



**torpol**

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## Conference of the Management Board of TORPOL S.A. TORPOL Group – Summary of 3Q 2022

21 November 2022

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# TORPOL Group after three quarters of 2022



731.8

MN PLN  
SALES REVENUE

(-5.3% yoy)



ca. 1 200

BLN PLN  
BACKLOG (NET)



140.5

MN PLN  
EBITDA

(+119.3% yoy)



387.1

MN PLN  
in CASH

(-10.4% ytd)



149.4

MN PLN  
GROSS PROFIT  
ON SALES

(+107.1% yoy)



121.6

MN PLN  
PROFIT  
ON SLAES

(+166.7% yoy)



122.5

MN PLN  
OPERATING  
PROFIT

(+157.3% yoy)



105.8

MN PLN  
NET PROFIT

(+193.9% yoy)

# Summary of the overall situation of Group



## Effect on financial performance

The Group's operations and its financial performance were significantly influenced by its very good preparation in terms of personnel and equipment, as well as the application of solutions and rigours that limit the materialisation of significant risks.

## Stable financial and liquidity situation

Cash level of more than **PLN 387 MN**. No net debt. Net cash of **PLN 285.9 MN** with capitalisation of **PLN 371.2 MN** (as at 18 November 2022).

## Portfolio of orders

The order backlog is almost **PLN 1.2 BLN net**, without consortium participants, and its weighted average long-term yield is approx. **8%**.

## Guarantee limits

The Group has access to bank and insurance guarantee limit facilities of more than **PLN 1.69 BLN**, of which ca. **PLN 1.0 BLN** of the aggregate limit remains unused.

# Summary of the overall situation of Group



## ○ High activity level of the Company

So far in 2022, the Company has submitted **16 bids** in proceedings conducted by PKP PLK with a total estimated value of approximately **PLN 16.02 billion net**. Three bids with a total net value of **PLN 1.37 billion** (without the participation of consortium members) have been selected by the ordering party as the most favourable ones.

## ○ Centralny Port Komunikacyjny (the CPK)

TORPOL submitted an application in the procedure organised by the CPK for **Preliminary Market Consultations** with general contractors in the railway component concerning, among other things, Conditions and criteria for tender evaluation and rules for the execution of construction works.

## ○ Rail Baltica

TORPOL is participating in a project connecting the capitals of Lithuania, Latvia and Estonia with Warsaw and the rest of Europe by rail. The company has applied to participate in the first stage of the proceedings. The project includes the installation of approx. **2,000 km of catenary line** along a length of approximately **870 km of railway lines**.

## ○ Torpol Oil & Gas

Continued stable growth of TOG, which is gradually strengthening its position in the oil & gas sector and the chemical industry, winning new orders and increasing the scale of its operations.

# Summary of the overall situation of Group



## ○ Ongoing standstill of EU and NRP [National Recovery Plan] funds

There are no new proceedings, and most of the proceedings announced by PKP PLK in 2022 have not yet been resolved, which the Company says is due to the lack of confirmed project funding.

## ○ Price auctions

The use of price auction rules with a severely limited supply of proceedings on the market leads to a fierce competitive struggle between bidders, extends the time for adjudication, and thus may cause negative financial consequences related to the execution of contracts.

## ○ The impact of the war in Ukraine and economic sanctions

As a result of the war effort and the sanctions implemented, the market is experiencing **above-average, unpredictable** increases in the price of basic materials and raw materials and their transportation, as well inflation and limited access to and cost of external financing.

# The financial situation

## Consolidated income statement



- The 5.3% y-o-y decrease in sales revenue is a result of, among other things, lower net sales revenue from TOG (-29.9% y-o-y), which was related to the postponement of the settlement of proceedings relevant to the subsidiary to the second and third quarters of 2022.
- The Group recorded a further marked increase in gross profit margin (up 107.1% year-on-year), which is a consequence of the lack of materialisation of the significant risks included in the original valuations as a consequence of the Group's prudent approach to the calculation of bid prices.
- Satisfactory profitability at every level.
- The Group's net profit for the three quarters of 2022 was a historical record of PLN 105.8 million, compared to PLN 36.0 million a year earlier, an increase of 193.9% year-on-year.

<i>Data in PLN thousand</i>	<b>9M2022</b>	9M2021	Change in %/pp
<b>Sales revenue</b>	<b>731 839</b>	<b>772 711</b>	<b>-5,3%</b>
<i>Cost of sales</i>	582 487	700 582	<b>-16,9%</b>
<b>Gross profit on sales</b>	<b>149 352</b>	<b>72 129</b>	<b>+107,1%</b>
<i>Percentage of gross profit on sales</i>	20,4%	9,3%	<b>+11,1 pp</b>
<b>Overhead and sales costs</b>	<b>27 788</b>	<b>26 551</b>	<b>+4,7%</b>
<b>Sales profit</b>	<b>121 564</b>	<b>45 578</b>	<b>+166,7%</b>
<i>Percentage of profit on sales</i>	16,6%	5,9%	<b>+10,7 pp</b>
<b>Profit on operating activities</b>	<b>122 461</b>	<b>47 595</b>	<b>+157,3%</b>
<i>EBT (in per cent)</i>	16,7%	6,2%	<b>+10,5 pp</b>
<b>Gross profit</b>	<b>132 631</b>	<b>45 113</b>	<b>+194,0%</b>
<i>PBT (in per cent)</i>	18,1%	5,8%	<b>+12,3 pp</b>
<b>Net profit for the period</b>	<b>105 791</b>	<b>35 993</b>	<b>+193,9%</b>
<i>Net profit (in per cent)</i>	14,5%	4,7%	<b>+9,8 pp</b>
<b>EBITDA</b>	<b>140 452</b>	<b>64 060</b>	<b>+119,3%</b>
<i>% EBITDA</i>	19,2%	8,3%	<b>+10,9 pp</b>

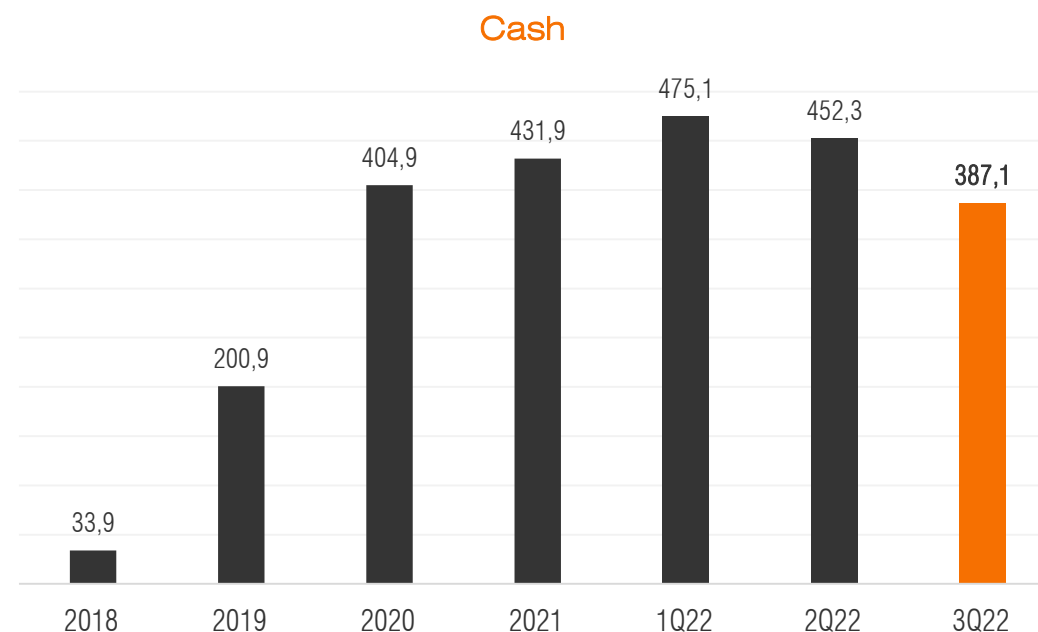
# The financial situation

## Consolidated balance sheet



- At the end of the first nine months of 2022, the Group's total assets reached PLN 909.3 million, down -5.2% year-on-year. The structure of assets and their sources of financing is correct, typical of the Group's business profile based on the execution of long-term construction contracts.
- The share of equity in the balance sheet total was 36.1%, an increase of 5.6 p.p. in the reporting period, which is a result of the net profit generated in the current financial year and a decrease in the balance sheet total due to a decrease in contract valuation liabilities (by PLN 74.2 million), the ongoing implementation of projects and the lack of materialisation of risks included in the valuation, repayment of trade liabilities (by PLN 24.9 million) and financial liabilities (per balance of PLN 17.8 million). The Group currently has no net debt and a net cash level of PLN 285.9 million.
- The Group's financing in the form of credit lines corresponds to its current contracting and the scale of its operations, while its access to guarantee limits allows the Group to continue to be highly active during tendering procedures.

<i>Data in PLN thousand</i>	<b>30/09/2022</b>	31/12/2021	Change in %/pp
<b>Balance sheet total</b>	<b>909 260</b>	<b>958 957</b>	<b>-5,2%</b>
Fixed assets	239 275	256 010	<b>-6,5%</b>
<b>Current assets</b>	<b>669 985</b>	<b>702 947</b>	<b>-4,7%</b>
Inventory	91 043	47 492	<b>+91,7%</b>
<b>Cash</b>	<b>387 148</b>	<b>431 881</b>	<b>-10,4%</b>
Equity	328 285	292 159	<b>+12,4%</b>
<b>Total liabilities</b>	<b>580 975</b>	<b>666 798</b>	<b>-12,9%</b>
Net debt	-285 883	-312 817	-



# The financial situation

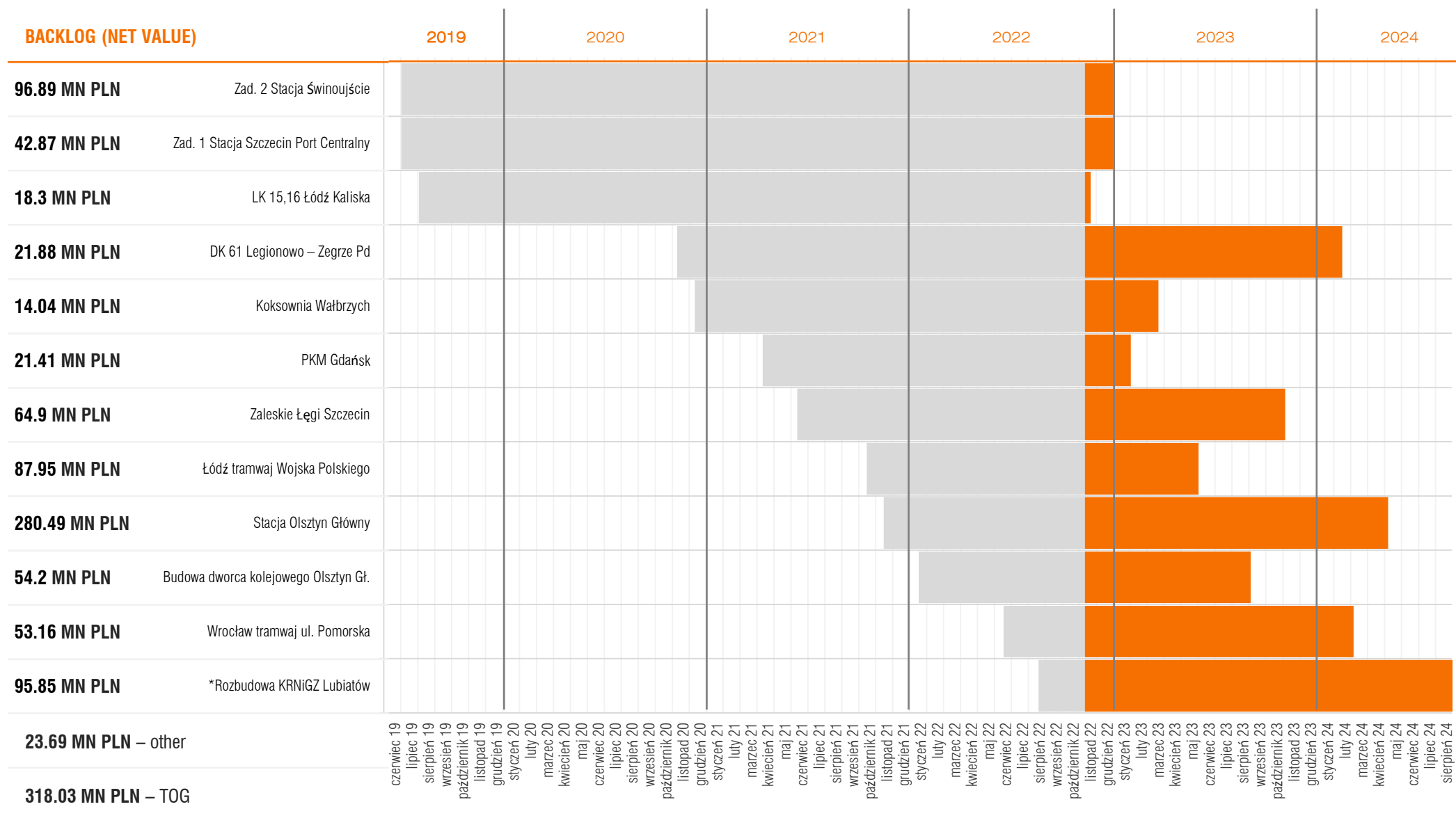
## Cash flows from operating, investing and financing activities



Data in PLN thousand	9M2022	9M2021	Change
<b>Cash flows from operating activity</b>			
<b>Total gross profit/loss</b>	<b>132 631</b>	<b>45 113</b>	<b>87 518</b>
Adjustments by items:	-77 338	88 674	-166 012
Depreciation	17 991	16 465	1 526
Profit from investing activities	-161	-750	589
Change in accounts receivable and assets arising from contracts with customers	37 983	145 124	-107 141
Change in inventory	-43 551	12 442	-55 993
Change in payables except for bank loans and borrowings	-84 930	-59 893	-25 037
Interest revenue	-10 584	-156	-10 428
Interest related costs	4 520	2 537	1 983
Change in prepayments and accruals	-20 932	-2 087	-18 845
Change in provisions	40 604	10 643	29 961
Income tax paid/reimbursed	-17 523	-34 940	17 417
Other	-755	-711	-44
<b>Net cash flows from operating activity</b>	<b>55 293</b>	<b>133 787</b>	<b>-78 494</b>
<b>Cash flows from investing activities</b>			
<b>Net cash flows from investing activities</b>	<b>-3 979</b>	<b>-4 842</b>	<b>863</b>
<b>Cash flows from financial activities</b>			
Payment of finance lease liabilities	-11 706	-10 356	-1 350
Repayment of loans and borrowings	-10 998	-33 945	22 947
Interests paid	-4 433	-2 198	-2 235
Dividends and other payments to owners	-68 910	-35 144	-33 766
<b>Net cash flows from financial activities</b>	<b>-96 047</b>	<b>-80 441</b>	<b>-15 606</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-44 733</b>	<b>48 504</b>	<b>-93 237</b>
<b>Cash at beginning of the period</b>	<b>431 881</b>	<b>404 910</b>	<b>26 971</b>
<b>Cash at the end of the period</b>	<b>387 148</b>	<b>453 414</b>	<b>-66 266</b>

- The high level of cash is a consequence of the stabilisation of the working capital cycle. The company consistently keeps its WCC as short as possible by reducing the value of work in progress, more efficient processing of change orders, acceptance protocols and interim payment certificates, thereby reducing the financial exposure on ongoing contracts.
- The balance of financial cash flows in the reporting period was negative at PLN -96.0 million (vs. PLN -80.4 million a year earlier), and was mainly shaped by the dividend paid, repayment of the loan from the Company's main shareholder and lease instalments.
- The TORPOL Group commenced the year 2022 with cash of PLN 431.9 million, while the Company ended the reporting period with cash of PLN 387.1 million. Total net cash flow in the period was negative at PLN -44.7 million.

# Current backlog

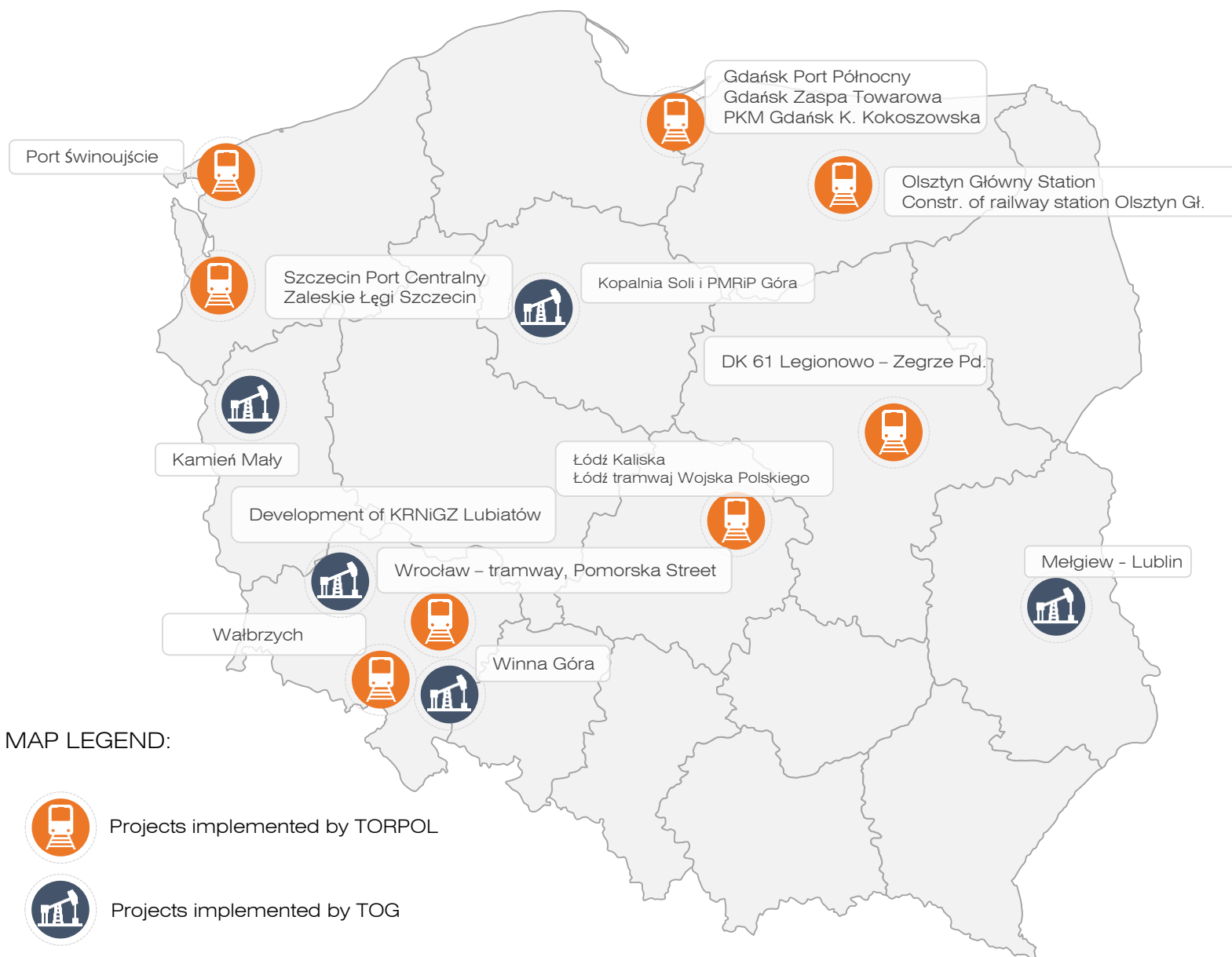


**TOTAL: approx. PLN 1,2 BLN\***

\* without the participation of consortium members

# Map of investments

Projects implemented by GK TORPOL S.A. in 2022



12

PROJECTS  
IMPLEMENTED BY  
TORPOL

4

PROJECTS  
IMPLEMENTED BY  
TOG

PLN 16.02 BLN

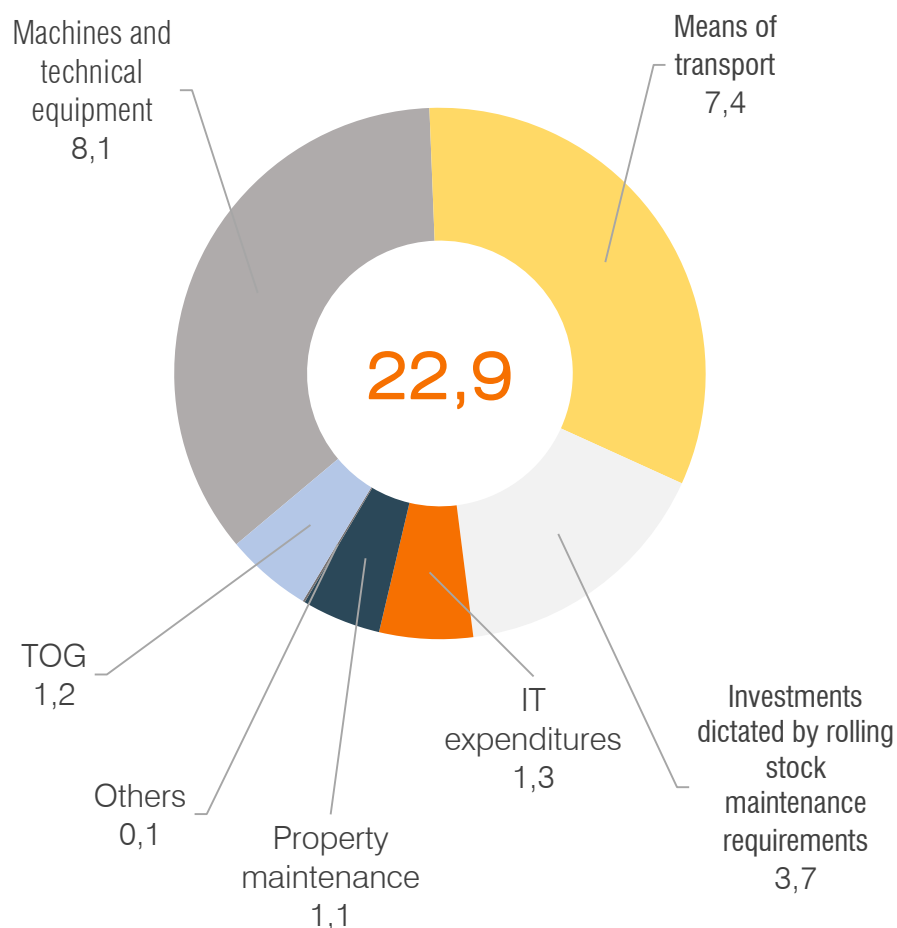
THE VALUE OF  
SUBMITTED OFFERS  
BY THE COMPANY IN 2022

# Investment plan

The investment plan for 2022



## Investments for 2022 (in PLN MN)



The Group made investments of **PLN 19.3 million** in 9M22, which mainly included the purchase of railway machinery and equipment (approximately PLN 9.6 million).

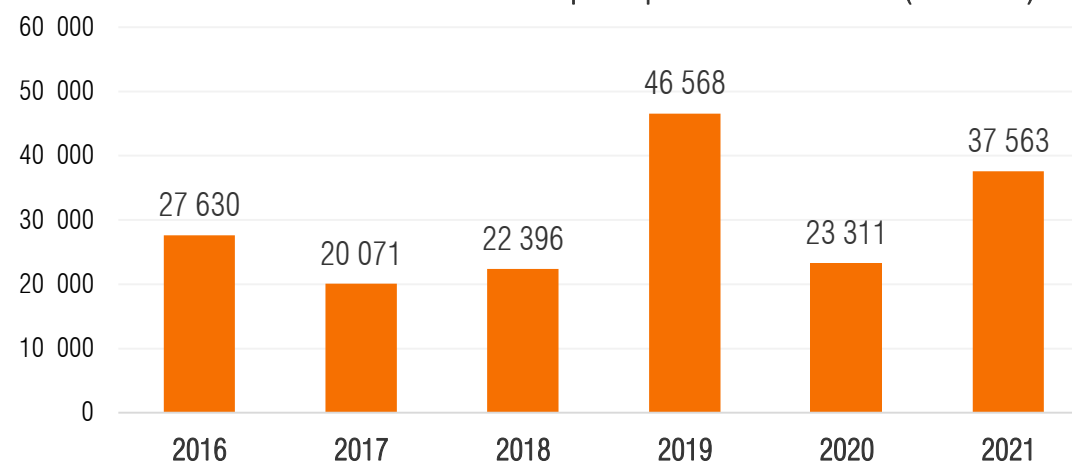
## The investment plan for 2022

In 2022, the Group plans to incur significant capital expenditure of approx. **PLN 22.9 million**. The Group's investment plan for 2022 relates mainly to the purchase of equipment and machinery for modernising railway lines, vehicles for repairing and assembling catenary lines, means of transport and further development of an ERP class software.

## Capital expenditure in 2016-2021


Over the past six years, the Group has made investments with a total value of approximately **PLN 177.5 million**.

Capital expenditure in 2016-2021 (in PLN MN)



—○ TOG carries out contracts mainly for PGNiG S.A., but also for Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., Orlen Upstream sp. z o.o. and Operator Gazociągów Przesyłowych (OGP) GAZ-SYSTEM S.A.

—○ In 2022, TOG participated in 44 proceedings in which it submitted bids with a total net value of PLN 868.2 million, of which it won 13 orders (out of 39 adjudicated proceedings) with a total net value of PLN 351.3 million. One order was won together with TORPOL with a net value of PLN 319.5 million. In addition, TOG is involved in 5 unresolved proceedings in which the subsidiary has submitted bids with a total net value of almost PLN 51 million.



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 of orders amounts to PLN 318 MN net, of which PLN 292.1 MN net relates to orders acquired from PKN ORLEN S.A. (or PGNiG S.A.).

# Challenges and current objectives



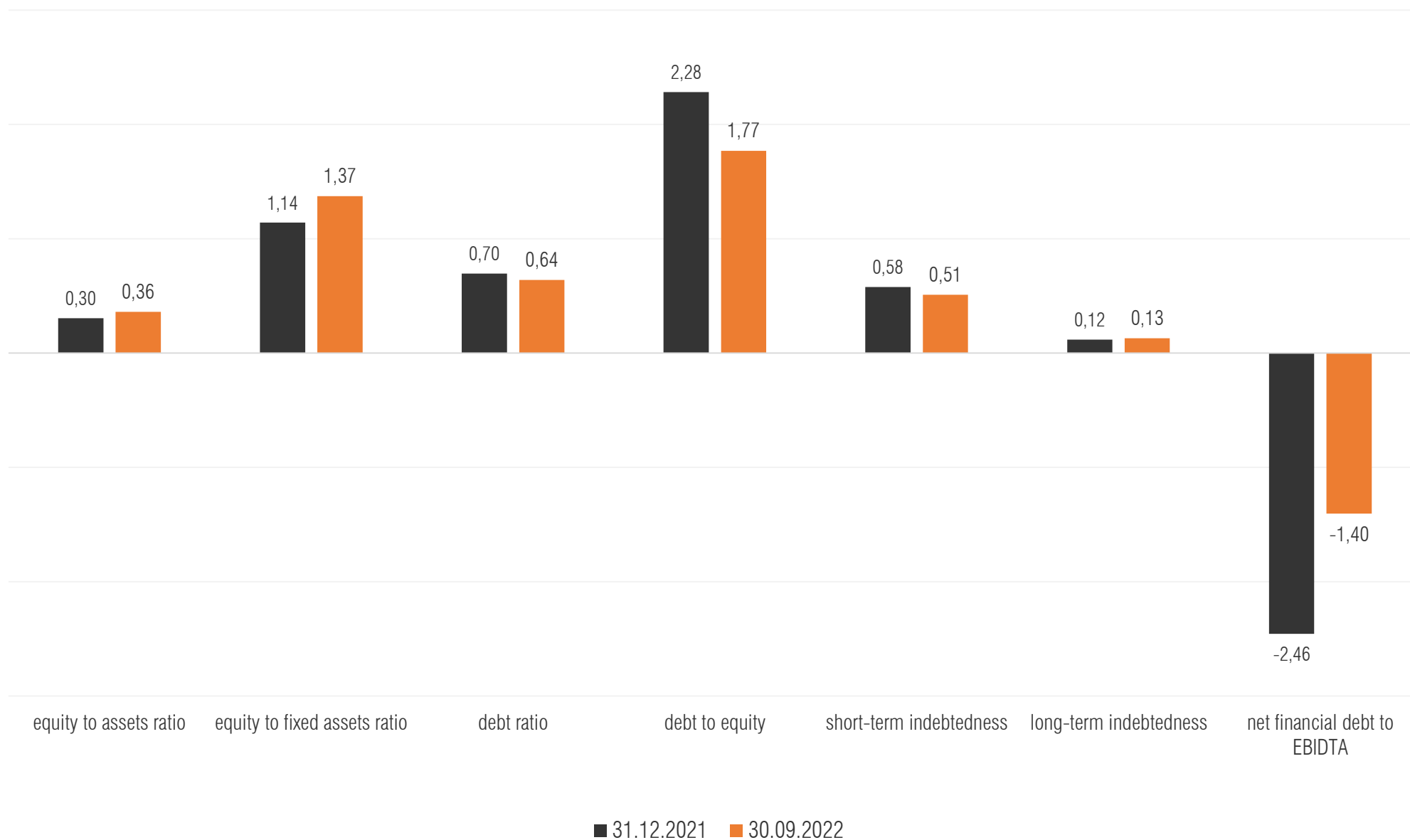
- High quality of construction projects implementation and their timely delivery. Monitoring of the financial conditions of subcontractors.
- Maintaining the Group's stable financial and liquidity position, access to guarantee limits.
- Ongoing monitoring of the situation with regard to the war in Ukraine - in particular analysis of risks relating to the availability of materials and raw materials and energy carriers.
- Active participation in tender procedures for the modernisation, construction or revitalisation of railway lines organised by PKP PLK and other infrastructure managers.
- Rebuilding a strong market position on the tramway market.
- Further competence building in the area of specialist equipment construction, gas and fuel automation.
- Development of the Company's large-scale construction activity.
- Active participation in large and very large infrastructure projects requiring complexity, multi-discipline and application of modern and complex technological solutions.
- Diversification of business - CPK, international Rail Baltica project, TOG activities, analysis of the possibility of participation in post-war infrastructure reconstruction in Ukraine, the Company's certification procedure in the SMaRT system for Deutsche Bahn.



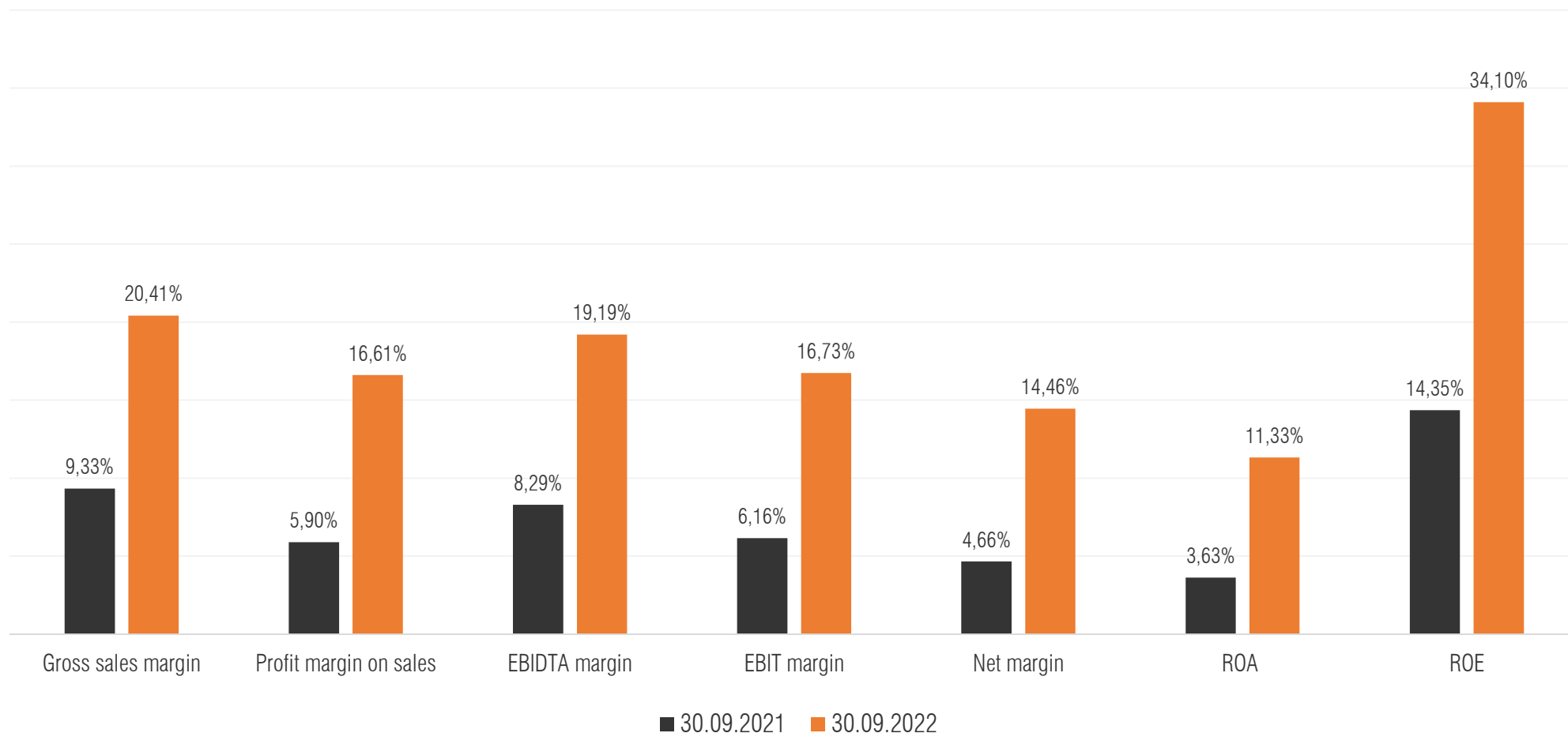
# APPENDICES



# Financial indicators



# Profitability ratios



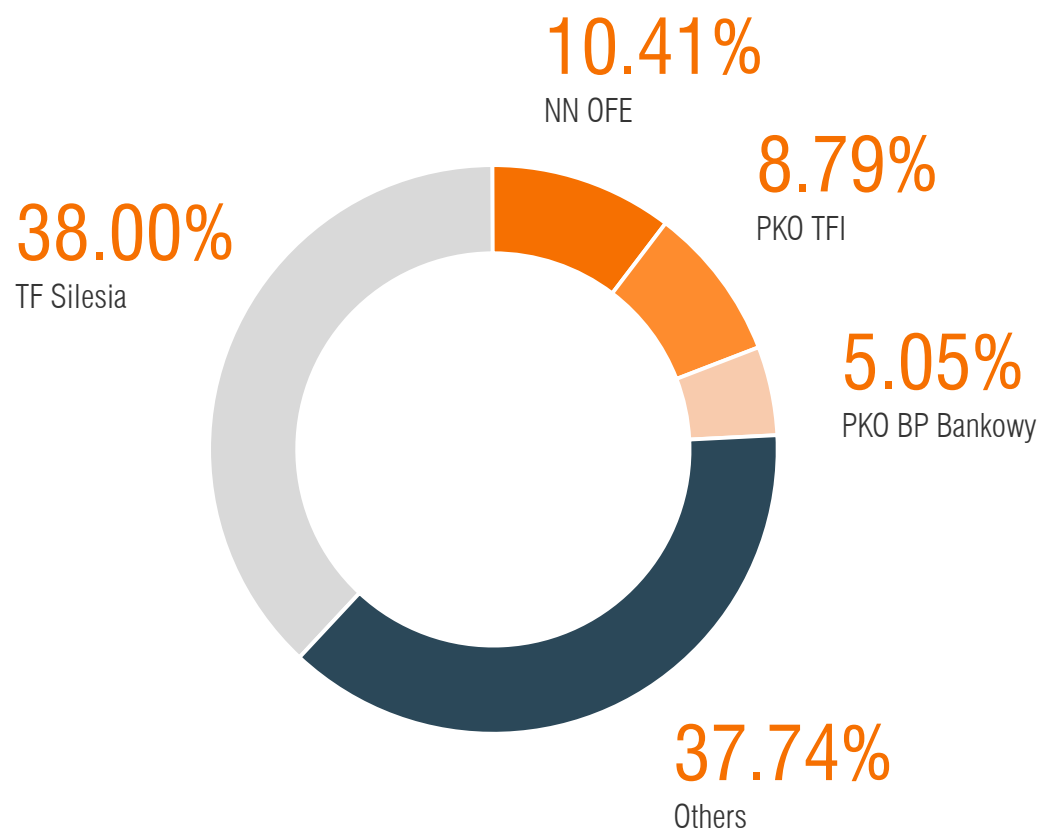
**The profitability ratios reported confirm the Group's very good and stable situation. This is primarily due to the high quality and cost discipline during the execution of construction contracts and the effective hedging of material prices.**

# Shareholder structure

18 November 2022



Shareholder	Number of shares	(%) in capital
TF Silesia sp. z o.o.	8 728 600	38.00%
NN OFE	2 391 884	10.41%
PKO TFI	2 019 209	8.79%
PKO BP Bankowy Otwarty	1 160 506	5.05%
Others	8 669 801	37.74%
<b>TOTAL</b>	<b>22 970 000</b>	<b>100.00%</b>



# Financial results of TORPOL Capital Group



Data in PLN thousand	9M22	Structure %	9M21	Structure %	Change	Change in %
Sales of services	730 172	99,8%	770 285	99,7%	-40 113	-5,2%
Revenues from sales of goods and products	1 667	0,2%	2 426	0,3%	-759	-31,3%
<b>Sales revenues</b>	<b>731 839</b>	<b>100,0%</b>	<b>772 711</b>	<b>100,0%</b>	<b>-40 872</b>	<b>-5,3%</b>
Cost of goods sold	582 487	79,6%	700 582	90,7%	-118 095	-16,9%
<b>Gross profit on sales</b>	<b>149 352</b>	<b>20,4%</b>	<b>72 129</b>	<b>9,3%</b>	<b>77 223</b>	<b>107,1%</b>
Cost of sales	751	0,1%	1 288	0,2%	-537	-41,7%
General and administrative costs	27 037	3,7%	25 263	3,3%	1 774	7,0%
<b>Gross profit on sales</b>	<b>121 564</b>	<b>16,6%</b>	<b>45 578</b>	<b>5,9%</b>	<b>75 986</b>	<b>166,7%</b>
Cost of sales	5 557	0,8%	4 114	0,5%	1 443	35,1%
General and administrative costs	4 660	0,6%	2 097	0,3%	2 563	122,2%
<b>Gross profit on sales</b>	<b>122 461</b>	<b>16,7%</b>	<b>47 595</b>	<b>6,2%</b>	<b>74 866</b>	<b>157,3%</b>
Cost of sales	10 584	1,4%	115	0,0%	10 469	9103,5%
General and administrative costs	4 503	0,6%	175	0,0%	4 328	2473,1%
<b>Gross profit on sales</b>	<b>4 917</b>	<b>0,7%</b>	<b>2 772</b>	<b>0,4%</b>	<b>2 145</b>	<b>77,4%</b>
<b>Gross profit</b>	<b>132 631</b>	<b>18,1%</b>	<b>45 113</b>	<b>5,8%</b>	<b>87 518</b>	<b>194,0%</b>
Income tax	26 840	3,7%	9 120	1,2%	17 720	194,3%
<b>Net profit</b>	<b>105 791</b>	<b>14,5%</b>	<b>35 993</b>	<b>4,7%</b>	<b>69 798</b>	<b>193,9%</b>
Profit per one share (in PLN)	4,61	-	1,57	-	3	193,6%
Weighted number of shares in thousand shares	22 970	-	22 970	-	0	0,0%
<b>EBITDA</b>	<b>140 452</b>	<b>19,2%</b>	<b>64 060</b>	<b>8,3%</b>	<b>76 392</b>	<b>119,3%</b>

# Financial results of TORPOL Capital Group



Data in PLN thousand	30/09/2022	Structure %	31/12/2021	Structure %	Change	Change in %
<b>Fixed assets</b>	<b>239 275</b>	<b>26,3%</b>	<b>256 010</b>	<b>26,7%</b>	<b>-16 735</b>	<b>-6,5%</b>
Tangible fixed assets	92 899	10,2%	83 265	8,7%	9 634	11,6%
Right-of-use assets	70 833	7,8%	77 980	8,1%	-7 147	-9,2%
Goodwill	9 008	1,0%	9 008	0,9%	0	0,0%
Intangible assets	3 566	0,4%	4 074	0,4%	-508	-12,5%
Receivables due to withheld amounts	10	0,0%	169	0,0%	-159	-94,1%
Other long-term receivables	14 015	1,5%	14 748	1,5%	-733	-5,0%
Deferred tax assets	46 421	5,1%	63 831	6,7%	-17 410	-27,3%
Prepayments	2 523	0,3%	2 935	0,3%	-412	-14,0%
<b>Current assets</b>	<b>669 985</b>	<b>73,7%</b>	<b>702 947</b>	<b>73,3%</b>	<b>-32 962</b>	<b>-4,7%</b>
Inventories	91 043	10,0%	47 492	5,0%	43 551	91,7%
Trade and service receivables	97 409	10,7%	164 387	17,1%	-66 978	-40,7%
Receivables due to withheld amounts	325	0,0%	319	0,0%	6	1,9%
Assets due to contracts with customers	65 003	7,1%	40 541	4,2%	24 462	60,3%
Income tax receivables	4 746	0,5%	0	0,0%	4 746	-
Other financial receivables	5 667	0,6%	6 841	0,7%	-1 174	-17,2%
Other non-financial receivables	11 634	1,3%	4 675	0,5%	6 959	148,9%
Prepayments	5 446	0,6%	6 388	0,7%	-942	-14,7%
Loans granted	57	0,0%	72	0,0%	-15	-20,8%
Cash and cash equivalents	387 148	42,6%	431 881	45,0%	-44 733	-10,4%
Other financial assets	1 507	0,2%	351	0,0%	1 156	329,3%
<b>TOTAL ASSETS</b>	<b>909 260</b>	<b>100,0%</b>	<b>958 957</b>	<b>100,0%</b>	<b>-49 697</b>	<b>-5,2%</b>

# Financial results of TORPOL Capital Group



Data in PLN thousand	30/09/2022	Structure %	31/12/2021	Structure %	Change	Change in %
<b>Equity</b>	<b>328 285</b>	<b>36,1%</b>	<b>292 159</b>	<b>30,5%</b>	<b>36 126</b>	<b>12,4%</b>
Share capital	4 594	0,5%	4 594	0,5%	0	0,0%
Other reserve capital	162 333	17,9%	156 320	16,3%	6 013	3,8%
Share premium	54 617	6,0%	54 617	5,7%	0	0,0%
Retained earnings	105 056	11,6%	74 875	7,8%	30 181	40,3%
Supplementary capital – other	3 212	0,4%	3 212	0,3%	0	0,0%
Foreign exchange differences on translation of foreign operations	-876	-0,1%	-821	-0,1%	-55	6,7%
Revaluation reserve (actuarial gains/losses)	257	0,0%	257	0,0%	0	0,0%
<b>Non-controlling interests</b>	<b>-908</b>	<b>-0,1%</b>	<b>-895</b>	<b>-0,1%</b>	<b>-13</b>	<b>1,5%</b>
<b>Long-term liabilities</b>	<b>117 209</b>	<b>12,9%</b>	<b>112 101</b>	<b>11,7%</b>	<b>5 108</b>	<b>4,6%</b>
Interest-bearing loans and borrowings	21 915	2,4%	26 071	2,7%	-4 156	-15,9%
Long-term liabilities due to lease agreements	44 338	4,9%	50 289	5,2%	-5 951	-11,8%
Other financial liabilities	4 677	0,5%	6 159	0,6%	-1 482	-24,1%
Provisions	29 581	3,3%	9 810	1,0%	19 771	201,5%
Deferred revenue	0	0,0%	1 326	0,1%	-1 326	-100,0%
Liabilities due to withheld amounts	16 698	1,8%	18 446	1,9%	-1 748	-9,5%
<b>Short-term liabilities</b>	<b>463 766</b>	<b>51,0%</b>	<b>554 697</b>	<b>57,8%</b>	<b>-90 931</b>	<b>-16,4%</b>
Trade and service liabilities	76 062	8,4%	100 914	10,5%	-24 852	-24,6%
Liabilities due to withheld amounts	25 223	2,8%	31 866	3,3%	-6 643	-20,8%
Loans and borrowings	8 558	0,9%	15 400	1,6%	-6 842	-44,4%
Short-term liabilities due to lease agreements	13 131	1,4%	14 135	1,5%	-1 004	-7,1%
Other financial liabilities	8 646	1,0%	7 010	0,7%	1 636	23,3%
Deferred revenue	2	0,0%	2 250	0,2%	-2 248	-99,9%
Liabilities from contract pricing	201 819	22,2%	276 024	28,8%	-74 205	-26,9%
Advance payments received for contracts	50 322	5,5%	23 629	2,5%	26 693	113,0%
CIT related liabilities	0	0,0%	3 347	0,3%	-3 347	-100,0%
Current liabilities for social security and taxes other than income tax	7 769	0,9%	7 810	0,8%	-41	-0,5%
Other non-financial liabilities	652	0,1%	603	0,1%	49	8,1%
Accruals	34 397	3,8%	55 357	5,8%	-20 960	-37,9%
Provisions	37 185	4,1%	16 352	1,7%	20 833	127,4%
<b>Total liabilities</b>	<b>580 975</b>	<b>63,9%</b>	<b>666 798</b>	<b>69,5%</b>	<b>-85 823</b>	<b>-12,9%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>909 260</b>	<b>100,0%</b>	<b>958 957</b>	<b>100,0%</b>	<b>-49 697</b>	<b>-5,2%</b>

# Financial results of TORPOL Capital Group



Data in PLN thousand	9M22	9M21	Change
<b>Cash flows from operating activity</b>			
<b>Total gross profit/loss</b>	<b>132 631</b>	<b>45 113</b>	<b>87 518</b>
Adjustments by items:	-77 338	88 674	-166 012
Depreciation	17 991	16 465	1 526
Profit from investing activities	-161	-750	589
Change in receivables and assets under contracts with customers	37 983	145 124	-107 141
Change in inventories	-43 551	12 442	-55 993
Change in payables except for bank loans and borrowings	-84 930	-59 893	-25 037
Interests received	-10 584	-156	-10 428
Interests paid	4 520	2 537	1 983
Change in accrual and prepayments	-20 932	-2 087	-18 845
Change in the balance of provisions	40 604	10 643	29 961
Income tax paid/reimbursed	-17 523	-34 940	17 417
Other	-755	-711	-44
<b>Net cash flows from operating activity</b>	<b>55 293</b>	<b>133 787</b>	<b>-78 494</b>

Data in PLN thousand	9M22	9M21	Change
<b>Cash flows from investing activities</b>			
Sale of fixed tangible assets and intangibles	590	721	-131
Purchase of fixed tangible assets and intangibles	-11 107	-4 102	-7 005
Interests received	9 297	23	9 274
Other	-2 759	-1 484	-1 275
<b>Net cash flows from investing activities</b>	<b>-3 979</b>	<b>-4 842</b>	<b>863</b>
<b>Cash flows from financial activities</b>			
Payment of finance lease liabilities	-11 706	-10 356	-1 350
Payment of loans and borrowings	-10 998	-33 945	22 947
Interests paid	-4 433	-2 198	-2 235
Dividends and other payments to owners	-68 910	-35 144	-33 766
Other	0	1 202	-1 202
<b>Net cash flows from financial activities</b>	<b>-96 047</b>	<b>-80 441</b>	<b>-15 606</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-44 733</b>	<b>48 504</b>	<b>-93 237</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>431 881</b>	<b>404 910</b>	<b>26 971</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>387 148</b>	<b>453 414</b>	<b>-66 266</b>

# Financial results of TORPOL



Data in PLN thousand	9M22	Structure %	9M21	Structure %	Change	Change in %
Sales of services	680 811	99,8%	700 016	99,7%	-19 205	-2,7%
Revenues from sales of goods and products	1 270	0,2%	1 755	0,3%	-485	-27,6%
<b>Sales revenues</b>	<b>682 081</b>	<b>100,0%</b>	<b>701 771</b>	<b>100,0%</b>	<b>-19 690</b>	<b>-2,8%</b>
Cost of goods sold	537 168	78,8%	635 307	90,5%	-98 139	-15,4%
<b>Gross profit on sales</b>	<b>144 913</b>	<b>21,2%</b>	<b>66 464</b>	<b>9,5%</b>	<b>78 449</b>	<b>118,0%</b>
Cost of sales	751	0,1%	1 287	0,2%	-536	-41,6%
General and administrative costs	22 773	3,3%	21 812	3,1%	961	4,4%
<b>Profit on sales</b>	<b>121 389</b>	<b>17,8%</b>	<b>43 365</b>	<b>6,2%</b>	<b>78 024</b>	<b>179,9%</b>
Other operating revenues	5 517	0,8%	4 019	0,6%	1 498	37,3%
Other operating expenses	4 606	0,7%	1 989	0,3%	2 617	131,6%
<b>Profit on operating activity</b>	<b>122 300</b>	<b>17,9%</b>	<b>45 395</b>	<b>6,5%</b>	<b>76 905</b>	<b>169,4%</b>
Financial revenues – interest income	10 933	1,6%	154	0,0%	10 779	6999,4%
Other financial revenues	4 669	0,7%	293	0,0%	4 376	1493,5%
Financial expenses	4 684	0,7%	2 544	0,4%	2 140	84,1%
<b>Gross profit</b>	<b>133 218</b>	<b>19,5%</b>	<b>43 298</b>	<b>6,2%</b>	<b>89 920</b>	<b>207,7%</b>
Income tax	26 897	3,9%	8 792	1,3%	18 105	205,9%
<b>Net profit for the period</b>	<b>106 321</b>	<b>15,6%</b>	<b>34 506</b>	<b>4,9%</b>	<b>71 815</b>	<b>208,1%</b>
Profit per one share (in PLN)	4,63	-	1,5	-	3	208,7%
Weighted number of shares in thousand shares	22 970	-	22 970	-	0	0,0%
<b>EBITDA</b>	<b>139 352</b>	<b>20,4%</b>	<b>61 435</b>	<b>8,8%</b>	<b>77 917</b>	<b>126,8%</b>

# Financial results of TORPOL



Data in PLN thousand	30/09/2022	Structure %	31/12/2021	Structure %	Change	Change in %
<b>Fixed assets</b>	<b>241 618</b>	<b>27,6%</b>	<b>259 077</b>	<b>27,6%</b>	<b>-17 459</b>	<b>-6,7%</b>
Tangible fixed assets	91 753	10,5%	82 632	8,8%	9 121	11,0%
Right-of-use assets	69 946	8,0%	76 938	8,2%	-6 992	-9,1%
Goodwill	9 008	1,0%	9 008	1,0%	0	0,0%
Intangible assets	3 434	0,4%	3 915	0,4%	-481	-12,3%
Shares in affiliate entities	5 417	0,6%	5 417	0,6%	0	0,0%
Receivables due to withheld amounts	4	0,0%	162	0,0%	-158	-97,5%
Other long-term receivables	14 015	1,6%	14 749	1,6%	-734	-5,0%
Deferred tax assets	46 120	5,3%	63 587	6,8%	-17 467	-27,5%
Prepayments	1 921	0,2%	2 669	0,3%	-748	-28,0%
<b>Current assets</b>	<b>634 076</b>	<b>72,4%</b>	<b>680 519</b>	<b>72,4%</b>	<b>-46 443</b>	<b>-6,8%</b>
Inventories	84 711	9,7%	47 298	5,0%	37 413	79,1%
Trade and service receivables	77 025	8,8%	156 767	16,7%	-79 742	-50,9%
Receivables due to withheld amounts	324	0,0%	195	0,0%	129	66,2%
Other financial receivables	5 667	0,6%	6 841	0,7%	-1 174	-17,2%
Assets due to contracts with customers and other uninvoiced income	41 971	4,8%	29 830	3,2%	12 141	40,7%
Other non-financial receivables	9 436	1,1%	4 550	0,5%	4 886	107,4%
CIT receivables	4 746	0,5%	0	0,0%	4 746	-
Loans granted	18 063	2,1%	0	0,0%	18 063	-
Prepayments	4 751	0,5%	5 714	0,6%	-963	-16,9%
Other financial assets	1 507	0,2%	351	0,0%	1 156	329,3%
Cash and cash equivalents	385 875	44,1%	428 973	45,7%	-43 098	-10,0%
<b>TOTAL ASSETS</b>	<b>875 694</b>	<b>100,0%</b>	<b>939 596</b>	<b>100,0%</b>	<b>-63 902</b>	<b>-6,8%</b>

# Financial results of TORPOL



Data in PLN thousand	30/09/2022	Structure %	31/12/2021	Structure %	Change	Change in %
<b>Equity</b>	<b>331 554</b>	<b>37,9%</b>	<b>294 830</b>	<b>31,4%</b>	<b>36 724</b>	<b>12,5%</b>
Share capital	4 594	0,5%	4 594	0,5%	0	0,0%
Other reserve capital	162 333	18,5%	156 320	16,6%	6 013	3,8%
Share premium	54 617	6,2%	54 617	5,8%	0	0,0%
Retained earnings	106 321	12,1%	75 623	8,0%	30 698	40,6%
Supplementary capital – other	4 301	0,5%	4 301	0,5%	0	0,0%
Foreign exchange differences on translation of foreign operations	-875	-0,1%	-888	-0,1%	13	-1,5%
Revaluation reserve (actuarial gains/losses)	263	0,0%	263	0,0%	0	0,0%
<b>Long-term liabilities</b>	<b>116 144</b>	<b>13,3%</b>	<b>110 796</b>	<b>11,8%</b>	<b>5 348</b>	<b>4,8%</b>
Interest-bearing loans and borrowings	21 607	2,5%	25 569	2,7%	-3 962	-15,5%
Provisions	29 581	3,4%	9 810	1,0%	19 771	201,5%
Long-term liabilities due to lease agreements	44 023	5,0%	49 876	5,3%	-5 853	-11,7%
Liabilities due to withheld amounts	16 256	1,9%	18 056	1,9%	-1 800	-10,0%
Other financial liabilities	4 677	0,5%	6 159	0,7%	-1 482	-24,1%
Deferred revenue	0	0,0%	1 326	0,1%	-1 326	-100,0%
<b>Short-term liabilities</b>	<b>427 996</b>	<b>48,9%</b>	<b>533 970</b>	<b>56,8%</b>	<b>-105 974</b>	<b>-19,8%</b>
Trade and service liabilities	62 590	7,1%	96 991	10,3%	-34 401	-35,5%
Liabilities due to withheld amounts	24 765	2,8%	31 065	3,3%	-6 300	-20,3%
Loans and borrowings	4 943	0,6%	15 115	1,6%	-10 172	-67,3%
Short-term liabilities due to lease agreements	12 536	1,4%	13 470	1,4%	-934	-6,9%
Other financial liabilities	7 488	0,9%	6 299	0,7%	1 189	18,9%
Deferred revenue	2	0,0%	2	0,0%	0	0,0%
Liabilities from contract pricing	201 819	23,0%	275 999	29,4%	-74 180	-26,9%
Advance payments received for contracts	35 944	4,1%	13 802	1,5%	22 142	160,4%
Current liabilities for social security and taxes other than income tax	6 667	0,8%	6 424	0,7%	243	3,8%
Other non-financial liabilities	596	0,1%	560	0,1%	36	6,4%
CIT related liabilities	0	0,0%	3 293	0,4%	-3 293	-100,0%
Accruals	33 561	3,8%	54 698	5,8%	-21 137	-38,6%
Provisions	37 085	4,2%	16 252	1,7%	20 833	128,2%
<b>Total liabilities</b>	<b>544 140</b>	<b>62,1%</b>	<b>644 766</b>	<b>68,6%</b>	<b>-100 626</b>	<b>-15,6%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>875 694</b>	<b>100,0%</b>	<b>939 596</b>	<b>100,0%</b>	<b>-63 902</b>	<b>-6,8%</b>

# Financial results of TORPOL



Data in PLN thousand	9M22	9M21	Change
<b>Cash flows from operating activity</b>			
<b>Total gross profit</b>	<b>133 218</b>	<b>43 298</b>	<b>89 920</b>
Adjustments by items:	-57 035	87 010	-144 045
Depreciation	17 052	16 040	1 012
Profit from investing activities	-176	-750	574
Change in receivables and assets under contracts with customers	65 003	148 285	-83 282
Change in inventories	-37 413	12 262	-49 675
Change in payables except for bank loans and borrowings	-96 605	-63 122	-33 483
Interests received	-10 933	-154	-10 779
Interests paid	4 341	2 430	1 911
Change in accrual and prepayments	-20 752	-2 970	-17 782
Change in the balance of provisions	40 604	10 565	30 039
Income tax paid/reimbursed	-17 469	-34 863	17 394
Other	-687	-713	26
<b>Net cash flows from operating activity</b>	<b>76 183</b>	<b>130 308</b>	<b>-54 125</b>

Data in PLN thousand	9M22	9M21	Change
<b>Cash flows from investing activities</b>			
Sale of fixed tangible assets and intangibles	590	721	-131
Purchase of fixed tangible assets and intangibles	-10 273	-3 607	-6 666
Loans granted	-24 116	-27 660	3 544
Repayment of loan	6 186	27 660	-21 474
Interests received	9 293	23	9 270
Other	-2 759	-1 483	-1 276
<b>Net cash flows from investing activities</b>	<b>-21 079</b>	<b>-4 346</b>	<b>-16 733</b>
<b>Cash flows from financial activities</b>			
Payment of finance lease liabilities	-11 124	-9 758	-1 366
Payment of loans and borrowings	-14 134	-33 754	19 620
Interests paid	-4 034	-2 102	-1 932
Dividends and other payments to owners	-68 910	-35 144	-33 766
Other	0	1 203	-1 203
<b>Net cash flows from financial activities</b>	<b>-98 202</b>	<b>-79 555</b>	<b>-18 647</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-43 098</b>	<b>46 407</b>	<b>-89 505</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>428 973</b>	<b>403 050</b>	<b>25 923</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>385 875</b>	<b>449 457</b>	<b>-63 582</b>

**TORPOL S.A.**

ul. św. Michała 43  
61-119 Poznań

tel. +48 61 87 82 700  
fax +48 61 87 82 790

[www.torpol.pl](http://www.torpol.pl)

## Investor Relations Office

**Łukasz Sychowski**  
Director of Social Communication Office

tel. +48 61 87 82 793  
fax +48 61 87 82 790

[l.sychowski@torpol.pl](mailto:l.sychowski@torpol.pl) | [ri@torpol.pl](mailto:ri@torpol.pl)

