

**Condensed Consolidated
Interim Financial Statements**

Cognor Holding S.A.

**as at and for the three months ended
31 March 2024**

15 May 2024

Condensed consolidated statement of financial position

in PLN thousand

	Note	31.03.2024	31.12.2023	31.03.2023
Assets				
Property, plant and equipment	6	1 239 216	1 116 622	753 343
Intangible assets	6	17 532	18 196	20 427
Investment property		115	115	116
Investment in associates		1 033	991	1 002
Financial assets due to valuation of derivative instruments		35 652	28 645	46 018
Other receivables	7	22 117	15 417	14 308
Deferred tax assets		2 360	1 799	2 212
Total non-current assets		1 318 025	1 181 785	837 426
Inventories	8	524 682	523 859	679 225
Other investments		20	13	80
Financial assets due to valuation of derivative instruments		3 302	2 817	5 441
Current income tax receivables		15 815	10 299	16 187
Trade and other receivables	7	573 310	403 933	529 048
Cash and cash equivalents	15	150 987	144 269	415 272
Non-current assets classified as held for sale	16	-	6 949	6 966
Total current assets		1 268 116	1 092 139	1 652 219
Total assets		2 586 141	2 273 924	2 489 645

Przemysław Sztuczkowski
President of the Management Board

Krzysztof Zoła
Member of the Management Board

Przemysław Grzesiak
Vice President of the Management Board

Dominik Barszcz
Member of the Management Board

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

Condensed consolidated statement of financial position - continued

<i>in PLN thousand</i>	<i>Note</i>	31.03.2024	31.12.2023	31.03.2023
Equity				
Issued share capital	10	257 131	257 131	257 131
Reserves		710 977	710 977	351 548
Foreign currency translation reserves		(18 334)	(13 926)	4 455
Retained earnings		213 898	207 766	716 206
Total equity attributable to owners of the Parent Company		1 163 672	1 161 948	1 329 340
Non-controlling interests		79 324	79 262	75 824
Total equity		1 242 996	1 241 210	1 405 164
Liabilities				
Interest-bearing loans and borrowings	12	376 637	286 154	317 499
Lease liabilities		110 884	103 197	93 392
Employee benefits obligation		12 728	13 126	12 272
Other payables	9	133	138	9 728
Government grants and other deferred income		5 743	5 334	6 348
Deferred tax liabilities		6 285	4 386	5 160
Total non-current liabilities		512 410	412 335	444 399
Bank overdraft	12	130 578	-	8
Interest-bearing loans and borrowings	12	71 343	129 386	58 402
Lease liabilities		24 150	23 903	22 426
Employee benefits obligation		2 061	1 755	1 713
Current income tax payables		-	-	2 721
Provisions for payables		1 300	1 300	1 330
Trade and other payables	9	599 791	461 129	550 606
Government grants and other deferred income		1 512	1 365	1 398
Liabilities related to non-current assets held for sale	16	-	1 541	1 478
Total current liabilities		830 735	620 379	640 082
Total liabilities		1 343 145	1 032 714	1 084 481
Total equity and liabilities		2 586 141	2 273 924	2 489 645

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Condensed consolidated statement of profit or loss and other comprehensive income

<i>in PLN thousand</i>	<i>Note</i>	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023
Continuing operations			
Revenues from contracts with customers	5	686 280	887 447
Cost of sales		(660 813)	(783 884)
Gross profit		25 467	103 563
Other income		39 812	33 044
Distribution expenses		(34 831)	(33 255)
Administrative expenses		(17 415)	(14 740)
Other (losses)/gains - net		2 216	2 953
Other expenses		(573)	(2 997)
Operating profit before financing costs		14 676	88 568
Financial income		9 124	640
Financial expenses		(15 232)	(16 622)
Net financing costs		(6 108)	(15 982)
Share of profit of associates		42	(85)
Gain on a bargain purchase		-	112 136
Profit/(loss) before tax		8 610	184 637
Income tax expense		(2 415)	(12 359)
Profit/(loss) for the period		6 195	172 278
Profit/(loss) for the period attributable to:			
Owners of the Parent Company		6 133	169 020
Non-controlling interests		62	3 258
Profit/(loss) for the period		6 195	172 278
Other comprehensive income - that will be classified subsequently to profit or loss when specific conditions are met			
Foreign currency translation differences		(4 408)	4 455
Total comprehensive income for the period		1 787	176 733
Total comprehensive income for the period attributable to:			
Owners of the Parent Company		1 725	173 475
Non-controlling interests		62	3 258
Total comprehensive income for the period		1 787	176 733
Basic earnings per share (PLN) attributable to the owners of the Parent Company			
- from continuing operations	11	0,04	0,99
Diluted earnings per share (PLN) attributable to the owners of the Parent Company			
- from continuing operations	11	0,03	0,95

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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

	<i>Note</i>	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
Continuing operations			
Revenues from contracts with customers		2 520 357	3 592 101
Cost of sales		(2 318 249)	(2 820 593)
Gross profit		202 108	771 508
Other income		130 630	79 756
Distribution expenses		(117 781)	(130 550)
Administrative expenses		(77 391)	(84 050)
Other (losses)/gains - net		(4 312)	3 238
Other expenses		(3 840)	(9 883)
Operating profit before financing costs		129 414	630 019
Financial income		19 478	28 777
Financial expenses		(60 044)	(51 102)
Net financing costs		(40 566)	(22 325)
Share of profit of associates		181	181
Gain on a bargain purchase		(60)	112 136
(Loss)/profit before tax		88 969	720 011
Income tax expense		(19 244)	(94 140)
(Loss)/profit for the period		69 725	625 871
Discontinued operations			
Profit/(loss) for the period from discontinued operations, net of tax		-	-
Profit/(loss) for the period		69 725	625 871
(Loss)/profit for the period attributable to:			
Owners of the Parent Company		66 367	598 895
Non-controlling interests		3 358	26 976
(Loss)/profit for the period		69 725	625 871

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

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

in PLN thousand

		01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
Other comprehensive income - that will be classified subsequently to profit or loss when specific conditions are met			
Foreign currency translation differences		(22 789)	4 455
Total comprehensive income for the period		46 936	630 326
Total comprehensive income for the period attributable to:			
Owners of the Parent Company		43 578	603 350
Non-controlling interests		3 358	26 976
Total comprehensive income for the period		46 936	630 326
Basic earnings per share (PLN) attributable to the owners of the Parent Company	11	0,39	3,49
- from continuing operations		0,39	3,49
Diluted earnings per share (PLN) attributable to the owners of the Parent Company	11	0,35	3,46
- from continuing operations		0,35	3,46

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Condensed consolidated statement of cash flows

<i>in PLN thousand</i>	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023
Continuing operations		
Cash flows from operating activities		
Profit/(loss) before tax from continuing operations	8 610	184 637
Adjustments		
Depreciation	11 524	11 840
Amortization	457	401
Foreign exchange (gains)/losses	(488)	(39)
Net (gains)/losses on disposal of property, plant and equipment	(3 271)	(5 528)
Interest, transaction costs (related to loans and borrowings) and dividends, net	13 944	14 414
Change in receivables	(175 862)	(104 327)
Change in inventories	(2 507)	(44 551)
Change in trade and other payables	157 416	92 395
Change in provisions	(3)	(144)
Change in employee benefits obligation	(92)	171
Change in government grants and other deferred income	556	(350)
Share of profit of associates	(42)	85
Gain on a bargain purchase	-	(112 136)
Other adjustments	-	-
Cash generated/(outflows) from operating activities	10 242	36 868
Income tax (paid)/returned	(6 543)	(2 783)
Net cash from operating activities	3 699	34 085
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	9 279	6 093
Proceeds from sale of non-current assets classified as held for sale	7 466	-
Acquisition of shares in consolidated companies (net of cash acquired)	(32)	26 727
Repayment of loans granted	1	3
Acquisition of property, plant and equipment	(154 058)	(66 961)
Acquisition of intangible assets	(15)	(41)
Acquisition of organized part of the enterprise	-	200
Loans granted	(8)	(5)
Net cash from investing activities	(137 367)	(33 984)
Cash flows from financing activities		
Proceeds from interest-bearing loans and borrowings	207 637	100 000
Repayment of interest-bearing loans and borrowings	(185 062)	(16)
Net factoring cash flows	17 699	-
Payment of lease liabilities	(8 133)	(5 219)
Dividends paid	(108)	-
Interest and transaction costs (related to loans and borrowings) paid	(21 352)	(16 024)
Net cash from financing activities	10 681	78 741
Net increase / (decrease) in cash and cash equivalents	(122 987)	78 842
Cash and cash equivalents net of bank overdraft, at 1 January	144 269	335 715
- effect of exchange rate fluctuations on cash held	(873)	707
Cash and cash equivalents net of bank overdraft, at 31 March	20 409	415 264
- including cash restricted for use	78 365	103 393

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

Condensed consolidated statement of cash flows (last twelve months)

<i>in PLN thousand</i>	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
Continuing operations		
Cash flows from operating activities		
Profit/(loss) before tax from continuing operations	88 969	720 011
Adjustments		
Depreciation	46 842	44 099
Amortization	1 958	1 266
Foreign exchange (gains)/losses	(9 488)	601
Net (gains)/losses on investment activities	-	-
Net (gains)/losses on disposal of property, plant and equipment	(4 731)	(6 322)
Interest, transaction costs (related to loans and borrowings) and dividends, net	65 772	5 300
Change in receivables	(37 813)	(1 546)
Change in inventories	144 931	(47 148)
Change in trade and other payables	(12 463)	(213 653)
Change in provisions	538	(114)
Change in employee benefits obligation	804	(1 006)
Change in government grants and other deferred income	(491)	(1 125)
Share of profit of associates	(181)	(181)
Gain on a bargain purchase	60	(112 136)
Other adjustments	-	526
Cash generated from operating activities	284 707	388 572
Income tax (paid)/returned, incl.	(20 548)	(62 183)
Net cash from operating activities	264 159	326 389

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

<i>in PLN thousand</i>	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	15 461	7 790
Proceeds from sale of non-current assets classified as held for sale	7 466	-
Interest received	-	6
Dividends received	150	150
Repayment of loans granted	10	6
Acquisition of property, plant and equipment	(475 198)	(192 533)
Acquisition of intangible assets	(191)	(359)
Acquisition of organized part of the enterprise	-	200
Received grants for investing activities	-	132
Acquisition of shares in consolidated companies	(10 131)	26 714
Advance payment for shares	-	(32 558)
Loans granted	(14)	(15)
Net cash from investing activities	(462 447)	(190 467)
Cash flows from financing activities		
Proceeds from interest-bearing loans and borrowings	283 415	171 503
IRS proceeds	11 307	8 508
Transactions with non-controlling interests	250	-
Net factoring cash flows	17 699	-
Repayment of interest-bearing loans and borrowings	(225 218)	(50 065)
Payment of lease liabilities	(30 960)	(22 940)
Dividends and interests on exchangeable notes paid	(209 353)	(25 713)
Interest and transaction costs (related to loans and borrowings) paid	(39 518)	(29 969)
Net cash from financing activities	(192 378)	51 324
Net increase / (decrease) in cash and cash equivalents	(390 666)	187 246
Cash and cash equivalents net of bank overdraft, at 1 April	415 264	227 311
- effect of exchange rate fluctuations on cash held	(4 189)	707
Cash and cash equivalents net of bank overdraft, at 31 March	20 409	415 264
- including cash restricted for use	78 365	103 393

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

Condensed consolidated statement of changes in equity

	Attributable to owners of the Parent Company				Total	Non-controlling interests	Total equity
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings			
<i>in PLN thousand</i>							
Equity as at 1 January 2023	257 131	351 548	-	547 417	1 156 096	72 335	1 228 431
<i>Total comprehensive income</i>	-	-	4 455	169 020	173 475	3 258	176 733
- profit	-	-	-	169 020	169 020	3 258	172 278
- foreign currency translation differences relating to foreign operations	-	-	4 455	-	4 455	-	4 455
Transactions with owners of the Company, recognised in equity							
Change in ownership interests	-	-	-	(231)	(231)	231	-
Acquisition of non-controlling interests that do not result in a change in control	-	-	-	(231)	(231)	231	-
Equity as at 31 March 2023	257 131	351 548	4 455	716 206	1 329 340	75 824	1 405 164
Equity as at 1 January 2023	257 131	351 548	-	547 417	1 156 096	72 335	1 228 431
<i>Total comprehensive income</i>	-	-	(13 926)	229 254	215 328	6 554	221 882
- profit	-	-	-	229 254	229 254	6 554	235 808
- foreign currency translation differences relating to foreign operations	-	-	(13 926)	-	(13 926)	-	(13 926)
Transactions with owners of the Company, recognised in equity							
Contribution by and distributions to owners of the Company	-	-	-	(209 133)	(209 133)	(108)	(209 241)
Dividends	-	-	-	(209 133)	(209 133)	(108)	(209 241)
Change in ownership interests	-	-	-	(231)	(231)	481	250
Non-controlling interests as at the date of acquisition of subsidiaries	-	-	-	-	-	250	250
Acquisition of non-controlling interests that do not result in a change in control	-	-	-	(231)	(231)	231	-
Transfer of profit	-	359 429	-	(359 429)	-	-	-
Other	-	-	-	(112)	(112)	-	(112)
Equity as at 31 December 2023	257 131	710 977	(13 926)	207 766	1 161 948	79 262	1 241 210

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

Condensed consolidated statement of changes in equity - continued

	Attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings			
<i>in PLN thousand</i>							
Equity as at 1 January 2024	257 131	710 977	(13 926)	207 766	1 161 948	79 262	1 241 210
Total comprehensive income	-	-	(4 408)	6 133	1 725	62	1 787
- profit	-	-	-	6 133	6 133	62	6 195
- foreign currency translation differences relating to foreign operations	-	-	(4 408)	-	(4 408)	-	(4 408)
Change in ownership interests	-	-	-	(1)	(1)	-	(1)
Changes in minority after acquisition	-	-	-	(1)	(1)	-	(1)
Equity as at 31 March 2024	257 131	710 977	(18 334)	213 898	1 163 672	79 324	1 242 996

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1 Reporting entity

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

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

2 Cognor Holding S.A. Group

The condensed consolidated interim financial statements as at and for the three months ended 31 March 2024 comprise the Parent Company and its subsidiaries (“the Group”). Details of the subsidiaries that comprise the Group as at 31 March 2024 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	94.40%	2006-01-27*
COGNOR HOLDING S.A. Sp. k.	Poland	50.9% (share in profit) 88.13% (shares held, voting rights)	2008-03-25*
MADROHUT Sp. z o.o.	Poland	23.6% (associate in which 25% of shares are held directly by Cognor S.A.)	2014-04-11
JAP INDUSTRIES s.r.o.	Czechia	100.00%	2023-01-01
HUTNIK KRAKÓW Sp. z o.o.	Poland	100.00%	2023-03-17
ECOGNOR Sp. z o.o.	Poland	100.00%	2023-04-03
WIZJA I WOLA Sp. z o.o.	Poland	100.00%	2023-10-04

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

Acquisitions in first quarter of 2024

In the first quarter of 2024, Cognor Holding S.A. purchased shares of Cognor S.A. for PLN 1 thousand. This did not change the share held in the entity.

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 2023.

These condensed consolidated interim financial statements were approved by the Board of Directors on 15 May 2024.

b) Ongoing basis

The condensed consolidated financial statements as of and for the period ended 31 March 2024 have been prepared on the going concern basis.

c) Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual consolidated financial statements as at 31 December 2023, prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS").

d) Estimates

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

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applicable to the consolidated financial statements as at and for the year ended 31 December 2023.

4 Segment reporting

The Management Board made changes to the presentation of operating segments based on reports reviewed by the Management Board of the Parent Company, which constitute the basis for making strategic decisions. The segments coincide with the activities of branches or companies, while the business lines run by these branches/companies are presented in rows (this is the old arrangement of segments). Comparable data was restated in line with the changes made in the operating segments.

The Group has identified the following types of segments:

-segment Złomrex Metal (ZLMET) identified as the activities of the Cognor S.A. branch Złomrex Metal comprising purchase, sorting, processing, refining and then shipment and sale to external customers of steel scrap and non-ferrous metals

-segment HSJ (HSJ) identified as the activities of the Cognor S.A. branch. HSJ in Stalowa Wola and covering the production and purchase of steel semi-finished products (raw steel) and final steel products and their subsequent sale to external customers, carried out by the HSJ steelworks in Stalowa Wola,

-segment Ferrostal (FER): including the production and purchase of steel semi-finished products (raw steel) and final steel products, and then their sale to external customers, carried out by the Ferrostal steelworks in Gliwice,

-segment OMS (OMS) identified as the activities of the Cognor S.A. branch. Odlewnia Metali Nieżelaznych in Szopienice, including the production and purchase of non-ferrous metal products, mainly bronze rollers and bushings and aluminum alloys in the form of ingots, and then selling them to external customers,

- segment JAP (JAP) identified as the activities of the independent company JAP Industries s.r.o. from the Czech Republic, purchasing graphite and other materials, graphite electrodes and ferroalloys, and then selling them to external customers

-other segment covering the activities:

a) branch of Cognor S.A. PTS in Krakow including transport and construction machinery services,

b) subsidiary Cognor Holding S.A. Sp. k. including revenues from sales of houses and apartments,

c) the subsidiary Hutnik Kraków Sp. z o. o. including revenues from marketing and sports activities,

d) the subsidiary Ecognor Sp. z o. o. including activities related to the launch of a plant producing profiles, boards and other elements solely based on plastic waste for various industries.

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.

4 Segment reporting - continued

Business segments (for the three months ended 31 March)

in PLN thousand

31.03.2024	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
Revenue from external customers	109 190	289 961	217 953	31 391	28 516	6 291	2 370	-	685 672
- Scrap metal	27 523	-	-	-	-	-	-	-	27 523
- Billets HSJ	1 199	32 384	13 542	-	-	-	-	-	47 125
- Billets FER	55 716	15 432	118 547	-	-	-	-	-	189 695
- Finished products HSJ	440	240 704	3 576	-	-	-	-	-	244 720
- Finished products FER	-	210	76 968	-	-	-	-	-	77 178
- Non-ferrous scrap metal	22 599	-	-	855	-	-	-	-	23 454
- Non-ferrous finished products	1 205	-	-	30 427	-	-	-	-	31 632
- Graphite electrodes and ferroalloys	-	-	-	-	21 279	-	-	-	21 279
- Other	508	1 231	5 320	109	7 237	6 291	-	-	20 696
- Unallocated	-	-	-	-	-	-	2 370	-	2 370
Inter-segment revenue	91 366	19 076	73 724	-	6 384	996	2 269	-	193 815
Total revenue	200 556	309 037	291 677	31 391	34 900	7 287	4 639	(193 207)	686 280
Cost of sales to external customers	(105 673)	(266 838)	(233 581)	(26 555)	(23 328)	(6 355)	(2 131)	-	(664 461)
- Scrap metal	(25 977)	-	-	-	-	-	-	-	(25 977)
- Billets HSJ	(1 165)	(31 995)	(13 522)	-	-	-	-	-	(46 682)
- Billets FER	(55 692)	(15 426)	(122 808)	-	-	-	-	-	(193 926)
- Finished products HSJ	(440)	(217 882)	(3 572)	-	-	-	-	-	(221 894)
- Finished products FER	-	(210)	(88 895)	-	-	-	-	-	(89 105)
- Non-ferrous scrap metal	(21 160)	-	-	(529)	-	-	-	-	(21 689)
- Non-ferrous finished products	(1 165)	-	-	(25 935)	-	-	-	-	(27 100)
- Graphite electrodes and ferroalloys	-	-	-	-	(17 706)	-	-	-	(17 706)
- Other	(74)	(1 325)	(4 784)	(91)	(5 622)	(6 355)	-	-	(18 251)
- Unallocated	-	-	-	-	-	-	(2 131)	-	(2 131)
Inter-segment cost of sales	(87 959)	(18 258)	(78 683)	-	(5 332)	(686)	(46)	-	(190 964)
Total cost of sales	(193 632)	(285 096)	(312 264)	(26 555)	(28 660)	(7 041)	(2 177)	194 612	(660 813)
Segment result	6 924	23 941	(20 587)	4 836	6 240	246	2 462	1 405	25 467

Other income	118	11 976	27 427	54	81	778	-	(622)	39 812
Distribution and administrative expenses	(9 392)	(20 220)	(12 349)	(1 467)	(2 649)	(1 115)	(5 905)	851	(52 246)
Other gain/(losses) net	(6)	(402)	(188)	(91)	853	15	1 931	104	2 216
Other expenses	(55)	(382)	(741)	(2)	-	(10)	(1)	618	(573)
Operating profit/(loss)	(2 411)	14 913	(6 438)	3 330	4 525	(86)	(1 513)	2 356	14 676
- Scrap metal	(1 132)	-	-	-	-	-	-	-	(1 132)
- Billets HSJ	(21)	(693)	20	-	-	-	-	-	(694)
- Billets FER	(2 569)	565	(5 669)	-	-	-	-	-	(7 673)
- Finished products HSJ	(21)	15 177	4	-	-	-	-	-	15 160
- Finished products FER	-	8	(1 275)	-	-	-	-	-	(1 267)
- Non-ferrous scrap metal	398	-	-	285	-	-	-	-	683
- Non-ferrous finished products	(15)	-	-	3 032	-	-	-	-	3 017
- Graphite electrodes and ferroalloys	-	-	-	-	2 566	-	-	-	2 566
- Other	949	(144)	482	13	1 959	(86)	-	-	3 173
- Unallocated	-	-	-	-	-	-	(1 513)	2 356	843
Net financing costs							(6 035)	(73)	(6 108)
Share of profit of associates, net of tax									42
Gain on a bargain purchase									-
Income tax expense									(2 415)
Profit for the period									6 195

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
31.03.2023									
Revenue from external customers	91 039	341 181	370 835	32 411	42 194	7 246	1 828	-	886 734
- Scrap metal	56 274	-	-	-	-	-	-	-	56 274
- Billets HSJ	-	44 237	30 760	-	-	-	-	-	74 997
- Billets FER	6 271	469	49 731	-	-	-	-	-	56 471
- Finished products HSJ	1 198	292 424	12 526	-	-	-	-	-	306 148
- Finished products FER	(38)	2 549	123 563	-	-	-	-	-	126 074
- Non-ferrous scrap metal	22 933	-	-	1	-	-	-	-	22 934
- Non-ferrous finished products	4 050	-	-	32 308	-	-	-	-	36 358
- Graphite electrodes and ferroalloys	-	-	-	-	32 903	-	-	-	32 903
- Other	351	1 502	154 255	102	9 291	7 246	-	-	172 747
- Unallocated	-	-	-	-	-	-	1 828	-	1 828
Inter-segment revenue	103 433	44 993	15 192	620	6 241	1 029	10 210	-	181 718
Total revenue	194 472	386 174	386 027	33 031	48 435	8 275	12 038	(181 005)	887 447
Cost of sales to external customers	(84 691)	(287 067)	(344 180)	(27 395)	(37 128)	(6 470)	(1 631)	-	(788 562)
- Scrap metal	(52 422)	-	-	-	-	-	-	-	(52 422)
- Billets HSJ	-	(39 221)	(30 740)	-	-	-	-	-	(69 961)
- Billets FER	(6 267)	(469)	(48 021)	-	-	-	-	-	(54 757)
- Finished products HSJ	(1 198)	(242 830)	(12 517)	-	-	-	-	-	(256 545)
- Finished products FER	39	(2 545)	(120 988)	-	-	-	-	-	(123 494)
- Non-ferrous scrap metal	(21 068)	-	-	-	-	-	-	-	(21 068)
- Non-ferrous finished products	(3 765)	-	-	(27 320)	-	-	-	-	(31 085)
- Graphite electrodes and ferroalloys	-	-	-	-	(29 869)	-	-	-	(29 869)
- Other	(10)	(2 002)	(131 914)	(75)	(7 259)	(6 470)	-	-	(147 730)
- Unallocated	-	-	-	-	-	-	(1 631)	-	(1 631)
Inter-segment cost of sales	(99 873)	(39 605)	(13 959)	(378)	(4 918)	(851)	(7 627)	-	(167 211)
Total cost of sales	(184 564)	(326 672)	(358 139)	(27 773)	(42 046)	(7 321)	(9 258)	171 889	(783 884)
Segment result	9 908	59 502	27 888	5 258	6 389	954	2 780	(9 116)	103 563

Other income	162	15 896	16 840	48	223	30	1	(156)	33 044
Distribution and administrative expenses	(8 499)	(22 420)	(10 668)	(1 342)	(3 585)	(944)	(8 588)	8 051	(47 995)
Other gain/(losses) net	220	(353)	4 966	(32)	(1 049)	-	(825)	26	2 953
Other expenses	(847)	(381)	(1 898)	(1)	-	(2)	(32)	164	(2 997)
Operating profit	944	52 244	37 128	3 931	1 978	38	(6 664)	(1 031)	88 568
- Scrap metal	(348)	-	-	-	-	-	-	-	(348)
- Billets HSJ	-	6 411	20	-	-	-	-	-	6 431
- Billets FER	(285)	18	5 232	-	-	-	-	-	4 965
- Finished products HSJ	(55)	46 455	9	-	-	-	-	-	46 409
- Finished products FER	(1)	4	10 214	-	-	-	-	-	10 217
- Non-ferrous scrap metal	883	-	-	177	-	-	-	-	1 060
- Non-ferrous finished products	101	-	-	3 691	-	-	-	-	3 792
- Graphite electrodes and ferroalloys	-	-	-	-	324	-	-	-	324
- Other	649	(644)	21 653	63	1 654	38	-	-	23 413
- Unallocated	-	-	-	-	-	-	(6 664)	(1 031)	(7 695)
Net financing costs							(15 978)	(4)	(15 982)
Share of profit of associates, net of tax									(85)
Gain on a bargain purchase									112 136
Income tax expense									(12 359)
Profit for the period									172 278

Business segments (for the twelve months ended 31 March)

in PLN thousand

31.03.2024	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
Revenue from external customers	329 862	1 089 993	839 108	111 030	113 272	24 390	10 667	-	2 518 322
- Scrap metal	142 310	-	-	-	-	-	-	-	142 310
- Billets HSJ	2 953	134 439	80 873	-	-	-	-	-	218 265
- Billets FER	89 392	49 956	281 331	-	-	-	-	-	420 679
- Finished products HSJ	1 812	894 006	21 238	-	-	-	-	-	917 056
- Finished products FER	889	6 489	276 167	-	-	-	-	-	283 545
- Non-ferrous scrap metal	85 095	-	-	2 162	-	-	-	-	87 257
- Non-ferrous finished products	5 795	-	-	108 183	-	-	-	-	113 978
- Graphite electrodes and ferroalloys	-	-	-	-	81 864	-	-	-	81 864
- Other	1 616	5 103	179 499	685	31 408	24 390	-	-	242 701
- Unallocated	-	-	-	-	-	-	10 667	-	10 667
Inter-segment revenue	283 468	108 028	156 053	1 517	22 820	3 691	8 731	-	584 308
Total revenue	613 330	1 198 021	995 161	112 547	136 092	28 081	19 398	(582 273)	2 520 357
Cost of sales to external customers	(316 024)	(931 047)	(871 948)	(95 924)	(98 659)	(24 974)	(9 648)	-	(2 348 224)
- Scrap metal	(134 957)	-	-	-	-	-	-	-	(134 957)
- Billets HSJ	(2 917)	(124 726)	(80 766)	-	-	-	-	-	(208 409)
- Billets FER	(89 350)	(49 936)	(312 160)	-	-	-	-	-	(451 446)
- Finished products HSJ	(1 809)	(745 130)	(21 221)	-	-	-	-	-	(768 160)
- Finished products FER	(887)	(6 473)	(344 807)	-	-	-	-	-	(352 167)
- Non-ferrous scrap metal	(80 534)	-	-	(1 533)	-	-	-	-	(82 067)
- Non-ferrous finished products	(5 476)	-	-	(94 064)	-	-	-	-	(99 540)
- Graphite electrodes and ferroalloys	-	-	-	-	(72 098)	-	-	-	(72 098)
- Other	(94)	(4 782)	(112 994)	(327)	(26 561)	(24 974)	-	-	(169 732)
- Unallocated	-	-	-	-	-	-	(9 648)	-	(9 648)
Inter-segment cost of sales	(272 827)	(93 780)	(157 475)	(1 013)	(19 132)	(2 307)	(748)	-	(547 282)
Total cost of sales	(588 851)	(1 024 827)	(1 029 423)	(96 937)	(117 791)	(27 281)	(10 396)	577 257	(2 318 249)
Segment result	24 479	173 194	(34 262)	15 610	18 301	800	9 002	(5 016)	202 108

Other income	350	66 293	63 911	286	1 528	2 618	60	(4 416)	130 630
Distribution and administrative expenses	(33 023)	(74 522)	(40 520)	(5 849)	(13 487)	(5 100)	(26 160)	3 489	(195 172)
Other gain/(losses) net	(53)	(5 556)	(762)	(765)	3 008	238	(498)	76	(4 312)
Other expenses	86	(4 198)	(3 705)	(78)	(2)	(139)	(69)	4 265	(3 840)
Operating profit/(loss)	(8 161)	155 211	(15 338)	9 204	9 348	(1 583)	(17 665)	(1 602)	129 414
- Scrap metal	(6 210)	-	-	1	-	-	-	-	(6 209)
- Billets HSJ	(113)	12 060	107	-	-	-	-	-	12 054
- Billets FER	(4 385)	2 412	(20 378)	-	-	-	-	-	(22 351)
- Finished products HSJ	(99)	140 244	21	-	-	-	-	-	140 166
- Finished products FER	(41)	501	(58 234)	-	-	-	-	-	(57 774)
- Non-ferrous scrap metal	(159)	-	-	812	-	-	-	-	653
- Non-ferrous finished products	(11)	-	-	7 954	-	-	-	-	7 943
- Graphite electrodes and ferroalloys	-	-	-	-	5 564	-	-	-	5 564
- Other	2 857	(6)	63 146	437	3 784	(1 583)	-	-	68 635
- Unallocated	-	-	-	-	-	-	(17 665)	(1 602)	(19 267)
Net financing costs							(40 417)	(149)	(40 566)
Share of profit of associates, net of tax									181
Gain on a bargain purchase									(60)
Income tax expense									(19 244)
Profit for the period									69 725

<i>in PLN thousand</i>		ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
	31.03.2023									
Revenue from external customers		414 174	1 428 447	1 531 419	116 607	42 194	45 391	10 197	-	3 588 429
- Scrap metal		241 990	-	-	-	-	-	-	-	241 990
- Billets HSJ		11 726	225 327	127 250	-	-	-	-	-	364 303
- Billets FER		31 278	48 106	226 596	-	-	-	-	-	305 980
- Finished products HSJ		2 104	1 119 032	40 462	-	-	-	-	-	1 161 598
- Finished products FER		8 584	31 135	708 932	-	-	-	-	-	748 651
- Non-ferrous scrap metal		104 661	-	-	318	-	-	-	-	104 979
- Non-ferrous finished products		11 692	-	-	114 751	-	-	-	-	126 443
- Graphite electrodes and ferroalloys		-	-	-	-	32 903	-	-	-	32 903
- Other		2 139	4 847	428 179	1 538	9 291	45 391	-	-	491 385
- Unallocated		-	-	-	-	-	-	10 197	-	10 197
Inter-segment revenue		398 556	183 077	139 660	2 691	6 241	4 964	32 502	-	767 691
Total revenue		812 730	1 611 524	1 671 079	119 298	48 435	50 355	42 699	(764 019)	3 592 101
Cost of sales to external customers		(384 941)	(1 125 531)	(1 206 261)	(97 250)	(37 128)	(38 919)	(9 122)	-	(2 899 152)
- Scrap metal		(222 246)	-	-	-	-	-	-	-	(222 246)
- Billets HSJ		(11 711)	(183 230)	(127 152)	-	-	-	-	-	(322 093)
- Billets FER		(31 269)	(48 114)	(186 956)	-	-	-	-	-	(266 339)
- Finished products HSJ		(2 103)	(858 316)	(40 485)	-	-	-	-	-	(900 904)
- Finished products FER		(8 573)	(31 117)	(636 782)	-	-	-	-	-	(676 472)
- Non-ferrous scrap metal		(97 711)	-	-	(111)	-	-	-	-	(97 822)
- Non-ferrous finished products		(10 694)	-	-	(95 776)	-	-	-	-	(106 470)
- Graphite electrodes and ferroalloys		276	381	4 447	97	(29 869)	-	-	-	(24 668)
- Other		(910)	(5 135)	(219 333)	(1 460)	(7 259)	(38 919)	-	-	(273 016)
- Unallocated		-	-	-	-	-	-	(9 122)	-	(9 122)
Inter-segment cost of sales		(380 192)	(145 947)	(108 690)	(1 808)	(4 918)	(4 550)	(11 178)	-	(657 283)
Total cost of sales		(765 133)	(1 271 478)	(1 314 951)	(99 058)	(42 046)	(43 469)	(20 300)	735 842	(2 820 593)
Segment result		47 597	340 046	356 128	20 240	6 389	6 886	22 399	(28 177)	771 508

Other income	613	39 598	39 009	283	223	421	1 417	(1 808)	79 756
Distribution and administrative expenses	(33 484)	(84 516)	(55 185)	(5 172)	(3 585)	(3 583)	(50 004)	20 929	(214 600)
Other gain/(losses) net	342	(1 736)	4 380	(40)	(1 049)	245	208	888	3 238
Other expenses	(1 122)	(1 477)	(6 777)	59	-	(17)	(1 402)	853	(9 883)
Operating profit	13 946	291 915	337 555	15 370	1 978	3 952	(27 382)	(7 315)	630 019
- Scrap metal	9 039	-	-	1	-	-	-	-	9 040
- Billets HSJ	(554)	52 879	98	-	-	-	-	-	52 423
- Billets FER	(1 469)	829	60 616	-	-	-	-	-	59 976
- Finished products HSJ	(101)	239 071	(23)	2	-	-	-	-	238 949
- Finished products FER	(768)	(125)	64 226	-	-	-	-	-	63 333
- Non-ferrous scrap metal	3 135	-	-	782	-	-	-	-	3 917
- Non-ferrous finished products	1 230	-	-	14 305	-	-	-	-	15 535
- Graphite electrodes and ferroalloys	(1 550)	68	(2 728)	(51)	324	-	-	-	(3 937)
- Other	4 984	(807)	215 366	331	1 654	3 952	-	-	225 480
- Unallocated	-	-	-	-	-	-	(27 382)	(7 315)	(34 697)
Net financing costs							(22 309)	(16)	(22 325)
Share of profit of associates, net of tax									181
Income tax expense									(94 140)
Profit for the period									625 871

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
31.03.2024									
Segment assets	152 956	421 048	1 363 485	41 593	93 173	52 566	507 201	(45 881)	2 586 141
Segment liabilities	95 899	231 879	432 479	13 392	8 612	18 835	650 847	(108 798)	1 343 145
Depreciation and amortisation	(1 799)	(5 328)	(3 410)	(301)	(275)	(239)	(311)	(318)	(11 981)
Capital expenditures	421	4 265	120 629	263	489	636	775	-	127 478

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
31.12.2023									
Segment assets	123 623	446 584	1 187 936	32 870	90 843	42 325	405 860	(56 117)	2 273 924
Segment liabilities	65 102	219 711	353 883	11 632	9 593	15 242	472 846	(115 295)	1 032 714

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
31.03.2023									
Segment assets	138 327	482 315	1 027 045	39 646	118 138	32 749	698 515	(47 090)	2 489 645
Segment liabilities	88 574	267 839	321 093	15 083	11 969	11 566	466 502	(98 145)	1 084 481
Depreciation and amortisation	(1 645)	(5 333)	(3 244)	(307)	(467)	(226)	(224)	(795)	(12 241)
Capital expenditures	12	4 568	65 882	52	66	13	727	-	71 320

Unallocated assets

in PLN thousand

Long-term and short-term investments	1 053	1 004	1 082
Financial assets due to valuation of derivative instruments	38 954	31 462	51 459
Deferred tax assets	2 360	1 799	2 212
Income tax receivable	15 815	10 299	16 187
Other receivables (statutory receivables, receivables relating to sale of subsidiaries, etc)	208 649	130 522	138 652
Cash and cash equivalents	150 987	144 269	415 272
Assets held for sale	-	6 949	6 966
Assets of central office	89 383	79 556	66 685

31.03.2024	31.12.2023	31.03.2023
1 053	1 004	1 082
38 954	31 462	51 459
2 360	1 799	2 212
15 815	10 299	16 187
208 649	130 522	138 652
150 987	144 269	415 272
-	6 949	6 966
89 383	79 556	66 685
507 201	405 860	698 515

Unallocated liabilities

in PLN thousand

Interest-bearing loans and borrowings	447 980	415 540	375 901
Bank overdraft	130 578	-	8
Deferred tax liabilities	6 285	4 386	5 160
Provisions	1 300	1 300	1 330
Current income tax payables	-	-	2 721
Other liabilities	52 318	39 100	73 098
Liabilities related to non-current assets held for sale	-	1 541	1 478
Liabilities of central office	12 386	10 979	6 806

31.03.2024	31.12.2023	31.03.2023
447 980	415 540	375 901
130 578	-	8
6 285	4 386	5 160
1 300	1 300	1 330
-	-	2 721
52 318	39 100	73 098
-	1 541	1 478
12 386	10 979	6 806
650 847	472 846	466 502

5 Revenues from contracts with customers

in PLN thousand

	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023
Revenues from sale of products	610 409	637 367
Revenues from sale of services	13 463	14 144
Revenues from sale of goods	61 284	235 285
Revenues from sale of raw materials	1 124	651
	686 280	887 447
<i>including:</i>		
- revenue from sale of goods or services transferred to customers at a	683 916	885 634
- revenue from sale of goods or services and energy transferred to	2 364	1 813
Revenues are generated from the following sources:		
-sale of steel scrap and non-ferrous metals scrap	50 977	79 208
-sale of slabs, ingots	236 820	131 468
-sale of rolled bars, rolled slabs and sheets	244 720	306 148
-sale of ribbed, flat, round, square bars, angles, tees, channels, sections	77 178	126 074
-sale of bronze and zinc casting alloys shafts and sleeves	31 632	36 358
-sale of graphite electrodes and ferroalloys	21 279	32 903
-sale of transport services	6 917	8 169
-sale resulting from the construction contract	2 364	1 813
-sale of electricity and gas	4 175	151 360
-other sale	10 218	13 946

6 Property, plant and equipment and intangible assets

During the three months ended 31 March 2024, the Group acquired property, plant and equipment at a cost of PLN 143 335 thousand (three months ended 31 March 2023: PLN 117 349 thousand). Assets with a net book value of PLN 8 069 thousand were disposed during the three months of 2024 (three months ended 31 March 2023: PLN 641 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 1 211 thousand (three months ended 31 March 2023: a net gain on disposal of PLN 5 896 thousand).

During the twelve months ended 31 March 2024, the Group acquired property, plant and equipment at a cost of PLN 550 703 thousand (twelve months ended 31 March 2023: PLN 234 146 thousand). Assets with a net book value of PLN 12 347 thousand were disposed of during the twelve months ended 31 March 2024 (twelve months ended 31 March 2023: PLN 2 549 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 2 666 thousand (twelve months ended 31 March 2023: a net gain on disposal of PLN 6 690 thousand).

During the three months ended 31 March 2024, the Group acquired intangible assets at a cost of PLN 15 thousand (three months ended 31 March 2023: PLN 8 133 thousand). Assets with a net book value of PLN 0 thousand were disposed during the three months of 2024 (three months ended 31 March 2023: PLN 369 thousand). On the disposal of intangible assets the Group achieved a net gain on disposal of PLN 0 thousand (three months ended 31 March 2023: a net loss on disposal of PLN 368 thousand).

During the twelve months ended 31 March 2024, the Group acquired intangible assets at a cost of PLN 191 thousand (twelve months ended 31 March 2023: PLN 8 451 thousand). Assets with a net book value of PLN 0 thousand were disposed of during the twelve months ended 31 March 2024 (twelve months ended 31 March 2023: PLN 1 895 thousand). On the sale of intangible assets the Group achieved a net gain on disposal of PLN 0 thousand (twelve months ended 31 March 2023: a net loss on disposal of PLN 368 thousand).

Capital commitments

The Group has the capital commitments relating to the following investment projects:

Investment project	Capital commitment (in thousand PLN)
Construction works (Siemianowice Śl.)	133 342
Production line for the production of hot-rolled bars (new rolling mill for light sections - Siemianowice Śl.)	31 380
Automatic storage warehouse (Siemianowice Śl.)	39 740
Purchase of cranes (Siemianowice Śl.)	4 079
Connection to the power network (gas, electricity - Siemianowice Śl.)	3 469
Contractor (Siemianowice Śl.)	372
Compressor room (Siemianowice Śl.)	96
Gas station (Siemianowice Śl.)	241
Investor supervision (Siemianowice Śl.)	466
Assembly of the production line and closed water circuit (Siemianowice Śl.)	60 557
Transformer (Siemianowice Śl.)	2 970
Automatic overhead crane (Siemianowice Śl.)	6 180
Transformer 25 MVA 1 pc (Siemianowice Śl.)	2 600
Lathes (Siemianowice Śl.)	2 342
General contractor - spooler assembly (Kraków)	34 065
4 gantry cranes (Kraków)	269
Installation of furnace (Kraków)	573
Building project (Kraków)	60
Electrical and automatic works - spooler (Kraków)	5 269
Testing machine (Kraków)	618
3 slag wagons (Gliwice)	2 013
Fire alarm system at the steelworks (Gliwice)	47
4MWp PV installation (Gliwice)	435
Skew roll straightener (Stalowa Wola)	16 362
EAF furnace power system (Stalowa Wola)	9 172
Rod improvement line (Stalowa Wola)	343
Construction of the second VOD tank (Stalowa Wola)	1 432
D5 furnace portal (Stalowa Wola)	27
Modernization of dust collection (Stalowa Wola)	1 703
60t batch crane (Stalowa Wola)	1 512
Wire feeder (Stalowa Wola)	878
Substructure for skew roll straightener (Stalowa Wola)	1 470
Modernization of the shot-blasting machine STEM II (Stalowa Wola)	465
Grinding and polishing machine (Stalowa Wola)	540
Hook device (Stalowa Wola)	1 437
16t overhead crane for continuous steel casting (Stalowa Wola)	1 650
	368 174

7 Trade and other receivables

Short-term receivables

in PLN thousand

	31.03.2024	31.12.2023	31.03.2023
Trade receivables	245 147	149 717	265 233
Receivables under a construction contract*	37 495	35 131	26 858
Statutory receivables excluding income tax**	152 657	103 893	110 772
Prepayments for services and inventories	7 431	4 408	22 020
Prepayments for property, plant and equipment	82 290	80 893	67 327
Factoring receivables	27 232	16 892	26 861
Initial leasing fees	9 543	9 048	753
Other receivables	11 515	3 951	9 224
	573 310	403 933	529 048

Long-term receivables

in PLN thousand

	31.03.2024	31.12.2023	31.03.2023
Other receivables***	22 117	15 417	14 308
	22 117	15 417	14 308

* service provided to Przemysław Sztuczkowski, President of the Management Board - more in note 14

** under this item, the Group discloses the estimated revenue related to compensations related to the increase in quotations of CO2 emission rights (March 31, 2024: PLN 69 878 thousand, December 31, 2023: PLN 52 563 thousand, March 31, 2023: PLN 53 886 thousand), VAT receivables included in this item as at 31 March 2024 amounted to PLN 73 868 thousand (December 31, 2023: PLN 50 103 thousand, March 31, 2023: PLN 53 886 thousand)

*** in this item Group discloses the costs of disbursements of the investment loan in Banco Santander. Due to the partial use of the loan, the Group allocates proportionally the costs of disbursement to the incurred loan tranches.

The 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 March 31, 2024 the Group discloses PLN 27 232 thousand PLN of factoring receivables (as at December 31, 2023: PLN 16 892 thousand, March 31, 2023: PLN 26 861 thousand). The fair value of factoring receivables has been estimated based on provisions of factoring and insurance agreements.

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

	31.03.2024	31.12.2023	31.03.2023
Trade receivables in total	491 409	354 882	537 778
Receivables subject to factoring without recourse	(219 030)	(188 273)	(245 684)
Trade receivables net disclosed in the statement of financial position	245 147	149 717	265 233
Receivables subject to factoring without recourse in the part not financed by the factor (factoring receivables)	27 232	16 892	26 861

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

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

The analysis conducted by the Group shows that the write-down on this account do not significantly affect the consolidated financial statements and amounted as at March 31, 2024: PLN 773 thousand (as at December 31, 2023: PLN 611 thousand, as at March 31, 2023: PLN 546 thousand).

8 Inventories

in PLN thousand

	31.03.2024	31.12.2023	31.03.2023
Raw materials	200 790	153 195	227 721
Semi-finished goods and work in progress	142 077	170 507	171 109
Finished products	147 112	173 216	242 766
Goods for resale	34 703	26 941	37 629
	524 682	523 859	679 225

9 Trade and other payables

Short term

in PLN thousand

	31.03.2024	31.12.2023	31.03.2023
Trade payables	416 093	280 296	431 942
Statutory payables	21 922	17 561	31 001
Dividend payables	71	96	-
Investment payables	91 563	109 360	32 409
Prepayments for services and deliveries of goods	19 989	8 464	2 902
Liabilities due to the acquisition of subsidiaries	8 786	9 154	10 047
Accrued expenses relating to bonuses for the Management Board	2 060	5 056	2 060
Payroll liabilities	14 781	10 030	18 632
Accrued expenses relating to employees	15 602	16 457	7 685
Accrued expenses	2 166	2 396	10 238
Other payables	6 758	2 259	3 690
	599 791	461 129	550 606

Long term

in PLN thousand

	31.03.2024	31.12.2023	31.03.2023
Liabilities due to the acquisition of subsidiaries	-	-	9 728
Accrued expenses	133	138	-
	133	138	9 728

10 Equity

Issued share capital

	31.03.2024	31.12.2023	31.03.2023
Registered shares number at reporting date	171 420 663	171 420 663	171 420 663
Number of issued warrants	-	-	94
Nominal value of 1 share	1,5 PLN	1,5 PLN	1,5 PLN

At 31 March 2024, the parent Company's share capital comprised 171 420 663 ordinary shares (31 December 2023: 171 420 663 ordinary shares; 31 March 2023: 171 420 663).

Issue of bonds convertible into shares and conditional capital increase

On November 23, 2022, the extraordinary shareholders' meeting adopted a resolution:

a) on the issue of series A registered bonds convertible into ordinary bearer shares of the Company of issue No. 13 with a total value not exceeding PLN 100,000 thousand with a nominal value of PLN 1,000.00 each bond. Bonds will bear interest at the level of WIBOR 6M increased by 2.6 percentage points. The bondholder shall have the right to: pay interest on the interest payment dates provided for in the terms and conditions of the issue; payment on the redemption date or on the early redemption date of the nominal value of each bond subject to redemption (including accrued and unpaid interest until that date); taking up the Company's ordinary bearer shares of issue no 13 with a nominal value of PLN 1.50 each bond, which will be issued as part of the conditional increase of the Company's share capital, in exchange for the bonds held on the terms set out in the resolution.

The conversion of bonds will take place according to the conversion factor of 200 shares per 1 bond. The minimum amount of converting bonds into shares is 1 bond. The shares shall be acquired by the bondholder at the issue price of PLN 5.00 each share. The bonds will be issued for a period of 5-10 years from the issue date. The details of the bond issue will be determined by the Management Board in the Bond Issue Terms.

b) on a conditional increase in the company's capital by an amount not exceeding PLN 30,000 thousand by issuing no more than 20,000 thousand ordinary bearer shares of issue No. 13 with a nominal value of PLN 1.50 each share. The issue price was set at PLN 5.00 per share. No special rights will be associated with the shares. The Company's share capital is increased in order to grant the series A bond holders the right to take up shares in the Company's increased share capital.

c) to deprive all shareholders of the Company of pre-emptive rights in relation to the series A bonds and the shares of issue no 13.

On March 8, 2023, the Management Board of Cognor Holding S.A. adopted a resolution on the issue of 100 000 Series A unsecured registered bonds convertible into shares with a nominal value of PLN 1 000 each and the total value of PLN 100 000 thousand with a redemption period of up to 7 years from the issue date. Details on convertible bonds are described in Note 12.

The ownership structure as at 31 March 2024 is presented in the table below:

Shareholder	Shares number	Shares in equity	Number of votes	Share of votes on General Shareholders' Meeting %
4Workers Sp. z o.o.*	128 539 132	74,99%	128 539 132	74,99%
Przemysław Sztuczkowski	4 886 771	2,85%	4 886 771	2,85%
Other shareholders	37 994 760	22,16%	37 994 760	22,16%
Total	171 420 663	100,00%	171 420 663	100,00%

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

All of the above shares have been paid up.

The ownership structure as at the date of previous corrected report's publication (April 23, 2024) is presented in the table below:

Shareholder	Shares number	Shares in equity %	Number of votes	Share of votes on General Shareholders' Meeting %
4Workers Sp. z o.o.*	128 539 132	74,99%	128 539 132	74,99%
Przemysław Sztuczkowski	4 886 771	2,85%	4 886 771	2,85%
Other shareholders	37 994 760	22,16%	37 994 760	22,16%
Total	171 420 663	100,00%	171 420 663	100,00%

* Przemysław Sztuczkowski owns 100% of shares in 4Workers Sp. z o.o. and therefore the shares owned by 4Workers 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 (May 15, 2024) is presented in the table below:

Shareholder	Shares number	Shares in equity %	Number of votes	Share of votes on General Shareholders' Meeting %
4Workers Sp. z o.o.*	128 539 132	74,99%	128 539 132	74,99%
Przemysław Sztuczkowski	4 886 771	2,85%	4 886 771	2,85%
Other shareholders	37 994 760	22,16%	37 994 760	22,16%
Total	171 420 663	100,00%	171 420 663	100,00%

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

11 Earnings per share

The calculation of basic earnings per share for the three-month period ended 31 March 2024 was based on the profit attributable to ordinary shareholders of PLN 6 133 thousand (the three-month period ended 31 March 2023: profit PLN 169 020 thousand) and a weighted average number of ordinary shares outstanding during the three-month period ended 31 March 2024 of 171 421 thousand (the three-month period ended 31 March 2023: 171 421 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the 3 months period ended March 31, 2024 was 191 421 thousand (31 March 2023: 178 088 thousand).

The calculation of basic earnings per share for the twelve-month period ended 31 March 2024 was based on the profit attributable to ordinary shareholders of PLN 66 367 thousand (the twelve-month period ended 31 March 2023: profit PLN 598 895 thousand) and a weighted average number of ordinary shares outstanding during the twelve-month period ended 31 March 2024 of 171 421 thousand (the twelve-month period ended 31 March 2023: 171 421 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the twelve months ended 31 March 2024 was 191 421 thousand (31 March 2023: 173 088 thousand).

12 Interest-bearing loans and borrowings and bank overdraft

in PLN thousand

	31.03.2024	31.12.2023	31.03.2023
Bank overdraft	130 578	-	8
Non-current liabilities			
Secured bank loans	174 285	99 108	108 585
Secured debt (bonds)	94 847	79 402	110 948
Convertible bonds	98 338	98 275	97 966
Other borrowings	9 167	9 369	-
	376 637	286 154	317 499
Current liabilities			
Current portion of secured bank loans	26 127	15 320	7 773
Current portion of secured debt (bonds)	25 920	44 698	50 389
Current portion of convertible bonds	112	2 651	239
Factoring liabilities	17 699	-	-
Other borrowings	1 485	66 717	1
	71 343	129 386	58 402

Investment loan

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

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

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

Due to the change in the budget of the investment project of Cognor S.A. renegotiated the investment loan agreement with Banco Santander S.A. and signed an annex to the loan agreement on February 8, 2024, as a result of which the amount of the term loan was increased to EUR 35,700 thousand and PLN 360,400 thousand (increase by an additional EUR 5,200 thousand and PLN 120,400 thousand). The financing covered additional agreements, i.e. the supply and assembly agreement of January 29, 2024, under which Danieli & C. Officine Meccaniche S.p.a. undertook to deliver and install at the Cognor S.A. production plant a new water treatment plant in Siemianowice Śląskie and an agreement for the delivery, assembly and commissioning of a MAT99 automatic storage warehouse concluded by Cognor S.A. with Matter SRL on October 26, 2022. The final repayment date has been extended to December 31, 2033, the interest rate will be based on WIBOR/EURIBOR 6M plus a margin, and repayments will be made evenly starting from June 2025 in semi-annual periods.

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. On March 5, 2024, further tranches of EUR 6 818 thousand and PLN 18 493 thousand were released. On March 7, 2024 another tranche of PLN 41 386 was released. Liability due to the above-mentioned loan amounted to PLN 200 412 thousand as at March 31, 2024 (December 31, 2023: PLN 114 428 thousand, March 31, 2023: PLN 116 358 thousand).

Cognor S.A. (subsidiary) 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.

Convertible bonds

On March 8, 2023, the Management Board of Cognor Holding S.A. adopted a resolution on the issue of 100 000 Series A unsecured registered bonds convertible into shares with a nominal value of PLN 1 000 each and the total value of PLN 100 000 thousand with a redemption period of up to 7 years from the issue date and a coupon WIBOR6M + 2,6 p.p. The conversion into shares is not mandatory, and the issue price for the conversion was set at PLN 5 per share. The issuer has the right to redeem the bonds earlier, and the bondholder has the right to convert the bonds into shares, but not earlier than 12 months from the date of issue. On March 15, 2023, the Company received a proposal to acquire all bonds by PS HoldCo Sp. z o.o. and accepted this offer. PS HoldCo Sp. z o.o., which as a result covered the entire issue of bonds, is entitled to interest in the amount of WIBOR6M + 2.6 p.p. and reimbursement of costs incurred in connection with the acquisition of the issue.

In accordance with IAS 32 Cognor Holding S.A. identified the capital element in the above mentioned instrument. However, due to its immateriality, it was decided to recognize the entire instrument as a liability.

As at March 31, 2024, the liability resulted from above bonds amounted to PLN 98 450 thousand (December 31, 2023: PLN 100 926 thousand, March 31, 2023: PLN 98 205 thousand).

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.

Cognor S.A. (subsidiary) 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.

On January 15, 2024, the subsidiary Cognor S.A. issued 120,000 secured series 1/2024 bonds worth PLN 1,000 each. The redemption date of the Bonds was set for January 15, 2029. The bonds bear interest at an interest rate equal to the WIBOR rate for 6-month deposits plus a margin. Interest will be payable in six-month periods (the interest payment date is set for January 15 and July 15 each year). The bonds will be subject to early redemption at a rate of 20% of the original nominal value on January 15 each year during the 5-year bond period.

Funds obtained from the issue of the above-mentioned the bonds were used to repay series 1/2021 bonds on January 15, 2024.

On May 7, 2024, the Management Board of the subsidiary Cognor S.A. adopted a resolution on the issue of series 2/2024 bonds with a nominal value of PLN 1 thousand each and a total value of PLN 120 000 thousand. The bonds will be subject to annual amortization. The final redemption date is set for January 15, 2029. The interest rate will be equal to the WIBOR 6M rate plus a margin. Interest will be payable in six-month periods.

As at March 31, 2024, the liability resulted from above bonds amounted to PLN 120 767 thousand - serie 1/2024 (December 31, 2023: PLN 124 100 thousand - serie 1/2021, March 31, 2023: PLN 161 337 thousand - serie 1/2021).

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 was valid until July 31, 2022. By Annex No. 1 of July 29, 2022, the overdraft amount was increased to PLN 60 000 thousand and the period of validity was extended to July 28, 2023. By Annex No. 2 of December 22, 2022, the loan amount was reduced to PLN 40 000 thousand and the validity period was extended until December 21, 2023. By Annex No. 3 of July 24, 2023, the the period of validity was extended to July 28, 2024. 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 48 000 thousand. Utilization as at March 31, 2024 in the amount of PLN 36 682 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. By Annex No. 2 of September 1, 2023, the the period of validity was extended to January 12, 2024. By Annex No. 3 of January 11, 2024, the the period of validity was extended to January 30, 2026. 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 March 31, 2024 in the amount of PLN 10 009 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. By Annex No. 1 of September 6, 2023, the the period of validity was extended to September 11, 2025. By Annex No. 2 of October 6, 2023 the interest rate base was changed to WIBOR ON PLN and ESTR ON EUR. The loan is secured with a declaration of submission to enforcement up to the amount of PLN 51 000 thousand and a registered pledge on finished products up to the amount of PLN 34 000 thousand. Utilization as at March 31, 2024 in the amount of PLN 33 887 thousand.

The subsidiary - Cognor S.A. signed a loan agreement with Alior Bank S.A. on September 30, 2022 in PLN with a limit of PLN 50 000 thousand. Within the limit, the Company may use an overdraft facility as well as letters of credit and guarantees. The credit use period expires on September 28, 2026. The loan interest rate is set at WIBOR 1M + margin. The security is a power of attorney to a bank account, a pledge on finished products up to the amount of PLN 40 000 thousand and a declaration of submission to enforcement. Utilization as at March 31, 2024 in the amount of PLN 50 000 thousand.

The subsidiary - JAP Industries s.r.o. signed a loan agreement with ČSOB on October 12, 2022 with a limit of CZK 200 000 thousand. Within the limit, the Company may use an overdraft facility up to CZK 100,000 thousand as well as letters of credit and guarantees up to CZK 140 000 thousand. The limit can be used in CZK, USD and EUR currencies. The interest rate on the overdraft facility is determined depending on the currency by ON PRIBOR/ESTER/1M SOFR + margin. The collateral consists of inventories and receivables. Utilization of the overdraft facility as at March 31, 2024 in the amount of PLN 0 thousand.

The subsidiary - JAP Industries s.r.o. signed a loan agreement with Citibank on October 31, 2022 with a limit of CZK 50 000 thousand. Within the limit, the Company may use an overdraft as well as letters of credit and guarantees. The limit can be used in CZK, USD and EUR currencies. The loan interest rate is determined depending on the currency by 1D PRIBOR/overnight LIBOR EUR/overnight LIBOR USD + margin. The collateral is receivables. Utilization of the overdraft facility as at March 31, 2024 in the amount of PLN 0 thousand.

13 Contingencies, guarantees and other commitments

The Group has not the contingent liabilities. For subsidiary guarantees please refer to note no. 24.

14 Transactions with related parties

Identity of related parties

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

Controlling entities:

- 4Workers Sp. z o.o.
- PS Holdco Sp. z o.o. (on August 31, 2023, merged with 4Workers Sp. z o. o.)

Associates are as follows:

- Madrohut Sp. z o.o. (from April 11, 2014)

Related companies to the controlling entities (owners):

- 4 Groups Sp. z o.o. (from August 23, 2021)
- czystyefekt.pl Sp. z o.o.
- 4Groups Sp. z o.o. Sp. komandytowa (from June 22, 2022)
- PS Green Investments Sp. z o.o. (from October 3, 2022)

Entities personally related to Members of the Management Board

- PS Przemysław Sztuczkowski
- Przemysław Grzesiak
- BMD Dominik Barszcz
- BMD Sp. z o.o.
- BMD Sp. z o.o. S.K.A.
- BMLaw Kancelaria Prawna
- BMLaw Kancelaria Prawna Marcin Barszcz S.K.A.
- Michał Kotas (limited partner Cognor Holding S.A. Sp. k.)
- Foundation "Zdążyć na czas"
- PS Workers Sp. z o.o.

in PLN thousand

	31.03.2024	31.12.2023	31.03.2023
<i>Short-term receivables:</i>			
- associates	258	229	178
- controlling entities	2	2	12
- related companies to the controlling entities	1	-	10
- entities personally related to Members of the Management Board	38 402	36 037	27 632
<i>Short-term liabilities</i>			
- controlling entities	1 378	1 174	3 363
- related companies to the controlling entities	1 034	6 090	2 183
- entities personally related to Members of the Management Board	142	88	379
<i>Long-term interest-bearing loans and borrowings</i>			
- controlling entities	98 338	98 275	97 966
<i>Short-term interest-bearing loans and borrowings</i>			
- controlling entities	112	2 651	239
- entities personally related to Members of the Management Board	-	65 524	-

<i>in PLN thousand</i>	01.01.2024 - 31.03.2024	01.01.2023 - 31.03.2023	01.04.2023 - 31.03.2024	01.04.2022 - 31.03.2023
<i>Revenues from sale of services</i>				
- associates	506	567	1 606	3 128
- controlling entities	30	33	128	135
- related companies to the controlling entities	4	7	13	23
- entities personally related to Members of the Management Board	2 365	1 817	10 628	10 139
<i>Revenues from sale of raw materials and commodities</i>				
- associates	65	88	276	367
- controlling entities	-	-	1	4
- related companies to the controlling entities	-	18	-	18
<i>Purchase of commodities and raw materials</i>				
- controlling entities	473	492	2 844	1 702
<i>Purchase of services</i>				
- associates	-	-	-	-
- related companies to the controlling entities	8 120	12 398	18 676	34 783
- controlling entities	2 153	1 726	6 753	6 209
- entities personally related to Members of the Management Board	330	567	1 341	1 896
<i>Other expenses</i>				
- controlling entities	-	-	-	-
- entities personally related to Members of the Management Board	-	-	-	(109)
<i>Financial costs</i>				
- controlling entities	(2 640)	(258)	(10 589)	(293)
- entities personally related to Members of the Management Board	(1 571)	-	(4 946)	-

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. As at the balance sheet date, the value of expenditure incurred cumulatively by the Group in this respect is PLN 32 604 thousand (in first 3 months 2024: PLN 2 056 thousand) . In accordance with the requirements of IFRS 15, the Group recognized in the financial statements for the first 3 months of 2024 an income of PLN 2 364 thousand (3 months of 2022: PLN 1 813 thousand).

15 Cash and cash equivalents presented in cash flow statements

<i>in PLN thousand</i>	31.03.2024	31.12.2023	31.03.2023
Cash in bank	71 821	63 646	187 421
Cash in bank restricted in use	78 365	79 329	103 393
Cash in hand	307	277	329
Short-term bank deposit	494	1 017	124 129
Other	-	-	-
Cash and cash equivalents	150 987	144 269	415 272
Bank overdrafts	(130 578)	-	(8)
Cash and cash equivalents in the statement of cash flows	20 409	144 269	415 264

16 Assets classified as held for sale

Subsidiary Cognor S.A. decided to sell the right of perpetual usufruct of land to a property located in Chorzów. On December 21, 2022, a preliminary sales agreement was signed. On July 27, 2023, the Company received a binding request from the buyer to conclude the final agreement. The conditional sales agreement was concluded on November 28, 2023. On January 2, 2024, the Chorzów commune exercised its right of pre-emption and purchased the subject perpetual usufruct right to land for PLN 7 466 thousand (net). In connection with the sale, the Group recognized a profit of PLN 2 060 thousand.

17 Financial instruments

Financial instruments measured at fair values

Fair values

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

- Cash and cash equivalents, short-term bank deposits and short-term bank loans: the carrying amounts approximate fair value due to the short term nature of these instruments.
- Trade and other receivables, trade and other payables and accrued liabilities: the carrying amounts approximate fair value due to the short-term nature of these instruments.
- Interest-bearing loans and borrowings, excluding fixed rate debt securities: the fair value approximate carrying amounts due to the variable nature of the related interest rates
- Liabilities due to bonds convertible into shares: the fair value of these instruments is close to their book value due to the variable nature of their interest rates (level 2) and as at March 31, 2024 amounted to: PLN 98 450 thousand (December 31, 2023: PLN 100 926 thousand, March 31, 2023: PLN 98 205 thousand)
- Liability under corporate bonds issued in 2021 - due to the fact that the bonds are bonds listed on the Catalyst market, the fair value of the bonds was determined on the basis of transactions concluded around the balance sheet date. The fair value of the nominal value of bonds as at March 31, 2024 was PLN 120 000 thousand (level 1), (December 31, 2023 was PLN 120 000 thousand, March 31, 2023: PLN 160 000 thousand).
- The fair value of IRS has been estimated on the base of valuation model taking into consideration the future cash flows in fixed and variable interest rate (level 2). As at 31 March 2024 the fair value of asset relating to IRS amounted PLN 38 954 thousand (31 December 2023: asset PLN 31 462 thousand, 31 March 2023: asset PLN 51 459 thousand).

18 Seasonability

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

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

Management Board didn't publish forecasts.

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

	As at the date of the current report		As at the date of the previous report	
	quantity	% in share capital	quantity	% in share capital
Management Board				
- Przemysław Sztuczkowski *	4 886 771	2,85%	4 886 771	2,85%
- Przemysław Grzesiak	-	-	-	-
- Krzysztof Zoła	-	-	-	-
- Dominik Barszcz	10 000	0,01%	10 000	0,01%
Supervisory Board				
- Hubert Janiszewski	-	-	-	-
- Piotr Freyberg	-	-	-	-
- Zbigniew Łapiński	-	-	-	-
- Jacek Welc	-	-	-	-
- Stefan Dzienniak	-	-	-	-

*Przemysław Sztuczkowski owns 100% of shares in 4Workers Sp. z o.o. and therefore the shares owned by 4Workers Sp. z o.o. represent the indirect participation of Przemysław Sztuczkowski in Cognor Holding S.A. Detailed information in note 10.

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

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

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

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

- on 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. By judgment of August 31, 2022, the court repealed the decision in its entirety. The Silesian Customs and Tax Office filed a cassation complaint against this judgment and the Company is awaiting the date of the hearing. 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. On April 28, 2023, the Company received a notification along with the justification for the charge from the Office of Competition and Consumer Protection, which includes an announcement that the Office of Competition and Consumer Protection will issue a decision punishing Cognor S.A. financial penalty for delays in payment of liabilities. The company received a decision of the Office of Competition and Consumer Protection of May 31, 2023 imposing on Cognor S.A. fine in the amount of PLN 1,397 thousand. The company, not agreeing with the decision of the Office of Competition and Consumer Protection, submitted an application for reconsideration of the case on June 16, 2023. In previous years, the Company's Management Board created a provision in this respect in the amount of PLN 1.3 million.

- described in the financial statements for previous periods dispute with the gas supplier Enesta Sp. z o. o. (PGE Obrót Group), which attempted to terminate a comprehensive supply agreement that was beneficial for the Company, ended with the supplier recognizing the judgment of the District Court in Rzeszów in favor of the Company and correcting the invoices in terms of prices that were too high in relation to the contract. Due to formal irregularities raised by Enesta when submitting declarations of will as part of the performance of the contract by the Company, invoice corrections are lower than expected by PLN 3.1 million therefore, the dispute was limited to this maximum amount. In the opinion of the Management Board, the risk for the Company is not material and therefore no provisions related to this matter are created.

- Cognor S.A. received on September 29, 2023, the ZUS inspection report showing the lack of calculation of social security contributions on additional remuneration (due to the so-called Steelworker's Card) paid in the period 01/2019-12/2022 in the amount of PLN 6,619 thousand. Due to the above, the Company created in 2023 a provision against the cost of products sold for the amount resulting from the payer's contributions in the amount of PLN 3,253 thousand and in other operating costs, it recognized a provision for interest on tax arrears in the amount of PLN 1,930 thousand. In part of the premiums financed by the insured, unless the Company's appeal procedure is effective, the Company's management will transfer this burden to the beneficiaries of this additional benefit. On March 19, 2024, the Company received 3 collective and 723 individual decisions upholding the findings of the inspection report, to which it filed the same number of appeals to the Social Insurance Institution in April 2024, which, if the authority upholds its position, will automatically go to the District Court in Tarnobrzeg.

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

Not applicable.

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

Warranties and guarantees granted to subsidiaries by the Parent Company:

Subsidiary	Type of liability	Guarantee value (in PLN thousand)	Period of guarantee
Cognor S.A.	Bonds	120 000	till 15.01.2029
Cognor S.A.*	Investment loan	371 177	till 21.12.2031
Cognor S.A.*	Investment loan	142 765	till 21.12.2033
Cognor S.A.	Trade liability	24	without deadline
Cognor S.A.	Factoring	60 000	without deadline

* guarantee granted by the Issuer together with subsidiary, i.e. Cognor Holding S.A. Sp. K. and Wizja i Wola Sp. z o.o.

Warranties and guarantees granted to the Parent Company by subsidiaries:

Subsidiary	Type of liability	Guarantee value	Period of guarantee
Cognor S.A.	Surety for the guarantee provided by Bank PKO S.A.	11 424	till 16.01.2025

Guarantees received by subsidiary Cognor S.A.

Guarantor	Type of liability	Guarantee value (in PLN thousand)	Period of guarantee
KUKE S.A.	Investment loan	296 942	till 21.12.2031
KUKE S.A.	Investment loan	114 212	till 21.12.2033

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

The Group, as a representative of the metallurgical industry, is exposed to the situation of two main branches of the economy: construction and automotive. These are industries characterized by a large amplitude of economic volatility. As a consequence, the condition of the metallurgical industry is subject to considerable cyclicity. In Cognor's case, the course of business cycles is more balanced, because we produce steel for both the construction industry and the automotive industry, whose peaks and troughs cancel out to some extent, due to the fact that their cyclical profiles do not overlap in time. Nevertheless, the volatility of operating and financial results is high in our case and while in quarters of period 2021-2022 we recorded very good results, in subsequent quarters we observe a deterioration of our operating situation and we achieve worse financial results. In addition to the aforementioned macroeconomic factors, the weakening of the Cognor's condition was affected by the decision to shift the main burden of investment outlays to the period of economic downturn. In our opinion, it was a good and rational decision, maximizing our results in the longer term, but at the cost of deepening the slowdown trend that has been progressing in the steel industry since mid-2022. For this reason, the comparison of the current results with the period 2021-2022 is unfavorable, but if we take into account the comparison with earlier times the situation is much better. When quantifying the factors influencing the results of first quarter of 2024, it is worth paying attention to the demurrage costs in the amount of PLN 12.4 million, mainly for the steel plant in Gliwice and the rolling mill in Kraków and caused by the start-up period of the Kraków plant in which the production process is not yet repeatable and to the full extent of production capacity. The described issue of economic aspects, which are currently manifesting themselves in the crisis in the construction industry, resulted in a decrease in the prices of some of our products in the last quarter, which hit margins and, in some cases, brought these prices below the historical cost of production. This made it necessary to recognize write-downs on inventories in 2023 in the amount of PLN 23.2 million. Therefore, the natural cyclical nature of the business cycle in the completed year was reinforced by temporary factors resulting from the implementation of extensive development projects at our plant in Kraków. The positive condition of our operations in the automotive area did not offset the damage to the construction steel business, as the results of this segment only remain at the current, good level.

In addition to its own funds, the Group uses external sources, including: (i) debt financing in the form of long- and short-term bank loans, leasing transactions and ordinary bonds and bonds convertible into shares, and (ii) through the sale of receivables under factoring agreements, primarily without recourse to the Group as the receivable provider. The largest debt items are: an investment loan to finance investments in Siemianowice Śląskie, ordinary 5-year bonds issued in January 2024 in the amount of PLN 120.0 million under the program up to the amount of PLN 240.0 million and 7-year bonds convertible into shares issued in 2023 year in the amount of PLN 100.0 million. The investment loan was granted for a period of 10 years in December 2021 in the amounts of EUR 30.5 million and PLN 240.0 million. In February 2024, due to the increase in the budget of the loan-financed project, we concluded an annex with the lender (Santander Group) under which we obtained an increase in the amounts granted by EUR 5.2 million and PLN 120.4 million. As at the date of preparation of this report, we are in the process of issuing the second tranche of bonds within the above-mentioned limit of PLN 240.0 million. In the process of building demand, we obtained subscriptions from investors covering a total amount of PLN 120.0 million, representing the entire value of the program. The issue date of this tranche of bonds, which is also the deadline for payment of subscriptions, was set for May 16, 2024.

The current amount of financing sources is, in the opinion of the Cognor Group Management Board, adequate to current and future needs both in relation to maintaining operational activities and continuing investments. Currently, there are no violations of the terms of these financings. At the end of the third quarter of 2023, some conditions of investment financing granted by the Santander Group were violated, including those regarding the amount of capital expenditure and one of the financial indicators, which the Group informed in detail in the previous reports. Negotiations with the bank resulted in the conclusion of an annex to the loan agreement in February this year, in which the Santander Group accepted the violations and increased the amount of financing. The annex provides for another full verification of the covenants (leverage and DSCR) as of June 30, 2024 and then at the end of subsequent quarters. As at the date of this report, only the leverage ratio whose maximum level has not been exceeded is subject to verification. Due to the uncertainty regarding the financial results in subsequent periods, which affect the fulfillment of financial covenants, it cannot be guaranteed that breaches of contracts will not occur in the future. The Management Board analyzes and monitors these circumstances on an ongoing basis, also in subsequent periods, and will take appropriate actions, including possibly prior communication with financial institutions, if there is a risk of failure to meet the conditions agreed in the financing agreements. We assess the maturity structure of our financing as favorable with a large long-term exposure component. The interest rate on most of it was secured by IRS transactions at a favorable, low level. Apart from the ongoing issue of the second tranche of bonds worth PLN 120.0 million under the program worth PLN 240.0 million, we do not anticipate the need to increase the scale of lending or change its structure this year.

The threat to the stability of our business operations caused by the war situation in Ukraine continues. Although the related energy crisis caused a sharp increase in gas and electricity prices, the European Union managed to get through the winter without reducing the supply of energy carriers for industry or households. Today, we assess the risk of such situations in Poland, and thus the risk of suspending or limiting our production, as definitely lower. We also no longer see problems in the sphere of sales or supply, because we were not active in sales on eastern markets, and we managed to replace the purchases of some production materials with imports from other directions. Despite this, a further escalation of the war and the related consequences, which are difficult to estimate, cannot be ruled out. Further actions will be taken as the situation evolves. Meanwhile, we live in hope that this conflict will be resolved as quickly as possible.

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

The consolidated financial results of the Cognor Capital Group in the the perspective of the second quarter of 2024 will depend mainly on:

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

26 Subsequent events

On May 7, 2024, the Management Board of the subsidiary Cognor S.A. adopted a resolution on the issue of series 2/2024 bonds with a nominal value of PLN 1 thousand each and a total value of PLN 120 000 thousand. The bonds will be subject to annual amortization. The final redemption date is set for January 15, 2029. The interest rate will be equal to the WIBOR 6M rate plus a margin. Interest will be payable in six-month periods.

Poraj, 15 May 2024

Przemysław Sztuczkowski
President of the Management Board

Przemysław Grzesiak
Vice President of the Management Board

Krzysztof Zoła
Member of the Management Board

Dominik Barszcz
Member of the Management Board

Selected data from the consolidated financial statements

	PLN thousand		EUR thousand	
	31.03.2024	Comparative data*	31.03.2024	Comparative data*
I. Sales revenue	686 280	887 447	158 821	188 798
II. Operating profit	14 676	88 568	3 396	18 842
III. Profit before tax	8 610	184 637	1 993	39 280
IV. Profit for the period	6 195	172 278	1 434	36 651
IV.a. Profit for the period attributable to owners of the Parent Company	6 133	169 020	1 419	35 958
IV.b. Profit for the period attributable to non-controlling interests	62	3 258	14	693
V. Net cash from operating activities	3 699	34 085	856	7 251
VI. Net cash from investing activities	-137 367	-33 984	-31 790	-7 230
VII. Net cash from financing activities	10 681	78 741	2 472	16 752
VIII. Net change in cash and cash equivalents	-122 987	78 842	-28 462	16 773
IX. Total assets	2 586 141	2 273 924	601 302	522 982
X. Total liabilities	1 343 145	1 032 714	312 294	237 515
XI. Total non-current liabilities	512 410	412 335	119 140	94 833
XII. Total current liabilities	830 735	620 379	193 154	142 681
XIII. Total equity	1 242 996	1 241 210	289 008	285 467
XIV. Issued share capital	257 131	257 131	59 785	59 138
XV. Number of shares (in thousands)	171 421	171 421		
XVI. Basic earnings per share (PLN/EUR)	0,04	0,99	0,01	0,21
XVII. Diluted earnings per share (PLN/EUR)	0,03	0,95	0,01	0,20
XVIII. Basic book value per share (PLN/EUR) as at 31 December	7,25**	7,24***	1,69	1,67
XIX. Diluted book value per share (PLN/EUR) as at 31 December	6,49**	6,6***	1,51	1,52
XX. Declared or paid dividend per share (PLN/EUR)	0,00	1,22	0,00	0,26

*Data for the items relating to the statement of financial position are presented as at December 31, 2023 while for the items relating to the statement of comprehensive income and the statement of cash flows for the period from January 1 to March 31, 2023

** as at March 31, 2024 the average number of shares used to calculate the basic book value per share was 171 421 thousand pieces and diluted book value per share was 191 421 thousand pieces

*** as at December 31, 2023 the average number of shares used to calculate the basic book value per share was 171 421 thousand pieces and diluted book value per share was 188 088 thousand pieces

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

The items of assets and liabilities in the statement of financial position were converted into EUR according to the average exchange rate announced by the National Bank of Poland as of March 31, 2024, PLN 4.3009 / EUR and for comparative data as of December 31, 2023, PLN 4.348 / EUR.

Individual items concerning the statement of comprehensive income and cash flows were converted according to the exchange rate being the arithmetic average of the average NBP exchange rates applicable on the last calendar day of individual months, which amounted to PLN 4.3211 / EUR (3 months of 2024), 4.7005 PLN / EUR (3 months of 2023), respectively.