



torpol



Conference of the Management Board of TORPOL S.A. TORPOL Group – Summary of 1H 2023

4 September 2023

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Agenda



TORPOL Group after 1H23	4
Financial results	10
Backlog of orders	13
Investment plan for 2023	14
TORPOL OIL&GAS	15
Challenges, current objectives and prospects	16
Appendices	17



426.8

MN PLN
NET SALES REVENUE

(-7,7% yoy)



1.73

BN PLN
BACKLOG (NET)

(+32,1% yoy)



52.2

MN PLN
EBITDA

(-39,3% yoy)



435.9

MN PLN
in CASH

(-12,1% ytd)



61.4

MN PLN
GROSS PROFIT
ON SALES

(-34,2% yoy)



41.0

MN PLN
PROFIT ON SALES

(-45,0% yoy)



39.4

MN PLN
OPERATING PROFIT

(-46,7% yoy)



38.1

MN PLN
NET PROFIT

(-41,6% yoy)

Summary of the overall situation of Group



○ A good financial situation

The company maintains a stable financial position. Despite the y-o-y decline profitability ratios remain strong: the gross profit margin was **14.4%**, the EBITDA margin **12.2%** and the net margin **8.9%**. All financial covenants are maintained as required by the Group's financing agreements.

○ A good liquidity situation

The Group has cash and cash equivalents on the balance sheet of **PLN 435.9 million**. The Group has no net debt. The Group's net cash level at the end of June 2023 was **PLN 351.1 million**, with a market capitalisation of **PLN 395.5 million** (30.06.2023).

○ Portfolio of orders

The backlog of orders at the end of June 2023 is approximately **PLN 1.73 billion net** (versus PLN 1.31 billion net at the end of June 2022), excluding consortium participation, and has a weighted average long-term gross yield of approximately **6%**.

○ Guarantee limits

Access to financial and guarantee limits allows the Group to continue to be highly active in tendering and bidding for further contracts. The Group has access to bank and insurance guarantee limits totalling approximately **PLN 1.6 billion**, of which approximately **PLN 1.01 billion** remains unused.

Summary of the overall situation of Group



○ The new National Railway Program (KPK – Krajowy Program Kolejowy)

On 16 August 2023, the Council of Ministers adopted a resolution submitted by the Minister of Infrastructure on the establishment of the National Railway Program until 2030 (with an outlook until 2032). The new KPK includes capital expenditure of a total of **PLN 111 billion in the period 2023-2030**.

○ Market situation remains challenging

The state of continued freezing of the transfer of funds from the EU to Poland (structural funds and KPO) continues to have a direct negative impact on the supply of tenders and orders in the industry in which the Company operates. In addition, **the unstable situation related to the war in Ukraine, which has lasted for more than 1.5 years**, as well as **the risks regarding the escalation of hostilities** and the negative impact of further sanctions of an economic nature, may continue to disrupt supply chains of strategic raw materials, causing further **unpredictable and above-average price increases**. Continued high double-digit inflation levels and the resulting very high interest rates are directly increasing the cost of borrowing and the cost of running the Company's day-to-day operations, upward pressure on wages.

○ High bidding activity for new contracts

The Company has participated in 18 proceedings, including 14 conducted by PKP PLK. To date, Torpol (alone or in a consortium) has secured 3 contracts with a total net value of approximately **PLN 1.02 billion** (of which the Company accounts for **PLN 772 million net**). The value of the bids submitted by the Company amounted to approximately **PLN 8.66 billion net**.

○ Signed contracts

- **11 April 2023**
 - "Modernisation of railway infrastructure" for PMT Linie Kolejowe Sp. z o.o. (KGHM Group) with a net value of PLN 234.7 million, of which the Company has a net value of **PLN 176.2 million**.
- **11 May 2023**
 - "Construction of the New Podłęże - Szczyrzyc - Tymbark/Mszana Dolna railway line and modernisation of the existing railway line No. 104 Chabówka - Nowy Sącz" for PKP PLK with a net value of PLN 783.7 million, of which the Company accounts for approximately **PLN 595.6 million** (76%).
- **4 August 2023 (after the reporting period)**
 - "Design and execution of works for the task entitled: Implementation of an investment project involving the modernisation of Ostróda station along with other works in the railway traffic control sector on the section Ława Główna - Olsztyn Główny", with a net value of **PLN 254.2 million**.

Other important developments in 2023



○ Following the selection of the most advantageous offer

- selection of 11 July 2023 - "Works on railway line no. 38 on the section Giżycko - Korsze including electrification" for PKP PLK with a net value of **PLN 876.8 million**.
- selection of 11 November 2022 - "Works on railway line no. 202 on section Gdynia Chylonia - Słupsk" part II section Lębork - Słupsk" for PKP PLK with a net value of **PLN 561.8 million**.

○ After the auction

- 15 March 2023, the Company's offer submitted as part of the open tender entitled: 'Development of detailed designs and execution of construction works under the project entitled: 'Works on the freight bypass of Poznań', conducted by PKP PLK, obtained the lowest price. The price of the offer submitted by the Company in the tender is approximately PLN 1.467 billion gross, i.e. approximately **PLN 1.192 billion net**.

○ Rail Baltica

TORPOL is participating in a project to connect the capital cities of Lithuania, Latvia and Estonia with Warsaw and the rest of Europe by rail. The company, together with its partners, has qualified for the second stage of the tender procedure. The value of the potential contract may be as high as several billion zlotys. The participation of individual consortium members has not yet been determined.

Other important developments in 2023



○ Centralny Port Komunikacyjny sp. z o.o. (CPK)

On 24 January 2023, CPK and Towarzystwo Finansowe Silesia sp. z o.o. (TFS) entered into a preliminary agreement to sell all shares in the Company held by TFS, representing 38% of the total voting rights in the Company.

On 5 April 2023, the Company received notification from TFS regarding the disposal of all its shares (38%) to CPK in execution of the preliminary agreement, which the Company understands as a circumstance confirming the fulfilment of the conditions of the preliminary agreement.

The financial situation

Consolidated income statement



- The Group's net sales revenue decreased by 7.7% y-o-y. and amounted to **PLN 426.8 million**, while the level of direct operating expenses remained at a similar y-o-y level.
- Gross profit on sales fell by 34.2% y-o-y to **PLN 61.4 million**. This is a consequence of the decreasing share of contracts characterized by higher average gross sales profitability in execution.
- Most of the projects in the Group's portfolio characterized by high average margins were mainly completed and settled by the end of 2022 or in the first quarter of the current year, and their impact on profitability levels in the reporting period was significantly reduced.
- The Group clearly improved the result on financing activities. At the end of the period, the balance on financing activities was positive at **PLN 9.3 million** (compared with PLN 7.5 million a year earlier), mainly due to the generation of high interest income on time deposits dictated by the high level of interest rates.

<i>Data in PLN thousand</i>	1H23	1H22	Change in %/pp
Sales revenue	426 808	462 249	-7,7%
<i>Cost of sales</i>	365 373	368 942	-1,0%
Gross profit on sales	61 435	93 307	-34,2%
<i>Percentage of gross profit on sales</i>	14,39%	20,19%	-5,80 pp
Overhead and sales costs	20 460	18 763	+9,0%
Sales profit	40 975	74 544	-45,0%
<i>Percentage of profit on sales</i>	9,60%	16,13%	-6,53 pp
Profit on operating activities	39 405	73 998	-46,7%
<i>EBT (in per cent)</i>	9,23%	16,01%	-6,78 pp
Gross profit	48 696	81 476	-40,2%
<i>PBT (in per cent)</i>	11,41%	17,63%	-6,22 pp
Net profit for the period	38 101	65 196	-41,6%
<i>Net profit (in per cent)</i>	8,93%	14,10%	-5,17 pp
EBITDA	52 229	85 997	-39,3%
<i>EBITDA (in per cent)</i>	12,24%	18,60%	-6,36 pp

The financial situation

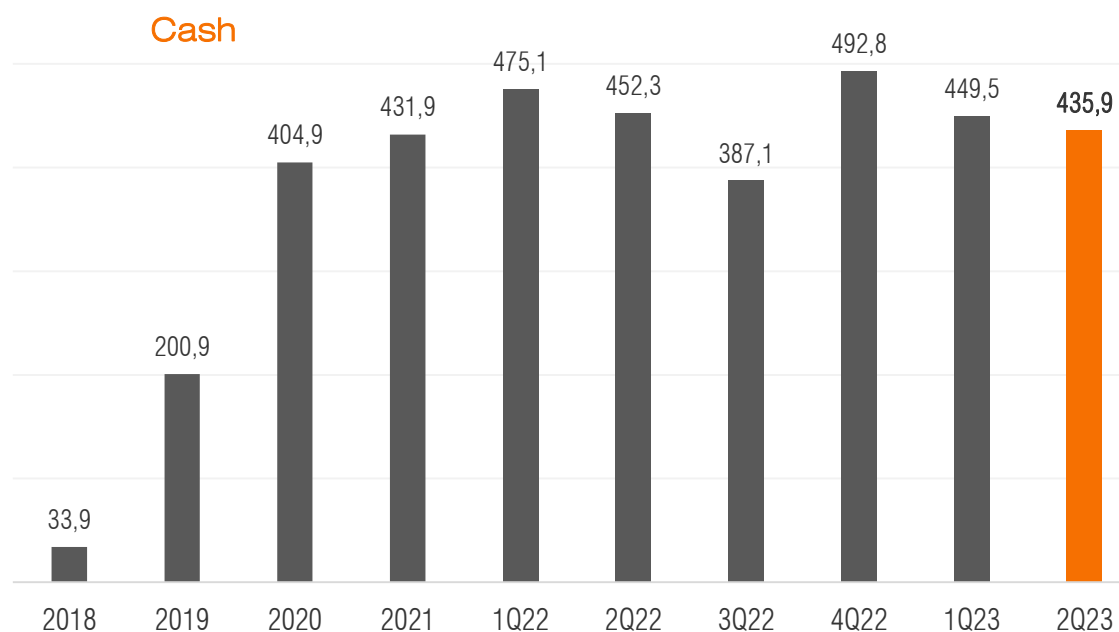
Consolidated balance sheet



- At the end of June 2023, the Group's total assets reached **PLN 942.7 million**, a decrease of 3.7% year-on-year in the reporting period. 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 Group has no net financial debt - the level of net cash at the end of the reporting period was **PLN 351.1 million** (compared with PLN 399.5 million at the end of 2022). In the Management Board's opinion, the liquidity buffer held will allow the Group to operate stably in a volatile market environment in the difficult 2023 and 2024. On the other hand, its access to guarantee limits allows the Group to continue to be highly active during tender proceedings.
- All financial covenants applicable to Group companies are at the levels required by the financing agreements.

Data in PLN thousand

	30/06/2023	31/12/2022	Change in %/pp
Balance sheet total	942 661	978 486	-3,7%
Fixed assets	221 020	220 548	0,2%
Current assets	721 641	757 938	-4,8%
Inventory	86 294	69 419	24,3%
Cash	435 880	496 157	-12,1%
Equity	444 969	407 518	9,2%
Total liabilities	497 692	570 968	-12,8%
Net debt	-351 058	-399 494	-



The financial situation

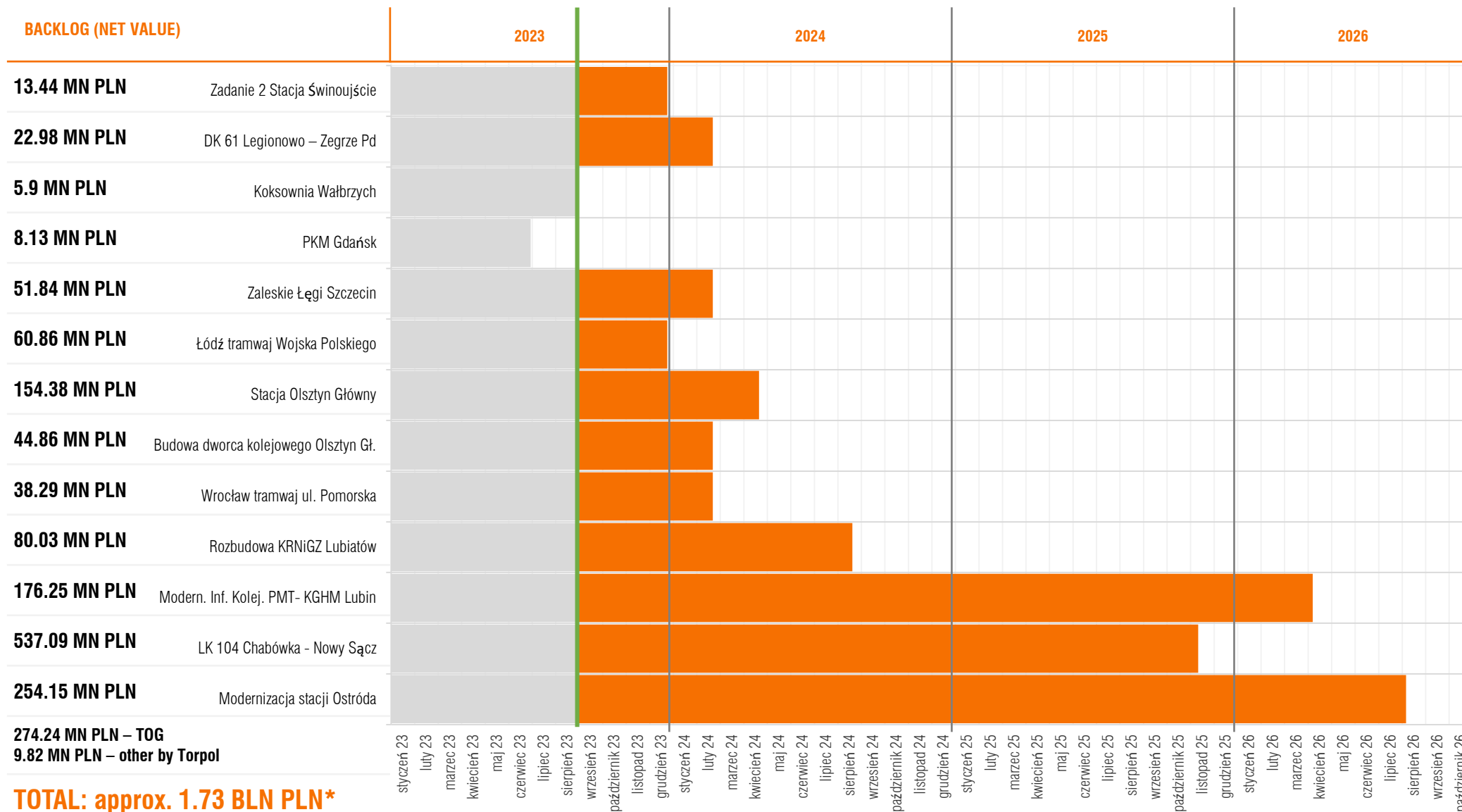
Cash flows from operating, investing and financing activities



Data in PLN thousand	1H23	1H22	Zmiana
Net cash flows from operating activity	-43 070	49 493	-92 563
Net cash flows from investing activities	-1 857	-5 796	3 939
Net cash flows from financial activities	-15 350	-23 283	7 933
Net increase/(decrease) in cash and cash equivalents	-60 277	20 414	-80 691
Cash at beginning of the period	496 157	431 881	64 276
Cash at the end of the period	435 880	452 295	-16 415

- The balance of operating cash flow was negative and amounted to **PLN -43.1 million** (a significant decrease of PLN 92.6 million year-on-year), mainly due to changes in working capital resulting from the repayment of advances for the execution of contracts, the repayment of current liabilities and the purchase of materials for the execution of contracts.
- The net cash flow balance from investing activities at the end of June 2023 was negative at **PLN -1.9 million** compared to PLN -5.8 million a year earlier.
- The balance of financial cash flow in 2023 in the first half of the year was negative at **PLN -15.4 million** (compared to PLN -23.3 million a year earlier), mainly due to repayments of lease instalments and loans.
- The TORPOL Group began 2023 with cash of **PLN 496.2 million**, while it ended the reporting period with cash of **PLN 435.9 million**. Total net cash flow in the period was negative at **PLN -60.3 million**.

Current backlog (30/06/2023)



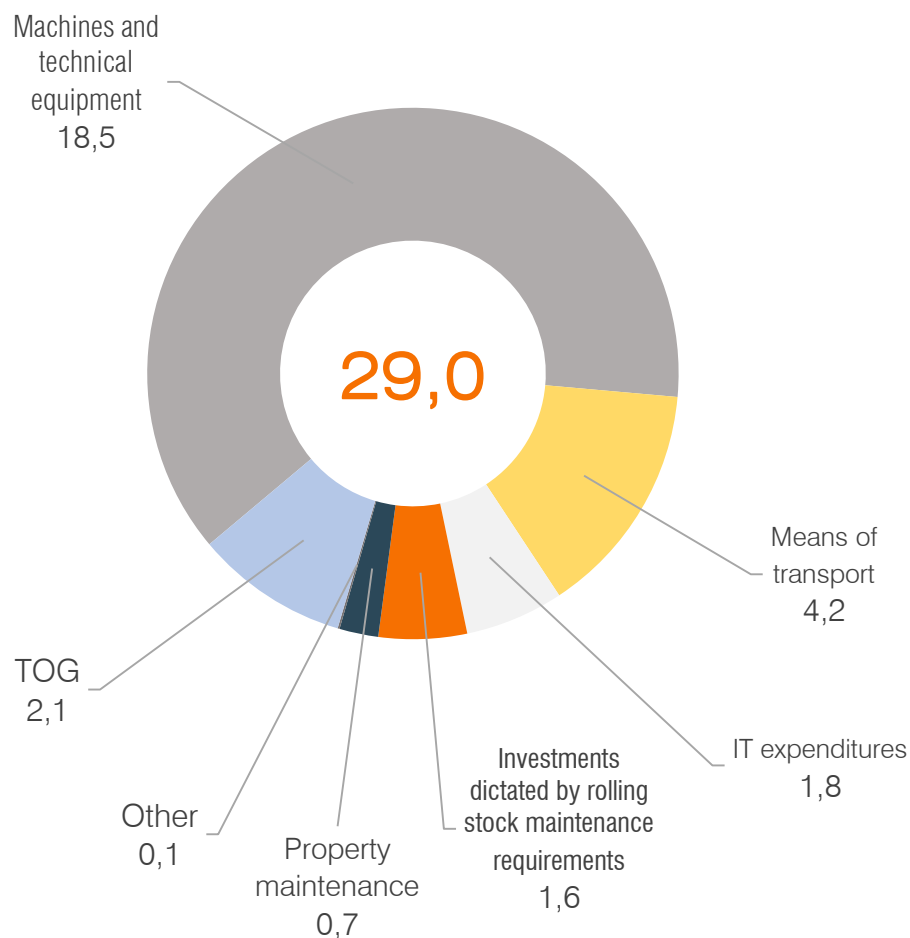
* without the participation of consortium members

Investment plan

The investment plan for 2023



Investments for 2023 (in PLN MN)

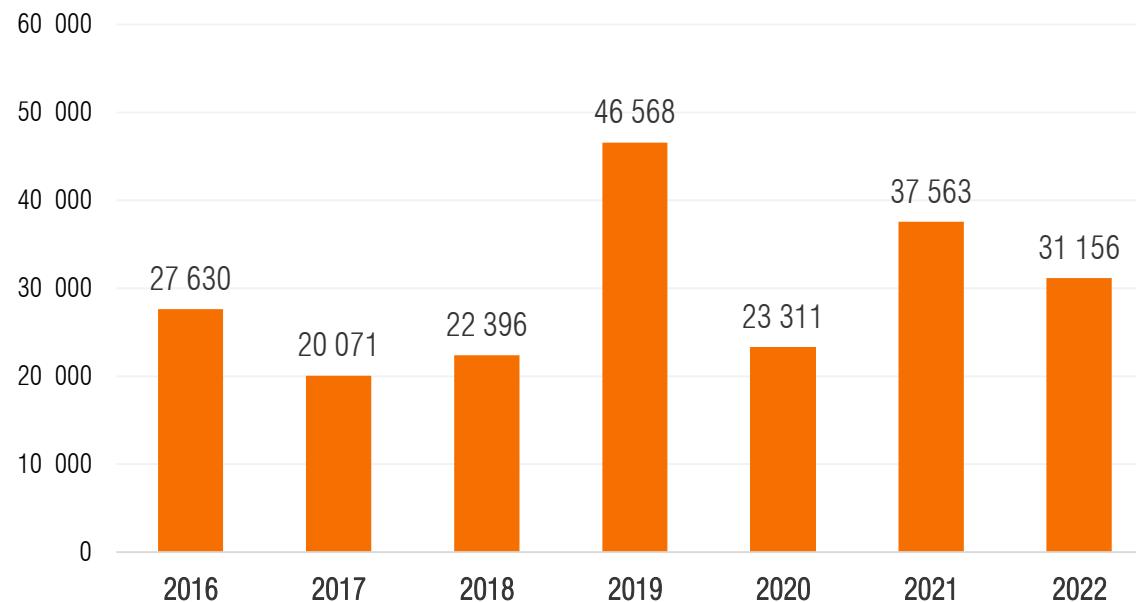



In 1H23, capital expenditure amounted to **PLN 14.6 million**. The level of investment mainly involved the continuation of the process of purchasing a track profiling machine for the production of ballast. The company has already paid 50% of the down payment, which is approximately PLN 7.5 MN.

The Group plans to incur significant capital expenditure in 2023 of approx. **PLN 29 million**. The Group's investment plan for 2023 mainly concerns the purchase of equipment and machinery for modernizing railway lines (including the continuation of existing investments), trucks, vehicles for repairing and assembling catenary lines, means of transport and further development of ERP software.

Over the past seven years, the Group has made investments with a total value of approximately **PLN 208.7 MN**.

Capital expenditure in 2016-2021 (in PLN MN)





TOG carries out orders mainly for Grupa ORLEN S.A., but also for Grupa Azoty Zakłady Azotowe Kędzierzyn S.A., and Gas Transmission Operator (OGP) GAZ-SYSTEM S.A.

TOG participated in 10 proceedings, in which it submitted bids with a total net value of **PLN 76.5 million**, of which it won four contracts with a total net value of approximately **PLN 39.5 million**.

In addition, TOG is involved in 4 unresolved proceedings, where the total value of the bids submitted by TOG amounts to approximately **PLN 8.8 million net**.

The company's backlog of orders amounts to **PLN 274.24 million net**.

Challenges and current objectives



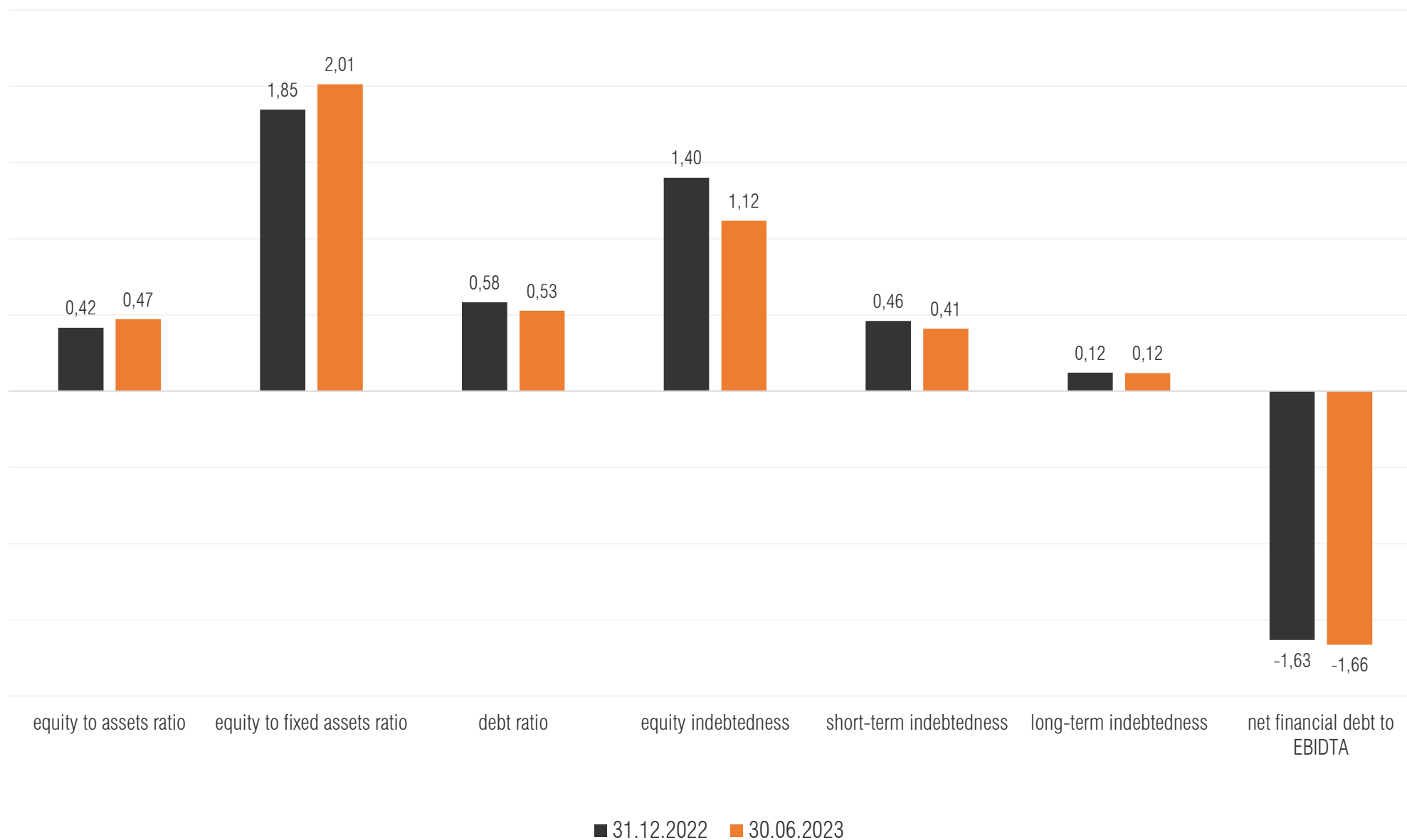
- Maintaining the Group's stable financial and liquidity position, above all in the form of a safety buffer to allow for the smooth operation in the market in the difficult year of 2023 and the equally challenging year of 2024, as well as for the planned intensification of construction works, including large financially demanding projects.
- High quality and timely delivery of construction projects. Close monitoring of the financial condition of subcontractors.
- Maintaining access to guarantee limits. Monitoring of financial covenants.
- Development of the Strategy for 2023-2027.
- 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.
- Development of engineering construction activities and in the area of large-scale constructions.
- Active participation in large and very large infrastructure projects requiring complexity, multi-discipline and application of modern and complex technological solutions.
- Diversification of activities - CPK, international Rail Baltica project.
- Analysis of opportunities for participation in post-war infrastructure reconstruction in Ukraine.



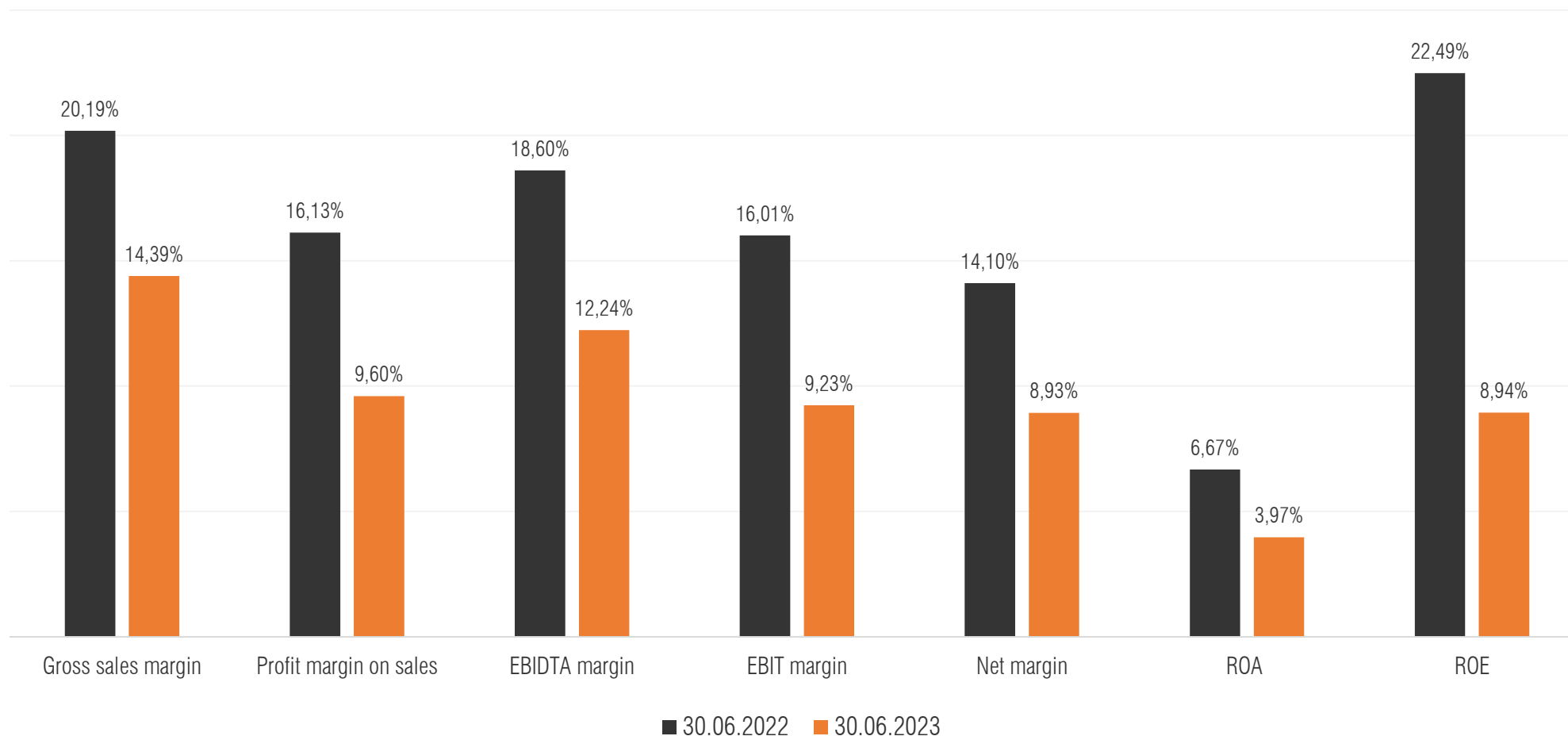
APPENDICES



Consolidated financial indicators



Profitability ratios for TORPOL Group



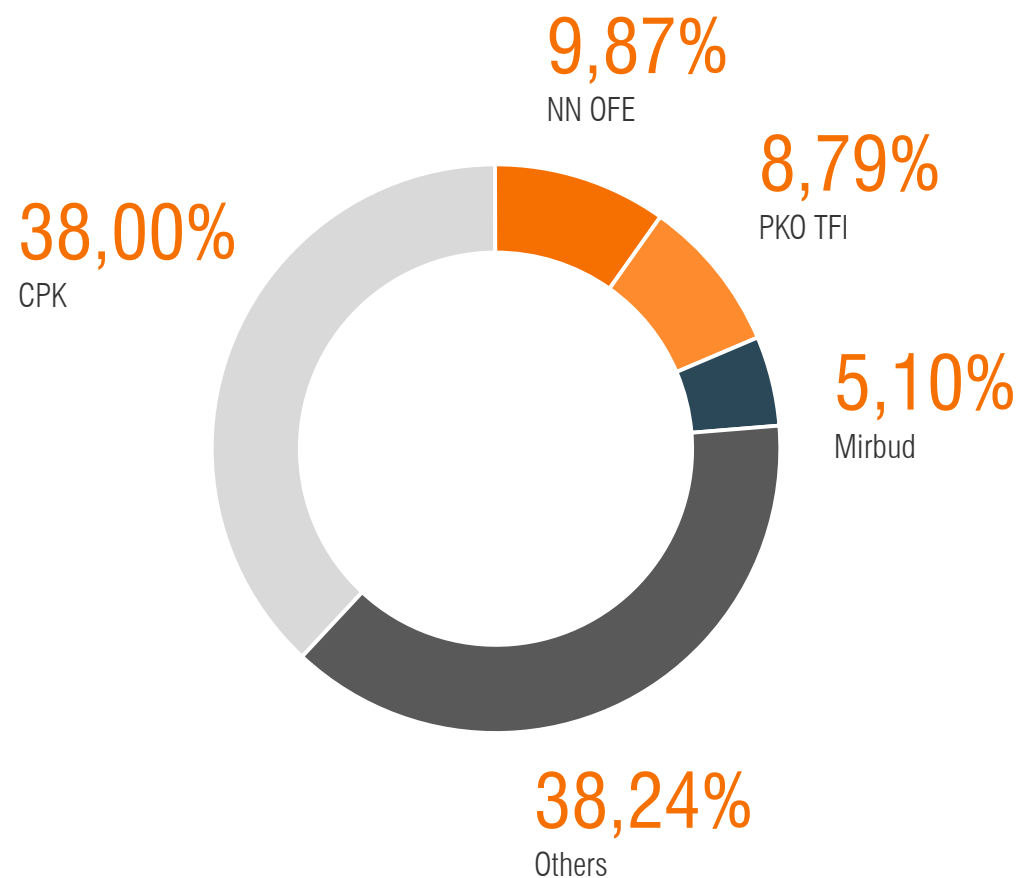
The decrease in the individual profitability indicators is a consequence of the change in the structure of the order book and the dominant contracts characterised by lower average gross sales margins compared to the situation in 2022.

Shareholder structure (based on notifications received)



4 September 2023

Shareholder	Number of shares	(%) in capital
CPK sp. z o.o.	8 728 600	38,00%
NN OFE	2 266 962	9,87%
PKO TFI	2 019 209	8,79%
Mirbud SA	1 170 722	5,10%
Others	8 784 507	38,24%
TOTAL	22 970 000	100,00%



Financial results of TORPOL Capital Group



Data in PLN thousand	1H23	Structure %	1H22	Structure %	Change	Structure %
Sales of services	426 478	99,9%	461 613	99,9%	-35 135	-7,6%
Revenues from sales of goods and products	330	0,1%	636	0,1%	-306	-48,1%
Sales revenues	426 808	100,0%	462 249	100,0%	-35 441	-7,7%
Cost of goods sold	365 373	85,6%	368 942	79,8%	-3 569	-1,0%
Gross profit on sales	61 435	14,4%	93 307	20,2%	-31 872	-34,2%
Cost of sales	0	0,0%	562	0,1%	-562	-100,0%
General and administrative costs	20 460	4,8%	18 201	3,9%	2 259	12,4%
Profit on sales	40 975	9,6%	74 544	16,1%	-33 569	-45,0%
Other operating profit	2 201	0,5%	2 085	0,5%	116	5,6%
Other operating costs	3 771	0,9%	2 631	0,6%	1 140	43,3%
Profit from operating activities	39 405	9,2%	73 998	16,0%	-34 593	-46,7%
Interest revenue	14 137	3,3%	5 845	1,3%	8 292	141,9%
Other financial revenue	100	0,0%	4 325	0,9%	-4 225	-97,7%
Financial expenses	4 946	1,2%	2 692	0,6%	2 254	83,7%
Gross profit	48 696	11,4%	81 476	17,6%	-32 780	-40,2%
Income tax	10 595	2,5%	16 280	3,5%	-5 685	-34,9%
Net profit	38 101	8,9%	65 196	14,1%	-27 095	-41,6%
Profit per one share (in PLN):	1,66	-	2,84	-	-1,18	-41,5%
EBITDA	52 229	-	85 997	-	-33 768	-39,3%

Financial results of TORPOL Capital Group



Data in PLN thousand	30/06/2023	Structure %	31/12/2022	Structure %	Change	Change in %
Fixed assets	221 020	23,4%	220 548	22,5%	472	0,2%
Tangible fixed assets	111 894	11,9%	98 628	10,1%	13 266	13,5%
Right-of-use assets	56 029	5,9%	69 159	7,1%	-13 130	-19,0%
Goodwill	9 008	1,0%	9 008	0,9%	0	0,0%
Intangible assets	3 377	0,4%	3 671	0,4%	-294	-8,0%
Receivables due to withheld amounts	12	0,0%	34	0,0%	-22	-64,7%
Other long-term receivables	12 448	1,3%	12 029	1,2%	419	3,5%
Deferred tax assets	22 872	2,4%	25 937	2,7%	-3 065	-11,8%
Prepayments	5 380	0,6%	2 082	0,2%	3 298	158,4%
Current assets	721 641	76,6%	757 938	77,5%	-36 297	-4,8%
Inventories	86 294	9,2%	69 419	7,1%	16 875	24,3%
Trade and service receivables	90 676	9,6%	110 849	11,3%	-20 173	-18,2%
Receivables due to withheld amounts	74	0,0%	221	0,0%	-147	-66,5%
Assets due to contracts with customers	66 479	7,1%	61 287	6,3%	5 192	8,5%
Income tax receivables	10 999	1,2%	4 282	0,4%	6 717	156,9%
Other financial receivables	1 396	0,1%	5 172	0,5%	-3 776	-73,0%
Other non-financial receivables	22 446	2,4%	5 409	0,6%	17 037	315,0%
Prepayments	7 397	0,8%	5 087	0,5%	2 310	45,4%
Loans granted	0	0,0%	55	0,0%	-55	-100,0%
Cash and cash equivalents	435 880	46,2%	496 157	50,7%	-60 277	-12,1%
TOTAL ASSETS	942 661	100,0%	978 486	100,0%	-35 825	-3,7%

Financial results of TORPOL Capital Group



Data in PLN thousand

	30/06/2023	Structure %	31/12/2022	Structure %	Change	Change in %
Equity	444 969	47,2%	407 518	41,6%	37 451	9,2%
Share capital	4 594	0,5%	4 594	0,5%	0	0,0%
Other reserve capital	345 078	36,6%	162 333	16,6%	182 745	112,6%
Share premium	54 617	5,8%	54 617	5,6%	0	0,0%
Retained earnings	37 783	4,0%	183 089	18,7%	-145 306	-79,4%
Supplementary capital – other	3 212	0,3%	3 212	0,3%	0	0,0%
Revaluation reserve (actuarial gains/losses)	553	0,1%	553	0,1%	0	0,0%
Non-controlling interests	-868	-0,1%	-880	-0,1%	12	-1,4%
Long-term liabilities	111 761	11,9%	119 425	12,2%	-7 664	-6,4%
Interest-bearing loans and borrowings	17 417	1,8%	19 221	2,0%	-1 804	-9,4%
Long-term liabilities due to lease agreements	37 370	4,0%	43 395	4,4%	-6 025	-13,9%
Other financial liabilities	4 219	0,4%	4 162	0,4%	57	1,4%
Provisions	32 455	3,4%	33 009	3,4%	-554	-1,7%
Liabilities due to withheld amounts	20 300	2,2%	19 638	2,0%	662	3,4%
Short-term liabilities	385 931	40,9%	451 543	46,1%	-65 612	-14,5%
Trade and service liabilities	78 390	8,3%	87 792	9,0%	-9 402	-10,7%
Liabilities due to withheld amounts	25 627	2,7%	22 680	2,3%	2 947	13,0%
Loans and borrowings	3 745	0,4%	6 385	0,7%	-2 640	-41,3%
Short-term liabilities due to lease agreements	12 747	1,4%	13 093	1,3%	-346	-2,6%
Other financial liabilities	9 324	1,0%	10 407	1,1%	-1 083	-10,4%
Deferred revenue	2	0,0%	2	0,0%	0	0,0%
Liabilities from contract pricing	182 223	19,3%	208 932	21,4%	-26 709	-12,8%
CIT related liabilities	133	0,0%	232	0,0%	-99	-42,7%
Current liabilities for social security and taxes other than income tax	9 393	1,0%	21 309	2,2%	-11 916	-55,9%
Other non-financial liabilities	752	0,1%	693	0,1%	59	8,5%
Accruals	30 080	3,2%	37 849	3,9%	-7 769	-20,5%
Provisions	33 515	3,6%	42 169	4,3%	-8 654	-20,5%
Total liabilities	497 692	52,8%	570 968	58,4%	-73 276	-12,8%
TOTAL EQUITY AND LIABILITIES	942 661	100,0%	978 486	100,0%	-35 825	-3,7%

Financial results of TORPOL Capital Group



<i>in PLN thousand</i>	1H23	1H22	Change
Cash flows from operating activity			
Gross profit/loss	48 696	81 476	-32 780
Adjustments by items:	-91 766	-31 983	-59 783
Depreciation	12 824	11 999	825
Profit from investing activities	1 270	-22	1 292
Change in receivables and assets under contracts with customers	1 712	26 933	-25 221
Change in inventories	-16 875	-44 313	27 438
Change in payables except for bank loans and borrowings	-43 741	-21 045	-22 696
Interests received	-14 137	-5 845	-8 292
Interests paid	4 762	2 561	2 201
Change in the balance of prepayments and accruals	-13 377	-18 885	5 508
Income tax paid/reimbursed	-9 208	32 199	-41 407
Other	-14 346	-14 799	453
Change in inventories	-650	-766	116
Net cash flows from operating activity	-43 070	49 493	-92 563

<i>in PLN thousand</i>	1H23	1H22	Change
Cash flows from investing activities			
Sale of fixed tangible assets and intangibles	396	374	22
Purchase of fixed tangible assets and intangibles	-15 806	-11 023	-4 783
Interests received	14 155	5 250	8 905
Other	-602	-397	-205
Net cash flows from investing activities	-1 857	-5 796	3 939
Cash flows from financial activities			
Payment of finance lease liabilities	-7 395	-7 749	354
Payment of loans and borrowings	-4 444	-13 074	8 630
Interests paid	-3 511	-2 460	-1 051
Net cash flows from financial activities	-15 350	-23 283	7 933
Net increase/(decrease) in cash and cash equivalents	-60 277	20 414	-80 691
Cash and cash equivalents at the beginning of the period	496 157	431 881	64 276
Cash and cash equivalents at the end of the period	435 880	452 295	-16 415

Financial results of TORPOL



Data in PLN thousand	1H23	Structure %	1H22	Structure %	Change	Structure %
Sales of services	359 355	99,9%	441 160	99,9%	-81 805	-18,5%
Revenues from sales of goods and products	324	0,1%	239	0,1%	85	35,6%
Sales revenues	359 679	100,0%	441 399	100,0%	-81 720	-18,5%
Cost of goods sold	302 739	84,2%	349 601	79,2%	-46 862	-13,4%
Gross profit on sales	56 940	15,8%	91 798	20,8%	-34 858	-38,0%
Cost of sales	0	0,0%	562	0,1%	-562	-100,0%
General and administrative costs	16 607	4,6%	15 174	3,4%	1 433	9,4%
Profit on sales	40 333	11,2%	76 062	17,2%	-35 729	-47,0%
Other operating profit	2 152	0,6%	2 059	0,5%	93	4,5%
Other operating costs	3 700	1,0%	2 592	0,6%	1 108	42,7%
Profit on operating activity	38 785	10,8%	75 529	17,1%	-36 744	-48,6%
Interest related income	13 312	3,7%	5 872	1,3%	7 440	126,7%
Other financial revenues	415	0,1%	4 368	1,0%	-3 953	-90,5%
Financial expenses	4 867	1,4%	2 589	0,6%	2 278	88,0%
Gross profit	47 645	13,2%	83 180	18,8%	-35 535	-42,7%
Income tax	10 382	2,9%	16 564	3,8%	-6 182	-37,3%
Net profit for the period	37 263	10,4%	66 616	15,1%	-29 353	-44,1%
Profit per one share (in PLN):	1,62	-	2,9	-	-1,28	-44,1%
EBITDA	50 733	-	86 891	-	-36 158	-41,6%

Financial results of TORPOL



Data in PLN thousand	30/06/2023	Structure %	31/12/2022	Structure %	Change	Change in %
Fixed assets	221 673	25,5%	221 820	25,4%	-147	-0,1%
Tangible fixed assets	109 314	12,6%	97 095	11,1%	12 219	12,6%
Right-of-use assets	54 768	6,3%	67 508	7,7%	-12 740	-18,9%
Goodwill	9 008	1,0%	9 008	1,0%	0	0,0%
Intangible assets	3 216	0,4%	3 532	0,4%	-316	-8,9%
Shares in affiliate entities	5 404	0,6%	5 404	0,6%	0	0,0%
Receivables due to withheld amounts	12	0,0%	34	0,0%	-22	-64,7%
Other long-term receivables	12 448	1,4%	12 029	1,4%	419	3,5%
Deferred tax assets	22 598	2,6%	25 728	2,9%	-3 130	-12,2%
Prepayments	4 905	0,6%	1 482	0,2%	3 423	231,0%
Current assets	648 974	74,5%	651 462	74,6%	-2 488	-0,4%
Inventories	68 308	7,8%	63 896	7,3%	4 412	6,9%
Trade and service receivables	63 770	7,3%	86 171	9,9%	-22 401	-26,0%
Receivables due to withheld amounts	37	0,0%	213	0,0%	-176	-82,6%
Loans granted	3 001	0,3%	14 934	1,7%	-11 933	-79,9%
Other non-financial receivables	1 396	0,2%	5 172	0,6%	-3 776	-73,0%
Assets due to contracts with customers and other un invoiced income	63 088	7,2%	51 722	5,9%	11 366	22,0%
Other non-financial receivables	10 685	1,2%	4 544	0,5%	6 141	135,1%
Income tax receivables	10 999	1,3%	4 282	0,5%	6 717	156,9%
Prepayments	6 405	0,7%	4 222	0,5%	2 183	51,7%
Cash and cash equivalents	421 285	48,4%	416 306	47,7%	4 979	1,2%
TOTAL ASSETS	870 647	100,0%	873 282	100,0%	-2 635	-0,3%

Financial results of TORPOL



Data in PLN thousand	30/06/2023	Structure %	31/12/2022	Structure %	Change	Change in %
Equity	446 317	51,3%	409 704	46,9%	36 613	8,9%
Share capital	4 594	0,5%	4 594	0,5%	0	0,0%
Other reserve capital	344 983	39,6%	162 333	18,6%	182 650	112,5%
Supplementary capital	54 617	6,3%	54 617	6,3%	0	0,0%
Retained earnings	37 263	4,3%	183 300	21,0%	-146 037	-79,7%
Supplementary capital – other	4 301	0,5%	4 301	0,5%	0	0,0%
Foreign exchange differences on translation of foreign operations	559	0,1%	559	0,1%	0	0,0%
Long-term liabilities	110 456	12,7%	117 871	13,5%	-7 415	-6,3%
Interest-bearing loans and borrowings	17 194	2,0%	18 905	2,2%	-1 711	-9,1%
Provisions	32 455	3,7%	33 009	3,8%	-554	-1,7%
Long-term liabilities due to lease agreements	36 971	4,2%	42 659	4,9%	-5 688	-13,3%
Liabilities due to withheld amounts	19 617	2,3%	19 136	2,2%	481	2,5%
Other financial liabilities	4 219	0,5%	4 162	0,5%	57	1,4%
Short-term liabilities	313 874	36,1%	345 707	39,6%	-31 833	-9,2%
Trade and service liabilities	58 912	6,8%	67 819	7,8%	-8 907	-13,1%
Liabilities due to withheld amounts	25 333	2,9%	22 213	2,5%	3 120	14,0%
Loans and borrowings	3 403	0,4%	3 349	0,4%	54	1,6%
Short-term liabilities due to lease agreements	11 856	1,4%	12 153	1,4%	-297	-2,4%
Other financial liabilities	8 054	0,9%	9 029	1,0%	-975	-10,8%
Deferred revenue	2	0,0%	2	0,0%	0	0,0%
Liabilities from contract pricing	135 322	15,5%	147 402	16,9%	-12 080	-8,2%
Current liabilities for social security and taxes other than income tax	8 064	0,9%	5 710	0,7%	2 354	41,2%
Other non-financial liabilities	689	0,1%	665	0,1%	24	3,6%
Accruals	28 825	3,3%	35 297	4,0%	-6 472	-18,3%
Provisions	33 414	3,8%	42 068	4,8%	-8 654	-20,6%
Total liabilities	424 330	48,7%	463 578	53,1%	-39 248	-8,5%
TOTAL EQUITY AND LIABILITIES	870 647	100,0%	873 282	100,0%	-2 635	-0,3%

Financial results of TORPOL



<i>in PLN thousand</i>	1H23	1H22	Change
Cash flows from operating activity			
Gross profit	47 645	83 180	-35 535
Adjustments by items:	-41 716	-30 804	-10 912
Depreciation	11 948	11 362	586
Profit from investing activities	1 255	-37	1 292
Change in receivables and assets under contracts with customers	8 386	30 970	-22 584
Change in inventories	-4 412	-39 714	35 302
Change in payables except for bank loans and borrowings	-14 282	-26 619	12 337
Interests received	-13 312	-5 872	-7 440
Interests paid	4 606	2 465	2 141
Change in accrual and prepayments	-12 078	-20 117	8 039
Change in the balance of provisions	-9 208	32 199	-41 407
Income tax paid/reimbursed	-13 969	-14 743	774
Other	-650	-698	48
Net cash flows from operating activity	5 929	52 376	-46 447

<i>in PLN thousand</i>	1H23	1H22	Change
Cash flows from investing activities			
Sale of fixed tangible assets and intangibles	396	374	22
Acquisition of property, plant and equipment, intangible assets and right-of-use assets	-14 384	-10 693	-3 691
Loan repayment	31 195	0	31 195
Loans granted	-19 372	-3 995	-15 377
Interests received	13 485	5 248	8 237
Other	-657	-417	-240
Net cash flows from investing activities	10 663	-9 483	20 146
Cash flows from financial activities			
Payment of finance lease liabilities	-6 861	-7 346	485
Payment of loans and borrowings	-1 657	-12 924	11 267
Interests paid	-3 095	-2 358	-737
Net cash flows from financial activities	-11 613	-22 628	11 015
Net increase/(decrease) in cash and cash equivalents	4 979	20 265	-15 286
Cash and cash equivalents at the beginning of the period	416 306	428 973	-12 667
Cash and cash equivalents at the end of the period	421 285	449 238	-27 953

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