

**Condensed Consolidated  
Interim Financial Statements**

**Cognor Holding S.A.**

**as at and for the six months ended  
30 June 2022**

*English version of the original in Polish, which is ultimately the only  
binding document*

19 August 2022

## Condensed consolidated statement of financial position

<i>in PLN thousand</i>	<i>Note</i>	<b>30.06.2022</b> <i>review</i>	<b>31.12.2021</b> <i>audit</i>	<b>30.06.2021</b> <i>review</i> <i>*restated</i>
<b>Assets</b>				
Property, plant and equipment	7	574 729	493 220	438 540
Intangible assets		14 815	15 139	15 917
Investment property		118	119	120
Investment in associates		1 121	1 015	969
Financial assets due to valuation of derivative instruments	20	58 918	15 689	-
Other receivables	8	12 715	14 777	10 083
Deferred tax assets	16	6 407	24 537	34 486
<b>Total non-current assets</b>		<b>668 823</b>	<b>564 496</b>	<b>500 115</b>
Inventories	9	612 020	425 801	343 692
Other investments		77	94	121
Financial assets due to valuation of derivative instruments	20	3 922	1 845	-
Current income tax receivables		38	38	38
Trade and other receivables	8	415 296	398 095	245 397
Cash and cash equivalents	19	284 876	107 810	77 962
Assets classified as held for sale	14	6 983	6 993	7 005
<b>Total current assets</b>		<b>1 323 212</b>	<b>940 676</b>	<b>674 215</b>
<b>Total assets</b>		<b>1 992 035</b>	<b>1 505 172</b>	<b>1 174 330</b>

*\*details in note 4*

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*

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

in PLN thousand

	Note	30.06.2022 review	31.12.2021 audit	30.06.2021 review *restated
<b>Equity</b>				
Issued share capital		257 131	257 131	257 131
Reserves		351 548	29 301	31 265
Foreign currency translation reserves		-	84	73
Retained earnings		297 457	317 369	92 066
<b>Total equity attributable to owners of the Parent Company</b>	<b>11</b>	<b>906 136</b>	<b>603 885</b>	<b>380 535</b>
Non-controlling interests		58 466	39 984	26 455
<b>Total equity</b>		<b>964 602</b>	<b>643 869</b>	<b>406 990</b>
<b>Liabilities</b>				
Interest-bearing loans, borrowings and other	13	366 104	249 987	183 464
Employee benefits obligation		13 144	14 343	11 963
Government grants and other deferred income		4 817	5 301	917
<b>Total non-current liabilities</b>		<b>384 065</b>	<b>269 631</b>	<b>196 344</b>
Bank overdraft	13	12 974	17 200	8 227
Interest-bearing loans, borrowings and other	13	70 588	70 816	65 124
Employee benefits obligation		2 364	2 139	1 352
Derivatives		-	-	2 521
Current income tax payables		8 088	2 936	5 598
Provisions for payables	15	1 300	1 800	25
Trade and other payables	10	542 084	490 695	480 429
Government grants and other deferred income		4 468	4 538	6 173
Liabilities of disposal assets held for sale	14	1 502	1 548	1 547
<b>Total current liabilities</b>		<b>643 368</b>	<b>591 672</b>	<b>570 996</b>
<b>Total liabilities</b>		<b>1 027 433</b>	<b>861 303</b>	<b>767 340</b>
<b>Total equity and liabilities</b>		<b>1 992 035</b>	<b>1 505 172</b>	<b>1 174 330</b>

\*details in note 4

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## Condensed consolidated statement of profit or loss and other comprehensive income

in PLN thousand

	Note	01.04.2022 - 30.06.2022	01.04.2021 - 30.06.2021	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
		out of the scope of review	out of the scope of review <i>*restated</i>	review	review <i>*restated</i>
<b>Continuing operations</b>					
Revenue	5	1 032 055	702 411	1 994 091	1 277 356
Cost of sales		(759 155)	(562 500)	(1 494 856)	(1 040 477)
<b>Gross profit</b>		<b>272 900</b>	<b>139 911</b>	<b>499 235</b>	<b>236 879</b>
Other income		10 051	5 928	18 091	12 101
Distribution expenses		(33 026)	(26 628)	(64 509)	(51 851)
Administrative expenses		(26 125)	(15 238)	(45 123)	(29 603)
Other (losses)/gains - net		1 318	(2 106)	691	2 088
Other expenses		(1 135)	(819)	(3 127)	(1 794)
<b>Operating profit before financing costs</b>		<b>223 983</b>	<b>101 048</b>	<b>405 258</b>	<b>167 820</b>
Financial income		26 487	2 529	47 532	3 356
Financial expenses		(11 959)	(4 939)	(20 905)	(13 870)
<b>Net financing costs</b>		<b>14 528</b>	<b>(2 410)</b>	<b>26 627</b>	<b>(10 514)</b>
Share of profit of associates		150	(172)	106	(225)
<b>Profit before tax</b>		<b>238 661</b>	<b>98 466</b>	<b>431 991</b>	<b>157 081</b>
Income tax expense		(48 905)	(19 629)	(85 455)	(32 387)
<b>Profit for the period</b>		<b>189 756</b>	<b>78 837</b>	<b>346 536</b>	<b>124 694</b>
<b>Profit for the period attributable to:</b>					
Owners of the Parent Company		180 012	74 430	328 054	117 467
Non-controlling interests		9 744	4 407	18 482	7 227
<b>Profit for the period</b>		<b>189 756</b>	<b>78 837</b>	<b>346 536</b>	<b>124 694</b>
<b>Other comprehensive income - that will be classified subsequently to profit or loss when specific conditions are met</b>					
Foreign currency translation differences		-	(17)	(84)	(23)
<b>Total comprehensive income for the period</b>		<b>189 756</b>	<b>78 820</b>	<b>346 452</b>	<b>124 671</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Parent Company		180 012	74 413	327 970	117 444
Non-controlling interests		9 744	4 407	18 482	7 227
<b>Total comprehensive income for the period</b>		<b>189 756</b>	<b>78 820</b>	<b>346 452</b>	<b>124 671</b>
<b>Basic earnings per share (PLN) attributable to the owners of the Parent Company</b>	12	<b>1,05</b>	<b>0,43</b>	<b>1,91</b>	<b>0,72</b>
- from continuing operations		1,05	0,43	1,91	0,72
<b>Diluted earnings per share (PLN) attributable to the owners of the Parent Company</b>	12	<b>1,05</b>	<b>0,43</b>	<b>1,91</b>	<b>0,68</b>
- from continuing operations		1,05	0,43	1,91	0,68

\* details note no. 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

	01.07.2021 - 30.06.2022 <i>out of the scope of review</i>	01.07.2020 - 30.06.2021 <i>out of the scope of review</i> <i>*restated</i>
<b>Continuing operations</b>		
Revenue	3 527 886	2 100 792
Cost of sales	(2 676 616)	(1 797 951)
<b>Gross profit</b>	<b>851 270</b>	<b>302 841</b>
Other income	53 890	35 138
Distribution expenses	(113 723)	(93 473)
Administrative expenses	(80 619)	(53 975)
Other (losses)/gains - net	1 084	2 060
Other expenses	(6 710)	(4 454)
<b>Operating profit before financing costs</b>	<b>705 192</b>	<b>188 137</b>
Financial income	68 778	3 356
Financial expenses	(46 791)	(27 413)
<b>Net financing costs</b>	<b>21 987</b>	<b>(24 057)</b>
Share of profit of associates	361	(182)
<b>Profit before tax</b>	<b>727 540</b>	<b>163 898</b>
Income tax expense	(142 172)	(30 288)
<b>Profit for the period</b>	<b>585 368</b>	<b>133 610</b>
<b>Profit for the period attributable to:</b>		
Owners of the Parent Company	553 357	126 370
Non-controlling interests	32 011	7 240
<b>Profit for the period</b>	<b>585 368</b>	<b>133 610</b>

\* details note no. 4

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

in PLN thousand

	01.07.2021 - 30.06.2022	01.07.2020 - 30.06.2021
	<i>out of the scope of review</i>	<i>out of the scope of review</i> <i>*restated</i>
<b>Other comprehensive income - that will be classified subsequently to profit or loss when specific conditions are met</b>		
Foreign currency translation differences	(73)	(6)
<b>Total comprehensive income for the period</b>	<b>585 295</b>	<b>133 604</b>
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the Parent Company	553 284	126 364
Non-controlling interests	32 011	7 240
<b>Total comprehensive income for the period</b>	<b>585 295</b>	<b>133 604</b>
<b>Basic earnings per share (PLN) attributable to the owners of the Parent Company</b>	<b>3,23</b>	<b>0,88</b>
- from continuing operations	3,23	0,88
<b>Diluted earnings per share (PLN) attributable to the owners of the Parent Company</b>	<b>3,23</b>	<b>0,74</b>
- from continuing operations	3,23	0,74

\* details note no. 4

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## Condensed consolidated statement of cash flows

<i>in PLN thousand</i>	<b>01.01.2022 - 30.06.2022</b>	<b>01.01.2021 - 30.06.2021</b>
	<i>review</i>	<i>review</i> <i>*restated</i>
<b>Continuing operations</b>		
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax from continuing operations	431 991	157 081
<b>Adjustments</b>		
Depreciation	21 468	25 763
Amortization	603	592
Foreign exchange (gains)/losses	(368)	(2 324)
Net (gains)/losses on disposal of property, plant and equipment, intangible assets	(323)	(3 311)
Interest, transaction costs (related to loans and borrowings) and dividends, net	(21 991)	10 424
Change in receivables and prepayments	(52 301)	(107 407)
Change in inventories	(186 133)	(69 547)
Change in trade and other payables	43 647	28 762
Change in provisions	(500)	-
Change in employee benefits obligation	(974)	(1 279)
Change in government grants and other deferred income	(765)	31
Share of profit/(loss) of associates	(106)	226
Other adjustments	-	2 337
<b>Cash generated/(outflows) from operating activities</b>	<b>234 248</b>	<b>41 348</b>
Income tax (paid)/returned, incl.	(33 132)	(12 167)
<b>Net cash from operating activities</b>	<b>201 116</b>	<b>29 181</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	372	5 907
Acquisition of shares in consolidated companies (net of cash acquired)	(6)	(3)
Interest received	1	-
Repayment of loans granted	21	-
Acquisition of property, plant and equipment	(96 205)	(32 479)
Acquisition of intangible assets	(279)	(797)
Received grants - investing activities	211	1 134
Loans granted	(6)	-
<b>Net cash from investing activities</b>	<b>(95 891)</b>	<b>(26 238)</b>
<b>Cash flows from financing activities</b>		
Net cash receipts from share issue	11 106 000	2 914
Proceeds from interest-bearing loans and borrowings	122 038	6 500
Proceeds from IRS settlement	1 703	-
Repayment of interest-bearing loans and borrowings	(9 033)	(19 244)
Payment of lease liabilities	(11 096)	(10 669)
Dividends and interests on exchangeable notes paid	-	(1 974)
Interest and transaction costs (related to loans and borrowings) paid	(26 130)	(10 366)
Fee relating to withholding tax relating to financing activities	-	(924)
Other transactions with the Owner	11 (107 415)	-
<b>Net cash from financing activities</b>	<b>76 067</b>	<b>(33 763)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>181 292</b>	<b>(30 820)</b>
Cash and cash equivalents net of bank overdraft, at 1 January	90 610	100 555
<b>Cash and cash equivalents net of bank overdraft, at 30 June</b>	<b>19 271 902</b>	<b>69 735</b>
- including cash restricted for use	134 431	2 967

\* details note no. 4

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## Condensed consolidated statement of cash flows (last twelve months)

in PLN thousand

	<b>01.07.2021 - 30.06.2022</b>	<b>01.07.2020 - 30.06.2021</b>
	<i>out of the scope of review</i>	<i>out of the scope of review</i>
<b>Continuing operations</b>		
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax from continuing operations	727 540	163 898
<b>Adjustments</b>		
Depreciation	46 325	49 583
Amortization	1 219	1 219
Foreign exchange (gains)/losses	1 007	(58)
Net (gains)/losses on investment activities	(13)	-
Net (gains)/losses on disposal of property, plant and equipment	(1 138)	(3 401)
Interest, transaction costs (related to loans and borrowings) and dividends, net	(30 918)	19 115
Change in receivables	(174 374)	(69 760)
Change in inventories	(268 060)	(103 713)
Change in trade and other payables	68 337	94 107
Change in provisions	1 275	-
Change in employee benefits obligation	2 193	(588)
Change in government grants and other deferred income	1 754	121
Share of profit of associates	(362)	183
Other adjustments	(276)	1 971
<b>Cash generated from operating activities</b>	<b>374 509</b>	<b>152 677</b>
Income tax (paid)/returned	(82 562)	(12 376)
<b>Net cash from operating activities</b>	<b>291 947</b>	<b>140 301</b>

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

<i>in PLN thousand</i>		<b>01.07.2021 - 30.06.2022</b>	<b>01.07.2020 - 30.06.2021</b>
		<i>out of the scope of review</i>	<i>out of the scope of review</i>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		1 221	6 232
Proceeds from sale of intangibles		-	11
Proceeds from sale of other investments		183	-
Interest received		1	-
Dividends received		40	20
Repayment of loans granted		108	6
Acquisition of property, plant and equipment		(162 752)	(52 738)
Acquisition of intangible assets		(944)	(3 045)
Received grants - investing activities		441	2 256
Acquisition of shares in consolidated companies		(6)	(3)
Loans granted		(66)	-
<b>Net cash from investing activities</b>		<b>(161 774)</b>	<b>(47 261)</b>
<b>Cash flows from financing activities</b>			
Net cash receipts from share issue	11	106 000	2 914
Proceeds from interest-bearing loans and borrowings		324 538	6 500
Proceeds from IRS settlement		1 703	-
Repayment of interest-bearing loans and borrowings		(156 176)	(51 832)
Payment of lease liabilities		(20 996)	(18 731)
Dividends and interests on exchangeable notes paid		(23 739)	(3 885)
Interest and transaction costs (related to loans and borrowings) paid		(51 921)	(20 122)
Fee relating to withholding tax relating to financing activities		-	(924)
Other transactions with the Owner	11	(107 415)	-
<b>Net cash from financing activities</b>		<b>71 994</b>	<b>(86 080)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>202 167</b>	<b>6 960</b>
Cash and cash equivalents net of bank overdraft, at 1 July		69 735	62 775
<b>Cash and cash equivalents net of bank overdraft, at 30 June</b>	19	<b>271 902</b>	<b>69 735</b>
- including cash restricted for use		134 431	2 967

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## Condensed consolidated statement of changes in equity

	Attributable to owners of the Parent Company						
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
<i>in PLN thousand</i>							
<b>Equity as at 1 January 2021</b>	<b>185 911</b>	<b>101 373</b>	<b>96</b>	<b>380</b>	<b>287 760</b>	<b>19 254</b>	<b>307 014</b>
<i>Total comprehensive income</i>	-	-	(23)	117 467	<b>117 444</b>	7 227	<b>124 671</b>
- (loss)/profit	-	-	-	117 467	<b>117 467</b>	7 227	<b>124 694</b>
- foreign currency translation differences relating to foreign operations	-	-	(23)	-	(23)	-	(23)
<b>Transactions with owners of the Company, recognised in equity</b>							
Contribution by and distributions to owners of the Company	71 220	(72 014)	-	(23 898)	<b>(24 692)</b>	-	<b>(24 692)</b>
Dividends	-	(3 789)	-	(21 924)	<b>(25 713)</b>	-	<b>(25 713)</b>
Issue of shares	2 791	204	-	-	<b>2 995</b>	-	<b>2 995</b>
Conversion of exchangeable notes	68 429	(68 429)	-	-	-	-	-
Interests on exchangeable notes in the period	-	-	-	(1 974)	<b>(1 974)</b>	-	<b>(1 974)</b>
Change in ownership interests	-	-	-	23	<b>23</b>	(26)	<b>(3)</b>
Acquisition of non-controlling interests that do not result in a change in control	-	-	-	23	<b>23</b>	(26)	<b>(3)</b>
Transfer of profit	-	1 906	-	(1 906)	-	-	-
<b>Equity as at 30 June 2021</b>	<b>257 131</b>	<b>31 265</b>	<b>73</b>	<b>92 066</b>	<b>380 535</b>	<b>26 455</b>	<b>406 990</b>
<b>Equity as at 1 January 2021</b>	<b>185 911</b>	<b>101 373</b>	<b>96</b>	<b>380</b>	<b>287 760</b>	<b>19 254</b>	<b>307 014</b>
<i>Total comprehensive income</i>	-	-	(12)	342 770	<b>342 758</b>	20 756	<b>363 514</b>
- (loss)/profit	-	-	-	342 770	<b>342 770</b>	20 756	<b>363 526</b>
- foreign currency translation differences relating to foreign operations	-	-	(12)	-	(12)	-	(12)
<b>Transactions with owners of the Company, recognised in equity</b>							
Contribution by and distributions to owners of the Company	71 220	(73 978)	-	(23 898)	<b>(26 656)</b>	-	<b>(26 656)</b>
Dividends	-	(3 789)	-	(21 924)	<b>(25 713)</b>	-	<b>(25 713)</b>
Issue of shares	2 715	199	-	-	<b>2 914</b>	-	<b>2 914</b>
Conversion of exchangeable notes	68 505	(68 505)	-	-	-	-	-
Interests on exchangeable notes in the period	-	-	-	(1 974)	<b>(1 974)</b>	-	<b>(1 974)</b>
Redemption of exchangeable notes	-	(1 103)	-	-	<b>(1 103)</b>	-	<b>(1 103)</b>
Other settlements with the Owner	-	(780)	-	-	<b>(780)</b>	-	<b>(780)</b>
Change in ownership interests	-	-	-	23	<b>23</b>	(26)	<b>(3)</b>
Acquisition of non-controlling interests that do not result in a change in control	-	-	-	23	<b>23</b>	(26)	<b>(3)</b>
Transfer of profit	-	1 906	-	(1 906)	-	-	-
<b>Equity as at 31 December 2021</b>	<b>257 131</b>	<b>29 301</b>	<b>84</b>	<b>317 369</b>	<b>603 885</b>	<b>39 984</b>	<b>643 869</b>

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 Company				Total	Non-controlling interests	Total equity
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings			
<i>in PLN thousand</i>							
<b>Equity as at 1 January 2022</b>	<b>257 131</b>	<b>29 301</b>	<b>84</b>	<b>317 369</b>	<b>603 885</b>	<b>39 984</b>	<b>643 869</b>
Total comprehensive income	-	-	(84)	328 054	<b>327 970</b>	18 482	<b>346 452</b>
- profit	-	-	-	328 054	<b>328 054</b>	18 482	<b>346 536</b>
- foreign currency translation differences relating to foreign operations	-	-	(84)	-	<b>(84)</b>	-	<b>(84)</b>
<b>Transactions with owners of the Company, recognised in equity</b>							
Contribution by and distributions to owners of the Company	-	-	-	(25 713)	<b>(25 713)</b>	-	<b>(25 713)</b>
Dividends	-	-	-	(25 713)	<b>(25 713)</b>	-	<b>(25 713)</b>
Change in ownership interests	-	-	-	(6)	<b>(6)</b>	-	<b>(6)</b>
Acquisition of non-controlling interests that do not result in a change in control	-	-	-	(6)	<b>(6)</b>	-	<b>(6)</b>
Transfer of profit	-	322 247	-	(322 247)	-	-	-
<b>Equity as at 30 June 2022</b>	<b>257 131</b>	<b>351 548</b>	<b>-</b>	<b>297 457</b>	<b>906 136</b>	<b>58 466</b>	<b>964 602</b>

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*This financial statement is English version of the original in Polish, which is ultimately the only binding document.*

## 1 Parent 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. 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 six months ended 30 June 2022 comprise the Parent Company and its subsidiaries and associates (“the Group”). Details of the subsidiaries and associates that comprise the Group as at 30 June 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)	11.04.2014

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

### *Acquisitions, mergers and disposal of companies within the Capital Group*

#### *Acquisitions in 2022*

In the first half of 2022, Cognor Holding S.A. purchased shares of Cognor S.A. worth PLN 10 thousand. It did not significantly change the percentage share in the share capital of Cognor S.A.

#### *Liquidations in 2022*

On March 8, 2022, Cognor International Finance Ltd was liquidated and removed from the UK court register.

#### *Changes in 2022*

On June 3, 2022, the contribution of Cognor Holding S.A. decreased to Cognor Holding S.A. Sp. k. by PLN 11 796 thousand. Additionally, new partners joined the company. The amended articles of association provide that the share of Cognor Holding S.A. in the company's profits in 2022 it will still be 98%, while from 1 January 2023 it will be 50.9%.

## 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 19 August 2022.

## b) Ongoing basis

The condensed consolidated financial statements as of and for the period ended 30 June 2022 have been prepared on the going concern basis.

The Management Board of the Parent Company, having made a thorough analysis of the financial situation of the Company and the Group, available resources and possible scenarios, taking into account the epidemiological situation caused by Covid-19 as well as the geopolitical and economic situation resulting, in particular, from the military conflict in Ukraine, stated that adopting the going concern assumption is justified. An analysis of the impact of Covid-19 and the military conflict in the east is presented in detail in note 24.

Due to an exceptional situation, the Group is not able to predict all possible situations that may affect the operating activities and financial results of the Group. We are also unable to estimate the full impact of the situation on the Group. The Management Board analyzed a number of scenarios, determining the possible scale of problems related to the indicated threats. In connection with the above, the Management Board of the Parent Company, on the basis of the risk analysis, current knowledge and undertaken and anticipated actions, confirms that the Group's going concern assumption is justified despite difficulties in assessing the exact impact of the military conflict in Ukraine and COVID-19 on future financial results. Taking into account the above, the Management Board of the Parent Company decided to prepare a consolidated financial statement, adopting the principle of going concern in the foreseeable future in a materially unchanged scope.

These consolidated financial statements do not take into account the valuation adjustments of assets and liabilities that would be necessary if the Group were not able to continue as a going concern.

## 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").

### **Amendments to existing standards applied for the first time in the Company's financial statements for 2022**

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and endorsed for use in the EU enter into force for the first time in the Group's financial statements from January 1, 2022:

- a) amendments to IAS 16 'Property, plant and equipment' - revenues earned before acceptance of the non-current asset for use, approved in the EU on June 28, 2021 (effective for annual periods beginning on or after January 1, 2022),
- b) amendments to IAS 37 'Provisions, contingent liabilities and contingent assets' - onerous contracts - cost of fulfilling the contract approved in the EU on June 28, 2021 (effective for annual periods beginning on or after January 1, 2022),
- c) amendments to IFRS 3 'Business combinations' - amendments to references to conceptual assumptions together with amendments to IFRS 3 endorsed by the EU on June 28, 2021 (effective for annual periods beginning on or after January 1, 2022),
- d) changes to various standards 'Improvements to IFRS (2018-2020 cycle)' - changes made as part of the procedure of introducing annual improvements to IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) aimed mainly at resolving inconsistencies and clarifying the vocabulary - endorsed in the EU on June 28, 2021 (amendments to IFRS 1, IFRS 9 and IAS 41 are effective for annual periods beginning on or after January 1, 2022. Amendments to IFRS 16 are illustrative only, therefore no date is provided. its entry into force.)

In the Group's opinion, the above the standards and interpretations will not have a significant impact on the consolidated financial statements.

### **New standards and amendments to existing standards that have already been issued by the IASB and endorsed by the EU, but not yet effective**

In approving these consolidated financial statements, the following amendments to existing standards have been issued by the IASB and endorsed for use in the EU, which are effective at a later date:

- a) IFRS 17 'Insurance Contracts' with subsequent amendments to IFRS 17 published by the IASB on June 25, 2020 - endorsed by the EU on November 19, 2021 (effective for annual periods beginning on or after January 1, 2023),
- b) amendments to IAS 1 'Presentation of Financial Statements' - Disclosures on the applied accounting policies endorsed by the EU on March 2, 2022 (effective for annual periods beginning on or after January 1, 2023),
- c) amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates endorsed by the EU on March 2, 2022 (effective for annual periods beginning on or after January 1, 2023).

In the Group's opinion, the above the standards and interpretations will not have a significant impact on the consolidated financial statements.

### **New standards and amendments to existing standards issued by the IASB but not yet endorsed for use in the EU**

The IFRS as approved by the EU do not currently differ significantly from the regulations issued by the International Accounting Standards Board (IASB), except for the following new standards and amendments to standards which, as at the date of publication of the financial statements, have not yet been approved for use in EU:

- a) amendments to IAS 1 'Presentation of financial statements' - Classification of liabilities as short-term or long-term (effective for annual periods beginning on or after January 1, 2023),
- b) amendments to IAS 12 'Income tax' - Deferred tax relating to assets and liabilities from a single transaction (effective for annual periods beginning on or after January 1, 2023),
- c) amendments to IFRS 17 'Insurance Contracts' - application of IFRS 17 and IFRS 9 for the first time - comparative data (effective for annual periods beginning on or after January 1, 2023).
- d) IFRS 14 'Deferred balances from regulated activities' (effective for annual periods beginning on or after January 1, 2016) - the European Commission decided not to start the process of approving this interim standard for application in the EU until the final version of IFRS 14 ,
- e) amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture and subsequent amendments (the effective date of the amendments has been postponed until completion of research work on the equity method).

According to the Group's estimates, the above-mentioned new standards and changes to the existing standards would not have a significant impact on the consolidated financial statements, if they had been applied by the Group as at the balance sheet date.

#### **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.

When preparing the interim condensed consolidated financial statements, accounting estimates and assumptions were made, in particular in determining the expected revenues from compensation for the increase in quotations of CO2 emission rights, assets and liabilities relating to leases, settlements with the owner, depreciation costs of fixed and intangible assets, inventory valuation, valuation of receivables and derivatives, determination of the value of provisions and valuation of assets and provisions for deferred tax and asset impairment analysis.

#### **e) Additional comparative periods**

The Group publishes additional comparative periods for the last 12 months for the statement of profit or loss and other income and for cash flow statement.

The interim condensed consolidated financial statements of the Group cover the period of six months ended on June 30, 2022 and contain comparative data for the six months ended June 30, 2021 and as at December 31, 2021 - they were reviewed or audited by a certified auditor. The consolidated interim consolidated income statement and total income includes data for the 3 months ended 30 June 2022 and comparative data for the 3 months ended 30 June 2021, as well as for the 12 months ended 30 June 2022 and data comparative for the period of 12 months ended 30 June 2021 - they were not reviewed or audited by a certified auditor.

#### 4 Transformation of comparative data in the consolidated financial statements

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 for 30 June 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 for 30 June 2021 and the statement of cash flows,
- c) presentation of revenues from the sale of electricity purchased for production purposes as a reduction in the cost of energy consumption. 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 June 30, 2021 and for the period from July 1, 2020 to June 30, 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 June 30, 2021

<i>in PLN thousand</i>	according to the approved report for June 30,			Restated data
	2021	Adjustments		
Property, plant and equipment	407 966	30 574	438 540	
Perpetual usufruct of land	30 574	(30 574)	-	
<b>Total non-current assets</b>	<b>500 115</b>	<b>-</b>	<b>500 115</b>	

Extract from the consolidated statement of cash flows for the period 01.01.2021-30.06.2021

<i>in PLN thousand</i>	according to the approved report for June 30,			Restated data
	2021	Adjustments		
Proceeds from sale of property, plant and equipment	4 328	1 579	5 907	
Proceeds from sale of perpetual usufruct	1 579	(1 579)	-	
<b>Net cash from investing</b>	<b>(26 238)</b>	<b>-</b>	<b>(26 238)</b>	

Extract from the consolidated statement of cash flows for the period LTM 01.07.2020-30.06.2021

<i>in PLN thousand</i>	according to the approved report for June 30,			Restated data
	2021	Adjustments		
Proceeds from sale of property, plant and equipment	4 653	1 579	6 232	
Proceeds from sale of perpetual usufruct	1 579	(1 579)	-	
<b>Net cash from investing</b>	<b>(47 261)</b>	<b>-</b>	<b>(47 261)</b>	

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

Extract from the consolidated statement of financial position as at June 30, 2021

<i>in PLN thousand</i>	<b>according to the approved report for June 30,</b>			<b>Restated data</b>
	<b>2021</b>	<b>Adjustments</b>		
Interest-bearing loans and borrowings	181 348	2 116	183 464	
Other liabilities	2 116	(2 116)	-	
<b>Total non-current liabilities</b>	<b>196 344</b>	<b>-</b>	<b>196 344</b>	
Interest-bearing loans and borrowings	65 102	22	65 124	
Trade and other payables	480 451	(22)	480 429	
<b>Total current liabilities</b>	<b>570 996</b>	<b>-</b>	<b>570 996</b>	

**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 01.01.2021-30.06.2021

<i>in PLN thousand</i>	<b>according to the approved report for June 30,</b>			<b>Restated data</b>
	<b>2021</b>	<b>Adjustments</b>		
Revenues	1 300 203	(22 847)	1 277 356	
Cost of sales	(1 063 324)	22 847	(1 040 477)	
<b>Gross profit</b>	<b>236 879</b>	<b>-</b>	<b>236 879</b>	

Extract from the consolidated statement of profit or loss and other comprehensive income for the period 01.07.2020-30.06.2021 (LTM)

<i>in PLN thousand</i>	<b>according to the approved report for June 30,</b>			<b>Restated data</b>
	<b>2021</b>	<b>Adjustments</b>		
Revenues	2 117 358	(16 566)	2 100 792	
Cost of sales	(1 814 517)	16 566	(1 797 951)	
<b>Gross profit</b>	<b>302 841</b>	<b>-</b>	<b>302 841</b>	



## 5 Revenues

in PLN thousand

	01.01.2022- 30.06.2022	01.01.2021- 30.06.2021
Revenue from sale goods or services transferred to customers at a point in time	1 989 329	1 276 143
Revenue from sale goods or services transferred to customers over time	4 762	1 213
	<b>1 994 091</b>	<b>1 277 356</b>
Revenues from sale of products	1 715 439	1 076 495
Revenues from sale of services	22 678	19 774
Revenues from sale of goods	255 641	124 659
Revenues from sale of raw materials	333	56 428
	<b>1 994 091</b>	<b>1 277 356</b>
<b>Revenues are generated from the following sources:</b>		
-sale of steel scrap and non-ferrous metals scrap	227 887	160 075
-sale of slabs, ingots	406 049	213 138
-sale of rolled bars, rolled slabs and sheets	643 013	361 536
-sale of ribbed, flat, round, square bars, angles, tees, channels, sections	580 225	470 802
-sale of bronze and zinc casting alloys shafts and sleeves	64 273	35 830
-sale of transport services	12 973	10 325
-sale of houses and apartments	32 255	1 823
-sale resulting from the construction contract	4 762	1 213
-other sale	22 654	22 614

## 6 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 Management Board considers operations from both a geographical and industry perspective. In terms of geography, the activities in Poland, Germany and other countries are considered.

The following main activities have been distinguished:

-scrap metal: comprising purchasing, sorting, processing, refining and subsequent shipment and sale of 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), including from other segments, 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, including from other segments, 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.

## 6 Segment reporting - continued

### Business segments (for the three months ended 30 June)

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
<b>01.04.2022 - 30.06.2022</b>											
Revenue from external customers	94 517	96 587	129 555	340 574	266 282	33 084	32 142	35 887	2 540		
Inter-segment revenue	127 240	31 873	29 623	16 301	24 215	9 275	-	5 691	17 205		
<b>Total revenue</b>	<b>221 757</b>	<b>128 460</b>	<b>159 178</b>	<b>356 875</b>	<b>290 497</b>	<b>42 359</b>	<b>32 142</b>	<b>41 578</b>	<b>19 745</b>	<b>(260 536)</b>	<b>1 032 055</b>
Cost of sales to external customers	(84 492)	(84 272)	(96 800)	(249 507)	(199 813)	(31 146)	(26 286)	(28 129)	(2 265)		
Inter-segment cost of sales	(121 182)	(25 804)	(20 196)	(11 410)	(15 355)	(8 546)	-	(4 028)	(3 435)		
<b>Total cost of sales</b>	<b>(205 674)</b>	<b>(110 076)</b>	<b>(116 996)</b>	<b>(260 917)</b>	<b>(215 168)</b>	<b>(39 692)</b>	<b>(26 286)</b>	<b>(32 157)</b>	<b>(5 700)</b>	<b>253 511</b>	<b>(759 155)</b>
<b>Segment result</b>	<b>16 083</b>	<b>18 384</b>	<b>42 182</b>	<b>95 958</b>	<b>75 329</b>	<b>2 667</b>	<b>5 856</b>	<b>9 421</b>	<b>14 045</b>	<b>(7 025)</b>	<b>272 900</b>
Other income	28	770	1 797	3 007	3 445	13	107	854	12	18	10 051
Distribution and administrative expenses	(12 078)	(4 842)	(2 752)	(16 808)	(13 679)	2 500	(272)	(1 771)	(21 195)	11 746	(59 151)
Other gain/(losses) net	78	74	(28)	329	(213)	17	44	225	787	5	1 318
Other expenses	(27)	(42)	(90)	(212)	(149)	(6)	(108)	(34)	(646)	179	(1 135)
<b>Operating profit/(loss)</b>	<b>4 084</b>	<b>14 344</b>	<b>41 109</b>	<b>82 274</b>	<b>64 733</b>	<b>5 191</b>	<b>5 627</b>	<b>8 695</b>	<b>(6 997)</b>	<b>4 923</b>	<b>223 983</b>
Net financing costs									14 529	(1)	14 528
Share of profit of associates, net of tax											150
Income tax expense											(48 905)
<b>Profit for the period</b>											<b>189 756</b>

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
<b>01.04.2021 - 30.06.2021</b>											
Revenue from external customers	61 836	58 708	55 331	185 851	276 644	24 598	17 614	19 399	2 405		
Inter-segment revenue	68 448	18 824	8 035	2 102	18 430	4 849	-	3 103	2 481		
<b>Total revenue</b>	<b>130 284</b>	<b>77 532</b>	<b>63 366</b>	<b>187 953</b>	<b>295 074</b>	<b>29 447</b>	<b>17 614</b>	<b>22 502</b>	<b>4 886</b>	<b>(126 247)</b>	<b>702 411</b>
Cost of sales to external customers	(54 778)	(51 699)	(46 541)	(150 703)	(224 663)	(21 913)	(14 615)	(16 776)	(2 220)		
Inter-segment cost of sales	(63 812)	(15 862)	(6 516)	(1 681)	(13 894)	(4 389)	-	(2 410)	(412)		
<b>Total cost of sales</b>	<b>(118 590)</b>	<b>(67 561)</b>	<b>(53 057)</b>	<b>(152 384)</b>	<b>(238 557)</b>	<b>(26 302)</b>	<b>(14 615)</b>	<b>(19 186)</b>	<b>(2 632)</b>	<b>130 384</b>	<b>(562 500)</b>
<b>Segment result</b>	<b>11 694</b>	<b>9 971</b>	<b>10 309</b>	<b>35 569</b>	<b>56 517</b>	<b>3 145</b>	<b>2 999</b>	<b>3 316</b>	<b>2 254</b>	<b>4 137</b>	<b>139 911</b>
Other income	(6)	414	544	1 414	2 968	(1)	15	613	3	(36)	5 928
Distribution and administrative expenses	(6 496)	(3 340)	(1 701)	(10 813)	(10 392)	(1 424)	(1 284)	(694)	(5 660)	(62)	(41 866)
Other gain/(losses) net	34	(277)	(136)	(1 064)	(514)	5	(57)	(87)	(186)	176	(2 106)
Other expenses	(12)	(143)	(18)	(472)	(77)	(2)	1	(86)	(31)	21	(819)
<b>Operating profit</b>	<b>5 214</b>	<b>6 625</b>	<b>8 998</b>	<b>24 634</b>	<b>48 502</b>	<b>1 723</b>	<b>1 674</b>	<b>3 062</b>	<b>(3 620)</b>	<b>4 236</b>	<b>101 048</b>
Net financing costs									(2 304)	(106)	(2 410)
Share of profit of associates, net of tax											(172)
Income tax expense											(19 629)
<b>Profit for the period</b>											<b>78 837</b>

\* due to the changes described in note 4, the data concerning the segments were appropriately restated

**Business segments (for the six months ended 30 June)**

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
<b>01.01.2022 - 30.06.2022</b>											
Revenue from external customers	169 356	190 372	215 677	643 013	580 225	58 531	64 273	66 182	4 793		
Inter-segment revenue	258 024	58 521	52 049	24 714	55 242	13 800	-	10 598	20 210		
<b>Total revenue</b>	<b>427 380</b>	<b>248 893</b>	<b>267 726</b>	<b>667 727</b>	<b>635 467</b>	<b>72 331</b>	<b>64 273</b>	<b>76 780</b>	<b>25 003</b>	<b>(491 489)</b>	<b>1 994 091</b>
Cost of sales to external customers	(152 387)	(167 938)	(163 139)	(481 578)	(444 835)	(53 674)	(54 504)	(50 375)	(4 296)		
Inter-segment cost of sales	(247 438)	(49 161)	(35 034)	(17 652)	(38 389)	(12 630)	-	(7 826)	(3 488)		
<b>Total cost of sales</b>	<b>(399 825)</b>	<b>(217 099)</b>	<b>(198 173)</b>	<b>(499 230)</b>	<b>(483 224)</b>	<b>(66 304)</b>	<b>(54 504)</b>	<b>(58 201)</b>	<b>(7 784)</b>	<b>489 488</b>	<b>(1 494 856)</b>
<b>Segment result</b>	<b>27 555</b>	<b>31 794</b>	<b>69 553</b>	<b>168 497</b>	<b>152 243</b>	<b>6 027</b>	<b>9 769</b>	<b>18 579</b>	<b>17 219</b>	<b>(2 001)</b>	<b>499 235</b>
Other income	15	1 409	2 918	5 292	7 070	12	199	1 286	13	(123)	18 091
Distribution and administrative expenses	(19 082)	(8 586)	(4 200)	(30 027)	(27 754)	1 472	(2 539)	(3 178)	(27 929)	12 191	(109 632)
Other gain/(losses) net	159	361	110	1 354	102	33	316	264	(1 773)	(235)	691
Other expenses	(42)	(356)	(202)	(1 337)	(350)	(12)	(212)	(74)	(860)	318	(3 127)
<b>Operating profit/(loss)</b>	<b>8 605</b>	<b>24 622</b>	<b>68 179</b>	<b>143 779</b>	<b>131 311</b>	<b>7 532</b>	<b>7 533</b>	<b>16 877</b>	<b>(13 330)</b>	<b>10 150</b>	<b>405 258</b>
Net financing costs									26 543	84	26 627
Share of profit of associates, net of tax											106
Income tax expense											(85 455)
<b>Profit for the period</b>											<b>346 536</b>

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
<b>01.01.2021 - 30.06.2021*</b>											
Revenue from external customers	114 255	103 865	109 273	361 536	470 802	45 820	35 830	32 830	3 095		
Inter-segment revenue	134 038	32 871	8 035	5 755	28 563	10 193	-	5 210	4 246		
<b>Total revenue</b>	<b>248 293</b>	<b>136 736</b>	<b>117 308</b>	<b>367 291</b>	<b>499 365</b>	<b>56 013</b>	<b>35 830</b>	<b>38 040</b>	<b>7 341</b>	<b>(228 861)</b>	<b>1 277 356</b>
Cost of sales to external customers	(102 155)	(95 004)	(90 440)	(299 924)	(386 676)	(40 660)	(30 032)	(27 862)	(2 853)		
Inter-segment cost of sales	(126 094)	(27 961)	(6 516)	(4 909)	(22 387)	(9 310)	-	(3 835)	(459)		
<b>Total cost of sales</b>	<b>(228 249)</b>	<b>(122 965)</b>	<b>(96 956)</b>	<b>(304 833)</b>	<b>(409 063)</b>	<b>(49 970)</b>	<b>(30 032)</b>	<b>(31 697)</b>	<b>(3 312)</b>	<b>236 600</b>	<b>(1 040 477)</b>
<b>Segment result</b>	<b>20 044</b>	<b>13 771</b>	<b>20 352</b>	<b>62 458</b>	<b>90 302</b>	<b>6 043</b>	<b>5 798</b>	<b>6 343</b>	<b>4 029</b>	<b>7 739</b>	<b>236 879</b>
Other income	21	767	1 384	2 881	5 956	8	109	1 034	30	(89)	12 101
Distribution and administrative expenses	(12 149)	(5 492)	(3 498)	(23 381)	(18 161)	(2 775)	(2 646)	(1 973)	(11 442)	63	(81 454)
Other gain/(losses) net	36	(212)	(29)	(796)	(133)	8	10	1 257	(167)	2 114	2 088
Other expenses	(51)	(305)	(29)	(1 147)	(116)	(11)	(9)	(125)	(52)	51	(1 794)
<b>Operating profit</b>	<b>7 901</b>	<b>8 529</b>	<b>18 180</b>	<b>40 015</b>	<b>77 848</b>	<b>3 273</b>	<b>3 262</b>	<b>6 536</b>	<b>(7 602)</b>	<b>9 878</b>	<b>167 820</b>
Net financing costs									(5 745)	(4 769)	(10 514)
Share of profit of associates, net of tax											(225)
Income tax expense											(32 387)
<b>Profit for the period</b>											<b>124 694</b>

\* due to the changes described in note 4, the data concerning the segments were appropriately restated

**Business segments (for the twelve months ended 30 June)**

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
<b>01.07.2021 - 30.06.2022</b>											
Revenue from external customers	294 882	307 778	351 394	1 043 622	1 189 152	111 227	111 990	107 497	8 625		
Inter-segment revenue	429 062	109 278	65 308	34 347	115 004	22 223	-	15 753	29 277		
<b>Total revenue</b>	<b>723 944</b>	<b>417 056</b>	<b>416 702</b>	<b>1 077 969</b>	<b>1 304 156</b>	<b>133 450</b>	<b>111 990</b>	<b>123 250</b>	<b>37 902</b>	<b>(818 533)</b>	<b>3 527 886</b>
Cost of sales to external customers	(265 395)	(276 753)	(264 879)	(793 860)	(898 960)	(101 146)	(92 907)	(83 493)	(7 808)		
Inter-segment cost of sales	(408 100)	(93 336)	(45 487)	(24 615)	(82 164)	(20 475)	-	(11 534)	(7 938)		
<b>Total cost of sales</b>	<b>(673 495)</b>	<b>(370 089)</b>	<b>(310 366)</b>	<b>(818 475)</b>	<b>(981 124)</b>	<b>(121 621)</b>	<b>(92 907)</b>	<b>(95 027)</b>	<b>(15 746)</b>	<b>802 234</b>	<b>(2 676 616)</b>
<b>Segment result</b>	<b>50 449</b>	<b>46 967</b>	<b>106 336</b>	<b>259 494</b>	<b>323 032</b>	<b>11 829</b>	<b>19 083</b>	<b>28 223</b>	<b>22 156</b>	<b>(16 299)</b>	<b>851 270</b>
Other income	239	4 457	6 412	20 329	26 121	65	347	2 801	34	(6 915)	53 890
Distribution and administrative expenses	(31 908)	(14 197)	(6 143)	(53 276)	(49 872)	(1 189)	(6 459)	(6 978)	(43 240)	18 920	(194 342)
Other gain/(losses) net	292	246	247	883	713	64	422	(776)	1 326	(2 333)	1 084
Other expenses	(389)	(586)	(329)	(2 261)	(920)	(88)	(315)	(148)	(2 106)	432	(6 710)
<b>Operating profit/(loss)</b>	<b>18 683</b>	<b>36 887</b>	<b>106 523</b>	<b>225 169</b>	<b>299 074</b>	<b>10 681</b>	<b>13 078</b>	<b>23 122</b>	<b>(21 830)</b>	<b>(6 195)</b>	<b>705 192</b>
Net financing costs									22 000	(13)	21 987
Share of profit of associates, net of tax											361
Income tax expense											(142 172)
<b>Profit for the period</b>											<b>585 368</b>

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
<b>01.07.2020 - 30.06.2021*</b>											
Revenue from external customers	177 502	179 998	153 677	584 492	794 889	76 734	51 821	78 523	3 061		
Inter-segment revenue	212 864	65 712	11 523	11 671	63 682	18 570	1	7 957	7 007		
<b>Total revenue</b>	<b>390 366</b>	<b>245 710</b>	<b>165 200</b>	<b>596 163</b>	<b>858 571</b>	<b>95 304</b>	<b>51 822</b>	<b>86 480</b>	<b>10 068</b>	<b>(398 892)</b>	<b>2 100 792</b>
Cost of sales to external customers	(157 703)	(168 936)	(130 018)	(497 225)	(692 512)	(68 844)	(42 776)	(72 431)	(2 329)		
Inter-segment cost of sales	(203 682)	(59 385)	(9 613)	(10 361)	(56 021)	(17 039)	(1)	(5 829)	(834)		
<b>Total cost of sales</b>	<b>(361 385)</b>	<b>(228 321)</b>	<b>(139 631)</b>	<b>(507 586)</b>	<b>(748 533)</b>	<b>(85 883)</b>	<b>(42 777)</b>	<b>(78 260)</b>	<b>(3 163)</b>	<b>397 588</b>	<b>(1 797 951)</b>
<b>Segment result</b>	<b>28 981</b>	<b>17 389</b>	<b>25 569</b>	<b>88 577</b>	<b>110 038</b>	<b>9 421</b>	<b>9 045</b>	<b>8 220</b>	<b>6 905</b>	<b>(1 304)</b>	<b>302 841</b>
Other income	502	2 237	4 508	7 626	21 515	184	692	3 481	94	(5 701)	35 138
Distribution and administrative expenses	(20 374)	(12 526)	(5 266)	(40 104)	(34 993)	(5 076)	(4 330)	(5 430)	(19 871)	522	(147 448)
Other gain/(losses) net	(10)	(236)	(98)	(878)	(250)	4	158	1 339	(95)	2 126	2 060
Other expenses	(96)	(845)	(67)	(2 913)	(577)	(25)	(81)	(282)	(149)	581	(4 454)
<b>Operating profit</b>	<b>9 003</b>	<b>6 019</b>	<b>24 646</b>	<b>52 308</b>	<b>95 733</b>	<b>4 508</b>	<b>5 484</b>	<b>7 328</b>	<b>(13 116)</b>	<b>(3 776)</b>	<b>188 137</b>
Net financing costs									(24 188)	131	(24 057)
Share of profit of associates, net of tax											(182)
Income tax expense											(30 288)
<b>Profit for the period</b>											<b>133 610</b>

\* due to the changes described in note 4, the data concerning the segments were appropriately restated

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
<b>30.06.2022</b>											
Segment assets	99 491	106 722	122 328	375 901	745 210	22 255	33 445	45 959	532 689	(91 965)	<b>1 992 035</b>
Segment liabilities	41 502	57 928	70 743	203 758	224 126	7 410	9 445	27 340	539 308	(154 127)	<b>1 027 433</b>
Depreciation and amortisation	(2 423)	(2 135)	(1 246)	(7 493)	(6 785)	(414)	(733)	(514)	(390)	62	<b>(22 071)</b>
Capital expenditures	2 530	496	15 277	1 727	68 986	358	249	2 719	-	-	<b>92 342</b>

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
<b>31.12.2021</b>											
Segment assets	97 512	84 421	67 296	299 829	568 018	21 686	38 183	80 795	316 831	(69 399)	<b>1 505 172</b>
Segment liabilities	36 371	42 316	43 355	150 286	204 443	8 063	13 547	50 772	386 088	(73 938)	<b>861 303</b>
Depreciation and amortisation*	(4 276)	(4 263)	(2 879)	(15 139)	(21 423)	(925)	(984)	(1 355)	(816)	232	<b>(51 828)</b>
Capital expenditures*	366	1 040	5 643	3 695	70 571	174	2 624	194	3 161	-	<b>87 468</b>

\* for the entire year 2021

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
<b>30.06.2021</b>											
Segment assets	94 631	73 536	52 603	258 706	408 866	21 834	26 241	62 252	225 429	(49 768)	<b>1 174 330</b>
Segment liabilities	45 647	38 463	35 995	135 271	158 775	10 345	7 818	30 763	441 572	(137 309)	<b>767 340</b>
Depreciation and amortisation	(2 116)	(2 234)	(1 564)	(7 859)	(10 793)	(479)	(354)	(605)	(408)	57	<b>(26 355)</b>
Capital expenditures	161	200	2 137	656	24 814	46	283	118	1 352	-	<b>29 767</b>



### 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			

30.06.2022	31.12.2021	30.06.2021
1 198	1 109	1 090
6 407	24 537	34 486
118	119	120
62 840	17 534	-
38	38	38
284 876	107 810	77 962
6 983	6 993	7 005
121 610	121 423	79 019
48 619	37 268	25 709
<b>532 689</b>	<b>316 831</b>	<b>225 429</b>

### Unallocated liabilities

*in PLN thousand*

Interest-bearing loans, borrowings and other			
Bank overdraft			
Provisions			
Government grants and other deferred income			
Current income tax payables			
Other liabilities			
Other financial liabilities			
Liabilities of disposal assets held for sale			
Liabilities of central office			

30.06.2022	31.12.2021	30.06.2021
436 692	320 803	248 588
12 974	17 200	8 227
1 300	1 800	25
9 285	9 839	7 090
8 088	2 936	5 598
66 209	24 378	81 966
-	-	2 521
1 502	1 548	1 547
3 258	7 584	86 010
<b>539 308</b>	<b>386 088</b>	<b>441 572</b>

## 7 Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired property, plant and equipment at a cost of PLN 103 015 thousand (six months ended 30 June 2021: PLN 37 300 thousand). Assets with a net book value of PLN 49 thousand were disposed during the six months of 2022 (six months ended 30 June 2021: PLN 1 330 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 323 thousand (six months ended 30 June 2021: a net gain on disposal of PLN 2 998 thousand).

During the twelve months ended 30 June 2022, the Group acquired property, plant and equipment at a cost of PLN 182 649 thousand (twelve months ended 30 June 2021: PLN 76 224 thousand). Assets with a net book value of PLN 1 626 thousand were disposed of during the twelve months ended 30 June 2022 (twelve months ended 30 June 2021: PLN 3 618 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 1 451 thousand (twelve months ended 30 June 2021: a net gain on disposal of PLN 3 088 thousand).

### Capital commitments

As at 30 June 2022 the Group had capital commitments in the amount of PLN 9 906 thousand (31 December 2021: PLN 26 462 thousand; 30 June 2021: PLN 6 148 thousand).

On May 20, 2021, the subsidiary Cognor S.A. concluded with Danieli & C. Officine Meccaniche S.p.a. based in Buttrio, Italy, a Supply Agreement under which Danieli undertook to deliver to Cognor's production facilities:

- a complete production line for the production of hot-rolled bars, which is to replace the current rolling line in Zawiercie and
- a device for winding ribbed bars into coils (spooler) to be located in Krakow.

The total value of the contract is EUR 38 208 thousand. As at June 30, 2022, the contractual obligation not recognized in fixed assets under construction or in advance payments is EUR 30 315 thousand (PLN 141 895 thousand).

The aforementioned investments are to result in: (i) an increase in the Group's production capacity in the scope of manufacturing final products, (ii) a decrease in production costs and (iii) an expansion of the product portfolio.

In addition to the above-mentioned agreement with Danieli, the Group has the following material contractual investment obligations (not shown in the statement of financial position)

	<b>PLN thousand</b>
- modernization of the steel plant - general contractor (Gliwice)	6 368
- 4 gantry cranes (Cracow)	4 991
- 3 slag wagons (Gliwice)	3 067
- electrode arms (Gliwice)	1 022
- 3 scrap wagons (Gliwice)	477
- ladle heater (Gliwice)	213

On March 25, 2022, the Group purchased real estate (a plot of land and buildings and structures located on it) located in Siemianowice Śląskie for the total price of PLN 61 480 thousand. A subsidiary Cognor S.A. on the purchased property will implement the investment of building a modern rolling mill, where it will be installed, among others, a modern production line for the production of hot-rolled bars.

## 8 Trade and other receivables

### Short-term receivables

in PLN thousand

	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2021</b>
Trade receivables	221 390	229 475	143 142
Receivables under a construction contract*	19 228	-	-
Statutory receivables excluding income tax (including recognized receivables due to CO2 compensation)**	63 805	36 254	41 888
Prepayments for services and inventories	12 390	4 739	5 410
Prepayments for fixed assets	32 459	40 356	10 511
Factoring receivables	57 198	82 255	35 818
Other receivables	8 826	5 016	8 628
	<b>415 296</b>	<b>398 095</b>	<b>245 397</b>

## Long-term receivables

in PLN thousand

	30.06.2022	31.12.2021	30.06.2021
Receivables under a construction contract*	-	14 466	9 861
Prepayments**	12 219	-	-
Other receivables	496	311	222
	<b>12 715</b>	<b>14 777</b>	<b>10 083</b>

\* service provided to Przemysław Sztuczkowski, President of the Management Board - more in note 18

\*\*costs of launching the investment loan at Banco Santander. Due to the partial use of the loan, the Group allocates proportionally the costs of disbursement to the loan tranches taken. The loan can be used until December 21, 2023

\*\*\* under this item, the Group discloses the estimated revenue related to compensations related to the increase in quotations of CO2 emission rights June 30, 2022: PLN 36 212 (December 31, 2021: PLN 24 139 thousand, June 30, 2021: PLN 19 653 thousand). These compensations result from the Act on the compensation system for energy-intensive sectors and subsectors.

In 2021, revenue related to compensations due for 2021 was recognized in the amount of received compensations for 2020, i.e. PLN 24 139 thousand. When calculating the amount due to the Group for 2021, the Management Board adopted: (i) the average price of CO2 emission rights in 2021 announced by the President of the ERO in the amount of PLN 111.35 per ton (ii) the Group's right to increase compensation in connection with art. 7b.1. Compensations for 2021 calculated in this way amounted to PLN 27 744 thousand. However, due to the prudent approach, the Management Board decided to limit this value to the amount of compensation received for the previous year, i.e. to the amount of PLN 24 139 thousand. In 2022, the Management Board decided to recognize revenue based on the assumptions from 2021, i.e. in the first half of 2022, revenue in the amount of PLN 12 072 thousand was recognized.

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". As at June 30, 2022 the Group discloses PLN 57 198 thousand of factoring receivables (as at December 31, 2021: PLN 82 255 thousand, as at June 30, 2021: PLN 35 818 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:

	30.06.2022	31.12.2021	30.06.2021
Trade receivables in total	592 799	549 343	364 035
Receivables subject to factoring without recourse	(371 409)	(319 868)	(220 893)
<b>Trade receivables net disclosed in the statement of financial position</b>	<b>221 390</b>	<b>229 475</b>	<b>143 142</b>
Receivables subject to factoring without recourse in the part not financed by the factor (factoring receivables)	57 198	82 255	35 818

Trade receivables (not transferred to the factor) are classified as measured at amortized cost and are subject to impairment loss. The calculation of the impairment loss is based on the model of expected losses.

The receivables of the Group do not contain a significant element of financing, the Group applies the simplified approach required by IFRS 9 and therefore the impairment allowance is calculated on the basis of expected loan losses over the entire lifetime of the receivables. The Group uses a write-off matrix in which the impairment allowances are calculated for trade receivables classified as

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 June 30, 2022: PLN 265 thousand (as at December 31, 2021: PLN 220 thousand, as at June 30, 2021: PLN 231 thousand).

## 9 Inventories

in PLN thousand

	30.06.2022	31.12.2021	30.06.2021
Raw materials	175 930	99 943	94 738
Semi-finished goods and work in progress	135 243	120 245	107 236
Finished products	262 701	177 182	106 932
Goods for resale	38 146	28 431	34 786
	<b>612 020</b>	<b>425 801</b>	<b>343 692</b>

### Movements in allowances for inventories

in PLN thousand

	01.01.2022- 30.06.2022	01.01.2021- 31.12.2021	01.01.2021 - 30.06.2021
Opening balance	(12 535)	(16 759)	(16 759)
Recognition	-	(758)	-
Utilization	-	4 811	-
Reversal	-	171	338
Closing balance	<b>(12 535)</b>	<b>(12 535)</b>	<b>(16 421)</b>

In semi-finished goods and work in progress, the Group presents PLN 15 183 thousand as a development project implemented by a subsidiary Cognor Holding S.A. Sp.k. (December 31, 2021: PLN 38 585 thousand, June 30, 2021: PLN 28 977 thousand).

## 10 Trade and other payables

### Short term

in PLN thousand

	30.06.2022	31.12.2021	30.06.2021
Trade payables	442 103	403 985	365 684
Statutory payables (excluding current income tax payables)	17 053	10 478	13 068
Dividend payables	25 713	-	25 713
Investment payables	9 906	26 462	6 148
Prepayments for services and deliveries of goods	2 460	23 726	26 085
Liabilities due to Shareholder	26	1 415	10 257
Accrued expenses relating to bonuses for the Management Board	8 721	10 564	3 946
Payroll liabilities	10 070	622	8 139
Accrued expenses relating to employees	13 025	7 784	9 057
Accrued expenses	8 381	3 725	4 522
Other payables	4 626	1 934	7 810
	<b>542 084</b>	<b>490 695</b>	<b>480 429</b>

## 11 Equity

### Issued share capital

	30.06.2022	31.12.2021	30.06.2021
Number of shares at the end of the period (admitted to trading by the National Depository for Securities)	171 420 663	171 420 663	171 420 663
Number of issued warrants	94	94	200
<b>Nominal value of 1 share</b>	<b>1,5 PLN</b>	<b>1,5 PLN</b>	<b>1,5 PLN</b>

At 30 June 2022, the parent Company's share capital comprised 171 420 663 ordinary shares with a nominal value of PLN 1,5 each (31 December 2021: 171 420 663 ordinary shares with a nominal value of PLN 1,5 each; 30 June 2021: 171 420 663 with a nominal value of PLN 1,5 each).

On June 30, 2022, the General Meeting of Shareholders of Parent Company adopted a resolution on the payment of dividends in the amount of PLN 0.15 per share. For the payment of the dividend PLN 25,713 thousand was allocated, of which total comes from the net profit for 2021 of Parent Company.

### Liability due to purchase of Złomrex S.A. shares

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 (as a result of the expiry of the validity period of series B warrants, which can no longer be used for this settlement).

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 June 30, 2022, the Group has no liabilities due to purchase of shares in Złomrex S.A. and all liabilities in this respect have been settled.

### Warrants

As of June 30, 2022, there are still 94 series C warrants owned by PS HoldCo Sp. z o.o. These warrants entitle to take up shares of Cognor Holding S.A. with the issue price of PLN 1 million each. Due to the small number of potential shares resulting from the conversion of the above-mentioned warrants, it will not have a noticeable effect on the dilution of the consolidated results of the Group.

### The shareholders' structure

The ownership structure as at 30 June 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.*	124 997 691	72,92%	124 997 691	72,92%
Przemysław Sztuczkowski	617 781	0,36%	617 781	0,36%
Other shareholders	45 805 191	26,72%	45 805 191	26,72%
<b>Total</b>	<b>171 420 663</b>	<b>100,00%</b>	<b>171 420 663</b>	<b>100,00%</b>

\* 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 previous corrected 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%
<b>Total</b>	<b>171 420 663</b>	<b>100,00%</b>	<b>171 420 663</b>	<b>100,00%</b>

\* 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 (August 19, 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.*	124 997 691	72,92%	124 997 691	72,92%
Przemysław Sztuczkowski	617 781	0,36%	617 781	0,36%
Other shareholders	45 805 191	26,72%	45 805 191	26,72%
<b>Total</b>	<b>171 420 663</b>	<b>100,00%</b>	<b>171 420 663</b>	<b>100,00%</b>

\* 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 six-month period ended 30 June 2022 was based on the profit attributable to ordinary shareholders of PLN 328 054 thousand (the six-month period ended 30 June 2021: profit PLN 117 467 thousand) and a weighted average number of ordinary shares outstanding during the six-month period ended 30 June 2022 of 171 421 thousand (the six-month period ended 30 June 2021: 162 907 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the 6 months period ended June 30, 2022 was 171 421 thousand (30 June 2021: 171 620 thousand).

The calculation of basic earnings per share for the twelve-month period ended 30 June 2022 was based on the profit attributable to ordinary shareholders of PLN 553 357 thousand (the twelve-month period ended 30 June 2021: profit PLN 126 370 thousand) and a weighted average number of ordinary shares outstanding during the twelve-month period ended 30 June 2022 of 171 421 thousand (the twelve-month period ended 30 June 2021: 143 424 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the twelve months ended 30 June 2022 was 171 421 thousand (30 June 2021: 171 634 thousand).

## 13 Interest-bearing loans and borrowings and bank overdraft

in PLN thousand

	30.06.2022	31.12.2021	30.06.2021
<b>Bank overdraft</b>	<b>12 974</b>	<b>17 200</b>	<b>8 227</b>
<b>Non-current liabilities</b>			
Secured bank loans	116 144	-	103 199
Secured debt (bonds)	154 779	157 787	-
Lease liabilities	95 100	92 086	78 003
Other borrowings	81	114	2 262
	<b>366 104</b>	<b>249 987</b>	<b>183 464</b>
<b>Current liabilities</b>			
Current portion of secured bank loans	1 169	-	38 338
Current portion of secured debt (bonds)	48 510	42 163	-
Current portion of lease liabilities	20 843	19 550	20 052
Factoring liabilities	-	-	57
Other borrowings	66	9 103	6 677
	<b>70 588</b>	<b>70 816</b>	<b>65 124</b>

### 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, Cognor Holding'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 Cognor Holding S.A. 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. (KUKE S.A.).

On March 15, 2022, the subsidiary Cognor S.A. released the first tranche in the amount of EUR 12 865 thousand. On May 12, 2022, the Company released another tranche in the amount of PLN 61 502 thousand. Liability due to the above-mentioned loan amounted to PLN 117 313 thousand as at June 30, 2022 (December 31, 2021: PLN 0 thousand).

Cognor S.A. entered into derivative instruments (interest rate swap) in order to hedge the costs of the above debt at a constant level. The valuation of derivative instruments on this account is disclosed in a separate item in the statement of financial position (Financial assets due to the valuation of financial instruments) divided into long-term and short-term parts.

### **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.

The funds from the bond issue were used to repay the loan agreement dated July 18, 2018 (with mBank S.A., Bank Zachodni WBK S.A., Bank Gospodarstwa Krajowego oraz Europejski Bank Odbudowy i Rozwoju) in full - made on July 22, 2021 and to finance investment plans.

As at June 30, 2022, the liability resulted from above bonds amounted to PLN 203 289 thousand (December 31, 2021: PLN 199 950 thousand, June 30, 2021: PLN 0 thousand).

Cognor S.A. entered into derivative instruments (interest rate swap) in order to hedge the costs of the above debt at a constant level. The valuation of derivative instruments on this account is disclosed in a separate item in the statement of financial position (Financial assets due to the valuation of financial instruments) divided into long-term and short-term parts.

### **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. Utilization as at June 30, 2022 in the amount of PLN 7 812 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. Utilization as at June 30, 2022 in the amount of PLN 36 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. Utilization as at June 30, 2022 in the amount of PLN 5 050 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. Utilization as at June 30, 2022 in the amount of PLN 76 thousand.

#### 14 Assets classified as held for sale and related liabilities

Subsidiary of Cognor S.A. decided to sell the right of perpetual usufruct of land to the real estate located in Chorzów. On April 28, 2022 a preliminary sales agreement was signed, which specified the net sale price of PLN 5 533 thousand. The sales process is ongoing. The net value of the asset as at June 30, 2022 amounted to PLN 6 983 thousand, while the discounted payments related to the perpetual usufruct fees of land (in accordance with IFRS16) amounted to PLN 1 502 thousand.

In the first half of 2022, the Company incurred 11 PLN thousand depreciation costs of the said asset (first half of 2021: PLN 11 thousand), recognized PLN 44 thousand interest costs due to the settlement of the discounted liability (first half of 2021: PLN 44 thousand), and incurred property tax costs in the amount of PLN 77 thousand (first half of 2021: PLN 68 thousand). During this period, it recognized PLN 0 thousand revenues from lease of the real estate in question (first half of 2021: PLN 41 thousand).

#### 15 Provisions for payables

As at June 30, 2022, the Group recognized PLN 1 300 thousand with the title provisions for a possible fine from the Office of Competition and Consumer Protection (December 31, 2021: PLN 1 800 thousand, June 30, 2021: PLN 25 thousand - provisions for a labor court case).

#### 16 Deferred tax assets and liabilities

In the current period, there was a decrease in net deferred tax asset in the amount of PLN 18.1 million. Due to the increase in the valuation of assets due to IRS recognized a deferred tax liability in the amount of 8.6 million in the current period. In connection with the recognition of compensation for CO2 deferred tax liability was recognized in the amount of approximately PLN 2.3 million, which decreased the presented deferred tax. In addition, due to the revision of the amortization rate for trademarks, the asset deferred tax decreased by another PLN 4.7 million. In addition, the costs of intangible services not deducted beyond the limit from which the deferred tax asset was created decreased, therefore the asset was reduced by another PLN 2.8 million.

#### 17 Contingencies, guarantees and other commitments

The Group has no the contingent liabilities.

#### 18 Transactions with related parties

##### Identity of related parties

The Group has a related party relationship with the Group's parent Company and ultimate controlling party, the companies controlled by the Parent Company's Management Board members and with members of the Management and Supervisory Boards of Group entities

##### Controlling entities

- PS Holdco Sp. z o.o.
- 4 Workers Sp. z o.o. (previously 4Workers Przemysław Sztuczowski)

##### Associates are as follows;

- 4 Groups Sp. z o.o. (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:

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

##### 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

	30.06.2022	31.12.2021	30.06.2021
<i>Long-term receivables:</i>			
-entities personally related to Members of the Management Board	-	14 466	9 861
<i>Short-term receivables:</i>			
- entities personally related to Members of the Management Board	19 270	-	-
- associates	605	315	405
- controlling entities	18	10	113
- related companies to the controlling entities	8	-	-
<i>Short and long-term liabilities</i>			
- controlling entities*	19 572	2 547	34 797
- related companies to the controlling entities	9 339	11 265	1
- associates	-	-	5 689
- entities personally related to Members of the Management Board	86	-	-
<i>Loans received</i>			
- controlling entities	-	9 038	-

\* liability to PS HoldCo Sp. z o.o. due to the acquisition of shares in Zlomrex S.A. is presented in equity - see note 11 for details, June 30, 2022: PLN 0 thousand, (December 31, 2021: PLN 106 000 thousand, June 30, 2021: PLN 106 780 thousand)

in PLN thousand	01.04.2022- 30.06.2022	01.04.2021- 30.06.2021	01.01.2022- 30.06.2022	01.01.2021- 30.06.2021	01.07.2021- 30.06.2022	01.07.2020- 30.06.2021
<i>Revenues from sale of services</i>						
- associates	757	461	1 428	930	2 902	2 025
- controlling entities	33	24	56	43	99	61
- related companies to the controlling entities	3	1	5	3	8	7
-entities personally related to Members of the Management Board	2 545	571	4 802	1 213	9 416	3 644
<i>Revenues from sale of raw materials and commodities</i>						
- associates	92	65	175	118	57	232
- related companies to the controlling entities	-	-	-	-	1	-
<i>Purchase of commodities and raw materials</i>						
- controlling entities	610	263	1 066	946	1 954	2 342
<i>Purchase of services</i>						
- associates	1 428	1 464	1 428	5 877	2 512	9 429
- related companies to the controlling entities	6 919	-	12 369	-	18 529	-
- controlling entities	989	1 189	2 029	2 032	4 187	3 461
-entities personally related to Members of the Management Board	193	172	404	359	704	-
<i>Other expenses</i>						
- controlling entities	-	-	-	-	(6)	(13)
-entities personally related to Members of the Management Board	-	-	-	-	(120)	-
<i>Financial costs</i>						
- controlling entities	-	(562)	(61)	(3 050)	(2 466)	(5 089)

## Transactions with the members of the Management and Supervisory Boards

<b>The remuneration paid during the period (in PLN thousand)</b>	<b>01.01.2022- 30.06.2022</b>	<b>01.01.2021- 30.06.2021</b>
The remuneration of Management Board of the Parent Company paid during the period		
-received from the Parent Company (appointment, consulting agreements)	13 026	2 465
- including the premium paid for previous year	12 900	2 369
-received from the subsidiaries (appointment, consulting agreements)	3 396	3 424
- including the premium paid for previous year	594	598
Supervisory Board of the Parent Company	189	189

The table above does not include the provision for the bonus for the Management Board in the amount of PLN 8 721 thousand established on the basis of the Incentive Reward Program in force at Cognor S.A. with effect from January 1, 2022. This amount is an estimate of the Management Board of the Company as to the amount of the bonus, however, the Supervisory Board of Cognor S.A. following the criteria included in the Program, is free to both define the bonus budget and its division into individual members of the management board. Above mentioned provision was recognized in administrative expenses.

On 23-05-2019, the subsidiary Cognor S.A. has concluded a contract with a general contractor 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 Sztuczowski. 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 Sztuczowski 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. Completion and settlement of the contract is planned within 12 months from June 30, 2022, hence the presented receivables are short-term. As at the balance sheet date, the value of expenditure incurred cumulatively by the Group in this respect is PLN 16 720 thousand (in first half of 2022: PLN 4 141 thousand, in first half of 2021: PLN 1 055 thousand). In accordance with the requirements of IFRS 15, the Group recognized income and receivables from the owner in the amount of PLN 19 228 thousand in the financial statements (in first half of 2022: PLN 4 762 thousand, in first half of 2021: PLN 1 213 thousand), which is equivalent to the expenditure incurred increased by margin PLN 2 508 thousand (in first half of 2022: PLN 621 thousand, in first half of 2021: PLN 158 thousand).

## 19 Cash and cash equivalents presented in cash flow statements

in PLN thousand

	<b>30.06.2022</b>	<b>31.12.2021</b>	<b>30.06.2021</b>
Cash in bank	150 193	43 961	74 796
Cash in bank restricted in use	134 431	62 855	2 967
Cash in hand	252	195	199
Short-term bank deposit	-	799	-
Other	-	-	-
<b>Cash and cash equivalents</b>	<b>284 876</b>	<b>107 810</b>	<b>77 962</b>
Bank overdrafts	(12 974)	(17 200)	(8 227)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>271 902</b>	<b>90 610</b>	<b>69 735</b>

Inflows from IRS settlements are recognized as cash flows from financing activities due to the securing nature of interest payments that are recognized as part of financing activities in the statement of cash flows.

## 20 Financial instruments

### Financial instruments measured at fair values

As at 30 June 2022, 31 December 2021 and 30 June 2021 the Group recognized at fair value through profit or loss an interests rate swap (IRS) asset/liability in the amount of PLN 62 840 thousand (assets), PLN 17 534 thousand (assets), PLN 2 521 thousand (liability) respectively. The fair value of the interest rate swap was estimated on the basis of valuations obtained from banks, which are based on the valuation of the difference between the contractually agreed interest rate value and the rate values based on market quotations.

## 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 (which are not measured at fair value), 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 (bonds): the carrying amounts approximate fair value due to the variable nature of the related interest rates.
- Fixed rate instruments. The fair value of liability resulting from fixed rate instruments approximates carrying amount due to the short-term nature of these instruments and the interest rate similar to the market rate
- The fair value of the interest rate swap was estimated on the basis of valuations obtained from banks, which are based on the valuation of the difference between the contractually agreed interest rate value and the rate values based on market quotations. As at 30 June 2022 the fair value relating to IRS amounted PLN 62 840 thousand (December 31, 2021: PLN 17 534 thousand, June 30, 2021: PLN 2 521 thousand - liability)

Factoring receivables and interest rate swaps in the fair value hierarchy are classified at level 2. In the current period, there were no reclassifications between the levels of the hierarchy.

## 21 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.

## 22 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 June 28, 2022, the Company received from the Director of the Tax Administration Chamber in Warsaw a decision refusing to state overpayment in the flat-rate corporate income tax.

- 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.

- in connection with the dispute with the gas supplier Enesta Sp. z o.o. (PGE Obrót Group), which made an attempt to terminate the beneficial for the subsidiary Cognor S.A. comprehensive delivery agreement, and started charging the Company under a reserve agreement with a large difference in the delivery price (additional costs that would be charged to the Company in the first half of 2022 would amount to PLN 44 562 thousand), the Company brought an action to court to establish that the only comprehensive contract (beneficial) is valid. The company received a securing decision, and then in June 2022 a court judgment was passed upholding the claim of Cognor S.A. entirely. The judgment is not final. After the judgement was passed, sanitation proceedings were announced at Enesta Sp. z o.o. In the opinion of the Management Board, the risk for the Company is negligible and therefore no provisions related to this matter are created.

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

The Group did not grant any sureties or guarantees to entities outside the capital group.

## **24 Other information, which in the Issuer's opinion is significant for the assessment of its personnel, property, financial situation, financial result and their changes, as well as information that is important for the assessment of the Issuer's ability to meet its obligations.**

In the past quarter, the COVID-19 disease did not have a noticeable impact on our operations. Apart from China, which wants to fight it ruthlessly, the restrictions have been lifted in Poland and most other countries. We do not currently perceive a significant risk from the SARS-Cov-2 virus to the continuation or scale of our operations.

The situation of the crisis related to Russia's aggression towards Ukraine has not changed since the last financial report. So far, 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. After the jump in the first quarter of this year triggered by concerns about the availability of metallurgical products on the market, the prices of our products and the cost of the basic raw material returned in the completed quarter to approximately pre-war levels. We remain very concerned about the continuation of this armed conflict, especially concerns about the availability and cost of natural gas in the coming periods. We hope to end it as soon as possible. Meanwhile, we continue to support a certain group of people who left Ukraine in the face of the threat of war.

The long-term effects of the war caused by Russia in Ukraine are difficult to assess in the current situation, and its impact on the Group's situation will depend on numerous geopolitical, micro- and macroeconomic factors. At the same time, the Management Board is not able to estimate the impact of the war in Ukraine on the market in which the Group operates. Further actions will be taken by the Management Board adequately to the development of the situation and threats related to the military conflict.

## **25 Subsequent events**

There were no subsequent events to be disclosed.

Poraj, 19 August 2022

Przemysław Sztuczowski  
*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 consolidated financial data

	in PLN thousand		in EUR thousand	
	30.06.2022	Comparative data*	30.06.2022	Comparative data*
I. Revenue	1 994 091	1 277 356	429 511	280 910
II. Operating profit before financing costs	405 258	167 820	87 289	36 906
III. Profit before tax	431 991	157 081	93 047	34 545
IV. Profit for the period	346 536	124 694	74 641	27 422
IV.a. Profit for the period attributable to owners of the Parent Company	328 054	117 467	70 660	25 833
IV.b. Profit for the period attributable to non-controlling interests	18 482	7 227	3 981	1 589
V. Net cash from operating activities	201 116	29 181	43 319	6 417
VI. Net cash from investing activities	-95 891	-26 238	-20 654	-5 770
VII. Net cash from financing activities	76 067	-33 763	16 384	-7 425
VIII. Net increase / (decrease) in cash and cash equivalents	181 292	-30 820	39 049	-6 778
IX. Total assets	1 992 035	1 505 172	425 594	327 254
X. Total liabilities	1 027 433	861 303	219 509	187 264
XI. Total non-current liabilities	384 065	269 631	82 055	58 623
XII. Total current liabilities	643 368	591 672	137 454	128 641
XIII. Total equity	964 602	643 869	206 085	139 990
XIV. Issued share capital	257 131	257 131	54 935	55 905
XV. Number of shares (in thousands)	171 421	171 421		
XVI. Basic earnings per share (PLN/EUR)	1,91	0,72	0,41	0,16
XVII. Diluted earnings per share (PLN/EUR)	1,91	0,68	0,41	0,15
XVIII. Book value per share (PLN/EUR)	5,63**	3,76***	1,20	0,82
XIX. Diluted book value per share (PLN/EUR)	5,63**	3,75***	1,20	0,82
XX. Declared or paid dividend per share (PLN / EUR)	0,15	0,15	0,03	0,03

\*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 June 30, 2021.

\*\* as at June 30, 2022, the number of shares used to calculate the book value per share was 171,421 thousand shares and the diluted book value per share was 171,421 thousand shares

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

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

The items of assets and liabilities in the statement of financial position were converted into EUR at the average exchange rate announced by the National Bank of Poland on June 30, 2022 at 4.6806 PLN / EUR and for comparative data as at December 31, 2021 - 4.5994 PLN / EUR.

Individual items concerning the profit and loss account and cash flows were converted according to the exchange rate being the arithmetic average of NBP exchange rates as of the last calendar day of individual months, which amounted to PLN / EUR 4.6427 (6 months of 2022), PLN / EUR 4.5472 respectively ( 6 months of 2021).