



## **TORPOL Capital Group**

*Conference of the Management Board  
Summary of the 1H2021*

*6 Sept. 2021*



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# Summary of the overall situation of Group (1)



## FINANCIAL RESULTS FOR 1H2021

- Group's revenues at the level of **PLN 491.0 MN** (-16.6% yoy);
- satisfactory results at every level of profitability:
  - gross profit on sales of **PLN 42.6 MN** (+16.7% yoy);
  - EBITDA of **PLN 38.2 MN** (+21.2% yoy);
  - EBIT of **PLN 27.5 MN** (+37.9% yoy);
  - gross profit of **PLN 25.7 MN** (+47.5% yoy);
  - net profit of **PLN 20.3 MN** (+47.5% yoy).

## PROFITABLE PORTFOLIO OF ORDERS

- Backlog at the level of over **PLN 1.2 billion** excl. VAT without the participation of consortium members;
- The average weighted, long-term gross viability of the order portfolio is approx. **6.5-7%**;
- The average margin on gross sales from the Group's contract portfolio for the last 12 months as at the end of June 2021 has clearly increased and reached **8.2%** (compared to over **5.2%** as at the end of June last year), which is due to, among other things, the completion of the majority of projects acquired during the difficult period of the investment gap and low number of tenders in the market (2016-2017), with profitability higher than expected and a higher average margin on contracts currently in progress.

## Summary of the overall situation of Group (2)



### STABLE FINANCIAL AND LIQUIDITY SITUATION

- Record high level of cash in the amount of **PLN 484.4 MN** (with capitalization of **PLN 314.7 MN** – as at 03/09/2021);
- **no net debt**;
- **net cash of PLN 352.7 MN**;
- **PLN 123.8 MN** cash from operating activities;
- the level of guarantee limits – **approx. PLN 1.44 billion** (of which approx. **PLN 0.67 billion** was used as at the end of July 2021).

### TORPOL – A DIVIDEND COMPANY

- On 12 May 2021, the Management Board of the Company recommended to the OGM that **PLN 35.1 MN**, i.e. **PLN 1.53 per share**, should be paid as dividend.
- DY% (as of 21/05/2021) – **10.5%**, one of the best ratios among WIG-Budownictwo and on the entire market.

## Summary of the overall situation of Group (3)



### VERY GOOD MARKET OUTLOOK

- According to press reports, PKP PLK plans to announce tender proceedings with a total potential value of over **PLN 10 billion (fourth quarter of 2021)** in 2021. These will be projects implemented under the remainder of the NRP and the financial perspective 2021-2027;
- NRP (National Railway Program) – envisages investments of **PLN 76.7 billion**, of which **PLN 19 billion** has been completed, while **PLN 49.6 billion** is still under construction (as of the end of March 2021)
- Maintenance Program – **PLN 23.8 billion** by 2023 to renovate the existing railroad infrastructure, this year, PKP PLK will announce a procedure for the maintenance of railway lines with a total planned value of **PLN 0.65 billion**;
- Station Investments Program – **PLN 1.4 billion** includes modernization of 188 railroad stations;
- Railway+ Program – **PLN 6.6 billion** is aimed at supplementing the railroad network especially with connections in small towns;
- Central Communication Port (CPK) project – railroad investments of **PLN 8-9 billion**;
- Train halts program – **PLN 1 billion** – a scheme related to the construction and modernization of train stops and associated infrastructure;
- **National Recovery Plan** (Krajowy Plan Odbudowy – KPO) – adopted on 30 April 2021. The budget of the program is EUR 58.1 bilion. The program aims to rebuild the country's economy in various areas of social and economic life. Within the framework of the program, about EUR 2.68 bilion is planned to be allocated **to increase the competitiveness of the railroad sector**;
- **The Infrastructure and Environment Reconstruction Plan** 2021-2027, under which Poland will receive **EUR 25.1 billion** (major infrastructure investments, roads, railroads, public transport, environmental protection);
- Good prospects for development of the oil&gas market and increase in the scale of TOG's operations.

# The financial situation – consolidated income statement



<i>Data in PLN thousand</i>	1H21	1H20	Change %/pp
<b>Sales revenue</b>	491 009	589 040	-16,6%
<i>Cost of sales</i>	448 402	552 515	-18,8%
<b>Gross profit on sales</b>	42 607	36 525	16,7%
<i>Percentage of gross profit on sales</i>	8,7%	6,2%	+2,5 pp
<b>Overhead and sales costs</b>	16 874	16 080	4,9%
<b>Sales profit</b>	25 733	20 445	25,9%
<i>Percentage of profit on sales</i>	5,2%	3,5%	+1,7 pp
<b>Profit on operating activities</b>	27 540	19 968	37,9%
<i>EBT (in per cent)</i>	5,6%	3,4%	+2,2 pp
<b>Gross profit</b>	25 679	17 412	47,5%
<i>PBT (in per cent)</i>	5,2%	3,0%	+2,2 pp
<b>Net profit for the period</b>	20 256	13 931	45,4%
<i>Net profit (in per cent)</i>	4,1%	2,4%	+1,7 pp
<b>EBITDA</b>	38 181	31 495	21,2%
<i>% EBITDA</i>	7,8%	5,3%	+2,5 pp

Despite the decrease in net sales revenue, the Group recorded a further increase in profitability on gross sales, mainly due to the settlement of completed projects in the last 6 months, with profitability higher than expected, and the satisfactory profitability of contracts currently in progress.

A slight increase in general and administrative expenses and total sales in H1 2021 (+4.9% year-on-year), as well as a significantly higher result on other operating activities (PLN +1.81mn vs. PLN -0.48mn a year earlier) and a slightly higher result on the financial activities (PLN -1.86m vs. PLN -2.44m a year earlier) meant that operating profit and gross profit were significantly higher in the reporting period than in the same period last year (+37.9% and +47.5% year-on-year, respectively)

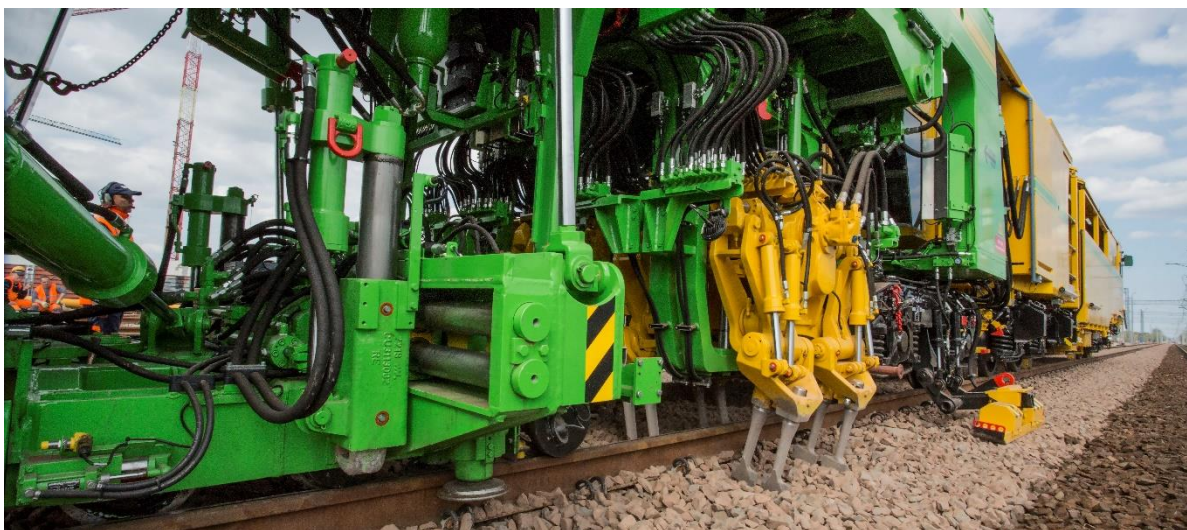
The Group's net profit was approximately PLN 20.3 million, up by more than PLN 6.3 million year-on-year.



# The financial situation – consolidated balance sheet



IN PLN THOUSAND	30/06/2021	31/12/2020	Change%
<b>Balance sheet total</b>	<b>1 015 395</b>	<b>1 043 716</b>	<b>-2,7%</b>
Fixed assets	221 562	228 219	-2,9%
<b>Current assets</b>	<b>793 833</b>	<b>815 497</b>	<b>-2,7%</b>
Inventory	55 479	57 262	-3,1%
<b>Cash</b>	<b>484 399</b>	<b>404 910</b>	<b>19,6%</b>
Equity	235 058	250 667	-6,2%
<b>Total liabilities</b>	<b>780 337</b>	<b>793 049</b>	<b>-1,6%</b>
Net debt	-352 720	-260 157	Nd.



An orderly structure of assets and their sources of financing typical of the Group's business characteristics.

The Group's long-term liabilities decreased significantly (-27.5% in the reporting period), which is attributable to the repayment of finance lease and finance lease liabilities, the reclassification of the long-term proportion of loans and borrowings to short-term financial liabilities and a decrease in withheld amounts payable.

The Group has no net debt and the net cash level is PLN 352.7 million (against PLN 260.2 million at the end of 2020).

# The financial situation – consolidated CF

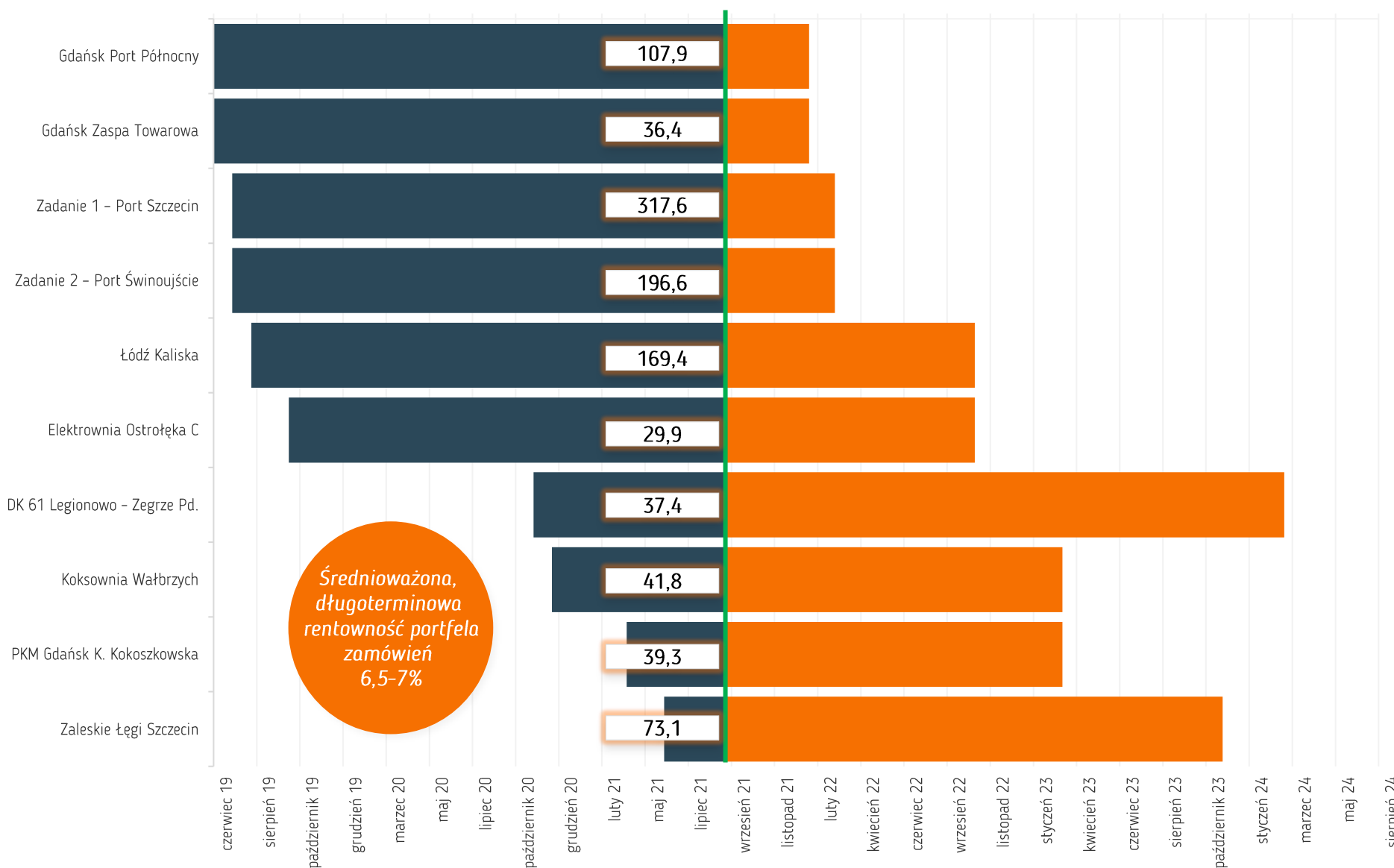


IN PLN THOUSAND	1H2021	1H2020	Change	IN PLN THOUSAND	1H2021	1H2020	Change
<b>Cash flows from operating activity</b>				<b>Cash flows from investing activities</b>			
Gross profit/loss on continued operations	25 679	17 412	8 267	Sale of fixed tangible assets and intangibles	651	1 144	-493
Total gross profit/loss	25 679	17 412	8 267	Purchase of fixed tangible assets and intangibles	-2 843	-2 665	-178
Adjustments by items:	98 088	176 794	-78 706	Acquisition of financial assets	155	0	155
Depreciation	10 641	11 527	-886	Interests received	23	1 095	-1 072
Profit from investing activities	-668	-495	-173	Other	-1 209	-1 685	476
Change in accounts receivable and assets arising from contracts with customers	111 580	402 981	-291 401	<b>Net cash flows from investing activities</b>	<b>-3 223</b>	<b>-2 111</b>	<b>-1 112</b>
Change in inventory	1 784	-31 336	33 120	<b>Cash flows from financial activities</b>			
Change in payables except for bank loans and borrowings	-4 498	-175 632	171 134	Payment of finance lease liabilities	-6 963	-6 892	-71
Interests received	-83	-1 095	1 012	Proceeds from loans and borrowings	0	0	0
Interests paid	1 883	2 927	-1 044	Repayment of loans and borrowings	-32 532	-24 382	-8 150
Change in the balance of prepayments and accruals	-987	-3 410	2 423	Interests paid	-1 560	-2 883	1 323
Movements in provisions	9 106	-131	9 237	Other financial proceeds	0	357	-357
Income tax paid/reimbursed	-29 947	-28 381	-1 566	<b>Net cash flows from financial activities</b>	<b>-41 055</b>	<b>-33 800</b>	<b>-7 255</b>
Other	-723	-161	-562				
<b>Net cash flows from operating activity</b>	<b>123 767</b>	<b>194 206</b>	<b>-70 439</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>79 489</b>	<b>158 295</b>	<b>-78 806</b>
				<b>Cash and cash equivalents at the beginning of the period</b>	<b>404 910</b>	<b>200 855</b>	<b>204 055</b>
				<b>Cash and cash equivalents at the end of the period</b>	<b>484 399</b>	<b>359 150</b>	<b>125 249</b>



# Current backlog

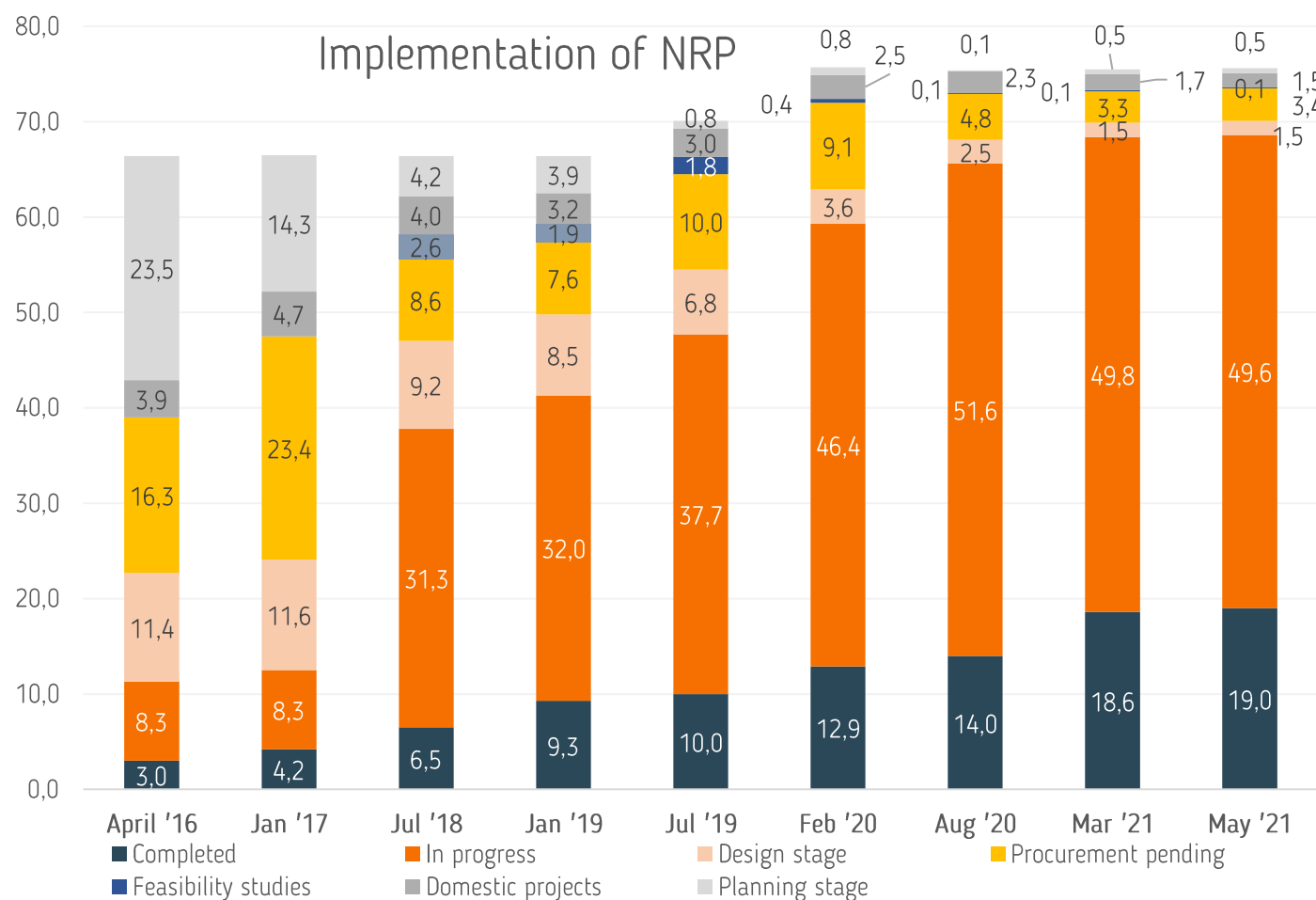
Current backlog value is  
\*PLN 1.2 bilion  
excl. VAT



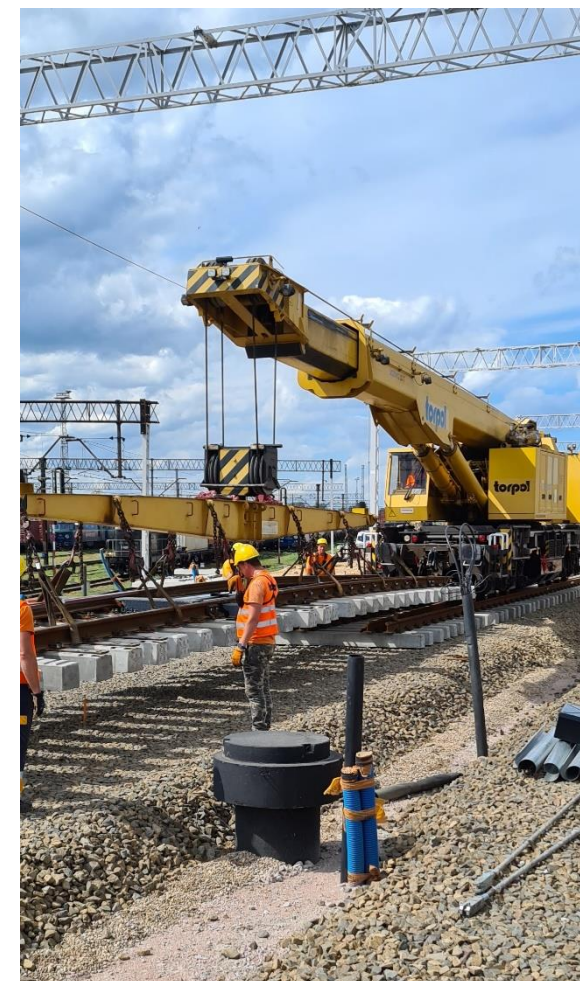
\* without the participation of consortium members

# Prospects for the railway market in Poland – implementation of the NRP

National Railway Program is the largest railroad investment program in the history of Poland, and its current value amounts to **PLN 76.71 billion** (according to financing sources). The current (from the press reports of PKP PLK as at the end of March 2021) state of progress of the NRP implementation is about 90.7% (including completed projects and projects in progress). Under the program, contracts worth approx. **PLN 18.6 billion** (24.7%), and contracts at an advanced stage of implementation account for approx. **PLN 49.6 billion** (66%). According to recent press reports, PKP PLK plans to announce tender proceedings with a potential value of over **PLN 10 billion** in 2021, mainly in the fourth quarter of this year.



Source: PKP PLK



# Prospects for the railway market in Poland – National Recovery Plan



- The National Recovery Plan was adopted by the Council of Ministers on April 30, 2021. It is a response to the EC's adoption of a EUR 750 billion crisis recovery package for member economies. The plan's budget amounts to EUR 58.1 billion, of which:
  - EUR 23.9 billion in the form of non-reimbursable grants and;
  - EUR 34.2 billion in long-term, low-interest loans.
- EUR 2,676 million was allocated to increase the competitiveness of rail transport, of which:
  - Modernization of railroad lines (national, regional) – funds supporting the ongoing National Railway Program – EUR 2,093 million;
  - Modernization of rolling stock (national, regional) – EUR 398 million;
  - Investments in intermodal projects – EUR 185 million.

Considering the budget for Poland in the 2021–2027 perspective, Poland should receive about EUR 170 billion (over PLN 770 billion, according to 2018 prices).

## Modernisation and revitalisation market

- According to the declarations of the ordering party, by the end of 2021, PKP PLK wants to announce procedures worth **PLN 10 billion**, which constitute a continuation of the National Railway Program and concern projects already included in the new perspective of 2021-2027.
- The aim of PKP PLK is to ensure continuity of the investment process and to maintain current prices in tender procedures. In addition, the effect of the investment is expected to introduce more attractive regional, inter-provincial and international connections and better access to the railroad. There will be an increase in the capacity of freight transport and the level of safety in rail transport.
- The planned investments include modernization of the next section of Rail Baltica (Białystok - Ełk), reconstruction of routes Giżycko - Kętrzyn - Korsze, Kościerzyna - Somonino - Kartuzy and the Poznań railroad bypass. It also includes modernization of railroad lines in Silesia, e.g. Będzin - Katowice Szopienice Płd.- Katowice Piotrowice and Tychy - the Vistula bridge as well as works at stations such as Zawiercie, Ełk, Maksymilianowo, Mielec and Słupsk.

## The maintenance market

- As part of the ongoing maintenance of railroad infrastructure, PKP PLK is also planning to announce tenders for repair and maintenance works with an estimated value of over PLN 650 million.
- The works are to cover the entire national railroad network.
- The effect of the tasks will be, among other things, the provision of timetable-compliant journeys and the expected service conditions at stations and stops. The works will allow greater possibilities of transporting goods by rail.



## MARKET SITUATION

In the first six months of 2021, the TOG subsidiary participated in 22 procurements with a total potential net value of **PLN 309.8 million** excl. VAT, of which TOG won 10 contracts with a total net value of **PLN 30.9 million excl. VAT**. Proceedings worth of **PLN 140 million** net value remain pending.

Currently TOG is preparing offers of total potential value of **PLN 142 milion excl. VAT**.

MARKET  
WORTH  
BILLIONS  
OF POLISH  
ZLOTYS

The operational activities of TOG have been consistently developed and the company has gradually become independent and strengthened its position in the oil & gas sector by increasing the scale of its operations.

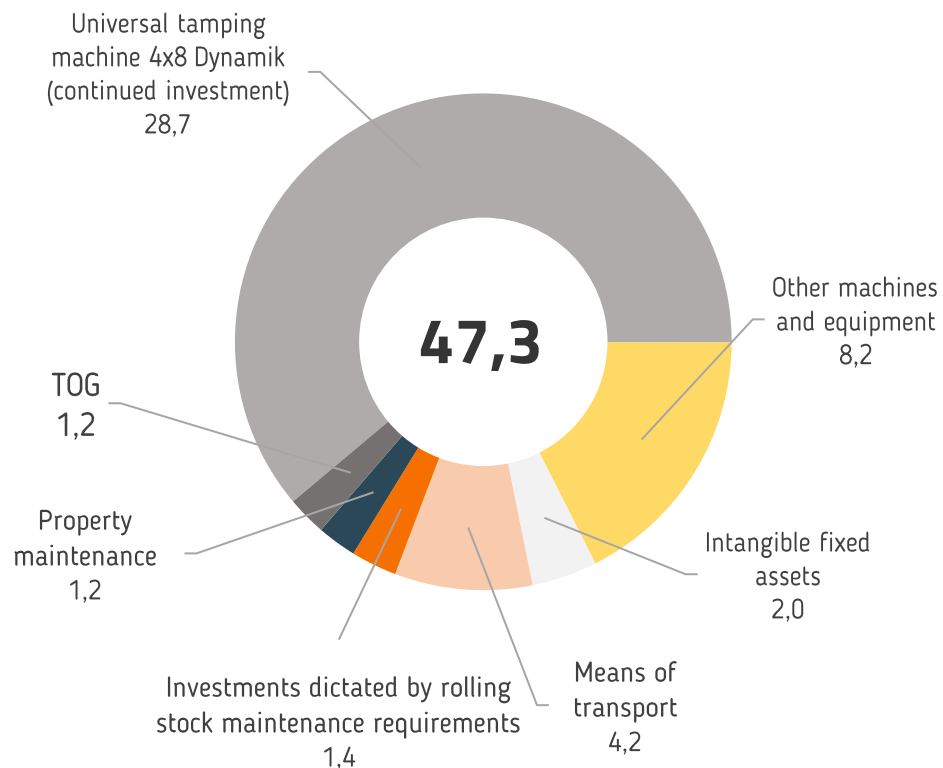
With each consecutive year of activity, TOG has been increasing the level of competence and potential (technical, human and financial).

The company's backlog amounts to **PLN 65.5 million excl. VAT**.

# Planned investments



## Investments for 2021 (in PLN MN)



In the first half of 2021, the Group implemented investments in the amount of PLN 3 million.

The Group plans to incur significant net capital expenditures of approximately PLN 47.3 million in 2021. The Group's investment plan for 2021 relates mainly to the purchase of equipment and machinery for the modernization of railroad lines, vehicles for the repair and installation of catenary lines, means of transport, and further development of ERP software.



- Ongoing monitoring of the coronavirus epidemic situation, sanitary regime, health and safety at work, proper organization of remote and rotational work;
- Continuous, strict control of the pace and quality of construction work. Controlling operational risks on contracts; Maintaining current viability on gross sales;
- Further tendering (PKP PLK, PKP SA, the tram market), maintaining access to credit and guarantee limits, cooperation with banks and insurers;
- Competence building in the area of building gas network infrastructure and fuel infrastructure;
- Development of general construction division, as well as operations in the field of bridge and civil engineering construction within the Group's portfolio;
- Strengthening the position of one of the largest entities in modernization projects on the railroad market, maintaining the market share at the level of approx. 15%.

# APPENDICES

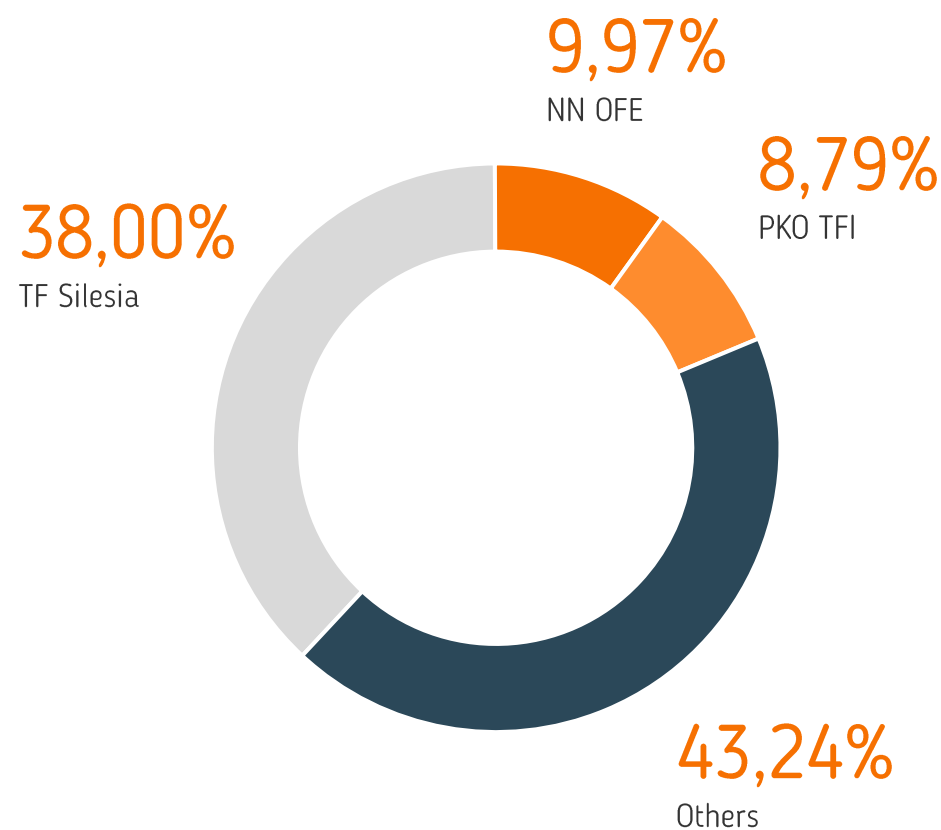




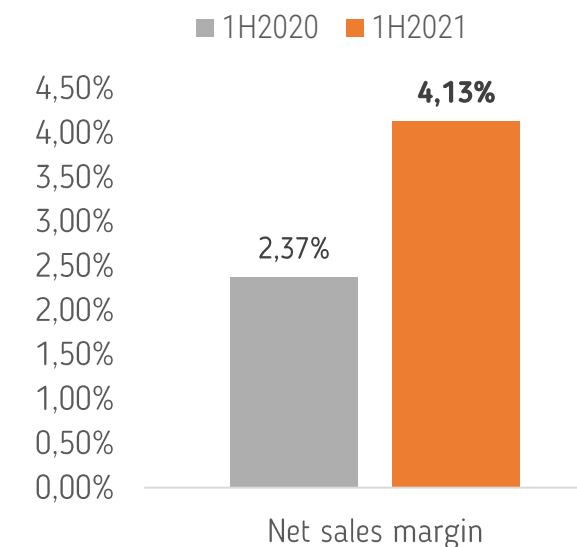
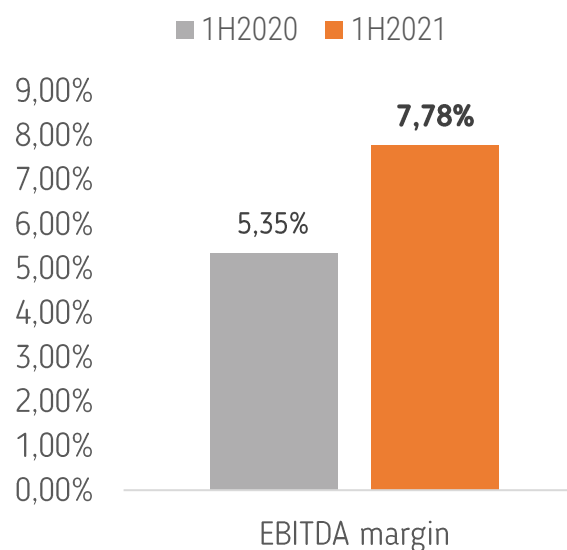
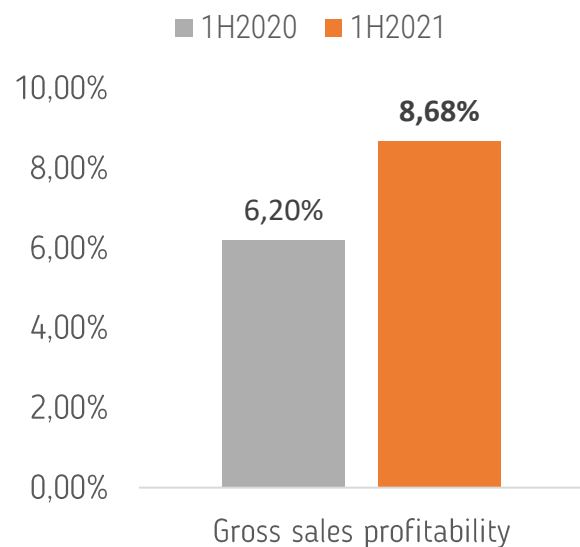
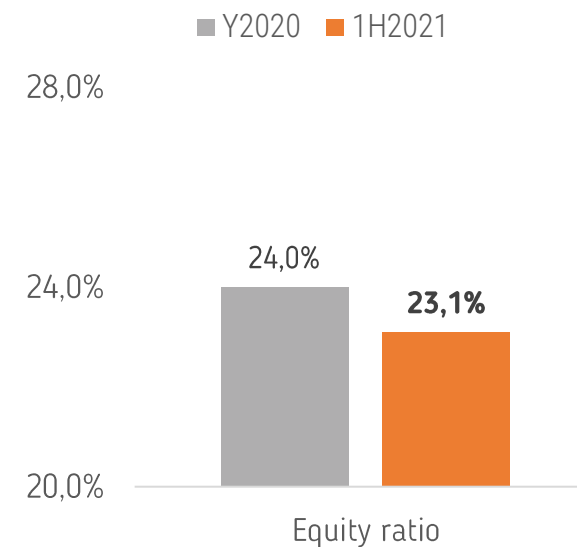
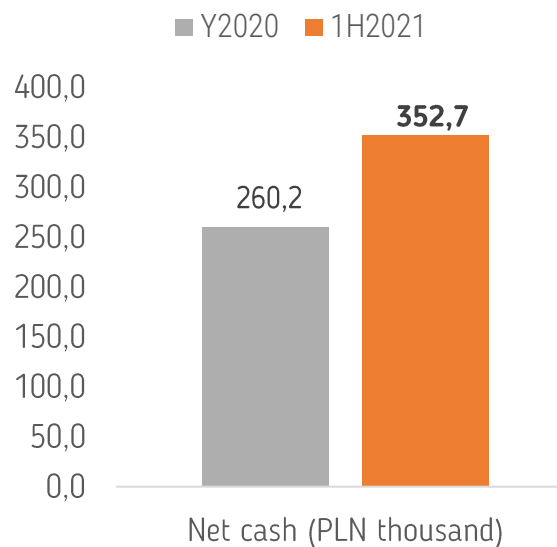
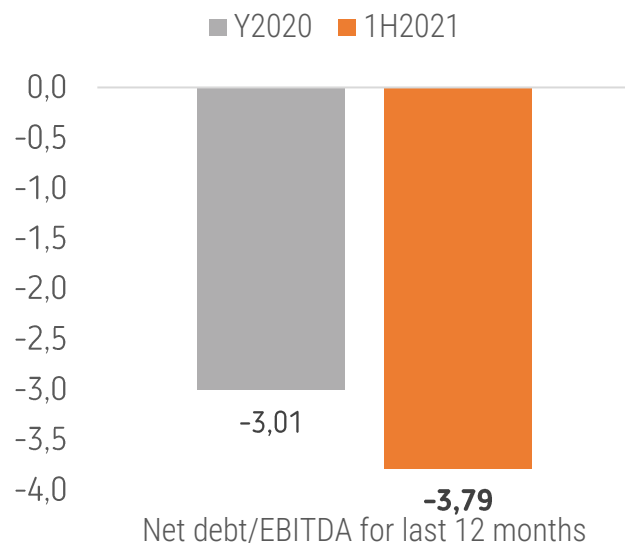
## Shareholder structure – 6 September 2021



Shareholder	Number of shares	(%) in capital
TF Silesia sp. z o.o.	8 728 600	38,00%
NN OFE	2 289 246	9,97%
PKO TFI	2 019 209	8,79%
Others	9 932 945	43,24%
TOTAL	22 970 000	100,00%



# Financial indicators (consolidated data)



A high-speed train with a white and orange livery is traveling on a set of tracks. The train is moving from left to right. The tracks are made of steel rails on a bed of gravel. In the background, there are power lines and a blue sky with white clouds.

# APPENDICES

## CONSOLIDATED DATA

# Financial results of TORPOL Capital Group



Data in PLN thousand	1H21	Structure %	1H20	Structure %	Change	Change %
Sales of services	489 454	99,7%	588 877	100,0%	-99 423	-16,9%
Revenues from sales of goods and products	1 555	0,3%	163	0,0%	1 392	854,0%
<b>Sales revenues</b>	<b>491 009</b>	<b>100,0%</b>	<b>589 040</b>	<b>100,0%</b>	<b>-98 031</b>	<b>-16,6%</b>
Cost of goods sold	448 402	91,3%	552 515	93,8%	-104 113	-18,8%
<b>Gross profit on sales</b>	<b>42 607</b>	<b>8,7%</b>	<b>36 525</b>	<b>6,2%</b>	<b>6 082</b>	<b>16,7%</b>
Cost of sales	972	0,2%	1 134	0,2%	-162	-14,3%
General and administrative costs	15 902	3,2%	14 946	2,5%	956	6,4%
<b>Profit on sales</b>	<b>25 733</b>	<b>5,2%</b>	<b>20 445</b>	<b>3,5%</b>	<b>5 288</b>	<b>25,9%</b>
Other operating revenues	3 358	0,7%	1 440	0,2%	1 918	133,2%
Other operating expenses	1 551	0,3%	1 917	0,3%	-366	-19,1%
<b>Profit on operating activity</b>	<b>27 540</b>	<b>5,6%</b>	<b>19 968</b>	<b>3,4%</b>	<b>7 572</b>	<b>37,9%</b>
Financial revenues – interest income	83	0,0%	1 095	0,2%	-1 012	-92,4%
Other financial revenues	153	0,0%	487	0,1%	-334	-68,6%
Financial expenses	2 097	0,4%	4 022	0,7%	-1 925	-47,9%
Share in profit of a joint venture entity	0	0,0%	-116	0,0%	116	-100,0%
<b>Gross profit</b>	<b>25 679</b>	<b>5,2%</b>	<b>17 412</b>	<b>3,0%</b>	<b>8 267</b>	<b>47,5%</b>
Income tax	5 423	1,1%	3 481	0,6%	1 942	55,8%
<b>Net profit from continued operations</b>	<b>20 256</b>	<b>4,1%</b>	<b>13 931</b>	<b>2,4%</b>	<b>6 325</b>	<b>45,4%</b>
Profit per one share (in PLN)	0,88	0,0%	0,61	0,0%	0	45,4%
Weighted number of shares in thousand shares	22 970	-	22 970	-	0	0,0%
<b>EBITDA</b>	<b>38 181</b>	<b>-</b>	<b>31 495</b>	<b>-</b>	<b>6 686</b>	<b>21,2%</b>



# Statement of TORPOL CG's finances



Data in PLN thousand	30/06/2021	Structure %	31/12/2020	Structure %	Change	Change %
<b>Fixed assets</b>	<b>221 562</b>	<b>21,8%</b>	<b>228 219</b>	<b>21,9%</b>	<b>-6 657</b>	<b>-2,9%</b>
Tangible fixed assets	82 253	8,1%	83 238	8,0%	-985	-1,2%
Right-of-use assets	47 498	4,7%	54 116	5,2%	-6 618	-12,2%
Goodwill	9 008	0,9%	9 008	0,9%	0	0,0%
Intangible assets	4 302	0,4%	4 290	0,4%	12	0,3%
Shares in joint venture entities	0	0,0%	155	0,0%	-155	-100,0%
Receivables due to withheld amounts	168	0,0%	272	0,0%	-104	-38,2%
Other long-term receivables	9 042	0,9%	22 416	2,1%	-13 374	-59,7%
Deferred tax assets	67 030	6,6%	50 927	4,9%	16 103	31,6%
Prepayments	2 261	0,2%	3 797	0,4%	-1 536	-40,5%
<b>Current assets</b>	<b>793 833</b>	<b>78,2%</b>	<b>815 497</b>	<b>78,1%</b>	<b>-21 664</b>	<b>-2,7%</b>
Inventories	55 479	5,5%	57 262	5,5%	-1 783	-3,1%
Trade and service receivables	195 790	19,3%	288 122	27,6%	-92 332	-32,0%
Receivables due to withheld amounts	94	0,0%	124	0,0%	-30	-24,2%
Assets due to contracts with customers	34 433	3,4%	38 926	3,7%	-4 493	-11,5%
Deferred revenue	45	0,0%	102	0,0%	-57	-55,9%
Income tax receivables	77	0,0%	413	0,0%	-336	-81,4%
Other financial receivables	9 975	1,0%	4 520	0,4%	5 455	120,7%
Other non-financial receivables	5 684	0,6%	11 933	1,1%	-6 249	-52,4%
Prepayments	7 783	0,8%	9 111	0,9%	-1 328	-14,6%
Loans granted	72	0,0%	72	0,0%	0	0,0%
Cash and cash equivalents	484 399	47,7%	404 910	38,8%	79 489	19,6%
Other financial assets	2	0,0%	2	0,0%	0	0,0%
<b>TOTAL ASSETS</b>	<b>1 015 395</b>	<b>100,0%</b>	<b>1 043 716</b>	<b>100,0%</b>	<b>-28 321</b>	<b>-2,7%</b>

# Statement of TORPOL CG's financial standing



Data in PLN thousand	30/06/2021	Structure %	31/12/2020	Structure %	Change	Change %
<b>Equity</b>	<b>235 058</b>	<b>23,1%</b>	<b>250 667</b>	<b>24,0%</b>	<b>-15 609</b>	<b>-6,2%</b>
Share capital	4 594	0,5%	4 594	0,4%	0	0,0%
Other reserve capital	156 320	15,4%	147 457	14,1%	8 863	6,0%
Share premium	54 617	5,4%	54 617	5,2%	0	0,0%
Retained earnings	18 038	1,8%	42 503	4,1%	-24 465	-57,6%
Supplementary capital – other	3 212	0,3%	3 212	0,3%	0	0,0%
Foreign exchange differences on translation of foreign operations	-836	-0,1%	-813	-0,1%	-23	2,8%
Revaluation reserve (actuarial gains/losses)	17	0,0%	15	0,0%	2	13,3%
Non-controlling interests	-904	-0,1%	-918	-0,1%	14	-1,5%
<b>Long-term liabilities</b>	<b>74 714</b>	<b>7,4%</b>	<b>103 070</b>	<b>9,9%</b>	<b>-28 356</b>	<b>-27,5%</b>
Interest-bearing loans and borrowings	27 610	2,7%	40 139	3,8%	-12 529	-31,2%
Long-term liabilities due to lease agreements	25 467	2,5%	30 282	2,9%	-4 815	-15,9%
Other financial liabilities	0	0,0%	7 513	0,7%	-7 513	-100,0%
Provisions	6 868	0,7%	1 368	0,1%	5 500	402,0%
Liabilities due to withheld amounts	14 769	1,5%	23 768	2,3%	-8 999	-37,9%
<b>Short-term liabilities</b>	<b>705 623</b>	<b>69,5%</b>	<b>689 979</b>	<b>66,1%</b>	<b>15 644</b>	<b>2,3%</b>
Trade and service liabilities	131 219	12,9%	159 701	15,3%	-28 482	-17,8%
Liabilities due to withheld amounts	34 220	3,4%	26 167	2,5%	8 053	30,8%
Loans and borrowings	25 120	2,5%	45 122	4,3%	-20 002	-44,3%
Short-term liabilities due to lease agreements	11 204	1,1%	12 846	1,2%	-1 642	-12,8%
Other financial liabilities	42 278	4,2%	8 851	0,8%	33 427	377,7%
Deferred revenue	0	0,0%	28	0,0%	-28	-100,0%
Liabilities from contract pricing	331 317	32,6%	257 382	24,7%	73 935	28,7%
Advance payments received for contracts	78 408	7,7%	121 430	11,6%	-43 022	-35,4%
CIT related liabilities	849	0,1%	9 269	0,9%	-8 420	-90,8%
Current liabilities for social security and taxes other than income tax	8 809	0,9%	7 860	0,8%	949	12,1%
Other non-financial liabilities	1 590	0,2%	469	0,0%	1 121	239,0%
Accruals	30 724	3,0%	34 575	3,3%	-3 851	-11,1%
Provisions	9 885	1,0%	6 279	0,6%	3 606	57,4%
<b>Total liabilities</b>	<b>780 337</b>	<b>76,9%</b>	<b>793 049</b>	<b>76,0%</b>	<b>-12 712</b>	<b>-1,6%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 015 395</b>	<b>100,0%</b>	<b>1 043 716</b>	<b>100,0%</b>	<b>-28 321</b>	<b>-2,7%</b>

# Statement of TORPOL CG's finances



Data in PLN thousand	1H2021	1H2020	Change	Data in PLN thousand	1H2021	1H2020	Change
<b>Cash flows from operating activity</b>				<b>Cash flows from investing activities</b>			
Gross profit/loss on continued operations	25 679	17 412	8 267	Sale of fixed tangible assets and intangibles	651	1 144	-493
Gross profit/loss from discontinued operations	0	0	0	Purchase of fixed tangible assets and intangibles	-2 843	-2 665	-178
Total gross profit/loss	25 679	17 412	8 267	Purchase of financial assets	155	0	155
Adjustments by items::	98 088	176 794	-78 706	Interests received	23	1 095	-1 072
Depreciation	10 641	11 527	-886	Other	-1 209	-1 685	476
Profit from investing activities	-668	-495	-173	<b>Net cash flows from investing activities</b>	<b>-3 223</b>	<b>-2 111</b>	<b>-1 112</b>
Change in receivables and assets under contracts with customers	111 580	402 981	-291 401	<b>Cash flows from financial activities</b>			
Change in inventories	1 784	-31 336	33 120	Payment of finance lease liabilities	-6 963	-6 892	-71
Change in payables except for bank loans and borrowings	-4 498	-175 632	171 134	Proceeds from loans and borrowings	0	0	0
Interests received	-83	-1 095	1 012	Repayment of loans and borrowings	-32 532	-24 382	-8 150
Interests paid	1 883	2 927	-1 044	Interests paid	-1 560	-2 883	1 323
Change in accruals	-987	-3 410	2 423	Other financial inflows	0	357	-357
Movements in provisions	9 106	-131	9 237	<b>Net cash flows from financial activities</b>	<b>-41 055</b>	<b>-33 800</b>	<b>-7 255</b>
Income tax paid/reimbursed	-29 947	-28 381	-1 566	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>79 489</b>	<b>158 295</b>	<b>-78 806</b>
Other	-723	-161	-562	<b>Cash and cash equivalents at the beginning of the period</b>	<b>404 910</b>	<b>200 855</b>	<b>204 055</b>
<b>Net cash flows from operating activity</b>	<b>123 767</b>	<b>194 206</b>	<b>-70 439</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>484 399</b>	<b>359 150</b>	<b>125 249</b>

# APPENDICES

## UNCONSOLIDATED DATA





# Financial results of TORPOL



Data in PLN thousand	1H21	Structure %	1H20	Structure %	Change	Change %
Sales of services	449 297	99,8%	572 310	100,0%	-123 013	-21,5%
Revenues from sales of goods and products	883	0,2%	163	0,0%	720	441,7%
<b>Sales revenues</b>	<b>450 180</b>	<b>100,0%</b>	<b>572 473</b>	<b>100,0%</b>	<b>-122 293</b>	<b>-21,4%</b>
Cost of goods sold	411 419	91,4%	537 799	93,9%	-126 380	-23,5%
<b>Gross profit on sales</b>	<b>38 761</b>	<b>8,6%</b>	<b>34 674</b>	<b>6,1%</b>	<b>4 087</b>	<b>11,8%</b>
Cost of sales	971	0,2%	1 134	0,2%	-163	-14,4%
General and administrative costs	13 521	3,0%	12 799	2,2%	722	5,6%
<b>Profit on sales</b>	<b>24 269</b>	<b>5,4%</b>	<b>20 741</b>	<b>3,6%</b>	<b>3 528</b>	<b>17,0%</b>
Other operating revenues	3 329	0,7%	1 439	0,3%	1 890	131,3%
Other operating expenses	1 524	0,3%	1 914	0,3%	-390	-20,4%
<b>Profit on operating activity</b>	<b>26 074</b>	<b>5,8%</b>	<b>20 266</b>	<b>3,5%</b>	<b>5 808</b>	<b>28,7%</b>
Financial revenues – interest income	81	0,0%	1 093	0,2%	-1 012	-92,6%
Other financial revenues	131	0,0%	189	0,0%	-58	-30,7%
Financial expenses	1 902	0,4%	4 124	0,7%	-2 222	-53,9%
<b>Gross profit</b>	<b>24 384</b>	<b>5,4%</b>	<b>17 424</b>	<b>3,0%</b>	<b>6 960</b>	<b>39,9%</b>
Income tax	5 235	1,2%	3 434	0,6%	1 801	52,4%
<b>Net profit for the period</b>	<b>19 149</b>	<b>4,3%</b>	<b>13 990</b>	<b>2,4%</b>	<b>5 159</b>	<b>36,9%</b>
Profit per one share (in PLN)	0,83	0,0%	0,61	0,0%	0	36,9%
Weighted number of shares in thousand shares	22 970	-	22 970	-	0	0,0%
<b>EBITDA</b>	<b>36 635</b>	<b>-</b>	<b>31 166</b>	<b>-</b>	<b>5 469</b>	<b>17,5%</b>

# Statement of TORPOL's financial standing



Data in PLN thousand	30/06/2021	Structure %	31/12/2020	Structure %	Change	Change %
<b>Fixed assets</b>	<b>224 611</b>	<b>22,9%</b>	<b>231 371</b>	<b>22,7%</b>	<b>-6 760</b>	<b>-2,9%</b>
Tangible fixed assets	81 602	8,3%	83 281	8,2%	-1 679	-2,0%
Right-of-use assets	46 530	4,7%	52 926	5,2%	-6 396	-12,1%
Goodwill	9 008	0,9%	9 008	0,9%	0	0,0%
Intangible assets	4 128	0,4%	4 161	0,4%	-33	-0,8%
Shares in affiliate entities	5 417	0,6%	5 415	0,5%	2	0,0%
Receivables due to withheld amounts	161	0,0%	264	0,0%	-103	-39,0%
Other long-term receivables	9 042	0,9%	22 416	2,2%	-13 374	-59,7%
Deferred tax assets	66 763	6,8%	50 472	5,0%	16 291	32,3%
Prepayments	1 960	0,2%	3 428	0,3%	-1 468	-42,8%
<b>Current assets</b>	<b>756 645</b>	<b>77,1%</b>	<b>785 659</b>	<b>77,3%</b>	<b>-29 014</b>	<b>-3,7%</b>
Inventories	55 168	5,6%	56 750	5,6%	-1 582	-2,8%
Trade and service receivables	184 123	18,8%	270 833	26,6%	-86 710	-32,0%
Receivables due to withheld amounts	94	0,0%	112	0,0%	-18	-16,1%
Other financial receivables	9 975	1,0%	4 520	0,4%	5 455	120,7%
Assets due to contracts with customers and other uninvoiced income	15 160	1,5%	31 002	3,0%	-15 842	-51,1%
Deferred income	45	0,0%	102	0,0%	-57	-55,9%
Other non-financial receivables	2 966	0,3%	10 909	1,1%	-7 943	-72,8%
Prepayments	7 176	0,7%	8 379	0,8%	-1 203	-14,4%
Other financial assets	2	0,0%	2	0,0%	0	0,0%
Cash and cash equivalents	481 936	49,1%	403 050	39,6%	78 886	19,6%
<b>TOTAL ASSETS</b>	<b>981 256</b>	<b>100,0%</b>	<b>1 017 030</b>	<b>100,0%</b>	<b>-35 774</b>	<b>-3,5%</b>

# Statement of TORPOL's financial standing



Data in PLN thousand	30/06/2021	Structure %	31/12/2020	Structure %	Change	Change %
<b>Equity</b>	<b>238 101</b>	<b>24,3%</b>	<b>254 820</b>	<b>25,1%</b>	<b>-16 719</b>	<b>-6,6%</b>
Share capital	4 594	0,5%	4 594	0,5%	0	0,0%
Other reserve capital	156 320	15,9%	147 457	14,5%	8 863	6,0%
Supplementary capitals	54 617	5,6%	54 617	5,4%	0	0,0%
Retained earnings	19 149	2,0%	44 708	4,4%	-25 559	-57,2%
Supplementary capital – other	4 301	0,4%	4 301	0,4%	0	0,0%
Foreign exchange differences on translation of foreign operations	-903	-0,1%	-880	-0,1%	-23	2,6%
Revaluation reserve (actuarial gains/losses)	23	0,0%	23	0,0%	0	0,0%
<b>Long-term liabilities</b>	<b>73 524</b>	<b>7,5%</b>	<b>101 689</b>	<b>10,0%</b>	<b>-28 165</b>	<b>-27,7%</b>
Interest-bearing loans and borrowings	27 068	2,8%	39 466	3,9%	-12 398	-31,4%
Provisions	6 868	0,7%	1 368	0,1%	5 500	402,0%
Long-term liabilities due to lease agreements	25 113	2,6%	29 771	2,9%	-4 658	-15,6%
Liabilities due to withheld amounts	14 475	1,5%	23 569	2,3%	-9 094	-38,6%
Other financial liabilities	0	0,0%	7 515	0,7%	-7 515	-100,0%
<b>Short-term liabilities</b>	<b>669 631</b>	<b>68,2%</b>	<b>660 521</b>	<b>64,9%</b>	<b>9 110</b>	<b>1,4%</b>
Trade and service liabilities	115 879	11,8%	149 230	14,7%	-33 351	-22,3%
Liabilities due to withheld amounts	33 565	3,4%	25 795	2,5%	7 770	30,1%
Loans and borrowings	24 868	2,5%	44 884	4,4%	-20 016	-44,6%
Short-term liabilities due to lease agreements	10 557	1,1%	12 147	1,2%	-1 590	-13,1%
Other financial liabilities	41 507	4,2%	8 063	0,8%	33 444	414,8%
Deferred revenue	0	0,0%	28	0,0%	-28	-100,0%
Liabilities from contract pricing	330 809	33,7%	257 382	25,3%	73 427	28,5%
Advance payments received for contracts	62 936	6,4%	106 559	10,5%	-43 623	-40,9%
Current liabilities for social security and taxes other than income tax	8 002	0,8%	6 638	0,7%	1 364	20,5%
Other non-financial liabilities	1 492	0,2%	427	0,0%	1 065	249,4%
CIT related liabilities	849	0,1%	9 269	0,9%	-8 420	-90,8%
Accruals	29 282	3,0%	33 821	3,3%	-4 539	-13,4%
Provisions	9 885	1,0%	6 278	0,6%	3 607	57,5%
<b>Total liabilities</b>	<b>743 155</b>	<b>75,7%</b>	<b>762 210</b>	<b>74,9%</b>	<b>-19 055</b>	<b>-2,5%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>981 256</b>	<b>100,0%</b>	<b>1 017 030</b>	<b>100,0%</b>	<b>-35 774</b>	<b>-3,5%</b>

# Statement of TORPOL's financial standing



Data in PLN thousand	1H2021	1H2020	Change	Data in PLN thousand	1H2021	1H2020	Change
<b>Cash flows from operating activity</b>				<b>Cash flows from investing activities</b>			
Gross profit	24 384	17 424	6 960	Sale of fixed tangible assets and intangibles	651	1 144	-493
Adjustments by items::	98 116	190 481	-92 365	Acquisition of tangible, intangible and right-of-use assets	-2 540	-1 521	-1 019
Depreciation	10 561	10 900	-339	Interests received	23	1 093	-1 070
Profit from investing activities	-668	-493	-175	Other	-1 209	-1 685	476
Change in receivables and assets under contracts with customers	118 651	415 741	-297 090	<b>Net cash flows from investing activities</b>	<b>-3 075</b>	<b>-969</b>	<b>-2 106</b>
Change in inventories	1 582	-27 909	29 491	<b>Cash flows from financial activities</b>			
Change in payables except for bank loans and borrowings	-10 344	-175 596	165 252	Payment of finance lease liabilities	-6 600	-6 454	-146
Interests received	-81	-1 093	1 012	Proceeds from loans and borrowings	0	0	0
Interests paid	1 849	2 893	-1 044	Repayment of loans and borrowings	-32 413	-24 382	-8 031
Change in accrual and prepayments	-1 867	-5 294	3 427	Interests paid	-1 526	-2 850	1 324
Movements in provisions	9 106	-131	9 237	<b>Net cash flows from financial activities</b>	<b>-40 539</b>	<b>-33 686</b>	<b>-6 853</b>
Income tax paid/reimbursed	-29 947	-28 381	-1 566	<b>Net increase/(decrease) in cash and cash equivalents</b>			
Other	-726	-156	-570		<b>78 886</b>	<b>173 250</b>	<b>-94 364</b>
<b>Net cash flows from operating activity</b>	<b>122 500</b>	<b>207 905</b>	<b>-85 405</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>403 050</b>	<b>182 064</b>	<b>220 986</b>
				<b>Cash and cash equivalents at the end of the period</b>	<b>481 936</b>	<b>355 314</b>	<b>126 622</b>





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