

**Condensed Consolidated
Interim Financial Statements**

Cognor Holding S.A.

**as at and for the nine months ended
30 September 2024**

14 November 2024

Condensed consolidated statement of financial position

in PLN thousand

	Note	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Assets					
Property, plant and equipment	6	1 430 453	1 331 353	1 116 622	949 323
Intangible assets		16 653	17 194	18 196	19 094
Investment property		114	114	115	116
Investment in associates		1 020	1 102	991	1 004
Financial assets due to valuation of derivative instruments	18	17 357	22 415	28 645	34 839
Other receivables	7	8 577	8 308	15 417	15 076
Deferred tax assets		3 570	2 836	1 799	1 449
Total non-current assets		1 477 744	1 383 322	1 181 785	1 020 901
Inventories	8	517 495	504 089	523 859	556 255
Other investments		15	18	13	15
Financial assets due to valuation of derivative instruments	18	2 479	3 375	2 817	3 828
Current income tax receivables		1 382	5 520	10 299	19 900
Trade and other receivables	7	364 217	353 877	403 933	487 305
Cash and cash equivalents	17	329 182	483 427	144 269	168 178
Assets classified as held for sale	13	-	-	6 949	6 955
Total current assets		1 214 770	1 350 306	1 092 139	1 242 436
Total assets		2 692 514	2 733 628	2 273 924	2 263 337

Przemysław Sztuczkowski
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Vice President of the Management Board

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Member of the Management Board

Dominik Barszcz
Member of the Management Board

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

Condensed consolidated statement of financial position - continued

<i>in PLN thousand</i>	<i>Note</i>	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Equity					
Issued share capital	10	257 131	257 131	257 131	257 131
Reserves		833 634	833 634	710 977	710 977
Foreign currency translation reserves		(18 043)	(16 330)	(13 926)	(3 360)
Retained earnings		64 586	93 137	207 766	199 636
Total equity attributable to owners of the Parent Company		1 137 308	1 167 572	1 161 948	1 164 384
Non-controlling interests		77 723	79 598	79 262	79 014
Total equity		1 215 031	1 247 170	1 241 210	1 243 398
Liabilities					
Interest-bearing loans and borrowings	12	587 014	584 628	286 154	289 595
Lease liabilities		119 665	111 611	103 197	101 119
Employee benefits obligation		13 604	13 456	13 126	12 994
Other payables	9	-	-	138	9 355
Government grants and other deferred income		5 029	5 386	5 334	5 650
Deferred tax liabilities		1 502	7 349	4 386	15 509
Total non-current liabilities		726 814	722 430	412 335	434 222
Bank overdraft	12	20 990	-	-	33 217
Interest-bearing loans and borrowings	12	117 152	110 438	129 386	126 979
Lease liabilities		29 467	26 771	23 903	24 018
Employee benefits obligation		2 616	2 361	1 755	1 929
Current income tax payables		-	-	-	67
Provisions for payables	14	1 300	1 300	1 300	1 300
Trade and other payables	9	577 694	621 677	461 129	395 129
Government grants and other deferred income		1 450	1 481	1 365	1 557
Liabilities of disposal assets held for sale	13	-	-	1 541	1 521
Total current liabilities		750 669	764 028	620 379	585 717
Total liabilities		1 477 483	1 486 458	1 032 714	1 019 939
Total equity and liabilities		2 692 514	2 733 628	2 273 924	2 263 337

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Condensed consolidated statement of profit or loss and other comprehensive income

<i>in PLN thousand</i>	<i>Note</i>	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Revenue	4	498 259	499 497	1 735 403	2 151 545
Cost of sales		(496 580)	(457 697)	(1 684 626)	(1 918 017)
Gross profit		1 679	41 800	50 777	233 528
Other income		22 821	52 252	101 411	105 660
Distribution expenses		(25 943)	(22 630)	(89 652)	(89 440)
Administrative expenses		(18 299)	(17 181)	(55 562)	(55 594)
Other (losses)/gains - net		1 245	8 156	5 000	1 980
Other expenses		(1 341)	(2 397)	(2 734)	(6 092)
Operating profit before financing costs		(19 838)	60 000	9 240	190 042
Financial income		(2 240)	(3 227)	9 344	10 093
Financial expenses		(14 328)	(16 072)	(43 488)	(57 640)
Net financing costs		(16 568)	(19 299)	(34 144)	(47 547)
Share of profit of associates		(32)	22	79	17
Gain on bargain purchase		-	-	-	112 076
Profit before tax		(36 438)	40 723	(24 825)	254 588
Income tax expense		6 012	(10 646)	2 764	(27 158)
Profit for the period		(30 426)	30 077	(22 061)	227 430
Profit for the period attributable to:					
Owners of the Parent Company		(28 551)	28 385	(20 522)	221 124
Non-controlling interests		(1 875)	1 692	(1 539)	6 306
Profit for the period		(30 426)	30 077	(22 061)	227 430
Other comprehensive income - that will be classified subsequently to profit or loss when specific conditions are met					
Foreign currency translation differences		(1 713)	1 877	(4 117)	(3 360)
Total comprehensive income for the period		(32 139)	31 954	(26 178)	224 070
Total comprehensive income for the period attributable to:					
Owners of the Parent Company		(30 264)	30 262	(24 639)	217 764
Non-controlling interests		(1 875)	1 692	(1 539)	6 306
Total comprehensive income for the period		(32 139)	31 954	(26 178)	224 070
Basic earnings per share (PLN) attributable to the owners of the Parent Company	11	(0,17)	0,17	(0,12)	1,29
Diluted earnings per share (PLN) attributable to the owners of the Parent Company	11	(0,15)	0,15	(0,11)	1,18

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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

	Note	01.10.2023 - 30.09.2024	01.10.2022 - 30.09.2023
Revenue		2 305 382	3 074 720
Cost of sales		(2 207 929)	(2 670 441)
Gross profit		97 453	404 279
Other income		119 613	132 815
Distribution expenses		(116 417)	(120 704)
Administrative expenses		(74 684)	(76 253)
Other (losses)/gains - net		(555)	(9 523)
Other expenses		(2 906)	4 597
Operating profit before financing costs		22 504	335 211
Financial income		10 245	3 340
Financial expenses		(47 282)	(65 351)
Net financing costs		(37 037)	(62 011)
Share of profit of associates		116	133
Gain on bargain purchase		-	112 076
Profit before tax		(14 417)	385 409
Income tax expense		734	(24 485)
Profit for the period		(13 683)	360 924
Profit for the period attributable to:			
Owners of the Parent Company		(12 392)	347 863
Non-controlling interests		(1 291)	13 061
Profit for the period		(13 683)	360 924

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

<i>in PLN thousand</i>	<i>Note</i>	01.10.2023 - 30.09.2024	01.10.2022 - 30.09.2023
Other comprehensive income - that will be classified subsequently to profit or loss when specific conditions are met			
Foreign currency translation differences		(14 683)	(3 360)
Total comprehensive income for the period		(28 366)	357 564
Total comprehensive income for the period attributable to:			
Owners of the Parent Company		(27 075)	344 503
Non-controlling interests		(1 291)	13 061
Total comprehensive income for the period		(28 366)	357 564
Basic earnings per share (PLN) attributable to the owners of the Parent Company	<i>11</i>	(0,07)	2,03
Diluted earnings per share (PLN) attributable to the owners of the Parent Company	<i>11</i>	(0,06)	1,90

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Condensed consolidated statement of cash flows

<i>in PLN thousand</i>	Note	01.07.2024 - 30.09.2024	01.07.2023 - 30.09.2023	01.01.2024 - 30.09.2024	01.01.2023 - 30.09.2023
Profit/(loss) before tax from continuing operations		(36 438)	40 723	(24 825)	254 588
Adjustments					
Depreciation		12 368	11 411	35 652	35 260
Amortization		456	486	1 356	1 444
Impairment losses and valuation allowances		-	-	-	-
Foreign exchange (gains)/losses		(1 828)	3 547	(796)	(1 478)
Net (gains)/losses on investment activities		-	-	-	-
Net (gains)/losses on disposal of property, plant and equipment		(1 460)	(397)	(2 606)	(6 773)
Interest, transaction costs (related to loans and borrowings) and dividends, net		19 340	16 117	22 500	48 317
Change in receivables		4 757	(1 443)	48 857	(35 375)
Change in inventories		(14 090)	33 405	4 687	75 000
Change in trade and other payables		(54 302)	(67 658)	156 654	(124 424)
Change in provisions		(4)	(83)	4	59
Change in employee benefits obligation		403	21	1 339	1 109
Change in government grants and other deferred income		(388)	(329)	(220)	(889)
Share of profit of associates		32	(22)	(79)	(17)
Gain on bargain purchase		-	-	-	(112 076)
Other adjustments		-	-	-	-
Cash generated/(outflows) from operating activities		(71 154)	35 778	242 523	134 745
Income tax (paid)/returned, incl.		-	(4 086)	3 474	(12 683)
Net cash from operating activities		(71 154)	31 692	245 997	122 062
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		1 443	-	11 456	8 482
Proceeds from sale of assets classified as held for sale		-	-	7 466	-
Acquisition of shares in consolidated companies (net of cash acquired)		(30)	(59)	(91)	26 608
Dividends received		50	100	50	100
Repayment of loans granted		3	3	6	9
Acquisition of property, plant and equipment		(81 825)	(78 211)	(333 157)	(231 338)
Acquisition of intangible assets		(1)	(32)	(32)	(104)
Proceeds from acquisition of an organized part of an enterprise		-	-	-	200
Loans granted		-	(5)	(8)	(10)
Net cash from investing activities		(80 360)	(78 204)	(314 310)	(196 053)
Cash flows from financing activities					
Net cash receipts from share issue		-	-	-	-
Proceeds from interest-bearing loans and borrowings		3 564	24 468	498 474	175 788
Proceeds from IRS		-	-	15 810	6 564
Proceeds from transactions with minority shareholders		-	-	-	250
Net cash flows from factoring		1 016	-	1 016	-
Repayment of interest-bearing loans and borrowings		(144)	(40 059)	(209 269)	(40 114)
Payment of lease liabilities		(10 616)	(9 788)	(26 713)	(21 715)
Dividends and other distributions from profit		-	-	(108)	(209 245)
Interest and transaction costs (related to loans and borrowings) paid		(17 103)	(17 111)	(46 009)	(37 818)
Net cash from financing activities		(23 283)	(42 490)	233 201	(126 290)
Net increase / (decrease) in cash and cash equivalents		(174 797)	(89 002)	164 888	(200 281)
Cash and cash equivalents net of bank overdraft, at 1 January/1 July		483 427	223 892	144 269	335 715
- effect of exchange rate fluctuations on cash held		(438)	71	(965)	(473)
Cash and cash equivalents net of bank overdraft, at 30 September	17	308 192	134 961	308 192	134 961
- including cash restricted for use	17	82 407	63 692	82 407	63 692

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>	<i>Note</i>	01.10.2023 - 30.09.2024	01.10.2022 - 30.09.2023
(Loss)/profit before tax		(14 417)	385 409
Adjustments			
Depreciation		47 550	46 127
Amortization		1 814	1 756
Impairment losses and valuation allowances		-	-
Foreign exchange (gains)/losses		(8 357)	(4 629)
Net (gains)/losses on investment activities		-	-
Net (gains)/losses on disposal of property, plant and equipment		(2 821)	(7 245)
Interest, transaction costs (related to loans and borrowings) and dividends, net		40 425	63 995
Change in receivables		117 954	28 504
Change in inventories		32 574	42 652
Change in trade and other payables		203 594	(104 220)
Change in provisions		342	89
Change in employee benefits obligation		1 297	(397)
Change in government grants and other deferred income		(728)	(1 049)
Share of profit of associates		(116)	(133)
Gain on bargain purchase		-	(112 076)
Other adjustments		-	560
Cash generated from operating activities		419 111	339 343
Income tax (paid)/returned, incl.		(631)	(54 432)
Net cash from operating activities		418 480	284 911

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

<i>in PLN thousand</i>	<i>Note</i>	01.10.2023 - 30.09.2024	01.10.2022 - 30.09.2023
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		15 249	9 704
Proceeds from sale of assets held for sale		7 466	-
Acquisition of shares in consolidated companies (net of cash acquired)		(10 071)	(5 962)
Dividends received		100	250
Repayment of loans granted		9	10
Acquisition of property, plant and equipment		(489 920)	(309 386)
Acquisition of intangible assets		(145)	(235)
Proceeds from acquisition of an organized part of an enterprise		-	200
Grants received for investing activities		-	6
Loans granted		(9)	(14)
Net cash from investing activities		(477 321)	(305 427)
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings		498 464	175 788
Proceeds from IRS		20 553	13 369
Net cash flows from factoring		1 016	-
Proceeds from transactions with minority shareholders		-	250
Repayment of interest-bearing loans and borrowings		(209 327)	(40 130)
Payment of lease liabilities		(33 044)	(27 908)
Dividends and other distributions from profit		(108)	(209 245)
Interest and transaction costs (related to loans and borrowings) paid		(42 381)	(39 505)
Net cash from financing activities		235 173	(127 381)
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents net of bank overdraft, at 1 October		134 961	283 331
- effect of exchange rate fluctuations on cash held		(3 101)	(473)
Cash and cash equivalents net of bank overdraft, at 30 September	<i>17</i>	308 192	134 961
- including cash restricted for use	<i>17</i>	82 407	63 692

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

Condensed consolidated statement of changes in equity

	Attributable to owners of the Parent Company					Non-controlling interests	Total equity
	Issued capital	Reserves (incl. treasury shares)	Foreign currency translation reserves	Retained earnings	Total		
<i>in PLN thousand</i>							
Equity as at 1 January 2023	257 131	351 548	-	547 417	1 156 096	72 335	1 228 431
Total comprehensive income	-	-	(3 360)	221 124	217 764	6 306	224 070
- (loss)/profit	-	-	-	221 124	221 124	6 306	227 430
- foreign currency translation differences relating to foreign operations	-	-	(3 360)	-	(3 360)	-	(3 360)
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 30 September 2023	257 131	710 977	(3 360)	199 636	1 164 384	79 014	1 243 398
Equity as at 1 January 2023	257 131	351 548	-	547 417	1 156 096	72 335	1 228 431
Total comprehensive income	-	-	(13 926)	229 254	215 328	6 554	221 882
- (loss)/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	-	-	(4 117)	(20 522)	(24 639)	(1 539)	(26 178)
- profit	-	-	-	(20 522)	(20 522)	(1 539)	(22 061)
- foreign currency translation differences relating to foreign operations	-	-	(4 117)	-	(4 117)	-	(4 117)
Transactions with owners of the Company, recognised in equity							
Contribution by and distributions to owners of the Company	-	-	-	-	-	-	-
Change in ownership interests	-	-	-	(1)	(1)	-	(1)
Acquisition of non-controlling interests that do not result in a change in control	-	-	-	(1)	(1)	-	(1)
Transfer of profit	-	122 657	-	(122 657)	-	-	-
Equity as at 30 September 2024	257 131	833 634	(18 043)	64 586	1 137 308	77 723	1 215 031
Equity as at 1 July 2024	257 131	833 634	(16 330)	93 137	1 167 572	79 598	1 247 170
Total comprehensive income	-	-	(1 713)	(28 551)	(30 264)	(1 875)	(32 139)
- profit	-	-	-	(28 551)	(28 551)	(1 875)	(30 426)
- foreign currency translation differences relating to foreign operations	-	-	(1 713)	-	(1 713)	-	(1 713)
Equity as at 30 September 2024	257 131	833 634	(18 043)	64 586	1 137 308	77 723	1 215 031

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

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

1 Parent entity

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

The main activities of the Group comprise: trade in scrap, casting steel billets from scrap and production of long steel products from billets.

2 Cognor Holding S.A. Group

The condensed consolidated interim financial statements as at and for the nine months ended 30 September 2024 comprise the Parent Company and its subsidiaries (“the Group”). Details of the subsidiaries that comprise the Group as at 30 September 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% (contributions 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.)	11.04.2014
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	75.00%	2023-04-03
WIZJA i WOLA Sp. z o.o.	Poland	100.00%	2023-10-04

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

Acquisitions, mergers and disposal of companies within the Capital Group

Acquisitions in 2024

In 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.

On May 6, 2024, the General Meeting of Shareholders of Wizja i Wola Sp. z o. o. decided to increase the company's share capital by PLN 50 thousand.

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 14 November 2024.

IFRS EU contain all International Accounting Standards, International Financial Reporting Standards as well as related Interpretations except for the below listed Standards and Interpretations which are awaiting approval of the European Union as well as those Standards and Interpretations which have been approved by the European Union but are not yet effective.

Changes to existing standards applied for the first time in the Group's financial statements for 2024

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and approved for use in the EU enter into force for the first time in reporting periods beginning on or after January 1, 2024:

- a) amendments to IAS 1 - classification of liabilities as current or long-term and long-term liabilities related to conditions,
- b) amendments to IAS 7 and IFRS 7 - supplier financing mechanisms,
- c) amendments to IFRS 16 - lease liability under sale and leaseback.

In the Group's opinion, the above-mentioned changes do not have a significant impact on the presented consolidated interim financial statements of the Group for the nine months of 2024.

New standards and amendments to existing standards issued by the IASB, effective in subsequent periods

As at the date of approval of these financial statements, no changes to existing standards or new standards issued by the International Accounting Standards Board (IASB) have been adopted by the European Union and which enter into force at a later date.

New standards and amendments to the existing standards issued by IASB but not yet adopted by the EU

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

- a) amendments to IAS 21 - Non-convertibility (effective date according to the IASB: January 1, 2025),
- b) amendments to IFRS 9 and IFRS 7 - Changes to the classification and measurement of financial instruments (effective date according to the IASB: January 1, 2026),
- c) amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 - annual amendments to IFRS accounting standards - 11th edition (effective date according to the IASB: January 1, 2026),
- d) IFRS 18 - Presentation and disclosures in financial statements (effective date according to the IASB: January 1, 2027),
- e) IFRS 19 - Subsidiaries with no public interest: disclosures (effective date according to the IASB: January 1, 2027),
- f) IFRS 14 - Deferred balances from regulated activities (effective date according to the IASB: January 1, 2016),
- g) amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and subsequent amendments (the entry into force date postponed by the IASB for an indefinite period, but allows its earlier application).

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

b) Ongoing basis

The condensed consolidated financial statements as of and for the period ended 30 September 2024 have been prepared on the going concern basis.

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

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.

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

e) Additional comparative periods

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

4 Revenues from sale

in PLN thousand

	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
Revenue from sale goods or services transferred to customers at a point in time	1 730 846	2 144 133
Revenue from sale goods or services transferred to customers over time	4 557	7 412
	1 735 403	2 151 545
Revenues from sale of products	1 440 696	1 592 080
Revenues from sale of services	39 709	38 689
Revenues from sale of goods	250 836	518 410
Revenues from sale of raw materials	4 162	2 366
	1 735 403	2 151 545
Revenues are generated from the following sources:		
-sale of steel scrap and non-ferrous metals scrap	169 214	200 912
-sale of slabs, ingots	414 518	416 747
-sale of rolled bars, rolled slabs and sheets	610 462	770 458
-sale of ribbed, flat, round, square bars, angles, tees, channels, sections	260 722	256 929
-sale of bronze and zinc casting alloys shafts and sleeves	92 715	93 386
-sale of graphite electrodes and ferroalloys	52 696	75 653
-sale of transport services	17 623	18 620
-sale of houses and apartments	3 091	-
-sale resulting from the construction contract	4 557	7 412
-sale of electricity and gas	40 187	251 542
-sale of CO2 emission allowances	36 942	22 728
-other sale	32 676	37 158

5 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 (ZLMET) identified as the activities of the Cognor S.A. branch Złomrex 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.

5 Segment reporting - continued

Business segments (for the three months ended 30 September)

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Elimination s	Consolidated
01.07.2024 - 30.09.2024									
Revenue from external customers	67 013	191 543	179 016	26 554	24 397	7 895	1 253	-	497 671
- Scrap metal	35 014	-	-	-	-	-	-	-	35 014
- Billets HSJ	1 784	29 928	17 471	-	-	-	-	-	49 183
- Billets FER	5 572	-	40 741	-	-	-	-	-	46 313
- Finished products HSJ	464	158 516	3 126	-	-	-	-	-	162 106
- Finished products FER	2 704	1 834	89 188	-	-	-	-	-	93 726
- Non-ferrous scrap metal	20 014	-	-	1 082	-	-	-	-	21 096
- Non-ferrous finished products	997	-	-	25 118	-	-	-	-	26 115
- Graphite electrodes and ferroalloys	-	-	-	-	17 859	-	-	-	17 859
- Other	464	1 265	28 490	354	6 538	7 895	-	-	45 006
- Unallocated	-	-	-	-	-	-	1 253	-	1 253
Inter-segment revenue	65 173	29 581	11 367	32	4 411	1 228	1 596	-	113 388
Total revenue	132 186	221 124	190 383	26 586	28 808	9 123	2 849	(112 800)	498 259
Cost of sales to external customers	(64 544)	(178 545)	(202 389)	(22 250)	(20 189)	(7 377)	(1 157)	-	(496 451)
- Scrap metal	(33 976)	-	-	-	-	-	-	-	(33 976)
- Billets HSJ	(1 781)	(32 337)	(17 427)	-	-	-	-	-	(51 545)
- Billets FER	(5 570)	-	(50 501)	-	-	-	-	-	(56 071)
- Finished products HSJ	(464)	(143 165)	(3 122)	-	-	-	-	-	(146 751)
- Finished products FER	(2 698)	(1 830)	(112 455)	-	-	-	-	-	(116 983)
- Non-ferrous scrap metal	(19 015)	-	-	(702)	-	-	-	-	(19 717)
- Non-ferrous finished products	(935)	-	-	(21 412)	-	-	-	-	(22 347)
- Graphite electrodes and ferroalloys	-	-	-	-	(14 992)	-	-	-	(14 992)
- Other	(105)	(1 213)	(18 884)	(136)	(5 197)	(7 377)	-	-	(32 912)
- Unallocated	-	-	-	-	-	-	(1 157)	-	(1 157)
Inter-segment cost of sales	(61 919)	(29 089)	(11 158)	(29)	(3 880)	(645)	(14)	-	(106 734)
Total cost of sales	(126 463)	(207 634)	(213 547)	(22 279)	(24 069)	(8 022)	(1 171)	106 605	(496 580)

Segment result	5 723	13 490	(23 164)	4 307	4 739	1 101	1 678	(6 195)	1 679
Other income	(80)	10 772	11 738	68	5	555	-	(237)	22 821
Distribution and administrative expenses	(8 184)	(15 023)	(10 087)	(1 380)	(2 473)	(1 466)	(6 413)	784	(44 242)
Other gain/(losses) net	184	(333)	1 247	(30)	193	28	(1)	(43)	1 245
Other expenses	(51)	(852)	(613)	(1)	-	(13)	(4)	193	(1 341)
Operating profit/(loss)	(2 408)	8 054	(20 879)	2 964	2 464	205	(4 740)	(5 498)	(19 838)
- Scrap metal	(2 091)	-	-	1	-	-	-	-	(2 090)
- Billets HSJ	(102)	(3 831)	44	-	-	-	-	-	(3 889)
- Billets FER	(457)	(41)	(7 639)	-	-	-	-	-	(8 137)
- Finished products HSJ	(29)	11 134	4	-	-	-	-	-	11 109
- Finished products FER	(147)	773	(22 900)	-	-	-	-	-	(22 274)
- Non-ferrous scrap metal	(319)	-	-	326	-	-	-	-	7
- Non-ferrous finished products	(1)	-	-	2 438	-	-	-	-	2 437
- Graphite electrodes and ferroalloys	-	-	-	-	1 935	-	-	-	1 935
- Other	738	19	9 612	199	529	205	-	-	11 302
- Unallocated	-	-	-	-	-	-	(4 740)	(5 498)	(10 238)
Net financing costs	-	-	-	-	-	-	(16 367)	(201)	(16 568)
Share of profit of associates, net of tax									(32)
Gain on bargain purchase									-
Income tax expense									6 012
Profit for the period									(30 426)

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Elimination s	Consolidated
01.07.2023 - 30.09.2023									
Revenue from external customers	60 946	203 284	170 014	26 869	28 509	6 442	2 977	-	499 041
- Scrap metal	32 333	-	-	-	-	-	-	-	32 333
- Billets HSJ	179	17 530	20 396	-	-	-	-	-	38 105
- Billets FER	4 600	816	30 647	-	-	-	-	-	36 063
- Finished products HSJ	680	183 249	3 873	-	-	-	-	-	187 802
- Finished products FER	-	328	44 090	-	-	-	-	-	44 418
- Non-ferrous scrap metal	21 310	-	-	887	-	-	-	-	22 197
- Non-ferrous finished products	1 587	-	-	25 949	-	-	-	-	27 536
- Graphite electrodes and ferroalloys	-	-	-	-	20 143	-	-	-	20 143
- Other	257	1 361	71 008	33	8 366	6 442	-	-	87 467
- Unallocated	-	-	-	-	-	-	2 977	-	2 977
Inter-segment revenue	49 148	25 416	6 355	519	4 643	789	1 544	-	88 414
Total revenue	110 094	228 700	176 369	27 388	33 152	7 231	4 521	(87 958)	499 497
Cost of sales to external customers	(57 577)	(163 604)	(179 592)	(22 909)	(24 923)	(6 748)	(2 657)	-	(458 010)
- Scrap metal	(30 568)	-	-	-	-	-	-	-	(30 568)
- Billets HSJ	(178)	(16 841)	(20 368)	-	-	-	-	-	(37 387)
- Billets FER	(4 597)	(815)	(47 326)	-	-	-	-	-	(52 738)
- Finished products HSJ	(680)	(144 277)	(3 870)	-	-	-	-	-	(148 827)
- Finished products FER	-	(327)	(74 039)	-	-	-	-	-	(74 366)
- Non-ferrous scrap metal	(19 893)	-	-	(173)	-	-	-	-	(20 066)
- Non-ferrous finished products	(1 497)	-	-	(22 683)	-	-	-	-	(24 180)
- Graphite electrodes and ferroalloys	-	-	-	-	(16 980)	-	-	-	(16 980)
- Other	(164)	(1 344)	(33 989)	(53)	(7 943)	(6 748)	-	-	(50 241)
- Unallocated	-	-	-	-	-	-	(2 657)	-	(2 657)
Inter-segment cost of sales	(46 123)	(20 950)	(6 525)	(350)	(4 038)	(476)	(43)	-	(78 505)
Total cost of sales	(103 700)	(184 554)	(186 117)	(23 259)	(28 961)	(7 224)	(2 700)	78 818	(457 697)

Segment result	6 394	44 146	(9 748)	4 129	4 191	7	1 821	(9 140)	41 800
Other income	44	32 779	19 183	64	19	413	1	(251)	52 252
Distribution and administrative expenses	(7 169)	(14 336)	(7 636)	(1 155)	(2 497)	(1 546)	(6 309)	837	(39 811)
Other gain/(losses) net	103	1 419	2 174	219	809	89	3 329	14	8 156
Other expenses	(68)	(2 095)	(272)	(37)	1	(34)	(47)	155	(2 397)
Operating profit	(696)	61 913	3 701	3 220	2 523	(1 071)	(1 205)	(8 385)	60 000
- Scrap metal	(878)	-	-	(1)	-	-	-	-	(879)
- Billets HSJ	(9)	7 712	28	-	-	-	-	-	7 731
- Billets FER	(321)	910	(8 594)	-	-	-	-	-	(8 005)
- Finished products HSJ	(41)	52 808	3	-	-	-	-	-	52 770
- Finished products FER	(4)	181	(23 771)	-	-	-	-	-	(23 594)
- Non-ferrous scrap metal	130	-	-	783	-	-	-	-	913
- Non-ferrous finished products	(14)	-	-	2 420	-	-	-	-	2 406
- Graphite electrodes and ferroalloys	-	-	-	-	2 108	-	-	-	2 108
- Other	441	302	36 035	18	415	(1 071)	-	-	36 140
- Unallocated	-	-	-	-	-	-	(1 205)	(8 385)	(9 590)
Net financing costs	-	-	-	-	-	-	(19 305)	6	(19 299)
Share of profit of associates, net of tax									22
Gain on bargain purchase									-
Income tax expense									(10 646)
Profit/(loss) for the period									30 077

Business segments (for the nine months ended 30 September)

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
01.01.2024 - 30.09.2024									
Revenue from external customers	245 221	727 136	568 692	92 083	73 440	22 485	4 568	-	1 733 625
- Scrap metal	94 342	-	-	-	-	-	-	-	94 342
- Billets HSJ	4 935	87 582	52 521	-	-	-	-	-	145 038
- Billets FER	62 259	15 432	191 789	-	-	-	-	-	269 480
- Finished products HSJ	1 501	598 435	10 526	-	-	-	-	-	610 462
- Finished products FER	4 316	5 711	250 695	-	-	-	-	-	260 722
- Non-ferrous scrap metal	71 805	-	-	3 067	-	-	-	-	74 872
- Non-ferrous finished products	4 216	-	-	88 499	-	-	-	-	92 715
- Graphite electrodes and ferroalloys	-	-	-	-	52 696	-	-	-	52 696
- Other	1 847	19 976	63 161	517	20 744	22 485	-	-	128 730
- Unallocated	-	-	-	-	-	-	4 568	-	4 568
Inter-segment revenue	221 741	81 174	94 418	41	16 317	3 184	7 643	-	424 518
Total revenue	466 962	808 310	663 110	92 124	89 757	25 669	12 211	(422 740)	1 735 403
Cost of sales to external customers	(235 344)	(662 173)	(636 994)	(78 503)	(59 889)	(21 366)	(4 187)	-	(1 698 456)
- Scrap metal	(90 990)	-	-	-	-	-	-	-	(90 990)
- Billets HSJ	(4 928)	(88 553)	(52 426)	-	-	-	-	-	(145 907)
- Billets FER	(62 232)	(15 425)	(219 271)	-	-	-	-	-	(296 928)
- Finished products HSJ	(1 500)	(541 993)	(10 511)	-	-	-	-	-	(554 004)
- Finished products FER	(4 307)	(5 700)	(312 464)	-	-	-	-	-	(322 471)
- Non-ferrous scrap metal	(67 053)	-	-	(1 839)	-	-	-	-	(68 892)
- Non-ferrous finished products	(4 019)	-	-	(76 377)	-	-	-	-	(80 396)
- Graphite electrodes and ferroalloys	-	-	-	-	(43 705)	-	-	-	(43 705)
- Other	(315)	(10 502)	(42 322)	(287)	(16 184)	(21 366)	-	-	(90 976)
- Unallocated	-	-	-	-	-	-	(4 187)	-	(4 187)
Inter-segment cost of sales	(212 481)	(73 655)	(99 600)	(32)	(13 997)	(2 051)	(2 153)	-	(403 969)
Total cost of sales	(447 825)	(735 828)	(736 594)	(78 535)	(73 886)	(23 417)	(6 340)	417 799	(1 684 626)

Segment result	19 137	72 482	(73 484)	13 589	15 871	2 252	5 871	(4 941)	50 777
Other income	451	43 906	54 930	176	195	2 709	-	(956)	101 411
Distribution and administrative expenses	(25 967)	(54 254)	(32 332)	(4 866)	(7 675)	(4 338)	(19 763)	3 981	(145 214)
Other gain/(losses) net	153	(1 573)	1 979	(122)	645	43	3 939	(64)	5 000
Other expenses	(131)	(1 945)	(1 514)	(6)	-	(31)	(9)	902	(2 734)
Operating profit/(loss)	(6 357)	58 616	(50 421)	8 771	9 036	635	(9 962)	(1 078)	9 240
- Scrap metal	(5 739)	-	-	2	-	-	-	-	(5 737)
- Billets HSJ	(261)	(3 107)	96	-	-	-	-	-	(3 272)
- Billets FER	(3 372)	775	(19 495)	-	-	-	-	-	(22 092)
- Finished products HSJ	(81)	45 178	15	-	-	-	-	-	45 112
- Finished products FER	(227)	984	(51 046)	-	-	-	-	-	(50 289)
- Non-ferrous scrap metal	699	-	-	1 068	-	-	-	-	1 767
- Non-ferrous finished products	(33)	-	-	7 493	-	-	-	-	7 460
- Graphite electrodes and ferroalloys	-	-	-	-	6 016	-	-	-	6 016
- Other	2 657	14 786	20 009	208	3 020	635	-	-	41 315
- Unallocated	-	-	-	-	-	-	(9 962)	(1 078)	(11 040)
Net financing costs	-	-	-	-	-	-	(33 693)	(451)	(34 144)
Share of profit of associates, net of tax	-	-	-	-	-	-	-	-	79
Gain on bargain purchase	-	-	-	-	-	-	-	-	-
Income tax expense	-	-	-	-	-	-	-	-	2 764
Profit for the period									(22 061)

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
01.01.2023 - 30.09.2023									
Revenue from external customers	238 707	907 469	789 036	87 292	100 348	19 624	7 433	-	2 149 909
- Scrap metal	134 204	-	-	-	-	-	-	-	134 204
- Billets HSJ	326	119 317	78 360	-	-	-	-	-	198 003
- Billets FER	27 166	34 993	156 586	-	-	-	-	-	218 745
- Finished products HSJ	2 109	742 156	26 194	-	-	-	-	-	770 459
- Finished products FER	851	6 805	249 244	-	-	-	-	-	256 900
- Non-ferrous scrap metal	65 760	-	-	948	-	-	-	-	66 708
- Non-ferrous finished products	7 278	-	-	86 108	-	-	-	-	93 386
- Graphite electrodes and ferroalloys	-	-	-	-	75 653	-	-	-	75 653
- Other	1 013	4 198	278 652	236	24 695	19 624	-	-	328 418
- Unallocated	-	-	-	-	-	-	7 433	-	7 433
Inter-segment revenue	235 613	108 070	81 648	1 902	16 857	2 869	14 603	-	461 562
Total revenue	474 320	1 015 539	870 684	89 194	117 205	22 493	22 036	(459 926)	2 151 545
Cost of sales to external customers	(225 972)	(748 596)	(777 807)	(74 776)	(88 770)	(19 181)	(6 677)	-	(1 941 779)
- Scrap metal	(126 742)	-	-	-	-	-	-	-	(126 742)
- Billets HSJ	(325)	(105 199)	(78 281)	-	-	-	-	-	(183 805)
- Billets FER	(27 150)	(34 980)	(178 800)	-	-	-	-	-	(240 930)
- Finished products HSJ	(2 107)	(597 414)	(26 172)	-	-	-	-	-	(625 693)
- Finished products FER	(848)	(6 779)	(291 418)	-	-	-	-	-	(299 045)
- Non-ferrous scrap metal	(61 821)	-	-	(207)	-	-	-	-	(62 028)
- Non-ferrous finished products	(6 800)	-	-	(74 367)	-	-	-	-	(81 167)
- Graphite electrodes and ferroalloys	-	-	-	-	(68 351)	-	-	-	(68 351)
- Other	(179)	(4 224)	(203 136)	(202)	(20 419)	(19 181)	-	-	(247 341)
- Unallocated	-	-	-	-	-	-	(6 677)	-	(6 677)
Inter-segment cost of sales	(226 473)	(90 904)	(76 566)	(1 284)	(13 781)	(1 920)	(8 088)	-	(419 016)
Total cost of sales	(452 445)	(839 500)	(854 373)	(76 060)	(102 551)	(21 101)	(14 765)	442 778	(1 918 017)

Segment result	21 875	176 039	16 311	13 134	14 654	1 392	7 271	(17 148)	233 528
Other income	303	60 583	43 847	170	460	1 295	4	(1 002)	105 660
Distribution and administrative expenses	(24 276)	(59 947)	(30 102)	(4 386)	(9 921)	(3 547)	(22 562)	9 707	(145 034)
Other gain/(losses) net	72	(2 648)	4 913	(425)	470	193	(581)	(14)	1 980
Other expenses	(512)	(3 481)	(2 753)	(44)	(68)	(62)	(79)	907	(6 092)
Operating profit	(2 538)	170 546	32 216	8 449	5 595	(729)	(15 947)	(7 550)	190 042
- Scrap metal	(3 419)	-	-	-	-	-	-	-	(3 419)
- Billets HSJ	(16)	22 952	79	-	-	-	-	-	23 015
- Billets FER	(1 382)	1 892	(7 296)	-	-	-	-	-	(6 786)
- Finished products HSJ	(107)	145 347	22	-	-	-	-	-	145 262
- Finished products FER	(41)	390	(32 906)	-	-	-	-	-	(32 557)
- Non-ferrous scrap metal	506	-	-	1 091	-	-	-	-	1 597
- Non-ferrous finished products	104	-	-	7 220	-	-	-	-	7 324
- Graphite electrodes and ferroalloys	-	-	-	-	2 169	-	-	-	2 169
- Other	1 817	(35)	72 317	138	3 426	(729)	-	-	76 934
- Unallocated	-	-	-	-	-	-	(15 947)	(7 550)	(23 497)
Net financing costs	-	-	-	-	-	-	(47 465)	(82)	(47 547)
Share of profit of associates, net of tax									17
Gain on bargain purchase									112 076
Income tax expense									(27 158)
Profit for the period									227 430

Business segments (for the twelve months ended 30 September)

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Elimination s	Consolidated
01.10.2023 - 30.09.2024									
Revenue from external customers	318 225	960 880	771 646	116 841	100 042	28 206	7 260	-	2 303 100
- Scrap metal	131 199	-	-	-	-	-	-	-	131 199
- Billets HSJ	6 363	114 557	72 252	-	-	-	-	-	193 172
- Billets FER	75 040	15 432	247 718	-	-	-	-	-	338 190
- Finished products HSJ	1 962	802 005	14 520	-	-	-	-	-	818 487
- Finished products FER	4 316	7 734	324 213	-	-	-	-	-	336 263
- Non-ferrous scrap metal	91 474	-	-	3 427	-	-	-	-	94 901
- Non-ferrous finished products	5 578	-	-	112 455	-	-	-	-	118 033
- Graphite electrodes and ferroalloys	-	-	-	-	70 531	-	-	-	70 531
- Other	2 293	21 152	112 943	959	29 511	28 206	-	-	195 064
- Unallocated	-	-	-	-	-	-	7 260	-	7 260
Inter-segment revenue	281 663	107 049	110 291	276	22 137	4 039	9 712	-	535 167
Total revenue	599 888	1 067 929	881 937	117 117	122 179	32 245	16 972	(532 885)	2 305 382
Cost of sales to external customers	(304 414)	(864 853)	(841 734)	(100 491)	(83 578)	(27 274)	(6 658)	-	(2 229 002)
- Scrap metal	(125 650)	-	-	-	-	-	-	-	(125 650)
- Billets HSJ	(6 355)	(115 306)	(72 129)	-	-	-	-	-	(193 790)
- Billets FER	(75 007)	(15 424)	(277 844)	-	-	-	-	-	(368 275)
- Finished products HSJ	(1 960)	(714 657)	(14 505)	-	-	-	-	-	(731 122)
- Finished products FER	(4 307)	(7 729)	(397 946)	-	-	-	-	-	(409 982)
- Non-ferrous scrap metal	(85 674)	-	-	(2 636)	-	-	-	-	(88 310)
- Non-ferrous finished products	(5 295)	-	-	(97 459)	-	-	-	-	(102 754)
- Graphite electrodes and ferroalloys	-	-	-	-	(59 615)	-	-	-	(59 615)
- Other	(166)	(11 737)	(79 310)	(396)	(23 963)	(27 274)	-	-	(142 846)
- Unallocated	-	-	-	-	-	-	(6 658)	-	(6 658)
Inter-segment cost of sales	(270 749)	(97 878)	(115 785)	(139)	(18 934)	(2 603)	(2 394)	-	(508 482)
Total cost of sales	(575 163)	(962 731)	(957 519)	(100 630)	(102 512)	(29 877)	(9 052)	529 555	(2 207 929)

Segment result	24 725	105 198	(75 582)	16 487	19 667	2 368	7 920	(3 330)	97 453
Other income	542	53 536	64 407	286	1 405	3 284	57	(3 904)	119 613
Distribution and administrative expenses	(33 821)	(71 029)	(41 069)	(6 204)	(12 177)	(5 720)	(26 044)	4 963	(191 101)
Other gain/(losses) net	254	(4 432)	1 458	(403)	1 281	73	1 266	(52)	(555)
Other expenses	(325)	(2 661)	(3 623)	(39)	66	(100)	(30)	3 806	(2 906)
Operating profit/(loss)	(8 625)	80 612	(54 409)	10 127	10 242	(95)	(16 831)	1 483	22 504
- Scrap metal	(7 746)	-	-	3	-	-	-	-	(7 743)
- Billets HSJ	(337)	(6 895)	124	-	-	-	-	-	(7 108)
- Billets FER	(4 091)	748	(21 676)	-	-	-	-	-	(25 019)
- Finished products HSJ	(107)	71 353	19	-	-	-	-	-	71 265
- Finished products FER	(228)	1 091	(64 885)	-	-	-	-	-	(64 022)
- Non-ferrous scrap metal	519	-	-	681	-	-	-	-	1 200
- Non-ferrous finished products	(32)	-	-	8 886	-	-	-	-	8 854
- Graphite electrodes and ferroalloys	-	-	-	-	7 169	-	-	-	7 169
- Other	3 397	14 315	32 009	557	3 073	(95)	-	-	53 256
- Unallocated	-	-	-	-	-	-	(16 831)	1 483	(15 348)
Net financing costs	-	-	-	-	-	-	(36 588)	(449)	(37 037)
Share of profit of associates, net of tax									116
Gain on bargain purchase									-
Income tax expense									734
Profit for the period									(13 683)

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Elimination s	Consolidated
01.10.2022 - 30.09.2023									
Revenue from external customers	327 717	1 256 240	1 237 077	113 585	100 348	27 110	10 142	-	3 072 219
- Scrap metal	178 190	-	-	-	-	-	-	-	178 190
- Billets HSJ	2 152	178 211	101 024	-	-	-	-	-	281 387
- Billets FER	40 750	62 179	164 631	-	-	-	-	-	267 560
- Finished products HSJ	2 489	997 660	33 931	-	-	-	-	-	1 034 080
- Finished products FER	3 325	12 526	397 275	-	-	-	-	-	413 126
- Non-ferrous scrap metal	89 892	-	-	1 049	-	-	-	-	90 941
- Non-ferrous finished products	9 295	-	-	111 483	-	-	-	-	120 778
- Graphite electrodes and ferroalloys	-	-	-	-	75 653	-	-	-	75 653
- Other	1 624	5 664	540 216	1 053	24 695	27 110	-	-	600 362
- Unallocated	-	-	-	-	-	-	10 142	-	10 142
Inter-segment revenue	318 984	140 622	135 525	2 450	16 857	4 005	17 129	-	635 572
Total revenue	646 701	1 396 862	1 372 602	116 035	117 205	31 115	27 271	(633 071)	3 074 720
Cost of sales to external customers	(308 932)	(1 024 126)	(1 157 894)	(97 353)	(88 770)	(25 900)	(9 105)	-	(2 712 080)
- Scrap metal	(167 099)	-	-	-	-	-	-	-	(167 099)
- Billets HSJ	(2 147)	(153 081)	(100 917)	-	-	-	-	-	(256 145)
- Billets FER	(40 731)	(62 179)	(216 484)	-	-	-	-	-	(319 394)
- Finished products HSJ	(2 487)	(791 043)	(33 948)	-	-	-	-	-	(827 478)
- Finished products FER	(3 319)	(12 506)	(527 829)	-	-	-	-	-	(543 654)
- Non-ferrous scrap metal	(84 264)	-	-	(247)	-	-	-	-	(84 511)
- Non-ferrous finished products	(8 609)	-	-	(96 120)	-	-	-	-	(104 729)
- Graphite electrodes and ferroalloys	-	-	-	-	(68 351)	-	-	-	(68 351)
- Other	(276)	(5 317)	(278 716)	(986)	(20 419)	(25 900)	-	-	(331 614)
- Unallocated	-	-	-	-	-	-	(9 105)	-	(9 105)
Inter-segment cost of sales	(306 601)	(116 760)	(118 228)	(1 642)	(13 781)	(2 961)	(8 139)	-	(568 112)
Total cost of sales	(615 533)	(1 140 886)	(1 276 122)	(98 995)	(102 551)	(28 861)	(17 244)	609 751	(2 670 441)

Segment result	31 168	255 976	96 480	17 040	14 654	2 254	10 027	(23 320)	404 279
Other income	680	77 217	54 602	246	460	1 446	737	(2 573)	132 815
Distribution and administrative expenses	(32 650)	(80 070)	(42 635)	(5 710)	(9 921)	(4 293)	(31 934)	10 256	(196 957)
Other gain/(losses) net	96	(7 116)	2 368	(819)	470	198	(5 647)	927	(9 523)
Other expenses	(592)	(3 619)	7 651	213	(68)	(84)	(240)	1 336	4 597
Operating profit	(1 298)	242 388	118 466	10 970	5 595	(479)	(27 057)	(13 374)	335 211
- Scrap metal	(3 075)	-	-	(1)	-	-	-	-	(3 076)
- Billets HSJ	(109)	36 203	107	-	-	-	-	-	36 201
- Billets FER	(1 934)	2 459	(22 447)	-	-	-	-	-	(21 922)
- Finished products HSJ	(107)	203 876	(17)	-	-	-	-	-	203 752
- Finished products FER	(186)	(33)	(118 726)	-	-	-	-	-	(118 945)
- Non-ferrous scrap metal	1 268	-	-	1 222	-	-	-	-	2 490
- Non-ferrous finished products	215	-	-	9 543	-	-	-	-	9 758
- Graphite electrodes and ferroalloys	-	-	-	-	2 169	-	-	-	2 169
- Other	2 630	(117)	259 549	206	3 426	(479)	-	-	265 215
- Unallocated	-	-	-	-	-	-	(27 057)	(13 374)	(40 431)
Net financing costs	-	-	-	-	-	-	(61 919)	(92)	(62 011)
Share of profit of associates, net of tax									133
Gain on bargain purchase									112 076
Income tax expense									(24 485)
Profit for the period									360 924

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
30.09.2024									
Segment assets	128 871	374 346	1 443 136	30 345	89 090	61 888	618 931	(54 093)	2 692 514
Segment liabilities	100 816	255 103	419 385	13 688	14 851	25 315	780 617	(132 292)	1 477 483
Depreciation and amortisation	(5 563)	(16 173)	(10 980)	(885)	(874)	(686)	(900)	(947)	(37 008)
Capital expenditures	1 276	13 465	294 199	625	928	884	1 871	-	313 248

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
Depreciation and amortisation*	(7 856)	(21 382)	(13 328)	(1 202)	(1 405)	(921)	(971)	(1 995)	(49 060)
Capital expenditures*	2 235	29 981	403 661	455	1 304	5 759	3 482	-	446 877

* for the entire year 2023

in PLN thousand

	ZLMET	HSJ	FER	OMS	JAP	Other	Unallocated	Eliminations	Consolidated
30.09.2023									
Segment assets	126 563	447 033	1 054 617	40 847	100 796	41 277	515 639	(63 435)	2 263 337
Segment liabilities	68 193	192 717	303 714	16 971	9 287	14 335	526 823	(112 101)	1 019 939
Depreciation and amortisation	(5 940)	(15 714)	(9 916)	(907)	(1 136)	(678)	(726)	(1 687)	(36 704)
Capital expenditures	2 092	24 443	235 673	351	449	5 612	2 709	-	271 329

Unallocated assets

in PLN thousand

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

30.09.2024	31.12.2023	30.09.2023
1 035	1 004	1 019
3 570	1 799	1 449
19 836	31 462	38 667
1 382	10 299	19 900
329 182	144 269	168 178
-	6 949	6 955
186 242	130 522	203 921
77 684	79 556	75 550
618 931	405 860	515 639

Unallocated liabilities

in PLN thousand

Interest-bearing loans and borrowings	
Bank overdraft	
Deferred tax liabilities	
Provisions	
Current income tax payables	
Other liabilities	
Liabilities of disposal assets held for sale	
Liabilities of central office	

30.09.2024	31.12.2023	30.09.2023
704 166	415 540	416 574
20 990	-	33 217
1 502	4 386	15 509
1 300	1 300	1 300
-	-	67
47 504	39 100	50 356
-	1 541	1 521
5 155	10 979	8 279
780 617	472 846	526 823

6 Property, plant and equipment

During the three months ended 30 September 2024, the Group acquired property, plant and equipment at a cost of PLN 101 544 thousand (three months ended 30 September 2023: PLN 156 341 thousand). Assets with a net book value of PLN 182 thousand were disposed during the three months of 2024 (three months ended 30 September 2023: PLN 1 078 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 1 460 thousand (three months ended 30 September 2023: a net gain on disposal of PLN 397 thousand).

During the nine months ended 30 September 2024, the Group acquired property, plant and equipment at a cost of PLN 351 150 thousand (nine months ended 30 September 2023: PLN 339 147 thousand). Assets with a net book value of PLN 525 thousand were disposed during the nine months of 2024 (nine months ended 30 September 2023: PLN 1 331 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 3 058 thousand (nine months ended 30 September 2023: a net gain on disposal of PLN 7 141 thousand).

During the twelve months ended 30 September 2024, the Group acquired property, plant and equipment at a cost of PLN 536 720 thousand (twelve months ended 30 September 2023: PLN 405 916 thousand). Assets with a net book value of PLN 4 113 thousand were disposed of during the twelve months ended 30 September 2024 (twelve months ended 30 September 2023: PLN 3 095 thousand). On the sale of fixed assets the Group achieved a net gain on disposal of PLN 3 273 thousand (twelve months ended 30 September 2023: a net gain on disposal of PLN 7 613 thousand).

Capital commitments

As at 30 September 2024 the Group had capital commitments in the amount of PLN 81 784 thousand (30 June 2024: PLN 69 665 thousand, 31 December 2023: PLN 109 360 thousand; 30 September 2023: PLN 88 532 thousand).

In addition, the Group has the following material contractual investment obligations (not shown in the statement of financial position)

Investment project	Capital commitment as at 30 September 2024 (in thousand PLN)
Construction works (Siemianowice Śl.)	87 074
Production line for the production of hot-rolled bars (new rolling mill for light sections - Siemianowice Śl.)	6 992
Automatic storage warehouse (Siemianowice Śl.)	27 618
Purchase of cranes (Siemianowice Śl.)	710
Connection to the power network (gas, electricity - Siemianowice Śl.)	3 469
Compressor room (Siemianowice Śl.)	97
Gas station (Siemianowice Śl.)	241
Investor supervision (Siemianowice Śl.)	179
Assembly of the production line and a closed water circuit (Siemianowice Śl.)	45 619
Transformer (Siemianowice Śl.)	2 970
Automatic overhead crane (Siemianowice Śl.)	4 326
Transformer 25 MVA 1 pc (Siemianowice Śl.)	163
Lathes (Siemianowice Śl.)	1 999
Water treatment plant (Siemianowice Śl.)	24 300
Overhead crane at the water treatment plant (Siemianowice Śl.)	82
Forklift for transporting scrap metal (Siemianowice Śl.)	700
Higher harmonic filters (Siemianowice Śl.)	2 100
Label robot (Siemianowice Śl.)	1 228
Total - Cognor S.A. branch Ferrostal in Siemianowice Śląskie	209 867
General contractor - spooler assembly (Kraków)	7 531
Electrical and automatic works - spooler (Kraków)	4 801
Testing machine (Kraków)	618
General contractor (technological part, assembly) - spooler (Kraków)	3 450
Total - Cognor S.A. branch Ferrostal Łabędy in Kraków	16 400

Skew roll straightener (Stalowa Wola)	16 362
Assembly and installation of a skew roll straightener (Stalowa Wola)	1 188
Construction of the second VOD tank (Stalowa Wola)	908
D5 furnace portal (Stalowa Wola)	27
Modernization of dust collection (Stalowa Wola)	1 703
Wire feeder (Stalowa Wola)	878
Modernization of the shot-blasting machine STEM II (Stalowa Wola)	455
Grinding and polishing machine (Stalowa Wola)	540
16t overhead crane for continuous steel casting (Stalowa Wola)	1 650
VD overhead crane (Stalowa Wola)	328
Total - Cognor S.A. branch HSJ in Stalowa Wola	24 039
Total Cognor S.A.	250 306

7 Trade and other receivables

Short-term receivables

in PLN thousand

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Trade receivables	43 087	48 943	149 717	141 178
Receivables under a construction contract*	39 688	38 438	35 131	32 462
Statutory receivables excluding income tax (including recognized receivables due to CO2 compensation)**	159 346	147 437	103 893	179 249
Prepayments for services and inventories	9 792	10 019	4 408	12 225
Prepayments for fixed assets	80 381	67 607	80 893	93 233
Factoring receivables	18 809	22 045	16 892	15 238
Initial lease payments	5 942	9 892	9 048	-
Other receivables	7 172	9 496	3 951	13 720
	364 217	353 877	403 933	487 305

Long-term receivables

in PLN thousand

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Prepayments**	7 964	7 695	14 844	14 512
Other receivables	613	613	573	564
	8 577	8 308	15 417	15 076

* service provided to Przemysław Sztuczowski, President of the Management Board - more in note 16

**costs of launching the investment loan at Banco Santander. Due to the partial use of the loan, the Group allocates proportionally the costs of disbursement to the loan tranches taken. The loan can be used until March 31, 2025

*** under this item, the Group discloses the estimated revenue related to compensations related to the increase in quotations of CO2 emission rights September 30, 2024: PLN 117 680 thousand (June 30, 2024: PLN 100 789 thousand, December 31, 2023: PLN 52 563 thousand, September 30, 2023: PLN 80 404 thousand). This item also includes receivables from VAT, September 30, 2024: PLN 23 578 thousand (June 30, 2024: PLN 33 344 thousand, December 31, 2023: PLN 50 103 thousand, September 30, 2023: PLN 55 663 thousand). In this item, the Group also recognizes the estimated compensation for increase in energy and gas prices as at September 30, 2024: PLN 16 613 thousand (June 30, 2024: PLN 12 156 thousand, December 31, 2023: PLN 0 thousand, September 30, 2023: PLN 42 043 thousand).

The Group regularly uses factoring facilities to improve liquidity. Handing over receivables to factoring results in ceasing their recognition in the financial statements according to IFRS 9. Therefore, all trade receivables that the Group provides to the factor do not meet the criteria of the model "hold to collect" and "hold for the purpose of collection and sale" are therefore classified as "measured at fair value through profit or loss". The application of IFRS 9 changed therefore the method of measurement of these receivables from amortized cost at fair value. The effects of fair value measurement is recognized in the financial result. As at September 30, 2024 the Group discloses PLN 18 809 thousand of factoring receivables (as at June 30, 2024: PLN 22 045 thousand, December 31, 2023: PLN 16 892 thousand, as at September 30, 2023: PLN 15 238 thousand). The fair value of factoring receivables has been estimated based on provisions of factoring and insurance agreements.

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

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Trade receivables in total	296 243	347 791	354 882	276 743
Receivables subject to factoring without recourse	(234 347)	(276 803)	(188 273)	(120 327)
Trade receivables net disclosed in the statement of financial position	43 087	48 943	149 717	141 178
Receivables subject to factoring without recourse in the part not financed by the factor (factoring receivables)	18 809	22 045	16 892	15 238

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, the Group applies the simplified approach required by IFRS 9 and therefore the impairment allowance is calculated on the basis of expected loan losses over the entire lifetime of the receivables. The Group uses a write-off matrix in which the impairment allowances are calculated for trade receivables classified as different age ranges or past due periods.

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 September 30, 2024: PLN 1 130 thousand (as at June 30, 2024: PLN 821 thousand, as at December 31, 2023: PLN 558 thousand, as at September 30, 2023: PLN 570 thousand).

8 Inventories

in PLN thousand

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Raw materials	176 267	184 427	153 195	183 597
Semi-finished goods and work in progress	163 775	138 781	170 507	172 927
Finished products	149 599	150 741	173 216	171 290
Goods for resale	27 854	30 140	26 941	28 441
	517 495	504 089	523 859	556 255

Movements in allowances for inventories

in PLN thousand

	01.01.2024- 30.09.2024	01.01.2024- 30.06.2024	01.01.2023- 31.12.2022	01.01.2023 - 30.09.2023
Opening balance	(29 350)	(29 350)	(11 080)	(11 080)
Increase due to acquisition of subsidiaries	-	-	-	(100)
Recognition	(5 548)	(1 273)	(23 194)	(22 156)
Utilization	-	-	-	-
Reversal	12 131	11 391	4 924	-
F/x differences due to valuation of subsidiaries	40	25	-	12
Closing balance	(22 727)	(19 207)	(29 350)	(33 324)

In semi-finished goods and work in progress, the Group presents PLN 40 685 thousand as a development project implemented by a subsidiary Cognor Holding S.A. Sp.k. (30 June 2024: PLN 34 324 thousand, 31 December 2023: PLN 20 672 thousand, 30 September 2023: PLN 18 581 thousand).

9 Trade and other payables

Short term

in PLN thousand

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Trade payables	397 530	448 706	280 296	234 990
Statutory payables	22 967	22 400	17 561	17 277
Investment payables	81 784	69 665	109 360	88 532
Prepayments for services and deliveries of goods	16 168	21 799	8 464	13 198
Liabilities due to Shareholder	26	26	-	26
Dividend payables	-	-	96	97
Liabilities due to the acquisition of a subsidiary	9 119	9 247	9 154	10 325
Accrued expenses relating to bonuses for the Management Board	945	1 047	5 056	4 627
Payroll liabilities	11 174	11 586	10 030	9 662
Accrued expenses relating to employees	13 274	14 283	16 457	7 970
Accrued expenses	20 489	15 714	2 396	4 811
Other payables	4 218	7 204	2 259	3 614
	577 694	621 677	461 129	395 129

Long term

in PLN thousand

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Liabilities due to the acquisition of a subsidiary	-	-	-	9 355
Accrued expenses	-	-	138	-
	-	-	138	9 355

10 Equity

Issued share capital

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Registered shares number at reporting date	171 420 663	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	1,5 PLN

At 30 September 2024, the parent Company's share capital comprised 171 420 663 ordinary shares with a nominal value of PLN 1,5 each (30 June 2024: 171 420 663 ordinary shares, 31 December 2023: 171 420 663 ordinary shares; 30 September 2023: 171 420 663 ordinary shares).

The parent Company has no preference shares. Holders of ordinary shares are entitled to receive approved dividends and have the right to one vote per share at the General Meeting of the Company.

On June 26, 2024, the General Meeting of Shareholders of Cognor Holding S.A. adopted a resolution to allocate the profit from 2023 in the amount of PLN 122 657 thousand for supplementary and reserve capital.

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 shareholders' structure

The ownership structure as at 30 September 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 previous corrected report's publication (August 13, 2024) is presented in the table below:

Shareholder	Shares number	Shares in equity %	Number of votes	Share of votes on General Shareholders' Meeting %
PS HoldCo Sp. z o.o.*	128 539 132	74,99%	128 539 132	74,99%
Przemysław Sztuczkowski	4 886 771	2,85%	4 886 771	2,85%
Pozostali akcjonariusze	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 (November 14, 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%
Pozostali akcjonariusze	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 30 September 2024 was based on the loss attributable to ordinary shareholders of PLN 28 551 thousand (the three-month period ended 30 September 2023: profit PLN 28 385 thousand) and a weighted average number of ordinary shares outstanding during the three-month period ended 30 September 2024 of 171 421 thousand (the three-month period ended 30 September 2023: 171 421 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the 3 months period ended September 30, 2024 was 191 421 thousand (30 September 2023: 191 421 thousand).

The calculation of basic earnings per share for the nine-month period ended 30 September 2024 was based on the loss attributable to ordinary shareholders of PLN 20 522 thousand (the nine-month period ended 30 September 2023: profit PLN 221 124 thousand) and a weighted average number of ordinary shares outstanding during the nine-month period ended 30 September 2024 of 171 421 thousand (the nine-month period ended 30 September 2023: 171 421 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the 9 months period ended September 30, 2024 was 191 421 thousand (30 September 2023: 186 976 thousand).

The calculation of basic earnings per share for the twelve-month period ended 30 September 2024 was based on the loss attributable to ordinary shareholders of PLN 12 392 thousand (the twelve-month period ended 30 September 2023: profit PLN 347 863 thousand) and a weighted average number of ordinary shares outstanding during the twelve-month period ended 30 September 2024 of 171 421 thousand (the twelve-month period ended 30 September 2023: 171 421 thousand).

The weighted average number of shares used to calculate diluted earnings per share during the twelve months ended 30 September 2024 was 191 421 thousand (30 September 2023: 183 088 thousand).

12 Interest-bearing loans and borrowings and bank overdraft

in PLN thousand

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Bank overdraft	20 990	-	-	33 217
Non-current liabilities				
Secured bank loans	289 118	286 810	99 108	102 284
Secured debt (bonds)	186 498	190 214	79 402	79 351
Convertible bonds	98 469	98 176	98 275	98 214
Other borrowings	12 929	9 428	9 369	9 746
	587 014	584 628	286 154	289 595
Current liabilities				
Current portion of secured bank loans	47 471	43 191	15 320	13 707
Current portion of secured debt (bonds)	55 356	52 866	44 698	41 624
Current portion of convertible bonds	64	2 864	2 651	5 197
Factoring liabilities	12 312	9 479	-	-
Other borrowings	1 949	2 038	66 717	66 451
	117 152	110 438	129 386	126 979

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. (KUKE 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 of the additional part of the loan resulting from the annex will be made evenly starting from June 2025 in semi-annual periods. Loan repayments under the original agreement began in June 2024.

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. On April 30, 2024, another tranche of PLN 45 330 thousand was released. On May 22, 2024, further tranches in the amount of PLN 73 288 thousand and EUR 4 295 thousand were released. On May 31, 2024, another tranche of EUR 5 892 thousand was released. In June 2024, the Company started repaying the abovementioned loan in accordance with the schedule and repaid the first installment of PLN 15 000 thousand and EUR 1 906 thousand. Liability due to the above-mentioned loan amounted to PLN 336 589 thousand as at September 30, 2024 (June 30, 2024: PLN 330 001 thousand, December 31, 2023: PLN 114 428 thousand, September 30, 2023: PLN 115 991 thousand).

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

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.

Liability due to the above-mentioned convertible bonds amounted to PLN 98 533 thousand as at September 30, 2024 (June 30, 2024: PLN 101 040 thousand, December 31, 2023: PLN 100 926 thousand, September 30, 2023: PLN 103 411 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. entered into derivative instruments (interest rate swap) in order to hedge the costs of the above debt at a constant level. In June 2024, derivatives related to the bond obligation were closed.

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 Company's Management Board adopted a resolution on the issue of series 2/2024 bonds with a nominal value of PLN 1,000 each and a total value of PLN 120 000 thousand. The bonds will be subject to early redemption at the rate of 20% of the original nominal value on January 15 each year during the 5-year bond period. 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. Funds obtained from the issue of the above-mentioned bonds are intended for the Group's investment purposes.

As at September 30, 2024, the liability resulted from above bonds amounted to PLN 241 854 thousand (June 30, 2024: PLN 243 080 thousand, December 31, 2023: PLN 124 100 thousand, September 30, 2023: PLN 120 975 thousand).

Overdraft facilities

The subsidiary - Cognor S.A. signed an overdraft facility agreement with bank Pekao S.A. on August 13, 2021 with a limit of PLN 40 000 thousand. The limit may be used in the following currencies: PLN, EUR, USD. The loan interest rate is WIBOR 1M / EURIBOR 1M / LIBOR 1M + margin. The agreement 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. By Annex No. 4 of July 26, 2024, the the period of validity was extended to July 28, 2025. 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 September 30, 2024 in the amount of PLN 20 980 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 September 30, 2024 in the amount of PLN 0 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 September 30, 2024 in the amount of PLN 0 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 period of use of letters of credit and guarantees expires on September 28, 2026, and the overdraft facility expires on September 28, 2024. Annex No. 1 of September 27, 2024 extended the period of use of the overdraft facility to October 28, 2024. By Annex No. 2 of October 28, 2024, the limit amount was reduced to PLN 30 000 thousand and the overdraft facility period was extended until October 27, 2025. The sublimit for guarantees and letters of credit is PLN 25 000 thousand and is also valid until October 27, 2025. 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 24 000 thousand and a declaration of submission to enforcement. Utilization as at September 30, 2024 in the amount of PLN 10 thousand.

The subsidiary - JAP Industries s.r.o. signed a loan agreement with ČSOB a.s. 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/ESTR/1M SOFR + margin. The collateral consists of inventories and receivables. Utilization of the overdraft facility as at September 30, 2024 in the amount of PLN 0 thousand.

The subsidiary - JAP Industries s.r.o. signed a loan agreement with Citibank Europe plc 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/ESTR/SOFR + margin. The collateral is receivables. Utilization of the overdraft facility as at September 30, 2024 in the amount of PLN 0 thousand.

Covenants

In some financing agreements, the Group committed to maintaining the following levels of financial parameters (financial covenants).

In the investment loan agreement concluded with Banco Santander:

- the debt ratio (net debt / EBITDA) should be maintained below 3.50, although it is possible to exceed this reading to a level no more than 4.00 but a maximum of four times, including no more than twice in a row during the financing period,
- the DSCR ratio (funds available to service debt/debt service) should exceed 1.20 with the possibility of a lower reading, but not lower than 1.00, which may occur no more than four times and no more than twice in a row during the financing period.

Under the terms of the bond issue from January and May 2024 in the total amount of PLN 240 million:

- the EBITDA ratio (net debt / EBITDA) should be kept below 350%, however, exceeding it will not be a violation, provided that it remains below 400% and such a situation does not occur more than twice during the financing period and not twice in a row,
- the value of equity should remain above zero.

With the exception of equity, defined as equity of Cognor S.A. within the meaning of the Accounting Act, the above-mentioned ratios include the consolidated data of Cognor Holding S.A. and are calculated: (i) at the end of each calendar quarter in the case of an investment loan and (ii) at the end of each half-year and calendar year in the case of bonds.

As at the balance sheet date, the calculation of ratios for the investment loan agreement concluded with Banco Santander showed that the debt ratio was exceeded at 4.00 and the DSCR ratio was not reached at 1.00. Therefore, the Group initiated appropriate communication and requested that the bank accept the case of violation of financial indicators as a temporary event. As at the date of preparation of the report, the Group has not received any decisions regarding any violations. The bank requested a number of data and information, which were partially provided. After completing the remaining materials, the Group will wait for feedback.

In the current financing period, there was one case of violation of the DSCR ratio as at September 30, 2023. On December 21, 2023, Santander Bank accepted this violation, but this does not determine what its decision will be in the event of current violations. Due to the uncertainty regarding financial results in subsequent periods, which affect the fulfillment of financial covenants, it cannot be guaranteed in the future that their readings will be positive or will be within the permissible limits of violation and, consequently, there will be no cases of non-fulfillment constituting a breach of the terms of financing agreements. The Management Board analyzes and monitors these circumstances on an ongoing basis, also in subsequent periods, and will take appropriate actions, including possibly advance communication with financial institutions, if the risk of inability to meet the conditions agreed in the financing agreements were to occur again.

13 Assets classified as held for sale and related liabilities

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.

In 2024, there were no costs incurred in connection with the above mentioned asset. In the first nine months of 2023, the Company incurred 16 PLN thousand depreciation costs of the said asset, recognized PLN 66 thousand interest costs due to the settlement of the discounted liability, and incurred property tax costs in the amount of PLN 130 thousand.

14 Provisions for payables

As at September 30, 2024, the Group recognized PLN 1 300 thousand with the title provisions for a possible fine from the Office of Competition and Consumer Protection (June 30, 2024: PLN 1 300 thousand, December 31, 2023: PLN 1 300 thousand, September 30, 2023: PLN 1 300 thousand). Details in note no 22.

15 Contingencies, guarantees and other commitments

The Group has no the contingent liabilities.

16 Transactions with related parties

Identity of related parties

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

Controlling entities

- 4 Workers Sp. z o.o.
- PS HoldCo Sp. z o.o. (On August 31, 2023, 4Workers Sp. z o.o. 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:

- 4 Groups Sp. z o.o. (from August 23, 2021)
- czystyefekt.pl Sp. z o.o.
- 4 Groups 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 Sztuczowski
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

	30.09.2024	30.06.2024	31.12.2023	30.09.2023
<i>Short-term receivables:</i>				
-entities personally related to Members of the Management Board	40 594	39 344	36 037	33 243
- associates	208	257	229	218
- controlling entities	9	44	2	2
- related companies to the controlling entities	1	1	-	1
<i>Short-term and long-term liabilities</i>				
- controlling entities	1 409	1 658	1 174	6
- related companies to the controlling entities	1 979	2 081	6 090	5 886
-entities personally related to Members of the Management Board	162	162	88	105
<i>Loans received</i>				
- controlling entities	98 533	101 040	100 926	105 433
-entities personally related to Members of the Management Board	-	-	65 524	65 534
<i>Factoring liabilities</i>				
-entities personally related to Members of the Management Board	11 296	9 479	-	-

<i>in PLN thousand</i>	01.07.2024- 30.09.2024	01.07.2023- 30.09.2023	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023	01.10.2023- 30.09.2024	01.10.2022- 30.09.2023
<i>Revenues from sale of services</i>						
- associates	473	355	1 455	1 270	1 852	2 002
- controlling entities	37	34	110	97	144	124
- related companies to the controlling entities	6	-	17	12	21	22
-entities personally related to Members of the Management Board	1 251	2 986	4 560	7 412	7 228	10 051
<i>Revenues from sale of raw materials and commodities</i>						
- associates	71	64	196	233	262	332
- controlling entities	-	-	-	-	1	4
- related companies to the controlling entities	1	-	1	1	-	1
<i>Purchase of commodities and raw materials</i>						
- controlling entities	268	1 852	1 021	2 547	1 337	2 812
<i>Purchase of services</i>						
- related companies to the controlling entities	2 481	3 963	15 768	20 005	18 717	28 777
- controlling entities	2 163	531	6 538	4 470	8 394	6 295
-entities personally related to Members of the Management Board	413	392	1 155	1 285	1 448	1 855
<i>Other costs</i>						
-entities personally related to Members of the Management Board	-	-	-	-	-	(109)
<i>Financial income</i>						
- controlling entities	-	-	-	94	-	94
<i>Financial costs</i>						
- controlling entities	(2 681)	(806)	(7 921)	(5 540)	(10 588)	(5 540)
-entities personally related to Members of the Management Board	(1 603)	(1 532)	(3 174)	(1 737)	(4 812)	(1 737)

Transactions with the members of the Management and Supervisory Boards

<i>in PLN thousand</i>	01.01.2024- 30.09.2024	01.01.2023- 30.09.2023
The remuneration of Management Board of the Parent Company paid during the period		
-received from the Parent Company (appointment, consulting agreements)	1 163	1 080
- including the premium paid for previous year	-	-
-received from the subsidiaries (appointment, consulting agreements)	12 987	30 812
- including the premium paid for previous year	5 760	24 300
Supervisory Board of the Parent Company	284	284

The table above does not include the provision for the bonus for the Management Board in the amount of PLN 945 thousand established on the basis of the Incentive Reward Program in force at Cognor S.A. with effect from January 1, 2022. This amount is an estimate of the Management Board of the Company as to the amount of the bonus, however, the Supervisory Board of Cognor S.A. following the criteria included in the Program, is free to both define the bonus budget and its division into individual members of the management board. Above mentioned provision was recognized in administrative expenses.

On 23-05-2019, the subsidiary Cognor S.A. has concluded a contract with a general contractor and began building an exhibition and conference center in the vicinity of Krakow. This object is being implemented by the group at the request of the main (indirectly) shareholder of the Parent Entity, and at the same time the President of the Management Board, i.e. Przemysław Sztuczowski. In the provisions of the agreement concluded between the parties, Cognor S.A. undertook to build the said facility in a standard 'move-in ready', and Przemysław Sztuczowski undertook to purchase it immediately after commissioning at a price in the amount of costs actually incurred by the Company increased by a 15% margin. As at the balance sheet date, the value of expenditure incurred cumulatively by the Group in this respect is PLN 34 511 thousand (in nine months of 2024: PLN 3 963 thousand). In accordance with the requirements of IFRS 15, the Group recognized income in the nine months of 2024 in the amount of PLN 4 557 thousand in the financial statements (in nine months of 2023: PLN 7 412 thousand).

17 Cash and cash equivalents presented in cash flow statements

<i>in PLN thousand</i>	30.09.2024	30.06.2024	31.12.2023	30.09.2023
Cash in bank	218 550	368 127	63 646	101 171
Cash in bank restricted in use	82 407	107 617	79 329	63 692
Cash in hand	257	311	277	427
Short-term bank deposit	27 968	7 372	1 017	2 888
Other	-	-	-	-
Cash and cash equivalents	329 182	483 427	144 269	168 178
Bank overdrafts	(20 990)	-	-	(33 217)
Cash and cash equivalents in the statement of cash flows	308 192	483 427	144 269	134 961

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

18 Financial instruments

Financial instruments measured at fair values

As at 30 September 2024, 30 June 2024, 31 December 2023 and 30 September 2023 the Group recognized at fair value through profit or loss an interests rate swap (IRS) asset in the amount of PLN 19 836 thousand, PLN 25 790 thousand, PLN 31 462 thousand, PLN 38 667 thousand respectively. The fair value of the interest rate swap was estimated on the basis of valuations obtained from banks, which are based on the valuation of the difference between the contractually agreed interest rate value and the rate values based on market quotations.

Fair values

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

- Cash and cash equivalents, short-term bank deposits and short-term bank loans: the carrying amounts approximate fair value due to the short term nature of these instruments.
- Trade and other receivables (which are not measured at fair value), trade and other payables and accrued liabilities: the carrying amounts approximate fair value due to the short-term nature of these instruments.
- Interest-bearing loans and borrowings, excluding fixed rate debt securities (bonds): the carrying amounts approximate fair value due to the variable nature of the related interest rates.
- The fair value of the interest rate swap was estimated on the basis of valuations obtained from banks, which are based on the valuation of the difference between the contractually agreed interest rate value and the rate values based on market quotations. As at 30 September 2024 the fair value relating to IRS amounted PLN 19 836 thousand (June 30, 2024: PLN 25 790 thousand, December 31, 2023: PLN 31 462 thousand, September 30, 2023: PLN 38 667 thousand)

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

19 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.

20 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.

21 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	-	-	-	-
Supervisory Board				
- Hubert Janiszewski	-	-	-	-
- Piotr Freyberg	-	-	-	-
- Zbigniew Łapiński	-	-	-	-
- Jacek Welc	-	-	-	-
- Stefan Dzienniak	-	-	-	-

*Przemysław Sztuczkowski owns directly 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.

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

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

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

- the company Złomrex Metal Sp. z o.o. (now Cognor SA Złomrex Branch in Wrocław) filed to the Supreme Administrative Court a cassation complaint against the judgment of the Provincial Administrative Court in Gliwice of 28 September 2015 – on November 17, 2017 a hearing was held, ending with a valid judgement for setting aside the judgement under appeal; annulment of the decision of the Director of the Tax Chamber in Katowice of September 19, 2014 and reconsideration of the case. Complaint concerns challenged by the Tax Control Office in Katowice deductions of VAT invoices issued in 2008 by 19 suppliers of the Company. The amount of the contested tax is PLN 1 418 thousand. Challenged tax along with interest in the total amount of PLN 2 478 thousand has been paid by Złomrex Metal Sp. z o.o. in 2014. As a result of the re-examination of the case, the Head of the Silesian Customs and Tax Office in Katowice issued a decision on May 23, 2019 in which he partially upheld his position regarding the challenge of deducting input VAT from VAT invoices issued in 2008 by 7 suppliers of the Company. The amount of the contested tax is PLN 762 thousand. The company lodged a complaint with the Provincial Administrative Court in Gliwice against the decision. On July 21, 2020 a hearing was held and a judgment was passed which revoked the contested decision. On September 29, 2020 the Director of the Tax Chamber in Katowice filed a cassation appeal against the verdict. On November 12, 2020 the company responded to the cassation appeal. On July 10, 2024, the Supreme Administrative Court overturned the judgment of the Provincial Administrative Court in Gliwice of July 21, 2020 and referred the case for re-examination, finding that the Provincial Administrative Court had refrained from assessing the merits of the case. Case pending.

- 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.

- Cognor S.A. received on March 19, 2024, decisions ending the Social Security's audit 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. On April 11 and 17, 2024, the Company filed appeals against these decisions. Case pending. Due to the above, the Company created 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 included 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 board will transfer this burden to the beneficiaries of this additional benefit.

23 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.

24 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 issue	240 000	till 15.01.2029
Cognor S.A.*	Investment loan agreement	347 356	till 21.12.2031
Cognor S.A.*	Investment loan agreement	142 651	till 21.12.2033
Cognor S.A.	Trade liability	26	without deadline
Cognor S.A.	Factoring	60 000	without deadline

*guarantee is granted by the Parent Company together with its subsidiary- Cognor Holding S.A. Sp. K. and Wizja i Wola Sp. Z o.o.

Warranties and guarantees received by the subsidiary - Cognor S.A.

Guarantor	Type of liability	Guarantee value	Period of guarantee
KUKE S.A.	Investment loan agreement	277 884	till 21.12.2031
KUKE S.A.	Investment loan	114 121	till 21.12.2033

25 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.

As a representative of the metallurgical industry, the Group is exposed to the situation of two main sectors of the economy: construction and automotive. These are industries characterized by a large amplitude of economic fluctuations, and as a consequence, the condition of the steel industry is highly cyclical. In the case of Cognor, the course of business cycles is more balanced because we produce steel for both the construction and automotive industries, whose business peaks and troughs cancel out to some extent due to their cyclical profiles not overlapping in time. Nevertheless, the variability of operating and financial results is high in our case and while we recorded very good results in the quarters of 2021-2022, in the following quarters we observed a deterioration of our operating situation and in 2024 our profitability is low. In addition to the above-mentioned macroeconomic factors, the decision to shift the main burden of investment outlays to the period of economic downturn contributed to the weakening of Cognor's condition. In our opinion, this was a rational decision that maximized our results in the long term, but at the expense of deepening the current slowdown trend that has been taking place in the steel industry since mid-2022. Therefore, the comparison of current results with the period 2021-2022 is unfavorable. When quantifying the factors affecting the results of the first three quarters of 2024, it is worth paying attention to the costs of downtime in the amount of PLN 47.9 million, relating to the steel plant in Gliwice and the rolling mill in Kraków, and caused by the start-up period of the Krakow plant, where the production process is not yet repeatable and reached full production capacity. Apart from the above-mentioned downtime costs, i.e. fixed costs incurred during the lack of production, the Group could not achieve higher sales and, consequently, higher margins. Therefore, in the last year, the natural cyclicity was reinforced by temporary factors resulting from the implementation of large-scale development projects at our plant in Krakow. The positive condition of our automotive business did not fully offset the loss in the construction steel business, as the results of this segment, although positive, deteriorated in the last quarter.

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 and May 2024 in the total amount of PLN 240.0 million under the program up to the amount of PLN 240.0 million and bonds convertible into 7-year shares issued in 2023 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.

The current amount of financing sources is, in the opinion of the management board of the Cognor group, adequate to the current and future needs in relation to maintaining operational activities. The pace of investments, especially in the case of the construction of the LSM rolling mill in Siemianowice Śląskie, will depend on Banco Santander's consent to release a tranche of the investment loan in the amounts of EUR 5.2 million and PLN 120.4 million despite the occurrence of violations of financial indicators. A similar situation occurred at the end of the third quarter of 2023, when 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 reported in detail in previous reports. Talks 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 financing amount. Nevertheless, it should be emphasized that as at the date of this report, the Company has not received Banco Santander's acceptance of the current breach of financial indicators. Due to the uncertainty regarding financial results in subsequent periods, which affect the fulfillment of financial covenants, it cannot be assured that cases of breach 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 advance communication with financial institutions, if the risk of inability to meet the conditions agreed in the financing agreements were to occur again. We assess the maturity structure of our financing as favorable, with a large long-term exposure component. The interest on a significant part of the exposure, i.e. the amount used and unpaid as at September 30, 2024, under the above-mentioned loan at Santander Bank, was secured with IRS transactions guaranteeing a low, fixed interest rate throughout the repayment period. Apart from the launch of the second tranche of the investment loan from Banco Santander, we do not anticipate the need to increase the scale of lending or change its structure.

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.

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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 perspective of the fourth quarter of 2024 will depend mainly

- the formation of relation of product prices to material prices, including especially steel scrap,
- the formation of the relations of the PLN to EUR and USD,
- the development of the geopolitical situation, including the war in Ukraine, which may have a far-reaching impact on the level of demand and cause organizational perturbations.

27 Subsequent events

On November 8, 2024, the subsidiary Cognor S.A. signed a mortgage loan agreement with Alior Bank S.A. to finance the company's current operations in the amount of PLN 24.8 million. The loan disbursement period is set for December 31, 2024, and the repayment date is set for November 7, 2029. Repayments will be made monthly starting from January 15, 2025. The loan interest rate is WIBOR3M + margin. The loan is secured by mortgages on the Company's real estates, power of attorney to bank accounts, transfer of receivables from the real estates insurance contract, and declaration of submission to enforcement. As of the date of publication of this report, the loan has not been yet disbursed.

Poraj, 14 November 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 consolidated financial data

	in PLN thousand		in EUR thousand	
	30.09.2024	Comparative data*	30.09.2024	Comparative data*
I. Revenue	1 735 403	2 151 545	403 376	470 047
II. Operating profit before financing costs	9 240	190 042	2 148	41 518
III. Profit before tax	-24 825	254 588	-5 770	55 620
IV. Profit for the period	-22 061	227 430	-5 128	49 686
IV.a. Profit for the period attributable to owners of the Parent Company	-20 522	221 124	-4 770	48 309
IV.b. Profit for the period attributable to non-controlling interests	-1 539	6 306	-358	1 378
V. Net cash from operating activities	245 997	122 062	57 179	26 667
VI. Net cash from investing activities	-314 310	-196 053	-73 058	-42 832
VII. Net cash from financing activities	233 201	-126 290	54 205	-27 591
VIII. Net increase / (decrease) in cash and cash equivalents	164 888	-200 281	38 326	-43 755
IX. Total assets	2 692 514	2 273 924	629 224	522 982
X. Total liabilities	1 477 483	1 032 714	345 279	237 515
XI. Total non-current liabilities	726 814	412 335	169 852	94 833
XII. Total current liabilities	750 669	620 379	175 427	142 681
XIII. Total equity	1 215 031	1 241 210	283 945	285 467
XIV. Issued share capital	257 131	257 131	60 090	59 138
XV. Number of shares (in thousands)	171 421	171 421		
XVI. Basic earnings per share (PLN/EUR)	-0,12	1,29	-0,03	0,28
XVII. Diluted earnings per share (PLN/EUR)	-0,11	1,18	-0,03	0,26
XVIII. Book value per share (PLN/EUR)	7,09**	7,24***	1,66	1,67
XIX. Diluted book value per share (PLN/EUR)	6,35**	6,6***	1,48	1,52
XX. Declared or paid dividend per share (PLN / EUR)	0,00	1,22	0,00	0,27

*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 September 30, 2023.

** as at September 30, 2024, the number of shares used to calculate the book value per share was 171,421 thousand shares and the diluted book value per share was 191,421 thousand shares

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

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

The items of assets and liabilities in the statement of financial position were converted into EUR at the average exchange rate announced by the National Bank of Poland on September 30, 2024 at 4.2791 PLN / EUR and for comparative data as at December 31, 2023 - 4.348 PLN / EUR.

Individual items concerning the profit and loss account and cash flows were converted according to the exchange rate being the arithmetic average of NBP exchange rates as of the last calendar day of individual months, which amounted to PLN / EUR 4.3022 (9 months of 2024), PLN / EUR 4.5773 respectively (9 months of 2023).