total comprehensive income for the period		156 696	45 851
Total comprehensive income for the period attributable to:			
Owners of the Parent Company		147 958	43 031
Non-controlling interests		8 738	2 820
Total comprehensive income for the period		156 696	45 851
Basic earnings per share (PLN) attributable to the owners of the Parent Company	12	0,86	0,28
- from continuing operations		0,86	0,28
Diluted earnings per share (PLN) attributable to the owners of the Parent Company	12	0,86	0,25
- from continuing operations		0,86	0,25

* data for the period January 1, 2021 - March 31, 2021 have been restated - details in note 4

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The condensed consolidated interim statement of comprehensive income should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

Condensed consolidated statement of profit or loss and other comprehensive income (last twelve months)

in PLN thousand

Continuing operations

	<i>Note</i>	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021 <i>*restated</i>
Revenues from contracts with customers		3 198 242	1 848 055
Cost of sales		(2 479 961)	(1 637 729)
Gross profit		718 281	210 326
Other income		49 767	43 585
Distribution expenses		(107 325)	(87 567)
Administrative expenses		(69 732)	(49 214)
Other (losses)/gains - net		(2 340)	2 962
Other expenses		(6 394)	(5 861)
Operating profit before financing costs		582 257	114 231
Financial income		44 820	827
Financial expenses		(39 771)	(26 586)
Net financing costs		5 049	(25 759)
Share of profit of associates		39	(10)
(Loss)/profit before tax		587 345	88 462
Income tax expense		(112 896)	(11 815)
(Loss)/profit for the period		474 449	76 647
Discontinued operations			
Profit/(loss) for the period from discontinued operations, net of tax		-	-
Profit/(loss) for the period		474 449	76 647
(Loss)/profit for the period attributable to:			
Owners of the Parent Company		447 775	72 803
Non-controlling interests		26 674	3 844
(Loss)/profit for the period		474 449	76 647

The condensed consolidated interim statement of comprehensive income should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

Condensed consolidated statement of profit or loss and other comprehensive income (last twelve months) - continued

in PLN thousand

	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021 <i>*restated</i>
Other comprehensive income - that will be classified subsequently to profit or loss when specific conditions are met		
Foreign currency translation differences	(90)	(2)
Total comprehensive income for the period	474 359	76 645
Total comprehensive income for the period attributable to:		
Owners of the Parent Company	447 685	72 801
Non-controlling interests	26 674	3 844
Total comprehensive income for the period	474 359	76 645
Basic earnings per share (PLN) attributable to the owners of the Parent Company	2,61	0,55
- from continuing operations	2,61	0,55
Diluted earnings per share (PLN) attributable to the owners of the Parent Company	2,61	0,42
- from continuing operations	2,61	0,42

** data for the period April 1, 2021 - March 31, 2021 have been restated - details in note 4*

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Condensed consolidated statement of cash flows

<i>in PLN thousand</i>	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021 <i>*restated</i>
Continuing operations		
Profit/(loss) before tax from continuing operations	193 330	58 615
Adjustments		
Depreciation	10 801	13 091
Amortization	326	221
Foreign exchange (gains)/losses	(813)	392
Net (gains)/losses on disposal of property, plant and equipment	(22)	(3 038)
Interest, transaction costs (related to loans and borrowings) and dividends, net	536	3 571
Change in receivables	(119 452)	(82 947)
Change in inventories	(120 594)	(57 104)
Change in trade and other payables	252 952	121 653
Change in provisions	(500)	(1)
Change in employee benefits obligation	(1 564)	(684)
Change in government grants and other deferred income	(283)	(105)
Share of profit of associates	44	54
Other adjustments	-	47
Cash generated/(outflows) from operating activities	214 761	53 765
Income tax (paid)/returned	(20 647)	(520)
Net cash from operating activities	194 114	53 245
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	38	5 594
Acquisition of shares in consolidated companies (net of cash acquired)	(4)	(3)
Repayment of loans granted	21	-
Acquisition of property, plant and equipment	(79 380)	(13 458)
Acquisition of intangible assets	(111)	(315)
Received grants for investing activities	85	188
Net cash from investing activities	(79 351)	(7 994)
Cash flows from financing activities		
Net cash receipts from share issue	106 000	2 914
Proceeds from interest-bearing loans and borrowings	60 535	-
Repayment of interest-bearing loans and borrowings	(9 016)	(9 610)
Payment of lease liabilities	(4 414)	(4 137)
Dividends and interests on exchangeable notes paid	-	(1 974)
Interest and transaction costs (related to loans and borrowings) paid	(23 752)	(3 907)
Other transactions with the Owner	(107 415)	-
Net cash from financing activities	21 938	(16 714)
Net increase / (decrease) in cash and cash equivalents	136 701	28 537
Cash and cash equivalents net of bank overdraft, at 1 January	90 610	100 555
Cash and cash equivalents net of bank overdraft, at 31 March	227 311	129 092
- including cash restricted for use	127 434	2 645

* data for the period January 1, 2021 - March 31, 2021 have been restated - details in note 4

The condensed consolidated interim statement of cash flows should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

Condensed consolidated statement of cash flows (last twelve months)

<i>in PLN thousand</i>	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021
		<i>*restated</i>
Continuing operations		
(Loss)/profit before tax from continuing operations	587 345	88 462
Adjustments		
Depreciation	48 330	48 422
Amortization	1 313	1 160
Foreign exchange (gains)/losses	(2 154)	309
Net (gains)/losses on investment activities	(13)	-
Net (gains)/losses on disposal of property, plant and equipment	(1 110)	(3 283)
Interest, transaction costs (related to loans and borrowings) and dividends, net	(1 538)	17 775
Change in receivables	(265 985)	(376)
Change in inventories	(214 964)	(43 753)
Change in trade and other payables	184 751	112 498
Change in provisions	1 276	(202)
Change in employee benefits obligation	1 008	(260)
Change in government grants and other deferred income	2 372	(292)
Share of profit of associates	(40)	10
Other adjustments	2 014	(319)
Cash generated from operating activities	342 605	220 151
Income tax (paid)/returned, incl.	(81 724)	(1 294)
Net cash from operating activities	260 881	218 857

The condensed consolidated interim statement of cash flows should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

Condensed consolidated statement of cash flows (last twelve months) - continued

<i>in PLN thousand</i>	01.04.2021 - 31.03.2022	01.04.2020 - 31.03.2021 <i>*restated</i>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1 200	6 066
Proceeds from sale of intangibles	-	20
Dividends received	40	20
Repayment of loans granted	108	25
Proceeds from sale of shares in associates	183	-
Acquisition of property, plant and equipment	(164 948)	(48 858)
Acquisition of intangible assets	(1 258)	(4 556)
Received grants for investing activities	1 261	2 465
Acquisition of shares in consolidated companies	(4)	(3)
Loans granted	(60)	-
Net cash from investing activities	(163 478)	(44 821)
Cash flows from financing activities		
Net cash receipts from share issue	106 000	2 914
Proceeds from interest-bearing loans and borrowings	269 535	-
Repayment of interest-bearing loans and borrowings	(165 793)	(52 236)
Payment of lease liabilities	(20 846)	(16 999)
Dividends and interests on exchangeable notes paid	(23 739)	(3 885)
Interest and transaction costs (related to loans and borrowings) paid	(56 002)	(18 137)
Fee relating to withholding tax relating to financing activities	(924)	-
Other transactions with the Owner	(107 415)	-
Net cash from financing activities	816	(88 343)
Net increase / (decrease) in cash and cash equivalents	98 219	85 693
Cash and cash equivalents net of bank overdraft, at 1 April	129 092	43 399
Cash and cash equivalents net of bank overdraft, at 31 March	227 311	129 092
- including cash restricted for use	127 434	2 645

** data for the period April 1, 2021 - March 31, 2021 have been restated - details in note 4*

The condensed consolidated interim statement of cash flows should be read in conjunction with the explanatory notes constituting part of the condensed consolidated interim financial statements

Condensed consolidated statement of changes in equity

	Attributable to owners of the Parent Company					Non-controlling interests	Total equity
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings	Total		
<i>in PLN thousand</i>							
Equity as at 1 January 2021	185 911	101 373	96	380	287 760	19 254	307 014
<i>Total comprehensive income</i>	-	-	(6)	43 037	43 031	2 820	45 851
- profit	-	-	-	43 037	43 037	2 820	45 857
- foreign currency translation differences relating to foreign operations	-	-	(6)	-	(6)	-	(6)
Transactions with owners of the Company, recognised in equity							
Contribution by and distributions to owners of the Company	68 520	(64 747)	-	(1 974)	1 799	-	1 799
Share increase	68 520	(64 747)	-	-	3 773	-	3 773
Interests on exchangeable notes in the period	-	-	-	(1 974)	(1 974)	-	(1 974)
Change in ownership interests	-	-	-	(3)	(3)	-	(3)
Acquisition of non-controlling interests that do not result in a change in control	-	-	-	(3)	(3)	-	(3)
Equity as at 31 March 2021	254 431	36 626	90	41 440	332 587	22 074	354 661
Equity as at 1 January 2021							
Equity as at 1 January 2021	185 911	101 373	96	380	287 760	19 254	307 014
<i>Total comprehensive income</i>	-	-	(12)	342 770	342 758	20 756	363 514
- profit	-	-	-	342 770	342 770	20 756	363 526
- foreign currency translation differences relating to foreign operations	-	-	(12)	-	(12)	-	(12)
Transactions with owners of the Company, recognised in equity							
Contribution by and distributions to owners of the Company	71 220	(73 978)	-	(23 898)	(26 656)	-	(26 656)
Dividends	-	(3 789)	-	(21 924)	(25 713)	-	(25 713)
Issue of shares	2 715	199	-	-	2 914	-	2 914
Conversion of exchangeable notes into shares	68 505	(68 505)	-	-	-	-	-
Interests on exchangeable notes in the period	-	-	-	(1 974)	(1 974)	-	(1 974)
Redemption of exchangeable notes	-	(1 103)	-	-	(1 103)	-	(1 103)
Other settlements with the Owner	-	(780)	-	-	(780)	-	(780)
Change in ownership interests	-	-	-	23	23	(26)	(3)
Acquisition of non-controlling interests that do not result in a change in control	-	-	-	23	23	(26)	(3)
Transfer of profit	-	1 906	-	(1 906)	-	-	-
Equity as at 31 December 2021	257 131	29 301	84	317 369	603 885	39 984	643 869

The consolidated statement of changes in equity should be read in conjunction with the explanatory notes constituting part of the consolidated financial statements

Condensed consolidated statement of changes in equity - continued

	Attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings			
<i>in PLN thousand</i>							
Equity as at 1 January 2022	257 131	29 301	84	317 369	603 885	39 984	643 869
Total comprehensive income	-	-	(84)	148 042	147 958	8 738	156 696
- profit	-	-	-	148 042	148 042	8 738	156 780
- foreign currency translation differences relating to foreign operations	-	-	(84)	-	(84)	-	(84)
Change in ownership interests	-	-	-	(4)	(4)	-	(4)
Changes in minority after acquisition	-	-	-	(4)	(4)	-	(4)
Equity as at 31 March 2022	257 131	29 301	-	465 407	751 839	48 722	800 561

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1 Reporting entity

Cognor Holding S.A. - previously Cognor S.A. (“Cognor Holding”, “the Company”, “the Parent Company”) with its seat in Poraj, Poland, is the Parent Company of the Group. Until 29 August 2011, the Parent Company of the Group was Złomrex S.A. The Company was established in 1991. Since 1994 Cognor’s shares are quoted on Warsaw Stock Exchange. The company is registered under the number KRS: 0000071799, has the statistical number REGON: 190028940, and NIP: 5840304383. Till May 2011, the main activity of the Parent Company was distribution of steel products. After May 2011, Cognor S.A. became a holding company. On November 29, 2016 the Company has changed its name into Cognor Holding S.A.

The main activities of the Group comprise: scrap collection, scrap processing into steel billets and steel products.

2 Cognor Holding S.A. Group

The condensed consolidated interim financial statements as at and for the three months ended 31 March 2022 comprise the Parent Company and its subsidiaries (“the Group”). Details of the subsidiaries that comprise the Group as at 31 March 2022 are presented in the table below.

Name of the entity	Seat of the entity	Ownership interest and voting rights	Date of obtaining control
COGNOR S.A.	Poland	94.39%	2006-01-27*
COGNOR HOLDING S.A. Sp. k.	Poland	98.0%	2008-03-25*
MADROHUT Sp. z o.o.	Poland	23.6% (associate in which 25% of shares are held directly by Cognor S.A.)	2014-04-11

* date of obtaining control by Złomrex S.A. Group

Acquisitions in first quarter of 2022

In the first quarter of 2022, Cognor Holding S.A. acquired Cognor S.A. shares worth 4 thousand PLN. This did not affect materially the change in the share capital of Cognor S.A.

Liquidations in first quarter of 2022

On March 8, 2022, the court in Great Britain completed the liquidation process of the subsidiary Cognor International Finance Ltd and deleted the company from the court register.

3 Basis of preparation of consolidated financial statements

a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021.

These condensed consolidated interim financial statements were approved by the Board of Directors on 29 April 2022.

b) Ongoing basis

The condensed consolidated financial statements as of and for the period ended 31 March 2022 have been prepared on the going concern basis.

c) Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual consolidated financial statements as at 31 December 2021, prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“EU IFRS”).

d) Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, equity and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances and the results of which form a basis for professional judgment on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applicable to the consolidated financial statements as at and for the year ended 31 December 2021.

4 Transformation of comparable data in the consolidated statement

The group decided to:

- a) presentation of Perpetual usufruct of land under Property, plant and equipment (under the Land category), because treated as a long-term lease of land meets the definition of the right to use assets in accordance with IFRS 16 and is not separately a significant item. In connection with the above, the comparable data as at March 31, 2021 was transformed in the statement of financial position and the statement of cash flows,
 - b) presentation of liabilities due to bills of exchange under interest-bearing liabilities, because it is a debt security and is a financial liability. Therefore the comparable data was transformed in the statement of financial position as at March 31, 2021,
 - c) a change in the presentation of the sale of surplus electricity purchased - presentation per balance with costs. Therefore, the comparable data was transformed in the statement of profit and loss and other comprehensive income for the period from January 1, 2021 to March 31, 2021 and for the period from April 1, 2020 to March 31, 2021.
- Adequate transformations have been made in the notes.

a) change in the presentation of Perpetual usufruct of land

Extract from the consolidated statement of financial position as at March 31, 2021

<i>in PLN thousand</i>	according to the approved report as at 31.03.2021	Adjustment s	Restated data
Property, plant and equipment	398 563	31 010	429 573
Perpetual usufruct of land	31 010	(31 010)	-
Total non-current assets	508 846	-	508 846

Extract from the consolidated statement of cash flows for the period 01.01.2021 - 31.03.2021

<i>in PLN thousand</i>	according to the approved report for 01.01.2021- 31.03.2021		
	Adjustment s	Restated data	
Proceeds from sale of property, plant and equipment	4 015	1 579	5 594
Proceeds from sale of perpetual usufruct	1 579	(1 579)	-
Net cash from investing activities	(7 994)	-	(7 994)

Extract from the consolidated statement of cash flows for the period 01.04.2020-31.03.2021 (LTM)

<i>in PLN thousand</i>	according to the approved report for 01.04.2020- 31.03.2021		
	Adjustment s	Restated data	
Proceeds from sale of property, plant and equipment	4 487	1 579	6 066
Proceeds from sale of perpetual usufruct	1 579	(1 579)	-
Acquisition of property, plant and equipment	(48 783)	(75)	(48 858)
Prepaid perpetual usufruct of land	(75)	75	-
Net cash from investing activities	(44 821)	-	(44 821)

b) change in the presentation of liabilities due to bills of exchange

<i>in PLN thousand</i>	according to the approved report as at 31.03.2021		
	Adjustment s	Restated data	
Interest-bearing loans and borrowings	198 430	2 116	200 546
Other liabilities	12 003	(2 116)	9 887
Total non-current liabilities	223 965	-	223 965
Interest-bearing loans and borrowings	56 885	41	56 926
Trade and other payables	544 001	(41)	543 960
Total current liabilities	617 110	-	617 110

c) change in the presentation of sales of surplus purchased electricity

Extract from the consolidated statement of profit or loss and other comprehensive income for the period 01.01.2021-31.03.2021

<i>in PLN thousand</i>	according to the approved report for 01.01.2021- 31.03.2021		
	Adjustment s	Restated data	
Revenues from contracts with customers	584 076	(9 131)	574 945
Cost of sales	(487 108)	9 131	(477 977)
Gross profit	96 968	-	96 968

Extract from the consolidated statement of profit or loss and other comprehensive income for the period 01.04.2020-31.03.2021 (LTM)

<i>in PLN thousand</i>	according to the approved report for		
	01.04.2020- 31.03.2021	Adjustment s	Restated data
Revenues from contracts with customers	1 857 186	(9 131)	1 848 055
Cost of sales	(1 646 860)	9 131	(1 637 729)
Gross profit	210 326	-	210 326

5 Segment reporting

Management has determined the operating segments based on the reports reviewed by the Management Board of the Parent Company that are used to make strategic decisions.

The following main activities have been distinguished:

- scrap metal: comprising purchasing, sorting, processing, refining and subsequent shipment and sale of scrap metal to external customers,
- billets HSJ: comprising production and purchase of steel billets (crude steel) and their subsequent sale to external customers, carried out by our melting shop HSJ in Stalowa Wola,
- billets Ferrostal (FER): comprising production and purchase of steel billets (crude steel) and their subsequent sale to external customers, carried out by our melting shop Ferrostal in Gliwice,
- finished products HSJ: comprising production and purchase of finished steel products and their subsequent sale to external customers, carried out by our rolling mill HSJ in Stalowa Wola,
- finished products FER: comprising production and purchase of finished steel products and their subsequent sale to external customers, carried out by our rolling mill Ferrostal in Gliwice,
- non-ferrous scrap metal: comprising purchasing, sorting, processing, refining and subsequent shipment and sale to external customers of non-ferrous scrap metal,
- non-ferrous finished products: comprising production (from own or from customer's material) and purchase of non-ferrous products, such as bronze shafts and sleeves as well as aluminum alloys in the form of ingots, and then their subsequent shipment and sale to external customers,
- other: including transportation services, property development and other activities.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Management Board of the Parent Company is measured in a manner consistent with that in the statement of comprehensive income.

5 Segment reporting - continued

Business segments (for the three months ended 31 March)

in PLN thousand

	Scrap metal	Billets HSJ	Billets FER	Finished products HSJ	Finished products FER	Non-ferrous scrap metal	Non-ferrous finished products	Other	Unallocated	Eliminations	Consolidated
31.03.2022											
Revenue from external customers	74 839	93 785	86 122	302 439	313 943	25 447	32 131	14 194	18 354		
Inter-segment revenue	130 784	26 648	22 426	8 413	31 027	4 525	-	4 907	3 005		
Total revenue	205 623	120 433	108 548	310 852	344 970	29 972	32 131	19 101	21 359	(230 953)	962 036
Cost of sales to external customers	(67 895)	(83 666)	(66 339)	(232 071)	(245 022)	(22 528)	(28 218)	(10 026)	(14 251)		
Inter-segment cost of sales	(126 256)	(23 357)	(14 838)	(6 242)	(23 034)	(4 084)	-	(3 798)	(53)		
Total cost of sales	(194 151)	(107 023)	(81 177)	(238 313)	(268 056)	(26 612)	(28 218)	(13 824)	(14 304)	235 977	(735 701)
Segment result	11 472	13 410	27 371	72 539	76 914	3 360	3 913	5 277	7 055	5 024	226 335
Other income	(13)	639	1 121	2 285	3 625	(1)	92	423	10	(141)	8 040
Distribution and administrative expenses	(7 004)	(3 744)	(1 448)	(13 219)	(14 075)	(1 028)	(2 267)	(1 254)	(6 887)	445	(50 481)
Other gain/(losses) net	81	287	138	1 025	315	16	272	39	(2 560)	(240)	(627)
Other expenses	(15)	(314)	(112)	(1 125)	(201)	(6)	(104)	(40)	(214)	139	(1 992)
Operating profit/(loss)	4 521	10 278	27 070	61 505	66 578	2 341	1 906	4 445	(2 596)	5 227	181 275
Net financing costs									12 014	85	12 099
Share of profit of associates, net of tax											(44)
Income tax expense											(36 550)
Profit for the period											156 780

in PLN thousand

	Scrap metal	Billets HSJ	Billets FER	Finished products HSJ	Finished products FER	Non-ferrous scrap metal	Non-ferrous finished products	Other	Unallocated	Eliminations	Consolidated
31.03.2021											
Revenue from external customers	52 419	45 157	53 942	175 685	194 158	21 222	18 216	13 431	690		
Inter-segment revenue	65 590	14 047	-	3 653	10 133	5 344	-	2 107	1 765		
Total revenue	118 009	59 204	53 942	179 338	204 291	26 566	18 216	15 538	2 455	(102 614)	574 945
Cost of sales to external customers	(47 377)	(43 305)	(43 899)	(149 221)	(162 013)	(18 747)	(15 417)	(11 086)	(633)		
Inter-segment cost of sales	(62 282)	(12 099)	-	(3 228)	(8 493)	(4 921)	-	(1 425)	(47)		
Total cost of sales	(109 659)	(55 404)	(43 899)	(152 449)	(170 506)	(23 668)	(15 417)	(12 511)	(680)	106 216	(477 977)
Segment result	8 350	3 800	10 043	26 889	33 785	2 898	2 799	3 027	1 775	3 602	96 968
Other income	27	353	840	1 467	2 988	9	94	421	27	(53)	6 173
Distribution and administrative expenses	(5 653)	(2 152)	(1 797)	(12 568)	(7 769)	(1 351)	(1 362)	(1 279)	(5 782)	125	(39 588)
Other gain/(losses) net	2	65	107	268	381	3	67	1 344	19	1 938	4 194
Other expenses	(39)	(162)	(11)	(675)	(39)	(9)	(10)	(39)	(21)	30	(975)
Operating profit	2 687	1 904	9 182	15 381	29 346	1 550	1 588	3 474	(3 982)	5 642	66 772
Net financing costs									(3 441)	(4 663)	(8 104)
Share of profit of associates, net of tax											(53)
Income tax expense											(12 758)
Profit for the period											45 857

Business segments (for the twelve months ended 31 March)

in PLN thousand

	Scrap metal	Billets HSJ	Billets FER	Finished products HSJ	Finished products FER	Non-ferrous scrap metal	Non-ferrous finished products	Other	Unallocated	Eliminations	Consolidated
31.03.2022											
Revenue from external customers	262 201	269 899	277 170	888 899	1 199 514	102 741	97 462	74 908	24 591		
Inter-segment revenue	370 270	96 229	43 720	20 148	109 219	17 797	-	13 165	14 553		
Total revenue	632 471	366 128	320 890	909 047	1 308 733	120 538	97 462	88 073	39 144	(684 244)	3 198 242
Cost of sales to external customers	(235 681)	(244 180)	(214 620)	(695 056)	(923 810)	(91 913)	(81 236)	(59 920)	(19 983)		
Inter-segment cost of sales	(350 730)	(83 394)	(31 807)	(14 886)	(80 703)	(16 318)	-	(9 916)	(4 915)		
Total cost of sales	(586 411)	(327 574)	(246 427)	(709 942)	(1 004 513)	(108 231)	(81 236)	(69 836)	(24 898)	679 107	(2 479 961)
Segment result	46 060	38 554	74 463	199 105	304 220	12 307	16 226	18 237	14 246	(5 137)	718 281
Other income	205	4 101	5 159	18 736	25 644	51	255	2 551	34	(6 969)	49 767
Distribution and administrative expenses	(26 326)	(12 695)	(5 092)	(47 281)	(46 585)	(5 113)	(7 471)	(5 748)	(27 858)	7 112	(177 057)
Other gain/(losses) net	248	(105)	139	(510)	412	52	321	(1 088)	353	(2 162)	(2 340)
Other expenses	(374)	(687)	(257)	(2 521)	(848)	(84)	(206)	(200)	(1 491)	274	(6 394)
Operating profit/(loss)	19 813	29 168	74 412	167 529	282 843	7 213	9 125	13 752	(14 716)	(6 882)	582 257
Net financing costs									5 167	(118)	5 049
Share of profit of associates, net of tax											39
Income tax expense											(112 896)
Profit for the period											474 449

in PLN thousand

	Scrap metal	Billets HSJ	Billets FER	Finished products HSJ	Finished products FER	Non-ferrous scrap metal	Non-ferrous finished products	Other	Unallocated	Eliminations	Consolidated
31.03.2021											
Revenue from external customers	141 862	164 663	167 085	515 873	683 231	60 820	50 095	60 562	3 775		
Inter-segment revenue	176 237	55 709	13 583	10 988	74 137	16 950	316	6 690	11 328		
Total revenue	318 099	220 372	180 668	526 861	757 368	77 770	50 411	67 252	15 103	(365 849)	1 848 055
Cost of sales to external customers	(128 945)	(156 484)	(146 910)	(447 852)	(628 915)	(54 941)	(41 770)	(56 573)	(2 942)		
Inter-segment cost of sales	(168 320)	(51 616)	(12 715)	(9 998)	(69 539)	(15 632)	(275)	(4 758)	(921)		
Total cost of sales	(297 265)	(208 100)	(159 625)	(457 850)	(698 454)	(70 573)	(42 045)	(61 331)	(3 863)	361 377	(1 637 729)
Segment result	20 834	12 272	21 043	69 011	58 914	7 197	8 366	5 921	11 240	(4 472)	210 326
Other income	1 751	2 914	5 082	9 964	21 937	475	1 456	3 760	149	(3 903)	43 585
Distribution and administrative expenses	(17 234)	(12 352)	(5 239)	(37 412)	(32 625)	(4 350)	(4 601)	(5 403)	(23 496)	5 931	(136 781)
Other gain/(losses) net	(35)	(25)	(19)	(77)	(368)	(1)	134	1 357	1 869	127	2 962
Other expenses	(112)	(1 179)	(227)	(4 049)	(933)	(30)	(107)	(325)	(214)	1 315	(5 861)
Operating profit	5 204	1 630	20 640	37 437	46 925	3 291	5 248	5 310	(10 452)	(1 002)	114 231
Net financing costs									(25 617)	(142)	(25 759)
Share of profit of associates, net of tax											(10)
Income tax expense											(11 815)
Profit for the period											76 647

in PLN thousand

	Scrap metal	Billets HSJ	Billets FER	Finished products HSJ	Finished products FER	Non-ferrous scrap metal	Non-ferrous finished products	Other	Unallocated	Eliminations	Consolidated
31.03.2022											
Segment assets	136 794	106 054	105 019	354 536	683 680	20 161	48 744	60 748	580 625	(93 026)	2 003 335
Segment liabilities	81 594	63 484	75 373	212 229	297 543	11 875	20 079	47 102	496 115	(102 620)	1 202 774
Depreciation and amortisation	(1 240)	(1 117)	(568)	(3 735)	(3 398)	(183)	(456)	(265)	(198)	33	(11 127)
Capital expenditures	322	325	15 220	1 087	57 922	83	161	639	-	-	75 759

in PLN thousand

	Scrap metal	Billets HSJ	Billets FER	Finished products HSJ	Finished products FER	Non-ferrous scrap metal	Non-ferrous finished products	Other	Unallocated	Eliminations	Consolidated
31.12.2021											
Segment assets	97 512	84 421	67 296	299 829	568 018	21 686	38 183	80 795	316 831	(69 399)	1 505 172
Segment liabilities	36 371	42 316	43 355	150 286	204 443	8 063	13 547	50 772	386 088	(73 938)	861 303

in PLN thousand

	Scrap metal	Billets HSJ	Billets FER	Finished products HSJ	Finished products FER	Non-ferrous scrap metal	Non-ferrous finished products	Other	Unallocated	Eliminations	Consolidated
31.03.2021											
Segment assets	87 321	67 299	47 555	265 291	375 004	20 946	25 461	42 655	311 640	(47 436)	1 195 736
Segment liabilities	57 629	39 792	51 826	156 931	193 046	13 518	7 089	30 853	416 922	(126 531)	841 075
Depreciation and amortisation	(1 066)	(1 049)	(786)	(4 130)	(5 434)	(252)	(181)	(327)	(210)	123	(13 312)
Capital expenditures	104	96	435	376	10 255	23	64	826	-	-	12 179

Unallocated assets

in PLN thousand

Long-term and short-term investments	
Deferred tax assets	
Investment property	
Financial assets due to valuation of derivative instruments	
Income tax receivable	
Cash and cash equivalents	
Assets held for sale	
Other receivables (statutory receivables, receivables relating to sale of subsidiaries, etc)	
Assets of central office	

31.03.2022	31.12.2021	31.03.2021
1 044	1 109	1 262
19 778	24 537	43 501
118	119	7 130
37 737	17 534	-
38	38	38
277 219	107 810	129 092
6 988	6 993	-
184 828	121 423	107 453
52 875	37 268	23 164
580 625	316 831	311 640

Unallocated liabilities

in PLN thousand

Interest-bearing loans and borrowings	
Bank overdraft	
Provisions	
Government grants and other deferred income	
Current income tax payables	
Other liabilities	
Liabilities due to the valuation of financial instruments	
Liabilities related to non-current assets held for sale	
Liabilities of central office	

31.03.2022	31.12.2021	31.03.2021
369 911	320 803	255 315
49 908	17 200	-
1 300	1 800	25
9 641	9 839	6 008
14 080	2 936	6 630
45 932	24 378	56 863
-	-	3 183
1 480	1 548	-
3 863	7 584	88 898
496 115	386 088	416 922

6 Revenues from contracts with customers

in PLN thousand

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Revenues from sale of products	839 369	502 040
Revenues from sale of services	10 823	10 113
Revenues from sale of goods	111 728	60 017
Revenues from sale of raw materials	116	2 775
	962 036	574 945
<i>including:</i>		
- revenue from sale of goods or services transferred to customers at a	959 792	574 301
- revenue from sale of goods or services and energy transferred to	2 244	644
Revenues are generated from the following sources:		
-sale of steel scrap and non-ferrous metals scrap	100 286	73 641
-sale of slabs, ingots	179 907	99 099
-sale of rolled bars, rolled slabs and sheets	302 439	175 685
-sale of ribbed, flat, round, square bars, angles, tees, channels, sections	313 943	194 158
-sale of bronze and zinc casting alloys shafts and sleeves	32 131	18 216
-sale of transport services	5 707	5 512
-sale of houses and apartments	16 101	-
-sale resulting from the construction contract	2 244	644
-other sale	9 278	7 990

7 Property, plant and equipment and intangible assets

During the three months ended 31 March 2022, the Group acquired property, plant and equipment at a cost of PLN 81 373 thousand (three months ended 31 March 2021: PLN 15 349 thousand). Assets with a net book value of PLN 16 thousand were disposed during the three months of 2022 (three months ended 31 March 2021: PLN 1 290 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 22 thousand (three months ended 31 March 2021: a net gain on disposal of PLN 3 038 thousand).

In the current period, the increase in property, plant and equipment was mainly due to the purchase on March 25, 2022 of real estate in Siemianowice Śląskie for the net price of PLN 61 481 thousand. The Group plans to build a modern rolling mill on this property.

During the twelve months ended 31 March 2022, the Group acquired property, plant and equipment at a cost of PLN 182 958 thousand (twelve months ended 31 March 2021: PLN 81 959 thousand). Assets with a net book value of PLN 1 633 thousand were disposed of during the twelve months ended 31 March 2022 (twelve months ended 31 March 2021: PLN 3 591 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 1 110 thousand (twelve months ended 31 March 2021: a net gain on disposal of PLN 3 276 thousand).

During the three months ended 31 March 2022, the Group acquired intangible assets at a cost of PLN 111 thousand (three months ended 31 March 2021: PLN 315 thousand). Assets with a net book value of PLN 0 thousand were disposed during the three months of 2022 (three months ended 31 March 2021: PLN 78 thousand). On the sale of intangible assets the Group achieved a net gain on disposal of PLN 0 thousand (three months ended 31 March 2021: a net gain on disposal of PLN 0 thousand).

During the twelve months ended 31 March 2022, the Group acquired intangible assets at a cost of PLN 1 258 thousand (twelve months ended 31 March 2021: PLN 5 313 thousand). Assets with a net book value of PLN 3 117 thousand were disposed of during the twelve months ended 31 March 2022 (twelve months ended 31 March 2021: PLN 6 717 thousand). On the sale of intangible assets the Group achieved a net gain on disposal of PLN 0 thousand (twelve months ended 31 March 2021: a net gain on disposal of PLN 7 thousand).

8 Trade and other receivables

Short-term receivables

in PLN thousand

	31.03.2022	31.12.2021	31.03.2021
Trade receivables	257 778	229 475	97 894
Statutory receivables excluding income tax*	70 895	36 254	50 338
Prepayments for services and inventories	8 499	4 739	2 930
Prepayments for property, plant and equipment	43 392	40 356	10 758
Factoring receivables	93 320	82 255	56 300
Other receivables	29 703	5 016	8 183
	503 587	398 095	226 403

* under this item, the Group discloses the estimated revenue related to compensations related to the increase in quotations of CO2 emission rights (March 31, 2022: PLN 30 176 thousand, December 31, 2021: PLN 24 139 thousand, March 31, 2021: PLN 15 843 thousand)

Long-term receivables

in PLN thousand

	31.03.2022	31.12.2021	31.03.2021
Receivables under a construction contract**	16 708	14 466	9 290
Prepayments***	14 437	-	-
Other receivables	494	311	115
	31 639	14 777	9 405

** service provided to Przemysław Sztuczkowski, President of the Management Board - more in note 15

*** the costs of disbursements of the investment loan in Banco Santander. Due to the partial use of the loan, the Group allocates proportionally the costs of disbursement to the incurred loan tranches. The loan can be used until December 21, 2023

The Group regularly uses factoring facilities to improve liquidity. Handing over receivables to factoring results in ceasing their recognition in the financial statements according to IFRS 9. Therefore, all trade receivables that the Group provides to the factor do not meet the criteria of the model "hold to collect" and "hold for the purpose of collection and sale" are therefore classified as "measured at fair value through profit or loss". The application of IFRS 9 changed therefore the method of measurement of these receivables from amortized cost at fair value. The effects of fair value measurement is recognized in the financial result. As at March 31, 2022 the Group discloses PLN 93 320 thousand PLN of factoring receivables (as at December 31, 2021: PLN 82 255 thousand, March 31, 2021: PLN 56 300 thousand). The fair value of factoring receivables has been estimated based on provisions of factoring and insurance agreements.

The carrying value of trade receivables subject to factoring agreements, including the carrying value of factoring receivables and related liabilities that are continue to be recognized in the statement of financial position is shown below:

	31.03.2022	31.12.2021	31.03.2021
Trade receivables in total	642 057	549 343	350 309
Receivables subject to factoring without recourse	(384 279)	(319 868)	(252 415)
Trade receivables net disclosed in the statement of financial position	257 778	229 475	97 894
Receivables subject to factoring without recourse in the part not financed by the factor (factoring receivables)	93 320	82 255	56 300

Trade receivables (not transferred to the factor) are classified as measured at amortized cost and are subject to impairment loss. The application of IFRS 9 has affected the calculation of the impairment loss from the model of losses incurred for model of expected losses.

The receivables of the Group do not contain a significant element of financing, therefore the impairment allowance is calculated on the basis of expected loan losses over the entire lifetime of the receivables.

The analysis conducted by the Group shows that the write-down on this account do not significantly affect the consolidated financial statements and amounted as at March 31, 2022: PLN 221 thousand (as at December 31, 2021: PLN 220 thousand, as at March 31, 2021: PLN 171 thousand).

9 Inventories

in PLN thousand

	31.03.2022	31.12.2021	31.03.2021
Raw materials	198 344	99 943	111 546
Semi-finished goods and work in progress	136 664	120 245	80 369
Finished products	161 958	177 182	110 513
Goods for resale	49 515	28 431	28 808
	546 481	425 801	331 236

10 Trade and other payables

Short term

in PLN thousand

	31.03.2022	31.12.2021	31.03.2021
			<i>*restated</i>
Trade payables	623 831	403 985	455 983
Statutory payables	17 016	10 478	16 392
Investment payables	25 766	26 462	8 260
Prepayments for services and deliveries of goods	26 323	23 726	3 117
Liabilities due to Shareholder	-	1 415	26
Accrued expenses relating to bonuses for the Management Board	14 507	10 564	1 634
Payroll liabilities	10 557	622	9 459
Accrued expenses relating to employees	13 681	7 784	8 688
Accrued expenses	6 003	3 725	19 302
Other payables	3 852	1 934	21 099
	741 536	490 695	543 960

Long term

in PLN thousand

	31.03.2022	31.12.2021	31.03.2021
			<i>*restated</i>
Liabilities due to Shareholder	-	-	9 887
	-	-	9 887

11 Equity

Issued share capital

	31.03.2022	31.12.2021	31.03.2021
Registered shares number at reporting date	171 420 663	171 420 663	169 620 663
Number of issued warrants	94	94	200
Nominal value of 1 share	1,5 PLN	1,5 PLN	1,5 PLN

At 31 March 2022, the parent Company's share capital comprised 171 420 663 ordinary shares (31 December 2021: 171 420 663 ordinary shares; 31 March 2021: 169 620 663).

Liability due to the purchase of shares in Złomrex S.A.

In 2011, Cognor Holding S.A. acquired from PS HoldCo Sp. z o.o. shares of Złomrex S.A. The parties concluded an agreement on the financing of the acquisition of these shares in a manner that conditioned the repayment of the liability for the purchase of shares prior to increasing the equity of Cognor Holding S.A. by PS HoldCo Sp. z o.o.

As a consequence of the above, the liability to PS HoldCo Sp. z o.o. in the amount of PLN 106 780 thousand for the acquisition of shares in Złomrex S.A. was presented in equity till 31 December 2021, as its payment was conditional on an equivalent recapitalization of the Parent Entity through the rights resulting from series C warrants.

On December 31, 2021 PS HoldCo Sp. z o.o. announced the acquisition of 106 shares of the Company of issue no. 10 in exchange for 106 warrants of series C. The issue price of one share of issue no. 10 amounts to PLN 1 million. Moreover, on that day PS HoldCo Sp. z o.o. concluded Annex No. 4 with Cognor Holding S.A. stating that the excess liability for the shares of Złomrex S.A. in the amount of PLN 780 thousand remaining after PS HoldCo Sp. z o.o. 106 million in the capital of Cognor Holding S.A. will be returned to PS HoldCo Sp. z o.o.

As a result of the above, a decrease in other reserves in the amount of PLN 780 thousand was presented in equity.

On January 3, 2022, there was a cash inflow to the Company in the amount of PLN 106 000 thousand for the above mentioned share issue. On the same day, the liability of Cognor Holding S.A. towards PS HoldCo Sp. z o.o. for the purchase of Złomrex S.A. shares was regulated in the amount of PLN 107 415 thousand and PLN 61 thousand as interest on this liability.

As at March 31, 2022, the Group has no liabilities due to purchase of shares in Złomrex S.A.

The ownership structure as at 31 March 2022 is presented in the table below:

Shareholder	Shares number	Shares in equity	Number of votes	Share of votes on General Shareholders' Meeting %
PS HoldCo Sp. z o.o.*	123 243 491	71,90%	123 243 491	71,90%
Przemysław Sztuczkowski	617 781	0,36%	617 781	0,36%
Other shareholders	47 559 391	27,74%	47 559 391	27,74%
Total	171 420 663	100,00%	171 420 663	100,00%

* Przemysław Sztuczkowski owns indirectly 100% of shares in PS Holdco Sp. z o.o. through 4Workers Sp. z o.o. and therefore the shares owned by PS Holdco Sp. z o.o. represent the indirect participation of Przemysław Sztuczkowski in Cognor Holding S.A.

All of the above shares have been paid up.

The ownership structure as at the date of previous corrected report's publication (March 28, 2022) is presented in the table below:

Shareholder	Shares number	Shares in equity %	Number of votes	Share of votes on General Shareholders' Meeting %
PS HoldCo Sp. z o.o.*	123 243 491	71,90%	123 243 491	71,90%
Przemysław Sztuczkowski	617 781	0,36%	617 781	0,36%
Other shareholders	47 559 391	27,74%	47 559 391	27,74%
Total	171 420 663	100,00%	171 420 663	100,00%

* Przemysław Sztuczkowski owns indirectly 100% of shares in PS Holdco Sp. z o.o. through 4Workers Sp. z o.o. and therefore the shares owned by PS Holdco Sp. z o.o. represent the indirect participation of Przemysław Sztuczkowski in Cognor Holding S.A.

The ownership structure as at the date of current report's publication (April 29, 2022) is presented in the table below:

Shareholder	Shares number	Shares in equity %	Number of votes	Share of votes on General Shareholders' Meeting %
PS HoldCo Sp. z o.o.*	123 243 491	71,90%	123 243 491	71,90%
Przemysław Sztuczkowski	617 781	0,36%	617 781	0,36%
Other shareholders	47 559 391	27,74%	47 559 391	27,74%
Total	171 420 663	100,00%	171 420 663	100,00%

* Przemysław Sztuczkowski owns indirectly 100% of shares in PS Holdco Sp. z o.o. through 4Workers Sp. z o.o. and therefore the shares owned by PS Holdco Sp. z o.o. represent the indirect participation of Przemysław Sztuczkowski in Cognor Holding S.A.

12 Earnings per share

The calculation of basic earnings per share for the three-month period ended 31 March 2022 was based on the profit attributable to ordinary shareholders of PLN 148 042 thousand (the three-month period ended 31 March 2021: profit PLN 43 037 thousand) and a weighted average number of ordinary shares outstanding during the three-month period ended 31 March 2022 of 171 421 thousand (the three-month period ended 31 March 2021: 154 394 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the 3 months period ended March 31, 2022 was 171 421 thousand (31 March 2021: 171 819 thousand).

The calculation of basic earnings per share for the twelve-month period ended 31 March 2022 was based on the profit attributable to ordinary shareholders of PLN 447 775 thousand (the twelve-month period ended 31 March 2021: profit PLN 72 803 thousand) and a weighted average number of ordinary shares outstanding during the twelve-month period ended 31 March 2022 of 171 421 thousand (the twelve-month period ended 31 March 2021: 131 554 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the twelve months ended 31 March 2022 was 171 421 thousand (31 March 2021: 171 739 thousand).

13 Interest-bearing loans and borrowings and bank overdraft

in PLN thousand

	31.03.2022	31.12.2021	31.03.2021 *restated
Bank overdraft	49 908	17 200	-
Non-current liabilities			
Secured bank loans	57 092	-	114 187
Secured debt (bonds)	158 025	157 787	-
Lease liabilities	93 585	92 086	84 080
Other borrowings	98	114	2 279
	308 800	249 987	200 546
Current liabilities			
Current portion of secured bank loans	62	-	38 915
Current portion of secured debt (bonds)	41 671	42 163	-
Current portion of lease liabilities	19 313	19 550	17 663
Factoring liabilities	-	-	90
Other borrowings	65	9 103	258
	61 111	70 816	56 926

* see note no. 4b - change in the presentation of liabilities due to bills of exchange

Investment loan

On December 21, 2021, an investment loan agreement was signed between the subsidiary Cognor S.A. as the borrower and the Issuer as the guarantor, and Banco Santander S.A. as the sole organizer, agent and lender and Santander Bank Polska S.A. as a security agent, a hedging party and a bank issuing a letter of credit, on the basis of which Cognor S.A. an investment term loan was granted in EUR and PLN tranches, in the maximum amounts of EUR 30 500 thousand and PLN 240 000 thousand. This loan is intended to finance an investment related to the contract concluded by Cognor S.A. with Danieli & C. Officine Meccaniche S.p.a. for the supply of a complete production line for the production of hot-rolled bars and a device for coiling ribbed bars into coils (spooler).

The final repayment date for the loan was set on December 21, 2031, with the repayment period starting after the end of the availability period, which is 24 months from the date of conclusion of credit agreement. The loan interest rate will be the sum of the appropriate WIBOR or EURIBOR rate and the margin, and the interest will be charged in six-month interest periods. The collateral for the loan will be, inter alia, Issuer's guarantee, registered pledge on assets constituting the object of the investment, mortgage on the real estate on which the investment will be implemented, transfer of receivables from contracts related to the investment and statements of submission to enforcement by Cognor S.A. and the Issuer. The loan disbursement is subject to the fulfillment of standard conditions precedent.

The agreement provides for 80% of the financing value to be covered by a repayment guarantee issued by Korporacja Ubezpieczeń Kredytów Eksportowych S.A. (KUKKE S.A.).

On March 15, 2022, the subsidiary Cognor S.A. released the first tranche in the amount of EUR 12 865 thousand. Liability due to the above-mentioned loan amounted to PLN 57 154 thousand as at March 31, 2022. zloty.

Bonds issue

On July 21, 2021, the subsidiary Cognor S.A. issued 200,000 series 1/2021 secured bonds with a nominal value of PLN 1,000 each. The bond redemption date is July 15, 2026. The bonds bear interest at the interest rate equal to WIBOR for 6-month deposits plus a margin. Interest will be payable in six-month periods (the date of payment of interest was set on January 15 and July 15 of each year). The bonds will be subject to early redemption in proportion to 20% of their original par value on July 15 of each year during the 5-year bond period.

As at March 31, 2022, the liability resulted from above bonds amounted to PLN 199 696 thousand (December 31, 2021: PLN 199 950 thousand, March 31, 2021: PLN 0 thousand).

Overdraft facilities

The subsidiary - Cognor S.A. signed an overdraft facility agreement with bank Pekao S.A. on August 13, 2021 with a limit of PLN 40 000 thousand. The limit may be used in the following currencies: PLN, EUR, USD. The loan interest rate is WIBOR 1M / EURIBOR 1M / LIBOR 1M + margin. The agreement is valid until July 31, 2022. The loan is secured with a power of attorney to the Company's bank accounts, a declaration of submission to enforcement and a registered pledge on finished products up to the amount of PLN 32 000 thousand.

The subsidiary - Cognor S.A. signed an overdraft facility agreement with Santander S.A. on September 3, 2021 with a limit of PLN 20 000 thousand. The loan interest rate is WIBOR 1M + margin. The agreement is valid until September 3, 2023. The loan is secured with a declaration of submission to enforcement and a registered pledge on finished products up to the amount of PLN 20 000 thousand.

The subsidiary - Cognor S.A. signed an overdraft facility agreement with mBank S.A. on September 28, 2021 with a limit of PLN 34 000 thousand. The limit may be used in the following currencies: PLN, EUR. The loan interest rate is WIBOR 1M / EURIBOR 1M + margin. The agreement is valid until September 14, 2023. The loan is secured with a declaration of submission to enforcement and a registered pledge on finished products up to the amount of PLN 34 000 thousand.

The subsidiary - Cognor S.A. signed an overdraft facility agreement with Bank Ochrony Środowiska S.A. on February 7, 2022, with a limit of PLN 10 000 thousand. The credit use period expires on December 27, 2023. The loan interest rate is set at WIBOR 3M + margin. The collateral is a BGK guarantee in the amount of 80% of the loan, a power of attorney to a bank account, a blank bill of exchange and a declaration of submission to enforcement.

14 Contingencies, guarantees and other commitments

The Group has not the contingent liabilities. For subsidiary guarantees please refer to note no. 23.

15 Transactions with related parties

Identity of related parties

The Group has a related party relationship with the Group's Parent Company and other entities stated below.

Controlling entities:

- PS Holdco Sp. z o.o.
- 4Workers Sp. z o.o.

Associates are as follows:

- 4 Groups Sp. z o.o. (from January 21st, 2013 till August 23, 2021)
- Madrohut Sp. z o.o. (from April 11, 2014)
- KDPP Doradztwo Biznesowe Sp. z o.o. (from May 25, 2020 till August 23, 2021)

Related companies to the controlling entities (owners):

- 4 Groups Sp. z o.o. (from August 23, 2021)
- KDPP Doradztwo Biznesowe Sp. z o.o. (till May 25, 2020 and from August 23, 2021 till December 30, 2021)
- czystyefekt.pl Sp. z o.o.

Entities personally related to Members of the Management Board

- PS Przemysław Sztuczowski
- BMD Dominik Barszcz
- BMD Biuro Rachunkowo-Prawne Sp. z o.o. Sp.k. (till December 20, 2021)
- BMD Sp. z o.o. S.K.A.
- BMLaw Kancelaria Prawna
- BMLaw Kancelaria Prawna Marcin Barszcz S.K.A.
- Foundation "Zdążyć na czas"

in PLN thousand

	31.03.2022	31.12.2021	31.03.2021
<i>Long-term receivables:</i>			
- entities personally related to Members of the Management Board	16 708	14 466	9 290
<i>Short-term receivables:</i>			
- associates	581	315	444
- controlling entities	4	10	4 324
- related companies to the controlling entities	7	-	-
- entities personally related to Members of the Management Board	12	-	15
<i>Long-term liabilities</i>			
- controlling entities	-	-	9 887
<i>Short-term liabilities</i>			
- controlling entities	808	2 547	13 145
- related companies to the controlling entities	14 605	11 265	1
- associates	-	-	4 444
- entities personally related to Members of the Management Board	-	-	76
<i>Loans received</i>			
- controlling entities	-	9 038	-

<i>in PLN thousand</i>	01.01.2022- 31.03.2022	01.01.2021- 31.03.2021	01.04.2021- 31.03.2022	01.04.2020- 31.03.2021
<i>Revenues from sale of services</i>				
- associates	671	469	2 606	1 875
- controlling entities	23	19	90	55
- related companies to the controlling entities	2	2	6	8
- entities personally related to Members of the Management Board	2 257	668	7 416	3 619
<i>Revenues from sale of raw materials and commodities</i>				
- associates	83	53	30	198
- controlling entities	-	-	1	-
<i>Purchase of commodities and raw materials</i>				
- controlling entities	456	683	1 607	2 579
<i>Purchase of services</i>				
- associates	-	4 413	2 548	8 645
- related companies to the controlling entities	5 450	-	11 610	426
- controlling entities	1 040	843	4 387	3 006
- entities personally related to Members of the Management Board	211	172	698	645
<i>Other expenses</i>				
- controlling entities	-	-	(6)	(13)
- entities personally related to Members of the Management Board	-	-	(120)	-
<i>Financial costs</i>				
- controlling entities	(61)	(2 488)	(3 028)	(5 037)

On 23-05-2019, the subsidiary Cognor S.A. has concluded a contract with a general contractor worth PLN 10 190 thousand and began building an exhibition and conference center in the vicinity of Krakow. This object is being implemented by the group at the request of the main (indirectly) shareholder of the Parent Entity, and at the same time the President of the Management Board, i.e. Przemysław Sztuczkowski. In the provisions of the agreement concluded between the parties, Cognor S.A. undertook to build the said facility in a standard 'move-in ready', and Przemysław Sztuczkowski undertook to purchase it immediately after commissioning at a price in the amount of costs actually incurred by the Company increased by a 15% margin. As at the balance sheet date, the value of expenditure incurred cumulatively by the Group in this respect is PLN 14 532 thousand (in first 3 months 2022: PLN 1 949 thousand) . In accordance with the requirements of IFRS 15, the Group recognized in the financial statements for the first 3 months of 2022 an income of PLN 2 244 thousand (3 months of 2021: PLN 644 thousand).

16 Cash and cash equivalents presented in cash flow statements

<i>in PLN thousand</i>	31.03.2022	31.12.2021	31.03.2021
Cash in bank	146 090	43 961	126 213
Cash in bank restricted in use	127 434	62 855	2 645
Cash in hand	2 896	195	234
Short-term bank deposit	799	799	-
Other	-	-	-
Cash and cash equivalents	277 219	107 810	129 092
Bank overdrafts	(49 908)	(17 200)	-
Cash and cash equivalents in the statement of cash flows	227 311	90 610	129 092

17 Financial instruments

Financial instruments measured at fair values

Fair values

The following are details of the fair values of the financial instruments for which it is practicable to estimate such value:

- Cash and cash equivalents, short-term bank deposits and short-term bank loans: the carrying amounts approximate fair value due to the short term nature of these instruments.
- Trade and other receivables, trade and other payables and accrued liabilities: the carrying amounts approximate fair value due to the short-term nature of these instruments.
- Interest-bearing loans and borrowings, excluding fixed rate debt securities: the fair value approximate carrying amounts due to the variable nature of the related interest rates
- Liability under corporate bonds issued in 2021 - due to the fact that the bonds are bonds listed on the Catalyst market, the fair value of the bonds was determined on the basis of transactions concluded around the balance sheet date. The fair value of the bonds as at March 31, 2022 was PLN 199 800 thousand (level 1), December 31, 2021 was PLN 200 000 thousand (March 31, 2021 lack of liability).
- Fixed rate debt securities. The fair value of liability resulting from bills of exchange approximates carrying amount due to the short-term nature of these instruments and the interest rate similar to the market rate. As at March 31, 2022 and December 31, 2021 lack of such liabilities, as at March 31, 2021 bills of exchange liability in the amount of PLN 2 157 thousand.
- The fair value of IRS has been estimated on the base of valuation model taking into consideration the future cash flows in fixed and variable interest rate. As at 31 March 2022 the fair value of asset relating to IRS amounted PLN 37 737 thousand (31 December 2021: asset PLN 17 534 thousand, 31 March 2021: liability PLN 3 183 thousand).

18 Seasonability

Trading activity on the steel product market is characterized by seasonability of revenue from sales, resulting from the variability of weather conditions in the annual weather cycle. Seasonability is reflected by lower demand for steel products in the winter as a result of restrictions on investment and infrastructure construction during this period.

19 Management Board's position on the possibility of implementing previously published forecasts for the year, in light of the results presented in the quarterly report

Management Board didn't publish forecasts.

20 Ownership of the Parent Company shares or rights held by Management Board or by Supervisory Board at the date of this quarterly report, along with an indication of changes in ownership during the period from the previous report, separately for each person

	As at the date of the current report		As at the date of the previous report	
	quantity	% in share capital	quantity	% in share capital
Management Board				
- Przemysław Sztuczkowski *	617 781	0,36%	617 781	0,36%
- Przemysław Grzesiak	40 018	0,02%	40 018	0,02%
- Krzysztof Zoła	-	-	-	-
- Dominik Barszcz	50 000	0,03%	50 000	0,03%
Supervisory Board				
- Hubert Janiszewski	-	-	-	-
- Piotr Freyberg	-	-	-	-
- Jerzy Kak	-	-	-	-
- Marek Rocki	-	-	-	-
- Zbigniew Łapiński	-	-	-	-

*Przemysław Sztuczkowski owns indirectly 100% of shares in PS Holdco Sp. z o.o. through 4Workers Sp. z o.o. and therefore the shares owned by PS Holdco Sp. z o.o. represent the indirect participation of Przemysław Sztuczkowski in Cognor Holding S.A. Detailed information in note 11.

21 Proceedings before a court, an arbitration or a public authority

The Group is party to a range of court proceedings, the majority of which it participates in as the plaintiff. Group has not been charged in any singular or group proceedings which together could significantly affect their financial results or level of obligations.

Additionally, as important from the point of view of the Group, there are the following procedures:

- the company Złomrex Metal Sp. z o.o. (now Cognor SA Złomrex Branch in Wrocław) filed to the Supreme Administrative Court a cassation complaint against the judgment of the Provincial Administrative Court in Gliwice of 28 September 2015 – on November 17, 2017 a hearing was held, ending with a valid judgement for setting aside the judgement under appeal; annulment of the decision of the Director of the Tax Chamber in Katowice of September 19, 2014 and reconsideration of the case. Complaint concerns challenged by the Tax Control Office in Katowice deductions of VAT invoices issued in 2008 by 19 suppliers of the Company. The amount of the contested tax is PLN 1 418 thousand. Challenged tax along with interest in the total amount of PLN 2 478 thousand has been paid by Złomrex Metal Sp. z o.o. in 2014. As a result of the re-examination of the case, the Head of the Silesian Customs and Tax Office in Katowice issued a decision on May 23, 2019 in which he partially upheld his position regarding the challenge of deducting input VAT from VAT invoices issued in 2008 by 7 suppliers of the Company. The amount of the contested tax is PLN 762 thousand. The company lodged a complaint with the Provincial Administrative Court in Gliwice against the decision. On July 21, 2020 a hearing was held and a judgment was passed which revoked the contested decision. On September 29, 2020 the Director of the Tax Chamber in Katowice filed a cassation appeal against the verdict. On November 12, 2020 the company responded to the cassation appeal and expects a hearing date to be set.

- on January 1, 2019, the Amendment to the CIT Act entered into force. In Articles 18-22 of the Amendment to the CIT Act for Polish taxpayers who are issuers of bonds on which the issue of funds was obtained from the issue made by a non-resident related taxpayer (Article 21) the possibility of retrospective exemption from the potential obligation to collect withholding tax in the amount of 20% of the amount of interest and discounts paid in the period from January 1, 2004 was envisaged by choosing to tax them with a flat income tax of 3%. Management Board of Cognor S.A. estimating the risk of Cognor S.A. withholding tax obligation regarding the interest and discount paid to Cognor International Finance plc, he considered it reasonable to take advantage of the option of choosing a flat-rate tax. As a result the Group paid tax in the amount of PLN 9,650 thousand together with interest in the amount of PLN 1,470 thousand. This cost is not transferable to bondholders and therefore increases the interest cost of issued bonds economically. At the same time, the Management Board of Cognor S.A. questions the legitimacy of the withholding tax obligation in connection with payments to Cognor International Finance plc and applied to the Director of the National Treasury Information for interpretation, or Cognor S.A. he was subject to the obligation to collect withholding tax for the above transaction, which in the future will open the way to claiming a refund of the flat-rate tax paid. By the judgment of November 26, 2019, the Provincial Administrative Court dismissed the complaint of Cognor S.A., as a result, on January 23, 2020, Cognor S.A. he filed a cassation appeal to the Supreme Administrative Court, seeking to set aside the judgment in question. As the deadlines for considering cassation complaints are long, the Management Board of Cognor S.A. without waiting for the verdict, he decided to start the procedure for declaring the overpayment and on May 18, 2021, he applied to the Head of the First Mazowieckie Tax Office in Warsaw for the return of unduly paid tax with interest in the amount of PLN 11 120 thousand. On January 28, 2022, the Company received a decision of the Head of the First Mazowieckie Tax Office in Warsaw refusing to ascertain the overpayment. After analyzing the justification of the decision in question, on February 11, 2022, the Company appealed against it. This proceeding is pending. Considering the complexity of the case and the new arguments raised by the authority in the decision under the overpayment procedure, The Management Board of the Company changed the estimate and decided in financial statements for 2021 to increase the write-off created in previous years by the amount of PLN 5,560,000, so up to the amount of PLN 11 120 thousand, i.e. up to the amount constituting the full value of the claim.

- on July 1, 2020 Cognor SA received the result of an inspection initiated by the Silesian Customs and Tax Office on February 26, 2018 regarding the correctness of the declared CIT for 2016, under which, by a decision of December 22, 2020, the authority questioned the crediting of Cognor S.A. to tax deductible costs of expenses made for Cognor Holding S.A. under which, by a decision of December 22, 2020, the authority questioned the crediting of Cognor S.A. to tax deductible costs of expenses made for Cognor Holding S.A. for access to trademarks and their depreciation in the total amount of PLN 5,549 thousand and interest on bonds in the amount of PLN 36 thousand. The total impact of the questioned elements on the income tax is PLN 1,061 thousand. As regards settlements related to the provision of intangible assets, the Management Board did not agree with the position of the authority and therefore on January 11, 2021 an appeal was filed against this decision. On December 17, 2021, the Company received the decision of the Silesian Customs and Tax Office upholding the first instance decision, as a result, on January 17, 2022 the Company filed a complaint with the Provincial Administrative Court and is awaiting a judgment. This proceeding is pending. The Management Board of the Company decided that the chances of a positive conclusion of the proceedings in question are high and therefore no provision for this has been created in the financial statements.

- on December 22, 2020 Cognor S.A. received a decision on the initiation by the Office of Competition and Consumer Protection (hereinafter: UOKIK) proceedings for the third quarter of 2020 under the Act of March 8, 2013 on counteracting excessive delays in commercial transactions. As part of these proceedings, on December 29, 2020, the Company received a request to submit relevant documentation and explanations. The company submitted the required documentation and explanations on January 28, 2021. The proceedings are in progress. The Management Board of the Company, in connection with the emergence of public information about a large number of fines imposed on entrepreneurs under the above Act changed the estimate and decided to create a provision in the financial statements for a possible penalty in this respect in the amount of PLN 1.3 million.

22 Information on the Parent Company or its subsidiary of one or more transactions with related parties if individually or in the aggregate are material and have been included under conditions other than market.

Not applicable.

23 Information on the Parent Company or its subsidiary guarantees for credit or loans or warranties

Warranties and guarantees granted to subsidiaries by the Parent Company:

Subsidiary	Type of liability	Guarantee value (in PLN thousand)	Period of guarantee
Cognor S.A.*	Bonds	200 000	till 21.07.2026
Cognor S.A.*	Investment loan	381 901	till 21.12.2031
Cognor S.A.	Trade liability	21	without deadline
Cognor S.A.	Loans	163	till 15.11.2024
Cognor S.A.	Factoring	60 000	without deadline
Cognor S.A.	Contracts for co-financing the implementation of research projects	2 006	till 31.05.2022

* guarantee granted by the Issuer together with subsidiary, i.e. Cognor Holding S.A. Sp. K.

Guarantees received by subsidiary Cognor S.A.

Guarantor	Type of liability	Guarantee value (in PLN thousand)	Period of guarantee
KUKE S.A.	Investment loan	305 521	till 21.12.2031
BGK	Overdraft facility	8 000	till 27.12.2023

24 Other information that the Parent Company is relevant to the assessment of its personnel, assets, financial position, financial performance and their changes and information that is relevant to the assessment of the Parent Company's capacity to meet obligation.

In the past quarter, COVID-19 had less and less impact on our business. Another part of official restrictions in Poland was lifted at the beginning of the second quarter of 2022. Despite the fact that we still record increased absenteeism in our plants, and in some countries, such as China, there is a return to tough restrictions, nevertheless we do not currently perceive a significant risk from the SARS-Cov-2 virus for the continuation or scale of our operations.

The situation of the crisis related to Russia's invasion of Ukraine has not changed since the last financial report. Until now, concerns related to the availability of raw materials for our production have not materialized, while sources of supply alternative to Russian sources are in some cases associated with higher costs of obtaining a given raw material. Meanwhile, the war in Ukraine strengthened the price trend for our products, which was positive for our results. Notwithstanding the temporary benefits, we maintain all our concerns about the continuation of this crisis and hope that it will end as soon as possible. We have taken and are continuing some actions to support people who left Ukraine in the face of the threat of this military conflict.

25 Factors which in the opinion of the Parent Company will have an impact on its financial performance for at least next quarter.

The consolidated financial results of the Cognor Capital Group in the the perspective of the second quarter of 2022 will depend mainly on:

- the formation of relation of product prices to material prices, including especially steel scrap,
- the formation of energy prices,
- the formation of the relations of the PLN to EUR and USD.

26 Subsequent events

On April 28, 2022, the subsidiary Cognor S.A. signed a preliminary contract for the sale of real estate in Chorzów for the amount of PLN 5 533 thousand net (presented as non-current assets held for sale). The ownership transfer agreement is to be concluded by August 10, 2022.

Poraj, 29 April 2022

Przemysław Sztuczkowski
President of the Management Board

Przemysław Grzesiak
Vice President of the Management Board

Krzysztof Zoła
Member of the Management Board

Dominik Barszcz
Member of the Management Board

Selected data from the consolidated financial statements

	PLN thousand		EUR thousand	
	31.03.2022	Comparative data*	31.03.2022	Comparative data*
I. Sales revenue	962 036	574 945	207 014	125 751
II. Operating profit	181 275	66 772	39 007	14 604
III. Profit before tax	193 330	58 615	41 601	12 820
IV. Profit for the period	156 780	45 857	33 736	10 030
IV.a. Profit for the period attributable to owners of the Parent Company	148 042	43 037	31 856	9 413
IV.b. Profit for the period attributable to non-controlling interests	8 738	2 820	1 880	617
V. Net cash from operating activities	194 114	53 245	41 770	11 646
VI. Net cash from investing activities	-79 351	-7 994	-17 075	-1 748
VII. Net cash from financing activities	21 938	-16 714	4 721	-3 656
VIII. Net change in cash and cash equivalents	136 701	28 537	29 416	6 242
IX. Total assets	2 003 335	1 505 172	430 593	327 254
X. Total liabilities	1 202 774	861 303	258 522	187 264
XI. Total non-current liabilities	326 564	269 631	70 191	58 623
XII. Total current liabilities	876 210	591 672	188 331	128 641
XIII. Total equity	800 561	643 869	172 071	139 990
XIV. Issued share capital	257 131	257 131	55 267	55 905
XV. Number of shares (in thousands)	171 421	171 421		
XVI. Basic earnings per share (PLN/EUR)	0,86	0,28	0,19	0,06
XVII. Diluted earnings per share (PLN/EUR)	0,86	0,25	0,19	0,05
XVIII. Basic book value per share (PLN/EUR) as at 31 December	4,67**	3,76***	1,00	0,82
XIX. Diluted book value per share (PLN/EUR) as at 31 December	4,67**	3,75***	1,00	0,82
XX. Declared or paid dividend per share (PLN/EUR)	0,00	0,00	0,00	0,00

*Data for the items relating to the statement of financial position are presented as at December 31, 2021 while for the items relating to the statement of comprehensive income and the statement of cash flows for the period from January 1 to March 31, 2021

** as at March 31, 2022 the average number of shares used to calculate the basic book value per share was 171 421 thousand pieces and diluted book value per share was 171 421 thousand pieces

*** as at December 31, 2021 the average number of shares used to calculate the basic book value per share was 171 421 thousand pieces and diluted book value per share was 171 520 thousand pieces

The selected financial data was converted into the EUR currency as follows:

The items of assets and liabilities in the statement of financial position were converted into EUR according to the average exchange rate announced by the National Bank of Poland as of March 31, 2022, PLN 4.6525 / EUR and for comparative data as of December 31, 2021, PLN 4.5994 / EUR.

Individual items concerning the statement of comprehensive income and cash flows were converted according to the exchange rate being the arithmetic average of the average NBP exchange rates applicable on the last calendar day of individual months, which amounted to PLN 4.6472 / EUR (3 months of 2022), 4.5721 PLN / EUR (3 months of 2021), respectively.