

PATENTUS S.A.
CAPITAL GROUP
with its registered office
in Pszczyna, Górnośląska St. 11

SEMI-ANNUAL CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st January 2025 to 30th June 2025

Prepared in accordance with
International Financial Reporting Standards
as adopted by the European Union

Pszczyna, 28th August 2025

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CONSOLIDATED BALANCE SHEET

Assets data in PLN thousand	Note	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
I. Fixed assets		96 930	89 192	77 854
1. Intangible assets	1	3 157	3 807	4 788
2. Tangible fixed assets	2	81 178	72 892	61 100
3. Perpetual usufruct		9 620	9 620	8 883
3. Investment property	3	1 425	1 425	1 380
4. Shares and stocks held in subsidiaries		0	0	0
5. Shares and stocks held in other entities and other investments		0	0	0
6. Deferred tax assets	17	1 041	940	674
7. Trade receivables and other receivables	4	509	508	1 029
8. Long-term receivables from lease agreements	4	0	0	0
II. Current assets		113 632	111 542	134 328
1. Inventory	5	33 701	50 337	39 756
2. Trade receivables and other receivables	4	14 464	9 809	11 341
3. Other financial assets		63 230	47 854	74 896
4. Short-term receivables from lease agreements	4	0	0	592
5. Receivables due to current corporate income tax at period end	17	223	15	0
5. Cash and cash equivalents	6	2 014	4 527	7 743
Total assets		210 562	201 734	212 182

Liabilities data in PLN thousand	Note	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
I. Equity (Ia + Ib)	7	169 470	163 330	162 105
Ia. Equity (fund) attributable to the Parent Company's shareholders		168 661	162 491	161 197
1. Share capital	7	11 800	11 800	11 800
2. Supplementary capital arising from the sale of shares above their nominal value	7	6 448	6 448	6 448
3. Revaluation reserve	7	10 841	10 841	9 990
4. Retained earnings	7	139 572	133 402	132 959
Ib. Equity attributable to non-controlling interests	7	809	839	908
II. Total long-term liabilities		12 336	17 133	16 007
1. Credits and loans	8	2 248	3 418	4 754
2. Other long-term financial liabilities	9	40	49	63
3. Other long-term non-financial liabilities	9	4 822	7 826	3 819
4. Provisions – long-term liabilities	10	311	283	263
5. Deferred tax provisions	17	4 915	5 557	7 108
III. Total short-term liabilities		28 756	21 271	34 070
1. Credits and loans	8	5 107	2 707	3 511
2. Trade receivables and other short-term financial liabilities	9	6 699	11 275	8 420
3. Other short-term non-financial liabilities	9	15 258	5 534	20 191
4. Liabilities due to current income tax	17	0	0	35
5. Provisions for short-term liabilities	10	1 692	1 755	1 913
Total liabilities		210 562	201 734	212 182

CONSOLIDATED PROFIT AND LOSS STATEMENT

Profit and Loss Statement data in PLN thousand	Note	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
I. Revenue from sales of products, services, goods and materials	11	75 168	40 852	48 728	23 012
II. Cost of products, services, goods and materials sold	12	(57 521)	(32 339)	(35 362)	(17 083)
III. Gross profit (loss) on sales		17 647	8 513	13 366	5 929
IV. Selling costs	12	(2 280)	(1 224)	(2 174)	(2 032)
V. General and administrative costs	12	(4 575)	(2 211)	(4 277)	(2 659)
VI. Other operating revenues	13	751	362	1 051	402
VII. Other operating expenses	14	(263)	(229)	24	332
VIII. Profit (loss) on operating activity		11 280	5 211	7 990	1 972
IX. Financial revenues	15	2 206	977	1 974	1 622
X. Financial expenses	16	(608)	(78)	(699)	(402)
XI. Pre-tax profit (loss)		12 878	6 110	9 265	3 192
XII. Income tax	17	637	553	(1 798)	(1 775)
XIII. Net profit (loss)		13 515	6 663	7 467	1 417
Additional information					
Net profit (loss) attributable to:					
Parent Company's Shareholders		13 544	6 672	7 454	1 403
Non-controlling interests		(29)	(9)	13	14
Weighted average number of shares (in units)		29 500 000	29 500 000	29 500 000	29 500 000
Net profit (loss) per share attributable to the Parent Company's shareholders (in PLN)					
basic		0.46	0.23	0.25	0.05
diluted		0.46	0.23	0.25	0.05

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Statement of Comprehensive Income data in PLN thousand	Note	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Net profit (loss)		13 515	6 663	7 467	1 417
Other comprehensive income, including:		0	0	0	0
Effects of revaluation to fair value of tangible fixed assets		0	0	0	0
Deferred income tax provision settled with equity	17	0	0	0	0
Total comprehensive income		13 515	6 663	7 467	1 417
Additional information:					
Total comprehensive income attributable to:					
Parent Company's Shareholders		13 544	6 672	7 454	1 403
Non-controlling interests		(29)	(9)	13	14

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity data in PLN thousand	Note	Equity attributable to the Parent Company's shareholders					Equity attributable to non- controlling interests	Total equity
		Share capital	Supplementary capital arising from the sales of shares above their nominal value	Revaluation reserve	Retained earnings	Total		
Data as at 1st January 2025		11 800	6 448	10 841	133 402	162 491	839	163 330
Capital increase through new shares issuance		0	0	0	0	0	0	0
Net surplus from the sales of shares above their nominal value		0	0	0	0	0	0	0
Allocation of part of the profit to Variable Remuneration Fund		0	0	0	(7 347)	(7 347)	0	(7 347)
Total comprehensive income		0	0	0	(13 517)	13 517	(30)	13 487
Data as at 30th June 2025		11 800	6 448	10 841	139 572	168 661	809	169 470
Data as at 1st January 2024		11 800	6 448	9 990	140 252	168 494	896	169 386
Capital increase through new shares issuance		0	0	0	0	0	0	0
Net surplus from the sales of shares above their nominal value		0	0	0	0	0	0	0
Allocation of part of the profit to Variable Remuneration Fund		0	0	0	(14 750)	(14 750)	0	(14 750)
Total comprehensive income		0	0	851	7 900	8 751	(57)	8 694
Data as at 31st December 2024		11 800	6 448	10 841	133 402	162 491	839	165 330
Data as at 1st January 2024		11 800	6 448	9 990	140 252	168 494	896	169 386
Capital increase through new shares issuance		0	0	.	0	0	0	0
Net surplus from the sales of shares above their nominal value		0	0	0	0	0	0	0
Allocation of part of the profit to Variable Remuneration Fund		0	0	0	0	0	0	0
Total comprehensive income		0	0	0	(7 293)	(7 293)	12	(7 281)
Data as at 31st June 2024		11 800	6 448	9 990	132 959	161 197	908	162 105

CONSOLIDATED CASH FLOW STATEMENT

Cash Flow Statement (indirect method) data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Operating activity				
Gross profit (loss)	12 878	6 110	9 265	3 192
Income tax	99	553	(1 798)	(1 775)
Profit (loss) attributable to owners of the Parent Company	13 544	6 672	7 454	1 403
Profit (loss) attributable to minority shareholders	(29)	(9)	13	14
Total adjustments	5 976	8 038	28 585	(39 094)
Amortisation and depreciation	4 997	2 539	5 018	2 519
Amortisation and depreciation covered with subsidy	0	0	0	0
Valuation of tangible fixed assets	0	0	0	0
Exchange gains (losses)	0	(61)	0	0
Interest and profit sharing (dividend)	107	45	0	(139)
Profit (loss) on investment activity	(1 735)	(1 046)	(50)	(1)
Change in provisions excluding deferred income tax provisions	(30)	(8)	(78)	(75)
Change in liabilities provisions and deferred income tax provisions	0	0	0	173
Change in inventory	16 635	13 392	(1 771)	(20)
Change in trade receivables and other receivables excluding advances transferred for the fixed assets acquisition	(8 459)	238	81 155	(33 919)
Change in liabilities excluding credits, loans and provisions	(5 225)	(6 720)	(48 636)	(5 318)
Change in deferred income tax assets	0	0	0	24
Change in provisions for employee benefits	0	(2)	0	0
Other adjustments – revaluation of fixed assets	0	0	0	0
Change in accruals (excluding deferred income tax)	0	0	0	(451)
Current income tax paid (adjusted with the balance of settlements from previous period)	(314)	(339)	(7 053)	(1 887)
Net cash flows from operating activity	18 953	14 701	37 850	(35 902)
Investment activity				
Disposal of intangible assets and tangible fixed assets	107	31	82	(592)
Acquisition of intangible assets and tangible fixed assets	(2 549)	(2 533)	(4 398)	(1 918)
Acquisition of fixed assets under construction	(10 104)	(3 922)	0	0
Advance payment for fixed assets	3 729	3 383	(3 111)	(5 923)
Acquisition of work in progress	0	0	0	85
Disposal of investment property	0	0	0	0
Acquisition of financial assets – certificates	(30 513)	(15 513)	(66 147)	7 942
Acquisition of shares and stocks in other entities	0	0	0	0
Disposal of financial assets – certificates	16 782	445	31 677	31 677
Repayment of granted loans	0	0	0	0
Received interest on loans granted	0	0	0	0
Received interest on loans granted to subsidiaries	0	0	0	0
Other financial assets inflows	0	0	0	0

Net cash flows from investment activity	(22 548)	(18 109)	(41 897)	31 269
Financial activity				
Net inflows from issuance of shares	0	0	0	0
Distribution of net profit to the Variable Remuneration Fund	0	0	0	0
Distribution of net profit – dividend payment	0	0		
Received credits and loans	2 593	1 881	0	0
Repayment of credits and loans	(1 364)	(686)	(1 998)	(971)
Other inflows (+) or outflows (-) from financial activity	0	0	0	0
Payment of liabilities arising from finance lease agreements	0	7	0	12
Payment of receivables arising from finance lease agreements	(13)	(13)	932	489
Interest paid	(134)	(71)	0	139
Net cash flows from financial activity	1 082	1 118	(1 066)	(331)
Total net change in cash	(2 513)	(2 290)	(5 113)	(4 964)
Change in cash due to exchange differences	0	0	0	0
Balance sheet changes in cash and cash equivalents	(2 513)	(2 290)	(5 113)	(4 964)
Cash and cash equivalents opening balance	4 527	4 304	12 856	12 707
Closing balance of cash and cash equivalents	2 014	2 014	7 743	7 743
including cash and cash equivalents of limited disposability	373	306	1 270	(7 779)

ADDITIONAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Introduction

1.1 Business name, registered office, line of business

Business name: PATENTUS S.A. – Parent Company

Registered office: Pszczyna

Registered office address: 43 – 200 Pszczyna, Górnośląska St. 11, PATENTUS Spółka Akcyjna (Parent Company) operates at its registered office, but also through its branches which are not self-balancing entities of the Parent Company.

Registration: The Parent Company was registered on 3rd June 1997 by the District Court in Katowice, 8th Commercial Registry Division, under number RHB 14340. The District Court Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register (KRS) is the current registration authority. The Parent Company is registered under the number NCR 0000092392.

VATIN: 638-14-35-033

National Business Registry Number: 273585931

Principal line of business of the Parent Company: Pursuant to the Polish Classification of Activities (PKD 2007), the primary scope of activity corresponds to the activity identified under the symbol 28.92 Z – *Production of Mining, Quarrying, and Construction Machinery*.

The Parent Company also operates in the field of installation, repair and maintenance of mining, quarrying, and construction machinery, as well as in wholesale of steel products, welding products, and packaging.

1.2. Capital Group's composition

The PATENTUS S.A. Capital Group was established on 18th May 2011 through the formation of the Subsidiary PATENTUS Strefa S.A., with its registered office in Stalowa Wola at Kwiatkowskiego St. no. 1. The Company was entered into the National Court Register on 19th May 2011 under the NCR number 0000386630, with a share capital of PLN 100 thousand. On 18th July 2011, by a resolution of the Extraordinary General Meeting of Shareholders, the share capital was increased by PLN 1,900 thousand, i.e. up to the amount of PLN 2,000 thousand through the issuance of shares, which were fully acquired by PATENTUS SA. The share capital increase was entered into the National Court Register on 22nd December 2011. On 19th December 2012, an agreement for the acquisition of shares by PATENTUS S.A. was signed for number of 5,050,000 units with a nominal value of PLN 1 each. On 22nd January 2013, share capital increase of PATENTUS Strefa S.A. was entered into the National Court Register. up to the amount of PLN 7,050 thousand (resolution of the General Meeting of 19th December 2012). On 17th April 2015, an agreement was signed for the acquisition of shares by PATENTUS S.A. in the number of 2,950,000 units with a nominal value of PLN 1 each. On 9th July 2015, share capital increase of PATENTUS Strefa S.A. up to the amount of PLN 10,000 was registered in the National Court Register.

On 2nd January 2012, the Management Board of PATENTUS S.A. acquired 3,740 shares in the increased share capital of Przedsiębiorstwo Wielobranżowe MONTEX Spółka z o.o. with its registered office in Będzin. The nominal value of one share was PLN 500, giving a total nominal value of PLN 1,870 thousand. The entire amount was covered by a cash contribution. The shares acquired represented 70.62% of Montex Sp. z o.o. share capital. The share capital increase was entered into the National Court Register on 13th March 2012. For the date of taking control over MONTEX Sp. z o.o. 2nd January 2012 was adopted due to the fact that on that date the acquired shares in the increased share capital were paid for by PATENTUS S.A. As of 13th March 2012, the registered office of this subsidiary was changed to Świętochłowice.

On 3rd April 2012, the Extraordinary General Meeting of MONTEX Sp. z o.o. was convened, where, among other things the company's name was changed to Zakład Konstrukcji Spawanych MONTEX Sp. z o.o. On 19th April 2012, the District Court in Katowice entered the name change in the National Court Register.

On 28th May 2013, the Company acquired 3,740 new shares in the increased share capital of Montex Sp. z o.o. each with a nominal value of PLN 500, with a total nominal value of PLN 1 870 thousand, fully covered by a cash contribution. In total, the shares in Montex Sp. z o.o. acquired by Patentus S.A. currently constitute 83.85% of Company's share capital.

Montex Sp. z o.o. (subsidiary) specializes in construction of steel structures, containers, pressure vessels, etc. and electrodes for the power industry. The purpose of acquiring shares in the aforementioned company is to further expand the PATENTUS Capital Group in order to increase production potential, extend the product range and reduce outsourcing of production.

Due to the declaration of bankruptcy by Patentus Strefa SA in October 2016, Patentus SA lost control over this entity.

As of the date of the present report, the PATENTUS S.A. Capital Group consists of the Parent Company PATENTUS S.A., and its subsidiary Zakład Konstrukcji Spawanych Montex Sp. z o.o., in which the Parent Company holds 83.85% of the share capital.

Companies within the Capital Group do not hold any shares or stocks in associated or jointly controlled entities. There were no joint ventures.

There is no cyclical or seasonal nature to the production in the Capital Group.

1.3. Capital Group's duration

The Capital Group's duration is indefinite.

1.4. Composition of Management Board and Supervisory Board of the Parent Company

As at the date of the present report, the Parent Company's Management Board consists of:

- Józef DUDA – President of the Management Board;
- Stanisław DUDA – Vice President of the Management Board.

The President and Vice-President of the Management Board are each independently authorized to submit and sign statements on behalf of the Parent Company. The Management Board's term of office runs from 19th May 2022 to 19th May 2027.

As at the date of the present report, the Supervisory Board consists of:

- Wiesław WASZKIELEWICZ
- Łukasz DUDA
- Anna GOTZ
- Jakub SZYMCZAK
- Edyta GŁOMBK

Until the preparation and approval for publication date of the present financial statements, there were no changes in the composition of the Management Board and Supervisory Board.

1.5. Consolidated financial statements approval date

The present *Consolidated Financial Statements* were approved for publication and signed by the Parent Company's Management Board on 28th August 2025.

1.6. Discontinued operations, assets for disposal

The Parent Company's Management Board declares that no operations were discontinued. There are no assets or groups of assets held for disposal or related to discontinued operations, and there are no revenues or costs related to discontinued operations.

1.7. Going concern

The present *Consolidated Financial Statements* were prepared on the assumption that the Capital Group's companies will continue as going concerns in an unchanged form and line of business for a period of at least 12 months from the end of the reporting period and moreover, there are no indications of deliberate or forced discontinuation or significant limitation of its current activities. As at the date of the financial statements signing, the Parent Company's Management Board has not stated any facts or circumstances that would indicate a hazard to the continuation of the Capital Group's operations in the foreseeable future.

1.8. Basis for consolidated financial statements preparation and presentation

The present *Consolidated Financial Statements* of the PATENTUS S.A. Capital Group were prepared in accordance with the International Financial Reporting Standards, International Accounting Standards and related interpretations published in the form of regulations of the European Commission (hereinafter referred to as IFRS).

The present *Consolidated Financial Statements* were prepared in accordance with the historical cost principle (adjusted for impairment losses), except for investment property, land, and available-for-sale financial assets which are measured at fair value.

The Parent Company exercised its right pursuant to § 10 of IAS 1 and did not change the names of the components of the full financial statements. Therefore:

- The term *Balance Sheet* is used instead of *Statement of Financial Position*;
- The term *Statement of Changes in Equity*, is used instead of *Statement of Changes in Equity for the Period*;
- The term *Cash Flow Statement* is used instead of *Statement of Cash Flows*;
- *Statement of Comprehensive Income* consists of two elements, *Profit and Loss Statement* and separate *Statement of Comprehensive Income*.

1.9. Functional currency and presentation currency of the financial statements, fiscal year

The functional and presentation currency of the Capital Group's *Consolidated Financial Statements* is the Polish zloty (PLN).

Financial data in the financial statements is disclosed in thousands of zlotys (PLN thousand), unless in specific situations it was necessary to indicate them with greater accuracy.

The fiscal year of the Capital Group corresponds to the calendar year.

1.10. Statement of the Parent Company's Management Board on the compliance with IFRS

The Parent Company's Management Board declares, that the *Consolidated Financial Statements* of the PATENTUS S.A. Capital Group for the semi-annual reporting period were prepared in accordance with the International Financial Reporting Standards, International Accounting Standards and related interpretations published in the form of regulations of the European Commission.

2. Description of the most important applied accounting principles (policy)

2.1. Application of IFRS

The PATENTUS S.A. Capital Group semi-annual financial statements comply with IAS 34.

The basis for the financial statements' preparation in accordance with IFRS is Art. 45 sec. 1b of the Accounting Act.

The accounting principles (policies) applied to prepare the financial statements are consistent with principles applied to the preparation of financial statements by the Parent Company, i.e. PATENTUS S.A. with its registered office in Pszczyna. The financial statements of Montex Sp. z o.o. are consolidated with those of the Parent Company.

Approved by the IASB for application after 1st January 2024.

Amendments to IFRS 16 *Leases* – lease liabilities in sale and leaseback transactions

Amendments to IAS 1 *Presentation of Financial Statements* – classification of liabilities as short-term or long-term

Amendments to IAS 7 *Cash Flow Statement* and IFRS 7 *Financial Instruments – Disclosures* – financing arrangements for liabilities to suppliers

Approved by the IASB for application after 1st January 2025.

Amendments to IAS 21 *The Effects of Foreign Exchange Rates Fluctuations* – no convertibility

Approved by the IASB for application after 1st January 2026. Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures* – amendments regarding the classification and valuation of financial instruments.

Approved by the IASB for application after 1st January 2027.

IFRS 18 *Presentation and Disclosures in Financial Statements*

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Amendments rejected or deferred by the EU (approved by the IASB for application after 1st January 2016)

IFRS 14 *Regulatory Accruals*

Amendments to IFRS 10 *Consolidated Financial Statements* and to IAS 28 *Investments in Associates and Joint Ventures* in the scope of sales or transfers of assets between an investor and its associates or joint ventures.

The Capital Group has not opted for the early application of standards, amendments to standards, and interpretations that have been published and approved for application in the European Union (EU), but have not yet come into force.

The Capital Group will apply standards, amendments to existing standards, and interpretations applicable to its operations from the moment they enter into force.

2.2. Changes in the applied accounting principles

The accounting principles (policies) applied to prepare the financial statements are consistent with those applied in the preparation of the Capital Group's financial statements for 2024.

2.3. Foreign currency transactions and valuation of items denominated in foreign currencies

Business transactions denominated in foreign currencies are recognized in the accounting records on the day they are performed, using the following exchange rates:

- The actual exchange rate applied on that date, resulting from the nature of the transaction – in the case of currency sale or purchase, and the payment of receivables or liabilities,
- The average rate set for the given currency by the National Bank of Poland on the day preceding the transaction date, unless a different exchange rate for the remaining transactions was set in the customs declaration or in another document binding the Company.

Items of assets and liabilities denominated in foreign currencies are valued as of the balance sheet date according to the average exchange rate published for the given currency on the balance sheet date by the National Bank of Poland.

Exchange rates published by the National Bank of Poland for the given currency as of the balance sheet date are disclosed in the section *Selected Financial Data Converted into Euro (EUR)*.

Exchange differences arising from the settlement of transactions denominated in foreign currencies, as well as arising from the balance sheet valuation of assets and liabilities items denominated in foreign currencies and related to the core (operating) activity of the Capital Group are recognized as financial costs or revenues.

2.4. Tangible fixed assets

Tangible fixed assets are considered fixed assets that meet the following criteria:

- Held by the Capital Group for use in the production process, the supply of goods and services, for administrative purposes or partially rented to other entities,
- Expected to be used for longer than one year period,
- It is probable that the Capital Group will obtain economic benefits related from the asset in the future,
- The value can be reliably determined.

Tangible fixed assets include, among others:

- Own land
- Buildings, civil engineering structures, and separately owned premises,
- Machinery, equipment, means of transport,
- Other movable fixed assets,
- Improvements to third-party fixed assets,
- Fixed assets under construction, assembly, or improvements to existing fixed asset.

Tangible fixed assets also include fixed assets used to protect the environment or ensure the safety of people and property.

At of the date of initial recognition, tangible fixed assets are valued at their purchase price or production cost. The purchase price / production cost includes the costs of external financing incurred to finance the purchase or production of a fixed asset (in accordance with IAS 23 updated in 2007).

Due to the initial application of IFRS, as of 1st January 2004, the fair value was assumed for fixed assets as corresponding to the assumed cost of fixed assets (in accordance with IFRS 1, §16).

Subsequent expenditures are included in the carrying amount of the given fixed asset or recognized as a separate fixed asset (where appropriate), only when it is probable that economic benefits will flow to the Capital Group, and the cost of the item can be reliably measured. All other expenses for the repair and maintenance of fixed assets are charged to the Profit and Loss Statement in the fiscal period in which they were incurred.

The perpetual usufruct of land, acquired on the secondary market, is disclosed in the balance sheet under the 'perpetual usufruct' item. As at the balance sheet date, perpetual usufruct of land is measured using the revaluation model (in accordance with IAS 16 §31 et seq.).

As at the balance sheet date, tangible fixed assets classified as "land" are measured using the revaluation model (in accordance with IAS 16 §31 et seq.). The revalued value of tangible fixed assets included in this group is their fair value at the revaluation date, less the amount of any subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Fair value is determined on the basis of a valuation prepared by a professional appraiser. The frequency of revaluations depends on changes in the fair value of the revalued items of tangible fixed assets. If the fair value of revalued asset differs significantly from its carrying amount, another revaluation is required. If the item of tangible fixed assets is revalued, the entire group of tangible fixed assets to which the asset belongs is revalued. If an asset's carrying amount increases as a result of revaluation, the increase should be credited directly to other equity as 'revaluation reserve'. The revaluation reserve is adjusted by the value of the provision for deferred income tax. The revaluation reserve included in equity can be transferred directly to the equity item "retained earnings" when the corresponding asset is removed from the Balance Sheet.

If the item of tangible fixed assets is revalued, the depreciation at the revaluation date is eliminated from the gross carrying amount of the asset, and the net carrying amount is adjusted to the revalued amount of the asset.

Tangible fixed assets included in other generic groups, i.e. buildings and structures, machinery and equipment, means of transport, other movable fixed assets, improvements to third-party fixed assets, fixed assets under construction, assembly or improvement to existing fixed asset – are valued at the balance sheet date at their purchase price or production cost, less accumulated depreciation and impairment losses.

Land and the perpetual usufruct of land, in line with the adopted accounting principles, are not depreciated.

The Company evaluates the land's fair value at the end of the year.

Depreciation write-offs of fixed assets are calculated using the straight-line method over the expected useful life of the given fixed asset.

Useful lives of tangible fixed assets have been assumed in the following time ranges:

- Buildings and civil engineering structures: 11-70 years,
- Machinery and equipment: 4-13 years,
- Means of transport: 6-15 years,
- Other tangible fixed assets – useful life is determined individually for each component of tangible fixed assets.

The aforementioned useful life periods apply to new fixed assets. If a used fixed asset is brought into operation, the depreciation rates are determined individually, corresponding to the expected useful life of the given fixed asset. The basis for calculating depreciation is the initial value.

For the Capital Group's fixed assets in use, no significant items of fixed assets (components), with the useful life different from the useful life of the entire fixed asset, were identified.

Depreciation begins when the fixed asset is available for use and is discontinued on the earlier of two dates: when the fixed asset is classified as held for sale (or included in a group for disposal, which is classified as held for sale) in accordance with IFRS 5 *Fixed Assets Held for Sale and Discontinued Operations* or when it is removed from the balance sheet records. Depreciation methods, rates, and residual value are verified at each balance sheet date. Any changes resulting from the verification are recognised as change in estimates.

Impairment losses are made to the level of their recoverable amount, if the carrying amount of the given fixed asset (or cash-generating unit which it belongs) is higher than its estimated recoverable amount. Impairment test is performed and any potential impairment losses are recognised in accordance with the principles set out in the section *Impairment of Non-Financial Assets*.

Fixed assets are derecognised when they are sold or when no further economic benefits are expected from their use or disposal. Gains or losses from derecognition of tangible fixed assets are calculated as the difference between the net sales proceeds and the carrying amount of these fixed assets and are recognised in the Profit and Loss Statement.

2.5. Lease

Lease agreement under which the Group's companies assume substantially all the risks and rewards of ownership are classified as finance leases. The subject of finance lease is recognised as an asset at the lease commencement date at the lower of the following two amounts: the fair value of leased asset or present value of the minimum lease payments.

Each lease payment shall be divided into an amount reducing the liability balance and the amount of financial costs in such a way as to maintain a constant rate in relation to the outstanding part of the liability. The interest component of the lease instalment is recognised as a financial cost in the Profit and Loss Statement over the lease term, in such a way, as to obtain a constant periodic interest rate for each period in relation to the outstanding part of the liability. Assets subject to depreciation, acquired under finance leases are depreciated in accordance with the principles described for tangible fixed assets.

In cases where the Capital Group concludes finance lease agreements and acts as lessor, the receivables shall be recognised in the Balance Sheet assets at an amount equal to the net investment in the lease.

The Parent Company, as a manufacturer of machines covered by finance lease agreement, shall recognise profit or loss on sale in the given period in accordance with the principles applied for ordinary sales. Costs incurred in the manufacture of the machine, as well as other costs incurred in connection with negotiations and activities leading to the conclusion of the lease agreement, are recognised as costs upon recognition of the profits on sale.

Financial revenue throughout the term of the finance lease agreement is recognised in a manner that reflects a constant periodic rate of return on the net investment in the lease.

2.6. Investment property

Investment property refers to property that the Capital Group treats in entirety as a source of income from rents or keeps in possession due to the increase in their value, or both of these benefits together.

Investment property is initially recognised at purchase price or manufacturing cost. The valuation takes into account the transaction costs and any external financing costs incurred to finance the acquisition.

On subsequent balance sheet dates, investment property is measured at fair value. Any profit or loss resulting from changes in the fair value of investment property affects the net profit or loss in the period in which the change occurs.

Investment property shall be derecognised from the Balance Sheet upon its disposal or in the event of its permanent withdrawal from use, provided no future benefits are expected from its disposal.

Investment property is measured according to the International Valuation Standards. Market value reflects the collective perception and operation of the market and is the basis for estimating the value of most resources in a market-based economy. Market value (or professional opinion on market value) is defined as: the estimated, expected amount for which a specific property should be exchanged on the valuation date, between a willing buyer and a willing seller, in a transaction in which the parties are not specifically interdependent, after appropriate recognition of the market in which each party is well-informed about the essential features affecting the transaction value, acts comprehensively, prudently and without coercion.

In accordance with the International Valuation Standards, market value is determined using the following valuation methods:

- Comparative Approach – condition of application – necessary selection of comparable and other transactions, market comparisons based on market observation;
- Income Capitalization Approach, including discounted cash flow analysis – condition of application – market-driven information on rental rates and rates of return;
- Cost Approach – condition of use – the construction costs and consumption should be determined on the basis of market analysis, cost estimates and actual consumption;

The valuation principles in force in IAS are distributed on three levels. The first level of the International Valuation Standards consists of three fundamental standards:

- IVS 1. Market Value as the Basis of Valuation,
- IVS 2. Non-market Values as the Basis of Valuation,
- IVS 3. Property Appraisal.

Next level is called Application of International Valuation Standards [AIVS] and deals with the rules for applying the IVS in specific situations. This level is divided as follows:

- AIVS 1. Valuation for Financial Statement Purposes,
- AIVS 2. Valuation for Credit Purposes.

Third level of the IVS contains interpretative guidance where the appraiser learns about the details of solving problems and issues that may arise during the valuation. The current edition of the IVS contains 14 interpretative guidelines.

The concept of market value according to the IVS reflects the overall concept of market functioning and is the basis for the valuation of most resources in market economies, and the definition is simple and rigorous. Fair value is defined in IFRS as the amount for which an asset could be exchanged under market conditions or the amount for which a liability could be settled between willing and well-informed parties to the transaction (IAS 16, point 6). The concept of fair value is used to denote both market and non-market values in financial statements. In the Balance Sheet, an asset is recognized at fair value after deducting depreciation (amortisation) and the total amount of impairment losses (IAS 36, point 6). Where the market value of an asset can be determined, it is considered to be equal to its fair value. Application of the fair value model requires constant and ongoing updating of values. At initial recognition, fair value is used when applying the revaluation model (IAS 16, point 31)

Therefore, the fair value of an individual asset is based on its market value.

The definition of market value included in the National Standards and in the Property Management Act corresponds with the one defined in IAS.

Market value of the property, in accordance with Art. 151 of the Property Management Act and the Professional Standards of Property Appraisers, is the most probable price that can be obtained on the market, assuming the following: the parties to the agreement were independent of each other, did not act under compulsion and had a firm intention to conclude an agreement, the necessary time to display the property on the market has expired to negotiate the agreement terms.

The Company has distinguished from the group of fixed assets property which is fully leased to other entities and meets the definition of investment property (IAS 40, §5 *Investment Property*). Pursuant to the IVS, the market value of such property is measured at fair value using the income capitalization method (identical to the investment method, the net simple capitalization technique according to the *Property Management Act* and national standards).

2.7. Intangible assets

Identifiable non-monetary assets without physical substance are considered intangible assets. In particular, intangible assets include:

- Acquired computer software,
- Acquired property rights – such as costs of development works, copyrights, related rights, licenses, concessions, rights to inventions, patents, trademark rights, utility models and ornament design.

Intangible assets are valued at purchase cost, less cumulative amount of depreciation and accumulated amount of impairment losses.

The costs of completed development works are also included in intangible assets. These costs of completed development works carried out by the entity for its internal needs, incurred before starting production or applying technology, are classified as intangible assets, if:

- 1) The product or manufacturing technology is strictly defined, and the related development costs are reliably determined,
- 2) The technical feasibility of the product or technology has been established and properly documented, leading the entity to decide to manufacture the products or use the technology,
- 3) Development works costs will be covered, as expected, with future revenues from the sale of these products or the application of this technology.

The above translates that only when the aforementioned criteria are met, the costs of completed development works can be capitalized as intangible assets.

Until the development works are completed and the aforementioned conditions are met, incurred development works costs are recognised in the Balance Sheet as development works in progress.

The costs of completed development works are amortized over the period of economic usability of development works results. If, in exceptional cases, it is impossible to reliably estimate the useful life of these works' results, the amortization period may not exceed 5 years.

Unsuccessful development works, which did not bring the intended results or development works completed with a positive result but not implemented for various reasons, are charged to the financial result in the year of their completion. These costs are recognized as other operating expenses.

Amortization of intangible assets is calculated using the straight-line method over the period of expected useful life, which for individual types of intangible assets is as follows:

- Computer program licenses and computer software licenses – 1-2 years. In justified cases, the expected useful life period of a license may be extended to 20 years.
- Development works costs – 2-5 years.

The Capital Group does not hold any other intangible assets with indefinite useful lives. Intangible assets that have not yet been put into use are not amortized until they are settled in other groups of intangible assets. These types of intangible assets are subject to mandatory annual impairment tests.

Amortisation begins when the intangible asset is available for use. Depreciation of intangible assets is discontinued at the earlier of the following dates: when the intangible asset is classified as held for sale (or included in a group for disposal, which is classified as held for sale) in accordance with IFRS 5 *Fixed Assets Held for Sale and Discontinued Operations* or when it is derecognised from the balance sheet records.

For the intangible assets owned by the Capital Group, it was assumed that the residual value is equal to zero.

The amortisation method and rate are verified at each balance sheet date. Any changes resulting from the verification are recognised as changes in estimates.

Intangible assets are tested for impairment in accordance with the principles outlined in the section *Impairment of Non-Financial Assets*.

An item of intangible assets is derecognised from the balance records when it is sold or when no further economic benefits are expected from its use or disposal. Profits or losses on the derecognition of intangible asset are determined as the difference between the fair value of proceeds from sale (if any) and the carrying amount of these intangible assets and are recognised in the Profit and Loss Statement.

2.8. Capital investments

Subsidiaries

In the *Consolidated Financial Statements* of the PATENTUS S.A. Capital Group subsidiaries are recognised as entities over which the Group has the power to govern their financial and operating policies in order to obtain benefits from their activities. Such management is typically exercised through a majority in the total number of votes in the governing bodies of these entities, i.e. their Management Boards and their Supervisory Boards. When assessing whether the Group controls a given entity, the existence and impact of potential voting rights that can be exercised or converted at the given moment are considered.

The carrying amount of the Capital Group's investment in the subsidiary is excluded, respectively, with the subsidiary's equity. Transactions, settlements, revenues, costs, and unrealized profits included in assets, arising from transactions between the Group's companies, are subject to elimination. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset.

In the event of a non-controlling interest in the net assets of consolidated subsidiaries, it is recognized under equity under a separate item.

Subsidiaries cease to be consolidated on the date that control ceases.

Associated entities

Associated entities are those over which the Capital Group exercises significant influence, but does not exercise control, participating in determining both the financial and operating policies of associated entity, usually through holding between 20% and 50% of the total number of votes in its governing bodies or by having other ability that could otherwise affect the entity's operations.

Investments in associated entities do not occur in the *Consolidated Financial Statements*.

2.9. Impairment of non-financial assets

As at each balance sheet date, the Capital Group reviews the carrying amount of fixed assets in order to determine whether there are any premises indicating the possibility of their impairment. If the existence of such indications is found, the recoverable amount of the given asset is estimated in order to assess any potential impairment loss.

When an asset does not generate cash flows that are largely independent of the cash flows generated by other assets, the analysis is performed for the group of cash flow generating assets to which the given asset belongs. The recoverable amount is determined as the higher of the two values, i.e. the fair value less selling costs or the value in use, which corresponds to the current value of the estimated future cash flows discounted using a discount rate that reflects the current market value of money over time and specific risks, if any for the given asset.

If the recoverable amount is lower than the net book value of the asset or group of assets, the book value is reduced to the recoverable amount. The resulting loss is recognized as an expense in the period in which the impairment occurs.

In the event of an impairment reversal, the net value of the asset is increased to the new estimated recoverable amount, but not higher than the net value of this asset, that would have been determined if the impairment had not been recognized in previous periods. Reversal of impairment is recognized in the period in which the circumstances causing permanent impairment cease to exist.

As of 31st December 2016, the Company conducted an impairment test for tangible fixed assets and intangible assets, taking into account the provisions of IAS 36. The test was performed using the method of estimating the market (fair) value of significant tangible fixed assets. The fair value of these tangible fixed assets, estimated by a property appraiser, was then reduced by estimated selling costs. The estimated fair value of significant tangible fixed assets was higher than the carrying amount by 20.5%.

There is no need to make revaluation write-offs related to possible impairment of tangible fixed assets and intangible assets shown on the balance sheet at the end of the fiscal year.

2.10. Financial assets

The Capital Group classifies financial assets into appropriate categories depending on the business model of financial asset management and the characteristics of contractual cash flows of the given financial asset. The classification is made upon the initial recognition of the financial assets. Following qualification applies to the valuation and not the presentation of financial assets in the financial statements.

The principles of financial assets classification into particular categories and their valuation:

Valued at amortized cost,

Valued at fair value through other comprehensive income,

Valued at fair value through profit or loss.

Financial assets measured at amortized cost are debt instruments held to collect contractual cash flows that consist solely of principal and interest payments. The Company classifies trade receivables, granted loans, other financial receivables, and cash and cash equivalents as assets measured at amortized cost. Financial assets are measured at amortized cost using the effective interest rate method. After initial recognition, trade and service receivables are measured at amortized cost using the effective interest method, taking into account impairment losses, while trade receivables with maturity date of less than 12 months from the date they arose (i.e. with no financing element) and not factored, are not discounted and are measured at nominal value.

Financial assets measured at fair value through other comprehensive income include:

- Debt instruments, of which the cash flows are solely payments of principal and interest, and which are held to collect contractual cash flows and for sale;
- Investments in equity instruments. Changes in the carrying amount are recognized in other comprehensive income, except for impairment profits and losses, interest income and foreign exchange differences and dividends, which are recognized in the Profit and Loss Statement. At the initial recognition, the Company classifies shares and interests in other entities as assets measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are financial instruments that do not meet the criteria of valuation at amortized cost or at fair value through other comprehensive income. The Company classifies as assets measured at fair value through profit or loss derivative instruments, trade receivables subject to factoring, when the terms of the factoring agreement result in the derecognition of receivables and loans that do not meet the SPPI and dividend test. IFRS 9 did not change the classification of financial liabilities.

2.11. Derivatives and hedging instruments

Derivatives are recognised and measured at fair value as at the balance sheet date. The methods for recognising profit and loss from these instruments depend on whether the given instrument has been designated as hedging instrument and on the nature of this hedge. The given instrument may be designated as a fair value hedge, a cash flow hedge or a foreign investment hedge.

In 2014, the subsidiary concluded forward transactions involving currency derivatives. Derivative transactions are concluded in order to mitigate the risk of fluctuations in exchange rates for receivables. The transactions on currency derivative instruments were not classified as hedging transactions.

2.12. Inventory

Inventory includes assets held for sale in the ordinary course of business, in the process of production, intended for sale, and in the form of materials or raw materials consumed in the production process or in the course of rendering services. Inventory comprises materials, goods, work in progress, and finished products.

Materials and goods are valued at purchase prices as at the balance sheet date. As at the balance sheet date, materials intended for sale and goods for resale are valued no more than their net selling price.

Write-downs for materials and goods resulting from the valuation at net selling prices are included in other operating costs and selling costs, respectively.

Semi-finished products and work in progress are valued at manufacturing cost.

The manufacturing cost of finished products, semi-finished products, and work in progress includes: costs directly related to the product unit and appropriately assigned variable and fixed indirect production costs. Fixed indirect production costs are assigned assuming the normal level of production capacity utilization. As at the balance sheet date, the products are not valued higher than their net selling prices.

Write-downs revaluing finished and semi-finished products are written off against the manufacturing costs of the products sold.

Inventory is dispensed according to the FIFO principle ("first in – first out"), and only in justified cases by means of detailed identification of the actual prices (costs) of these assets that relate to strictly defined projects, regardless of the date of their purchase or production.

2.13. Trade receivables and other receivables

Trade receivables are financial receivables arising from the core operating activities of the Capital Group.

Other receivables include:

- Other financial receivables, i.e. receivables that meet the definition of financial assets, including deposits over 3 months, receivables from the settlement of derivative financial instruments, commercial securities and debt financial instruments over 3 months classified as loans and receivables, dividend receivables, interest on receivables, advances, and other financial receivables;
- Other non-financial receivables, including advances (for supplies and fixed assets, for fixed assets under construction, for intangible assets), receivables from the Social Fund, tax receivables, other non-financial receivables. Advances for fixed assets, fixed assets under construction, and intangible assets are disclosed in the group of fixed assets;
- Accruals.

Receivables are initially recognised at fair value. When normal payment terms (from 14 to 90 days) are applied, recognised in practice in the market for similar transactions, the fair value is deemed to be their nominal value arising on the date the revenue is recognised.

As at the balance sheet date, other financial receivables with a maturity period longer than 3 months from the balance sheet date and trade receivables with maturity period exceeding 12 months from the balance sheet date are measured at amortized cost based on the effective interest rate, in line with the prudence principle. The value of receivables is adjusted to reflect the degree of probability of their payment by making a write-down in relation to receivables:

- From debtors in liquidation or bankruptcy – up to the value of receivables not covered by the collateral,
- From debtors in the event of dismissal of the bankruptcy petition – 100% of the receivables,
- For disputed receivables or for where the debtor is in arrears with payment, and the payment of the receivables is not probable – up to the value of receivables not covered by collateral,
- Being the equivalent of the amounts increasing the receivables – up to these amounts,
- For overdue or non-overdue with a high probability of uncollectibility – according to an individual assessment.

Write-downs of the value of receivables are recognised as other operating costs or financial costs depending on the type of receivable to which the write-down relates. Receivables denominated in foreign currencies are recognised in the books and measured as at the balance sheet date in accordance with the principles described in section 2.2. *Foreign Currency Transactions and Measurement of Items Denominated in Foreign Currencies*.

2.14. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits payable on demand, other short-term investments with an original maturity date up to three months from the date of their establishment, receipt, purchase or issuance, and with high liquidity.

Cash and cash equivalents are measured at nominal value. Cash and cash equivalents denominated in foreign currencies are recognised in the books and measured as at the balance sheet date in accordance with the principles described in point 2.2. *Foreign Currency Transactions and Measurement of Items Denominated in Foreign Currencies*. For the purposes of the Cash Flow Statement, cash and cash equivalents are defined in the same manner as for the purposes of their recognition in the Balance Sheet.

2.15. Fixed assets (or disposal groups) held for sale

Fixed assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered through sales transactions rather than continued use, provided that they are available for immediate sale in their present condition, subject to customary conditions used in the sale of such assets (or disposal groups) and their sale is highly probable.

Immediately before the initial classification of the asset or disposal group as held for sale, these assets are measured, i.e. their carrying amount is determined in accordance with the provisions of the relevant standards. Tangible fixed assets and intangible assets are amortized until the date of reclassification, and in the event of any indications of possible impairment, an impairment test is performed and, consequently, the impairment loss is recognised, in accordance with IAS 36 *Impairment of Assets*.

Fixed assets (or disposal groups), whose value has been determined as above, are subject to reclassification into assets held for sale. At the time of reclassification, these assets are measured at the lower of the two values: the carrying amount or the fair value, less the disposal costs. Any difference arising from the measurement to fair value is recognised in other operating expenses. Upon subsequent valuation, any reversal of an impairment loss to fair value is recognised in other operating income.

2.16. Equity

The Company's equity has been divided in accordance with IAS 1 *Presentation of Financial Statements* into the following categories:

- Share capital of the Parent Company, recognised at nominal value;
- Supplementary capital arising from the sale of shares above their nominal value. In this item, in accordance with Art. 396 § 2 of the *Commercial Companies Code*, the surplus arising from the sale of shares above their nominal value is recognised, reduced by the costs related to the share capital increase.
- Revaluation reserve. This item recognises the capital from revaluation of tangible fixed assets to the fair value, net of provisions for deferred income tax settled with equity;
- Retained earnings, which include:
 - Undistributed profit or unabsorbed loss from previous years;
 - Supplementary capital – created from profit in accordance with the requirements of Art. 396 § 1 of the *Commercial Companies Code*;
 - Supplementary capital created in accordance with the Articles of Association – created from profit in accordance with the Articles of Association of companies within the Group

- Net profit (loss) for the current financial period.

The Parent Company's Articles of Association provide for creation of reserve capital for the dividend payments to shareholders and establishment of other special funds. Between 2009 and 2014, the Parent Company did not create any reserve capital or other special purpose funds.

The Company adjusts the fixed asset revaluation reserve annually, at the end of the year.

2.17. Liabilities

Liabilities are obligations to provide services of reliably determined value, arising from past events, which will result in the use of existing or future assets. The valuation of liabilities depends on their classification into one of the following categories listed below:

- Financial liabilities at fair value through profit or loss. This category includes liabilities that meet the criteria for trading liabilities and those containing embedded elements. This category also includes non-hedging currency derivatives.
- Derivatives designated and meeting the requirements for applying hedge accounting principles are classified in a separate category called hedging instruments. The Capital Group did not classify any derivative transactions in this category
- Other liabilities. Two types of liabilities can be distinguished in this category: financial liabilities and liabilities not classified as financial liabilities.

Financial liabilities are initially recognised at fair value less direct transaction costs. When normal payment terms are applied, as accepted in practice in the market for similar transactions, the fair value is deemed to be their nominal value arising on the liability recognition date. As at the balance sheet date, financial liabilities are measured at amortized cost based on the effective interest rate. An exception is made for bank overdrafts for which repayment schedules have not yet been determined. In the case of this type of loans, the costs related to its launch and other fees are charged to the financial costs using the straight-line method at the time they are incurred. The group of other financial liabilities includes:

- Liabilities arising from credits and loans,
- Liabilities arising from finance lease,
- Trade liabilities,
- Liabilities to be paid for goods or services received or performed but not yet invoiced, short-term provisions for unused leave, other accrued costs representing liabilities estimated on the basis of concluded contracts or other reliable estimates (accruals),
- Other financial liabilities (e.g., liabilities arising from personal remuneration, liabilities arising from overdue payment of trade liabilities and other liabilities, etc.)

Liabilities not classified as other financial liabilities are measured at the amount due. This category includes:

- Liabilities arising from taxes, fees, duties, social and health insurance and other public and legal obligations,
- Advances received to be settled by the physical delivery of finished products / goods or the performance of services, and liabilities arising from special funds,

- Deferred income, including funds received to finance the acquisition or construction of fixed assets and the purchase of finished fixed assets. The method of settling received subsidies is described in the section *Government Subsidies*.

Liabilities denominated in foreign currencies are recognised in the books and measured as at the balance sheet date in accordance with the principles described in the section *Transactions in Foreign Currencies and Measurement of Items Denominated in Foreign Currencies*.

2.18. Government subsidies

Cash subsidies are recognised at their nominal value. Government subsidies related to assets, including those from European Union structural funds, are recognised in the balance sheet as deferred income in the group of long-term liabilities. The part of the subsidy to be settled within the period of 12 months after the balance sheet date is recognised as deferred income in the group of short-term liabilities. Government subsidies are not recognised until there is sufficient certainty that the entity will meet the subsidy conditions and that the subsidies will be received. Government subsidies shall be recognised systematically as income over the periods necessary to match them with the related depreciation costs.

The Parent Company also receives subsidies to reimburse the costs of remuneration and benefits for employees with disabilities. Such subsidies are fully recognised upon their maturity and disclosed in the Profit and Loss Statement under other operating income.

Additionally, the Parent Company receives subsidies for research and development expenses funded by the EU under concluded agreements. Such subsidies were described in detail in section 4.9.

Subsidies received as advance payments for expenses that will be incurred in the future are classified as deferred income in the group of short-term liabilities and accounted for in proportion to the expenses incurred in each accounting period, as well as in proportion to the degree of reimbursement of these expenses by including them to other operating income.

In accordance with IAS 20 § 28, the amounts of received subsidies are recognised as a separate item of the Cash Flow Statement under financing activity.

2.19. Income tax and deferred income tax

Income tax in the Profit and Loss Statement includes both current income tax and deferred income tax.

Current income tax is calculated in accordance with the applicable tax regulations.

Deferred income tax is determined using tax rates and tax regulations that are expected to apply when the asset is realized or the liability is settled.

Deferred tax is recognised in the Profit and Loss Statement of the given period, except when deferred tax relates to transactions or events recognised directly in equity – in such cases, deferred tax is also recognised in the appropriate equity item.

Deferred tax is calculated using the balance sheet method as a tax to be paid or tax recoverable in the future, based on the differences between the carrying amounts of assets and liabilities and the corresponding tax values used to calculate the tax base. A provision for deferred tax is created from all taxable positive temporary differences, whereas a deferred tax asset is recognised to the amount in which it is probable that it will be possible to reduce future tax profits by the recognised negative temporary differences.

Deferred income tax assets value is subject to analysis for each balance sheet date, and if the expected future tax profits will not be sufficient to realize the asset or its part, it is written down.

The basis for deferred tax assets recognition, apart from negative temporary differences, is additionally influenced by unsettled tax losses and unutilized tax exemptions that can be deducted in subsequent periods. In such cases, deferred tax assets are recognized to the extent it is probable that deferred taxable profit will allow the deduction of the tax loss and unutilized tax exemptions to be carried forward to subsequent periods.

2.20. Provisions and employee benefits

Provisions are created when the following conditions are met: the Capital Group's companies have an existing legal or customary obligation resulting from past events, and when it is probable that the fulfilment of this obligation will result in an outflow of resources representing economic benefits and it is possible to make a reliable estimate of the amount of this obligation.

Provisions are measured at the amount recognised as the most appropriate estimate of the expenditure required to meet the present obligation as at the balance sheet date. If the impact of changes in the value of money over time is significant, the provision amount is determined by discounting projected future cash flows to present value, using a discount rate that reflects current market assessments of the value of money and the risk associated with the given liability.

Pursuant to the requirements of IAS 1, provisions in the balance sheet are presented as short-term and long-term.

Provisions may be created in particular for the following titles:

- Employee benefits and related
- Effects of pending court proceedings and disputes;
- Guarantees and sureties granted.

Regarding employee benefits, the Capital Group is not a party to any wage bargaining agreements or collective employment agreements. The Capital Group also does not have any pension programs managed directly or by external funds. Employee benefits costs include salaries payable in accordance with the terms of employment contracts concluded with individual employees and costs of retirement benefits (retirement severance pay, disability severance pay, posthumous severance pay) paid to employees in accordance with the provisions of law after the employment period. Liabilities related to short-term employee benefits are valued according to general principles and recognised in other liabilities item. Provisions for liabilities arising from retirement benefits (retirement severance pay) are estimated at the present value of the obligation due to defined benefits as at the balance sheet date, considering actuarial gains and losses, as well as past employment costs. Defined benefit liabilities are calculated annually by independent actuaries using the Projected Unit Credit Method.

The Company calculates provisions for employee benefits annually, in accordance with the actuary's report at the end of the year. In the financial statements as at 30th June 2025, the value of provisions for employee benefits results from the calculation as at 31st December 2024.

2.21. Profit and Loss statement

The Consolidated Profit and Loss Statement is prepared using the multiple-step format.

2.22. Revenue

Sales revenue is recognised at the fair value of the consideration received or receivable, less VAT, rebates and discounts.

Revenue from the sale of finished products, goods for resale, and materials is recognised when:

- The Company has transferred significant risks and rewards of ownership of goods, finished products or materials to the buyer,
- The amount of revenue can be reliably measured,

- There is a probability that the Capital Group will obtain economic benefits from the transaction,
- The costs incurred, and those that will be incurred by the Capital Group in connection with the transaction can be measured reliably.

Revenue from the rendering of services is recognised when:

- The amount of revenue can be reliably measured,
- There is a probability that the Capital Group will obtain economic benefits from the transaction,
- It is possible to reliably determine the stage of transaction completion as at the balance sheet date,
- The costs incurred in connection with the transaction and the costs of completing the transaction can be measured reliably.

Other operating income includes revenues and profits not directly related to operating activities. This category includes profits from the sale of tangible fixed assets, revaluation of investments in property, received subsidies, received compensations related to the reimbursement of court costs, overpaid tax liabilities, and received compensation for losses in the Capital Group's property covered by insurance. Other operating income also includes the reversal of impairment losses on receivables, inventory and the reversal of impairment losses on fixed assets.

Financial income include interest on bank deposits, interest on overdue payment of receivables, write-downs of interest receivables, and profits from exchange rate differences.

Interest income is recognised on an accrual basis, taking into account the effective interest rate method.

2.23. Costs

Costs are considered to be the probable decrease in economic benefits throughout the reporting period, of a reliably determined value, in the form of a decrease in the value of assets or an increase in the value of liabilities and provisions, which will lead to a decrease in equity or an increase in its deficit, other than the withdrawal of funds by the owners.

Costs are recognised in the Profit and Loss Statement on the basis of a direct relationship between the costs incurred and the generation of specific revenue, i.e. applying the proportionality principle through the prepayment and accrued costs statement.

The cost account is presented by type and by cost centers, with the multiple-step variant as the basic cost reporting system in the Profit and Loss Statement.

The total cost of products, goods, and materials sold includes:

- The manufacturing cost of products sold,
- The value of goods and materials sold,
- Distribution costs,
- General and administrative expenses.

Costs for the reporting period, influencing the financial result in the period include other operating costs and financial costs.

Other operating costs include the costs and losses not directly related to operating activities. This category includes losses on the sale of tangible fixed assets, donations, penalties and fines, costs of write-downs on receivables and material inventories, and write-downs due to permanent impairment of fixed assets.

Financial costs include expenses related to the use of external sources of financing, interest payable under finance lease agreements and losses from exchange rate differences.

2.24. Cash Flow Statement

The Consolidated Cash Flow Statement is prepared using the indirect method.

2.25. Segment reporting

In accordance with IFRS 8 *Operating Segments*, an operating segment is a component of the Capital Group that: (i) engages in business activities in connection with which it may generate revenues and incur costs, (ii) has its operating results regularly reviewed by the chief decision-making authority; and (iii) has separate financial information available.

Two business segments can be distinguished in the operations of the Capital Group. The first operating segment is related to the production of machinery and equipment and the provision of services to the mining industry. The second operating segment includes the wholesale of goods and materials.

Geographical segments in the financial statements are determined according to the separate areas of the Company's operations, under which products or services are provided in a specific economic environment that is subject to risk and is characterized by the level of return on investment expenditure, different from those applicable to other areas operating in a different economic environment.

The Capital Group's operations concentrate primarily within the territory of the country. Therefore, the Group did not include separate geographical segments under the reporting obligation.

Segments' costs include selling costs attributable to external customers which, based on reasonable premises, can be assigned to the respective segment. Segment's costs do not include general and administrative costs, management costs, other operating costs, financial costs and other costs arising at the level of the Capital Group, which relate to the Group as a whole.

Segment's assets include tangible fixed assets, inventory, and receivables that can be directly assigned to particular area of activity. Segment's liabilities include, inter alia, all trade liabilities, accrued expenses, and deferred income.

2.25. Risk management

Risk management encompasses the processes of identifying, measuring and determining the manner of risk management. Following types of risks have been distinguished:

- Market risk, including: changes in material prices, interest rates and exchange rates,
- Liquidity risk,
- Credit risk.

The primary concern is the market risk associated with changes in the prices of materials used in the production process. Production costs are significantly influenced by fluctuations in material prices, including steel products (sheets, sections). The Capital Group does not currently employ a policy to hedge against the risk of increasing material prices.

Risk of interest rates changes. The Capital Group concludes loan agreements based on floating interest rates, such as WIBOR 1M (1-month) rates plus the bank's margin, or 1M EURIBOR (1-month) plus the bank's margin. Therefore, it is exposed to the risk of interest rates changes in the event of incurring new or refinancing the existing debt. The Capital Group does not currently employ a policy to hedge against the risk of rising interest rates.

Risk of currency exchange rates changes. With regard to the turnover in foreign markets, the Capital Group is exposed to the risk of currency exchange rate fluctuations. Such risk arises as a result of sales or purchases performed by the Company in currencies other than its functional currency. Due to the increasing volume of turnover in foreign currencies in the subsidiary – in 2014, a decision was made to conclude transactions on forward currency derivatives. Derivative transactions are concluded in order to mitigate the risk of changes in exchange rates for receivables. Transactions on currency derivative instruments were not classified as hedging transactions.

Liquidity risk. The Capital Group is exposed to the risk of losing financial liquidity, understood as the ability to settle liabilities within the prescribed time limits. Business activity financed with the help of external sources (credits, loans, trade credit) increases the risk of losing liquidity in the future. The Capital Group's companies must maintain continuous access to financial markets; therefore, they are exposed to the risk of not being able to obtain new financing as well as refinancing their debts. This risk is influenced mainly by market conditions, assessment of creditworthiness and the degree of financial concentration.

Credit risk. The creditworthiness of customers with whom transactions of physical sale of products are concluded is subject to verification procedures. Receivables are monitored on an ongoing basis. The credit risk in the case of receivables is high and is related to the limited number of significant recipients of products, services and goods.

2.27. Estimates of the Management Board

When preparing the financial statements, the Management Board of the Parent Company has made estimates based on certain assumptions and judgments. These estimates affect the adopted principles and the presented values of assets, liabilities, revenues and costs.

The estimates and underlying assumptions are based on historical experience and the analysis of various factors considered rational in the given circumstances, and their results form the basis of professional judgment as to the value of individual items they relate to.

In some important matters, the Capital Group has relied on the opinions of independent experts.

Due to the nature of estimates and the adopted assumptions related to the future, the resulting accounting estimates may by definition not coincide with the actual results. The estimates and assumptions made therein are reviewed on the ongoing basis. Revision to accounting estimates is recognised in the period in which they are revised only if they relate to that period as well as subsequent periods.

The estimates and assumptions that involve risk include:

- Valuation of investment property. In accordance with the adopted accounting principles (policy), investment property is measured at fair value on subsequent balance sheet days. The basis for determining (estimating) the fair value of investment property as at the balance sheet date is a valuation performed by an independent property appraiser. Fair value is estimated at the specific balance sheet date. Given the volatility of market conditions, the estimated value of investment property may prove to be incorrect at a later date.
- Valuation of tangible fixed assets classified as "land". In accordance with the adopted accounting principles (policy), this group includes own land and the perpetual usufruct of land. The value of fixed assets classified as "land" is periodically revalued to fair value (revalued). The basis for determining (estimating) the fair value is the valuation made by an independent property appraiser. Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. Given the volatility of market conditions, the revalued value of the fixed assets included in the 'land' group may prove to be incorrect at a later date.

- Useful lives of fixed assets. The Capital Group's companies make periodic (at least once a year as at the balance sheet date) estimation of the correctness of determining the useful lives and the possible residual value of individual items of fixed assets. These estimates are primarily based on historical experience and the analysis of various factors influencing the use of the property and the possibility of consuming the economic benefits contained therein.
- Provisions for employee benefits. The Capital Group is not a party to any wage bargaining agreements or collective employment agreements related to employee benefits. The Capital Group does not have any pension programs managed directly by the Group or by external funds. Employee benefits costs include remuneration paid in accordance with the terms of employment contracts concluded with individual employees and the costs of retirement benefits (retirement severance pay, disability severance pay, posthumous severance pay) paid to employees in accordance with the provisions of the Labor Code (Act of 26th of June 1974; unified text, Journal of Laws. 1998, No. 21, item 94, with further amendments) after the period of employment. Liabilities arising from short-term employee benefits are valued according to general principles. Long-term benefits are estimated on the basis of actuarial methods. Application of these methods requires the adoption of multiple assumptions, including appropriate discount rates and demographic assumptions. The provisions level and costs of future employee benefits was adopted and presented in historical financial statements based on the report of an authorized actuary.
- The Capital Group recognizes a deferred tax asset based on the assumption that tax profit generated in the future will enable its use. The deterioration of future tax results could make this assumption unfounded.

2.28. Fair value

Fair value of asset or liability is the price obtainable when the asset is sold or paid to transfer a liability (the exit price) in an orderly transaction between market participants at the measurement date. Unless there are indications that the asset has not been acquired at its fair value, it is assumed that the fair value as at the date of initial recognition equals the purchase price of the given asset or – in the case of financial liabilities – the selling price.

At the end of the reporting period, the fair value of financial instruments for which an active market exists is determined based on the most representative price available from this market as at the measurement date.

If the market for the given financial asset or liability is not active (and also in relation to unlisted securities), the Company determines the fair value using appropriate valuation techniques based on the maximum use of appropriate observable inputs and the minimum use of unobservable inputs. These include the use of prices from recent transactions conducted on standard market conditions, comparison to other instruments that are essentially identical, discounted cash flow analysis, option pricing models, and other commonly used valuation techniques and models.

The estimated fair value of derivative instruments corresponds to the amount obtainable or necessary to pay in order to close the open positions at the end of the reporting period. For transactions where it is possible, the valuation is based on market quotations.

Transactions on currency derivatives are concluded with financing banks. Transactions concluded on currency derivatives are not intended to limit the risk of changes in exchange rates for receivables. These types of transactions were not classified as hedging transactions.

Transactions on currency derivative instruments open as at the balance sheet date were valued by the financing bank with which the transactions were concluded. Valuation of currency derivatives was carried out taking into account the data from the exchange rate and interest rate market.

The fair value of currency derivatives has been classified as level 2 in the fair value hierarchy.

Land, perpetual usufruct of land, and investment property are carried at revalued amounts representing fair values as at the revaluation date, less any impairment losses. In estimating the fair value, the approach of the greatest and best use of these properties was applied, which is consistent with the current use of the property.

The fair value of land and the perpetual usufruct of land was determined by an experienced property appraiser based on comparable market data reflecting the most recent transaction prices for similar properties. The market approach was applied.

The fair value of investment property was determined by an experienced property appraiser using data from a comparable market that reflects the latest rental prices for similar properties. The income approach was applied.

There has been no change in the valuation techniques (methods) throughout the year.

The fair value of land, perpetual usufruct of land, and investment property was classified as level 2 of the fair value hierarchy.

There was no transfer between the levels of the fair value hierarchy throughout the fiscal year.

3. Selected Financial Data converted into euros (EUR)

Selected financial data from Profit and Loss Statement and Cash Flow Statement	in PLN thousand				in EUR thousand			
	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
I. Net revenue from sales	75 168	40 852	48 728	23 012	17 765	9 587	11 285	5 350
II. Profit (loss) on operating activity	11 280	5 211	7 990	1 972	2 666	1 223	1 850	458
III. Pre-tax profit (loss)	12 878	6 110	9 265	3 192	3 043	1 434	2 146	742
IV. Net profit (loss)	13 515	6 663	7 467	1 417	3 194	3 564	1 729	329
V. Net profit (loss) attributable to the Parent Company's shareholders	13 544	6 672	7 454	1 403	3 201	1 566	1 726	326
VI. Net profit (loss) attributable to non-controlling interests	(29)	(9)	13	14	(7)	(2)	3	3
VII. Total comprehensive income	13 515	6 663	7 467	1 417	3 194	1 564	1 729	329
VIII. Total comprehensive income attributable to the Parent Company's shareholders	13 544	6 672	7 454	1 403	3 201	1 566	1 726	326
IX. Total comprehensive income attributable to non-controlling interests	(29)	(9)	13	14	(7)	(2)	3	3
X. Weighted average number of shares in units	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000	29 500 000
XI. Book value per share (in PLN / EUR)	5.72	5.72	5.46	5.46	1.35	1.35	1.27	1.27
VIII. Net profit (loss) per share and diluted net profit (loss) per share attributable to Parent Company's shareholders (in PLN / EUR)	0.46	0.23	0.25	0.05	0.11	0.05	0.06	0.01
XIII. Net cash flows from operating activity	18 953	14 701	37 850	(35 902)	4 479	3 450	8 766	(8 347)
XIV. Net cash flows from investing activity	(22 548)	(18 109)	(41 897)	31 269	(5 329)	(4 250)	(9 703)	7 270
XV. Net cash flows from financial activity	1 082	1 118	(1 066)	(331)	256	262	(247)	(77)
XVI. Total net cash flow	(2 513)	(2 290)	(5 113)	(4 964)	(594)	(537)	(1 184)	(1 154)
EUR exchange rate used to convert Profit and Loss statement items and Cash Flow Statement items					4.2313	4.2614	4.3178	4.3011
Selected financial data from assets and liabilities	in PLN thousand			in EUR thousand				
	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024		
XVII. Fixed assets	96 930	89 192	77 854	22 851	20 873	18 051		
XVIII. Current assets	113 632	112 542	134 328	26 788	26 338	31 145		
XIX. Total assets	210 562	201 734	212 182	49 639	47 211	49 196		
XX. Long-term liabilities	12 308	17 133	16 007	2 902	4 010	3 711		
XXI. Short-term liabilities	28 784	21 271	34 070	6 786	4 978	7 899		
XXII. Equity	169 470	163 330	162 105	39 951	38 224	37 585		
XXIII. Equity attributable to the Parent Company's shareholders	168 661	162 491	161 197	39 761	38 027	37 375		
XXIV. Share capital	11 800	11 800	11 800	2 782	2 762	2 736		
XXV. Equity attributable to non-controlling interests	809	839	908	191	196	211		
EUR exchange rate used to convert Balance Sheet items				4.2419	4.2730	4.3130		

Average exchange rates of the zloty against the euro for the periods covered by the financial statements were adopted in order to obtain comparable financial data based on rates set by the National Bank of Poland. The average rate for the period was calculated as the mean of the rates on the last day of each month in the period.

Period	Average EUR/PLN exchange rate for the period	Lowest EUR/PLN exchange rate for the period	Highest EUR/PLN exchange rate for the period	EUR/PLN exchange rate for the last day of the period
column 1	column 2	column 3	column 4	column 5
from 1 st January 2025 to 30 th June 2025	4.2313	4.1339	4.3033	4.2419
from 1 st April 2025 to 30 th June 2025	4.2614	4.1791	4.3033	4.2419
from 1 st January 2024 to 31 st December 2024	4.3065	4.2499	4.4016	4.2730
from 1 st January 2024 to 30 th June 2024	4.3178	4.2528	4.4016	4.3130
from 1 st April 2024 to 30 th June 2024	4.3011	4.2528	4.3608	4.3130

Source: Table A – Exchange rate archive of NBP (<http://www.nbp.gov.pl>)

Basic items of the Balance Sheet, Profit and Loss Statement and Cash Flow Statement disclosed in the financial statements were converted into euros.

Individual items of assets and liabilities in the Balance Sheet were converted at the exchange rates announced by the National Bank of Poland for the euro, applicable on the last day of the period (column 5).

Individual items of the Profit and Loss Statement and the Cash Flow Statement were converted according to the exchange rates constituting the arithmetic mean of the average exchange rates announced by the National Bank of Poland for euro, applicable on the last day of each month in the given reporting period (column 2).

The weighted average number of shares for the given reporting period was calculated in accordance with the provisions of IAS 33. When calculating the weighted average number of shares, the date of registration of new share issues in the National Court Register was taken into account.

To calculate the book value per share for the Parent Company's shareholder, the numerator was the sum of equity at the end of the period and the weighted average number of shares in the denominator.

To calculate the basic ratio of earnings per share and diluted earnings per share, the numerator was the amount of net profit and the weighted average number of shares in the denominator. There were no differences between the data used to calculate the basic earnings per share and diluted earnings per share.

4. Notes to the financial statements

4.1. Note 1 – Intangible assets

Intangible assets are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Net value of intangible assets, including:	3 157	3 807	4 788
Development works cost	336	1 106	1 921
Computer software	958	837	971
Development works in progress	1 863	1 864	1 896
Additional information:			
<i>Intangible assets under finance lease agreement</i>	<i>0</i>	<i>0</i>	<i>0</i>

Development works costs include expenses for technical and technological documentation, designs, and the costs of certification process. Development works are recognized as assets and depreciated according to the principles described in section 2.6. of the accounting policy.

In the both current fiscal year and previous fiscal year, the Parent Company neither incurred research expenditures nor received a subsidy for research expenditures.

Computer software mainly includes licenses for computer systems and software tools used in the Capital Group's business activity.

Changes in the initial value and accumulated amortization of intangible assets for the periods covered by the report are presented in the tables below:

Data for the period from 1 st January 2025 to 30 th June 2025	Development works cost	Computer software	Total
Net value at the beginning of the period	2 970	837	3 807
Gross value at the beginning of the period	8 086	4 147	12 233
Increases including:	0	450	450
Acquisition	0	450	450
Decreases	0	0	0
Gross value at period end	8 086	4 597	12 683
Accumulated amortization at the beginning of the period	(6 980)	(3 310)	(10 290)
Increase in accumulated amortization	(770)	(329)	(1 099)
Decrease in accumulated amortization	0	0	0
Total accumulated amortization at period end	(7 750)	(3 639)	(11 389)
Balance of impairment losses	0	0	0
Development works in progress	1 863	0	1 863
Net value at period end	2 199	958	3 157

Data for the period from 1st January 2024 to 31st December 2024	Development works cost	Computer software	Total
Net value at the beginning of the period	4 446	950	5 396
Gross value at the beginning of the period	8 086	3 698	11 784
Increases including:	0	449	449
Acquisition	0	449	449
Decreases	0	0	0
Gross value at period end	8 086	4 147	12 233
Accumulated amortization at the beginning of the period	(5 349)	(2 748)	(8 097)
Increase in accumulated amortization	(1 631)	(562)	(2 193)
Decrease in accumulated amortization	0	0	0
Total accumulated amortization at period end	(6 980)	(3 310)	(10 290)
Balance of impairment losses	0	0	0
Development works in progress	1 864	0	1 864
Net value at period end	2 970	837	3 807

Data for the period from 1st January 2024 to 30th June 2024	Development works cost	Computer software	Total
Net value at the beginning of the period	4 446	950	5 396
Gross value at the beginning of the period	8 086	3 698	11 784
Increases including:	0	284	284
Acquisition	0	284	284
Decreases	0	0	0
Gross value at period end	8 086	3 982	12 068
Accumulated amortization at the beginning of the period	(5 349)	(2 748)	(8 097)
Increase in accumulated amortization	(816)	(263)	(1 079)
Decrease in accumulated amortization	0	0	0
Total accumulated amortization	(6 165)	(3 011)	(9 176)
Balance of impairment losses	0	0	0
Development works in progress	1 896	0	1 896
Net value at period end	3 817	971	4 788

The Capital Group does not utilize intangible assets on the basis of rental, lease, or other agreements, including operating lease agreements.

Intangible assets do not constitute collateral for loans granted to the Capital Group.

4.2. Note 2 – Tangible fixed assets

Structure of tangible fixed assets is presented in the table below:

Specifications / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Net value of tangible fixed assets, including:	78 575	60 187	60 425
own land	7 177	5 639	6 040
buildings, civil engineering facilities, premises	26 044	20 511	20 515
machinery and technical equipment	41 641	30 858	30 822
means of transport	1 973	1 769	1 591
other tangible fixed assets	1 740	1 410	1 457
Tangible fixed assets under construction	2 603	12 705	675
Total net value of tangible fixed assets disclosed in financial statements	81 178	72 892	61 100
Additional information:			
<i>Net value of tangible fixed assets under finance lease agreements</i>	<i>107</i>	<i>118</i>	<i>145</i>

Changes in the initial value and accumulated depreciation of fixed assets for the periods covered by the report are presented in the tables below:

Data for the period from 1st January 2025 to 30th June 2025	Own land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible fixed assets	Total
Net value at the beginning of the period	5 639	20 511	30 858	1 769	1 410	60 187
Gross value at the beginning of the period	5 639	42 896	96 978	4 447	7 663	157 623
Increases including:	1 538	5 989	13 742	509	529	22 307
acquisition	1 538	5 989	13 742	509	529	22 307
revaluation at period end „+”	0	0	0	0	0	0
reversal of impairment loss „-” on revalued assets from previous period	0	0	0	0	0	0
internal transfer	0	0	0	0	0	0
Decreases	0	0	(822)	0	0	(822)
liquidation and sale	0	0	(822)			(822)
impairment loss	0	0	0	0	0	0
internal transfer	0	0	0	0	0	0
Gross value at period end	7 177	48 885	109 898	4 956	8 192	179 108
adjustment of fixed assets value in connection with conversion to IAS as of 1st January 2011	0	(442)	(51)	(7)	(3)	
Accumulated depreciation at the beginning of the period	0	(21 943)	(66 069)	(2 671)	(6 250)	(96 933)
Increase in accumulated depreciation	0	(456)	(2 941)	(305)	(199)	(3 901)
Decrease in accumulated depreciation including:	0	0	804	0	0	804
liquidation and sale	0	0	804			804
adjustment of accumulated depreciation associated with revaluation at period end	0	0	0	0	0	0
other adjustments	0	0	0	0	0	0
Total accumulated depreciation at period end	0	(22 399)	(68 206)	(2 976)	(6 449)	(100 030)
including: balance of impairment losses						0
Net value of tangible fixed assets at period end	7 177	26 044	41 641	1 973	1 740	78 575
including: effects of revaluation at period end	6 280					6 280
Tangible fixed assets under construction at period end	0	2 342	142	0	119	2 603
Net value of tangible fixed assets at period end						81 178

Data for the period from 1st January 2024 to 31st December 2024	Own land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible fixed assets	Total
Net value at the beginning of the period	5 814	20 646	30 684	1 312	1 674	60 130
Gross value at the beginning of the period	5 814	41 749	93 144	3 947	7 347	152 001
Increases, including:	848	1 147	5 719	1 018	329	9 061
acquisition	526	1 147	5 719	1 018	329	8 739
revaluation at period end „+”	322	0	0	0	0	322
reversal of impairment loss "- " on revalued assets from previous period	0	0	0	0	0	0
internal transfer	0	0				0
Decreases	(1 023)	0	(1 885)	(518)	(13)	(3 439)
liquidation and sale	(1 023)	0	(1 885)	(518)	(13)	(3 439)
revaluation at period end „-”	0	0	0	0	0	0
internal transfer	0	0	0	0	0	0
Gross value at period end	5 639	42 896	96 978	4 447	7 663	157 623
adjustment of fixed assets value in connection with conversion to IAS as of 1st January 2011	0	(442)	(51)	(7)	(3)	(503)
Accumulated depreciation at the beginning of the period	0	(20 661)	(61 409)	(2 628)	(5 670)	(91 368)
Increase in accumulated depreciation	0	(1 282)	(5 545)	(531)	(591)	(7 949)
Decrease in accumulated depreciation including:	0	0	1 885	488	11	2 384
liquidation and sale	0	0	1 885	488	11	2 384
adjustment of accumulated depreciation associated with revaluation at period end	0	0				0
Total accumulated depreciation at period end	0	(21 943)	(66 069)	(2 671)	(6 250)	(96 933)
including: balance of impairment losses	0	0	0	0	0	0
Net value of tangible fixed assets at period end	5 639	20 511	30 858	1 769	1 410	60 187
including: effects of revaluation at period end	6 280					6 280
Tangible fixed assets under construction at period end	0	4 886	7 819	0	0	12 705
Net value of tangible fixed assets at period end						72 892

Data for the period from 1 st January 2024 to 30 th June 2024	Own land	Buildings and structures	Machinery and equipment	Means of transport	Other tangible fixed assets	Total
Net value at the beginning of the period	5 822	20 646	30 684	1 312	1 674	60 138
Gross value at the beginning of the period	6 452	41 749	98 862	4 353	8 337	168 311
Increases, including:	218	532	2 652	562	92	4 256
acquisition	218	532	2 852	562	92	4 256
revaluation at period end "+"	0	0	0	0	0	0
reversal of impairment loss "-" on revalued assets from previous period	0	0	0	0	0	0
internal transfer	0	0	0	0	0	0
Decreases	0	0	(147)	(518)	(13)	(678)
liquidation and sale	0	0	(147)	(518)	(13)	(678)
impairment loss	0	0	0	0	0	0
internal transfer	0	0	0	0	0	0
Gross value at period end	6 670	42 281	101 567	4 397	8 416	171 889
adjustment of tangible fixed assets value in connection with the conversion to IAS as of 1 st January 2011	(30)	(442)	(51)	(7)	(3)	(533)
Accumulated depreciation at the beginning of the period	(600)	(20 661)	(68 127)	(3 034)	(6 660)	(107 640)
Increase in accumulated depreciation	0	(663)	(2 715)	(254)	(307)	(3 939)
Decrease in accumulated depreciation, including:	0	0	148	489	11	648
liquidation and sale	0	0	148	489	11	648
adjustment of accumulated depreciation associated with revaluation at period end	0	0	0	0	0	0
other adjustments	0	0	0	0	0	0
Total accumulated depreciation at period end	(600)	(21 324)	(70 694)	(2 799)	(6 956)	(110 931)
Including: balance of impairment losses						0
Net value of tangible fixed assets at period end	6 040	20 515	30 822	1 591	1 457	60 425
including: effects of revaluation at period end	7 051					7 051
Tangible fixed assets under construction at period end	0	544	130	1	0	675
Total net value of tangible fixed assets at period end						69 983

The valuation principles for tangible fixed assets classified under the *land* category are described in section 2.4 on page 14.

The land recognized under the Company's tangible fixed assets includes own land. Owned land is not subject to depreciation.

According to the adopted principles described in point 2.3. of the accounting policy – as at the balance sheet date, the Capital Group discloses own land in accordance with the adopted valuation model at the value revalued to fair value. According to this valuation model (described in IAS 16), the effects of the increase in value are recognised on the opposite side as an increase in equity (item *Revaluation reserve*).

As at the balance sheet date, tangible fixed assets classified as *land* are valued according to the model based on the revalued value. The revalued value of tangible fixed assets included in this group is the fair value on the date of revaluation, less the amount of any subsequent accumulated impairment losses. As a result of valuations conducted by an independent property appraiser, the carrying amount of assets classified as land and the perpetual usufruct of land increased. The revaluation results were included directly in other equity as the *revaluation surplus*. The revaluation surplus is adjusted by the value of the deferred tax provision.

The fair value of land has been classified as level 2 of the fair value hierarchy.

The last revaluation took place on 31st December 2024. The value of revalued items increased by the amount of PLN 382 thousand in comparison to the carrying amount in the previous period.

The land disclosed in fixed assets of the Capital Group includes own land acquired on the secondary market. Owned land is not a subject to depreciation.

As of 31st December 2015, the Parent Company reclassified land and warehouse buildings in Żory, designated for lease, from fixed assets to investment property. For their valuation, the Company applied market prices determined by an authorized appraiser.

The Parent Company pays annual administrative fees for the perpetual usufruct of land. These fees amount to 3% of the land's value as estimated by the municipality where the land is located. Periodically, those fees are subject to revaluation on the basis of the market value of the land, which is estimated by Municipal Offices. The Parent Company treats the aforementioned fees as part of local tax costs.

The Capital Group has no obligations towards state authorities related to property ownership transfers.

Fixed assets recognized throughout the reporting period were fully financed from the Parent Company's own resources.

In accordance with the principles set out in IFRS, the Capital Group periodically analyzes and adjusts depreciation rates to the expected economic lifespan of fixed assets.

Some machinery and equipment were utilized by the Parent Company under finance leases. Lease liabilities are recognized in the balance sheet as other financial liabilities and are divided into a short-term and long-term liabilities. A detailed reconciliation of the aforementioned liabilities and a description of key contractual provisions is included in *Note 9 Liabilities*.

The Capital Group also used fixed assets on the basis of rental and lease agreements, that did not classify as finance lease agreements. The estimated value of fixed assets that were in the off-balance sheet records is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
<i>Off-balance sheet fixed assets (used under lease, tenancy or other agreement, including operating lease agreement)</i>	663	663	656
<i>Annual value of rents arising from concluded lease, tenancy or other agreements, including operating lease agreements</i>	153	304	155

Fixed assets and investment property constitute collateral for loans granted to the Capital Group. The value of fixed assets that, as stipulated in the loan agreements, constitute collateral is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
<i>Mortgage established on property (fixed assets and investment property) as collateral for liabilities arising from bank loans</i>	30 848	30 838	30 838
<i>Amount of the registered pledge or transfer of tangible fixed assets and inventory ownership as collateral for liabilities arising from bank loans</i>	14 668	14 770	24 746
Total value of fixed assets and investment property constituting collateral for loans granted	45 516	45 608	55 584
<i>Mortgage established on property (fixed assets and investment property) as collateral for liabilities arising from bank loans of the related entity Patentus Strefa SA</i>	11 088	11 088	11 088
Total	56 604	56 696	66 672

On 14th September 2012, the Parent Company submitted an application to the Polish Agency for Enterprise Development (as part of the Innovative Economy Operational Program, focusing on investments in innovative projects and support for the first implementation of an invention) for co-financing a project titled: *Implementation of a Mechatronic Drive Unit Production Dedicated for High-Power Scraper Conveyor*. On 18th April 2013, co-financing agreement No. POIG.04.06-00-24-007/12 was signed. The value of the requested co-financing was PLN 7,591 thousand. Throughout the project's implementation, the Company received subsidy advances, which were recognised as deferred income, as advances for investments until their completion and recognition as fixed assets. In June 2014, as a result of the project completion, the Company submitted a final payment application, which was approved on 12th September 2014, and the last tranche of subsidy was credited to the Company's bank account that month. In total, under the aforementioned project, the Company received a subsidy in the amount of PLN 7,573 thousand, of which, as at 30th June 2025, the amount of PLN 5,684 thousand was settled.

On 16th November 2012, the Parent Company signed two co-financing agreements with Bank Gospodarstwa Krajowego with its registered office in Warsaw, under the Operational Program Innovative Economy for 2007-2013, priority axis: investments in innovative projects, measure 4.3 technological loan:

On 19th November 2015, as part of the Intelligent Development Operational Program 2014-2020, the Company submitted an application to the National Center for Research and Development for project co-financing (Priority axis: *Increasing the Scientific and Research Potential*; Measure: *Research and Development Works*; Sub-measure: *Application projects*; Recruitment number: 1/4.1.4/2015) titled: *Development of Innovative Technology for the Production of Toothed Elements with Hybrid Surface Layers with Nano-Structured Base for Drive Units of Conveyors Intended for Operation in Extreme Operating Conditions* No. POIR.04.01.04-00-0064/15. The project implementation period was scheduled from 1st April 2016 to 30th September 2020. This project is being implemented by the consortium led by Patentus S.A., with other contractors including the Warsaw University of Technology, the Institute of Sustainable Technology – National Research Institute, and Nanostal Sp. z o.o. The total project value amounts to PLN 11,621 thousand, with the co-financing amounting to PLN 8,589 thousand. The Parent Company's share in the entire project will amount to PLN 7,652 thousand, with co-financing amounting to PLN 4,992 thousand. The project positively passed the substantive evaluation stage and was recommended for support. On 29th June 2016, the co-financing agreement for the aforementioned project was signed. As at the present financial statements' preparation date, the Company received co-financing for research activities in the amount of PLN 3,318 thousand and as at 30th June 2023, the entire subsidy amount was fully reimbursed. Additionally, within the framework of the aforementioned project, the Company received co-financing for development activities in the amount of PLN 1,308 thousand. On 7th April 2021, the Company submitted the final payment application and on 27th May 2022, as a result of the positive completion of development work on the aforementioned project, the Company recognized the acquisition of two gearboxes as intangible assets, which began amortization in June 2022. As at 30th June 2025, the subsidy was fully reimbursed.

On 5th January 2018, as part of the Intelligent Development Operational Program 2014-2020, the Parent Company submitted an application to the National Center for Research and Development for project co-financing (Priority axis: *Increasing the Scientific and Research Potential*; Measure: Research and development works; Sub-measure: Projects applications; Recruitment number: 1/4.1.4/2017) under the title: *Development of Innovative Scraper Conveyors with Increased Start-Up Susceptibility and Service Life* No. POIR.04.01.04-00-0081/17. The project implementation period was scheduled from 2nd July 2018 to 1st July 2021. This project is being implemented by a consortium led by Patentus S.A., with other contractors including the Silesian University of Technology and Fabryka Elementów Napędowych "FENA" Sp. z o.o.. The total value of the entire project is PLN 5,760 thousand, with co-financing amounting to PLN 3,923 thousand. The Company's share in the entire project amounts to PLN 3,982 thousand, with co-financing amounting to PLN 2,351 thousand. The agreement was approved and signed on 28th August 2018. As at the preparation date of the present financial statements, the Company has received co-financing in the amount of PLN 1,849 thousand. As at 30th June 2025, subsidy in the amount of PLN 1,713 thousand was settled.

On 29th March 2024, in Chorzów, Agreement No. FESL.10.03-IP.01-01B4/23-00 was concluded between the Silesian Voivodeship – Silesian Entrepreneurship Center and the Parent Company for the co-financing the project titled: *Company Transformation through the Creation of an Innovative Process for Manufacturing Shafts with Increased Durability* as part of the European Funds for Silesia Program 2021-2027. The purpose of the agreement is to grant the Beneficiary co-financing from public funds under the Program for the implementation of the Project. The total planned value of the Project amounts to PLN 60,479 thousand, of which total eligible expenditures amount to PLN 49,779 thousand. The total co-financing awarded shall not exceed PLN 23,648 thousand. The Project implementation period was set on 21st July 2023 with the completion date was set on 30th June 2025. On 30th September 2024, the Parent Company submitted an advance payment application, and on 6th December 2024, information was received confirming the granting of an advance in the amount of PLN 3,514 thousand. The aforementioned amount was credited to the Parent Company's bank account on 13th December 2024. As at 30th June 2025, the Company had utilized the entire advance payment and submitted a settlement application, which is currently under verification.

Interest on loans taken to finance the fixed assets acquisition, paid until the date of receipt of these assets, was capitalized on fixed assets.

4.3 Note 2a – Perpetual usufruct

Data for the period from 1 st January 2024 to 31 st December 2024	Perpetual usufruct of land
Net value at the beginning of the period	9 620
Gross value at the beginning of the period	9 620
Increases, including:	0
acquisition	0
revaluation at period end "+"	0
reversal of impairment loss "-" on revalued assets from previous period	0
Decreases	0
liquidation and sale	0
revaluation at period end "-"	0
Gross value at period end	9 620
adjustment of tangible fixed assets value in connection with conversion to IAS as of 1st of January 2011	0
Accumulated depreciation at the beginning of the period	0
Increase in accumulated depreciation	0
Decrease in accumulated depreciation including:	0
liquidation and sale	0
Total accumulated depreciation at period end	0
including: effects of revaluation at period end	7 845
Total net value of perpetual usufruct at period end	9 620

Data for the period from 1st January 2023 to 31st December 2023	Perpetual usufruct of land
Net value at the beginning of the period	8 646
Gross value at the beginning of the period	8 646
Increases, including:	728
acquisition	0
revaluation at period end "+"	758
reversal of impairment loss "-" on revalued assets from previous period	(30)
Decreases	0
liquidation and sale	0
revaluation at period end "-"	0
Gross value at period end	9 620
adjustment of tangible fixed assets value in connection with conversion to IAS as of 1st of January 2011	0
Accumulated depreciation at the beginning of the period	0
Increase in accumulated depreciation	0
Decrease in accumulated depreciation including:	0
liquidation and sale	0
Total accumulated depreciation at period end	0
including: effects of revaluation at period end	7 845
Total net value of perpetual usufruct at period end	9 620

Data for the period from 1st January 2023 to 31st December 2023	Perpetual usufruct of land
Net value at the beginning of the period	8 646
Gross value at the beginning of the period	8 646
Increases, including:	237
acquisition	0
revaluation at period end "+"	237
reversal of impairment loss "-" on revalued assets from previous period	0
Decreases	0
liquidation and sale	0
revaluation at period end "-"	0
Gross value at period end	8 883
adjustment of tangible fixed assets value in connection with conversion to IAS as of 1st of January 2011	0
Accumulated depreciation at the beginning of the period	0
Increase in accumulated depreciation	0
Decrease in accumulated depreciation including:	0
liquidation and sale	0
Total accumulated depreciation at period end	0
including: effects of revaluation at period end	7 116
Total net value of perpetual usufruct at period end	8 883

4.3. Note 3 – Investment property and capital investment

Investment property

The Parent Company owns investment property located in Pszczyna. In accordance with IAS 40, investment property refers to facilities that are not used in the production, service provision or administrative activities, but are fully leased

out and constitute a source of rental income. The aforementioned investment properties were acquired along with other properties in 2005.

In accordance with the adopted accounting principles, investment property is measured at fair value on subsequent balance sheet days. The valuation of investment property is performed by an independent appraiser with valid professional qualifications. While performing the valuation, the appraiser relies on market data.

The fair value of investment property has been classified as level 2 in the fair value hierarchy.

Profit or loss resulting from the change in the fair value of investment property is recognised in other operating income or expenses, respectively.

Changes in the fair value of investment property for the periods covered by the report are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Investment property at the beginning of the fiscal period	1 425	1 380	1 380
Changes during the fiscal period:	0	45	0
<i>increases due to reclassification from fixed assets</i>	<i>0</i>	<i>(5)</i>	<i>0</i>
<i>decreases due to revaluation to fair value</i>	<i>0</i>	<i>50</i>	<i>0</i>
Investment property at fiscal period end	1 425	1 425	1 380

The table below summarizes the income arising from rent and the estimated maintenance costs of investment property, which include expenses for renovation, maintenance and local taxes associated with the investment properties.

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
<i>Revenue arising from investment property (rent)</i>	<i>267</i>	<i>899</i>	<i>457</i>
<i>Investment property maintenance cost</i>	<i>(4)</i>	<i>(27)</i>	<i>(14)</i>
Surplus of revenue over costs arising from investment property	263	872	443

Investment properties are subject to collateral for liabilities arising from bank loans as described in Note 8 *Credits and loans*.

Capital and financial investments

Investments in foreign entities are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Investment in other entities at the fiscal period beginning	47 854	40 426	40 426
Changes during the fiscal period including:	15 376	7 428	34 470
<i>shares and stocks and other financial assets</i>	<i>13 729</i>	<i>6 635</i>	<i>33 641</i>
<i>write-downs</i>	<i>1 647</i>	<i>793</i>	<i>829</i>
Net book value of investment in foreign entities at period end	63 230	47 854	74 896

4.4. Note 4 – Trade receivables and other receivables

The structure of long-term and short-term receivables is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Trade receivables and other long-term receivables by category			
Trade receivables	0	0	0
Long-term loans granted	0	0	0
Shares in Patentus Strefa SA in bankruptcy over which control was lost	0	0	0
<i>Write-downs on loans granted</i>	0	0	0
Total net value of loans and long-term financial receivables	0	0	0
Receivables arising from the advances transferred for tangible fixed assets acquisition	509	508	1 029
<i>Write-downs</i>	0	0	0
Total net value of long-term non-financial receivables	589	508	1 029
Total net value of trade receivables and other long-term receivables	589	508	1 029
Trade receivables and other short-term receivables by category			
<i>Gross value of trade receivables from associated entities</i>	0	0	0
Gross value of trade receivables from other entities	7 603	6 305	8 261
Receivables arising from advances transferred for tangible fixed assets acquisition	5 935	2 300	2 082
<i>Write-downs on loans granted</i>	0	0	0
<i>Write-downs</i>	(1 785)	(1 793)	(782)
Total net value of short-term financial receivables	11 753	6 812	9 561
Receivables arising from the advances transferred for inventory acquisition	24	137	342
Tax receivables	1 304	2 065	181
Other receivables	303	544	312
Short-term prepayments	1 303	251	945
<i>Write-downs</i>	0	0	0
Total net value of short-term non-financial receivables	2 934	2 997	1 780
Total net value of trade receivables and other short-term receivables	14 687	9 809	11 341
Total long-term and short-term trade receivables and other receivables	15 196	10 317	12 370

As at 30th June 2025, the Company does not disclose receivables arising from concluded loan agreements.

Trade receivables do not bear interest and typically have payment terms ranging from 14 to 90 days. The fair value of these receivables does not differ significantly from their book value recognised in the balance sheet.

The maturity structure of trade receivables is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Current trade receivables	5 249	3 798	7 159
Overdue trade receivables, including:	2 354	2 507	1 102
up to 30 days	228	159	272
between 31 and 60 days	22	109	4
between 61 and 90 days	9	442	4
between 91 and 180 days	82	754	329
between 181 and 365 days	1 202	328	0
over 365 days	811	715	493
Total gross value of trade receivables	7 603	6 305	8 261
Write-downs of the receivables at the beginning of the period	(1 793)	(800)	(800)
Recognition of write-downs of liabilities the during period +	0	(1 016)	0
Reversal of write-downs in the period as a result of cancellation of receivables	0	0	0
Reversal of write-downs in the period as a result of payment	8	23	18
Write-downs of the receivables at period end	(1 785)	(1 793)	(782)
Total net value of trade receivables	5 818	4 512	7 479

Write-downs are applied to receivables from debtors in liquidation or bankruptcy, disputed receivables, and in other cases where the assessment of the economic and financial situation of the entity indicates that payment of receivables in the near future is not probable. Receivables pursued in court and overdue more than 365 days are covered by 100% a write-down.

Since 2020, pursuant to Art. 4 sec. 3 pt. b), Art. 6 sec. 1, Art. 7 sec. 1 and Art. 8 sec. 1 of the *Act on Counteracting Excessive Delays in Commercial Transactions* and Art. 20 sec. 3 of the *Act Amending Certain Acts in Order to Reduce Payment Gridlocks*, the Company has begun charging interest on delayed commercial transactions to its contractors, Polska Grupa Górnicza and Jastrzębska Spółka Węglowa.

The currency structure of receivables is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Total net value of trade receivables, including:	5 818	4 512	7 479
Net value of trade receivables denominated in Polish currency	4 704	4 158	7 405
Net value of trade receivables denominated in foreign currency	1 114	354	74

The Parent Company has concluded a lease agreement in which the Company acts as a lessor. Finance lease of a beam stage loader for KWK ROW Ruch Marcel, part of Polska Grupa Górnicza with its registered office in Katowice constitutes the subject of the agreement. The agreement total value was set at the gross amount of PLN 6,876 thousand. The aforementioned amount consists of capital instalment in the amount of PLN 5,284 thousand, interest in the amount of PLN 306 thousand and VAT in the amount of PLN 1,286 thousand. The agreement was concluded for a period of 3 years. The payment is spread over 36 monthly instalments according to the payment schedule. As at the preparation date of the present financial statements, the agreement had been fully reimbursed along with the required interest.

Relevant information on lease receivables is presented in the tables below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Current value of receivables arising from finance lease at the beginning of the period	0	1 479	1 479
Increases arising from new finance lease agreements (+)	0	0	0
Repayment of finance lease instalments (principal instalments) for the period (-)	0	(1 479)	(887)
Current value of receivables arising from finance lease at period end, including:	0	0	592
Short-term receivables arising from lease agreements	0	0	592
Long-term receivables arising from lease agreements	0	0	0
Additional information:			
Deferred finance income arising from interest on lease agreements at the beginning of the period	0	(340)	(340)
Increases of deferred finance income arising from new finance lease agreements (+)	0	0	0
Repayment of finance lease instalments (finance income arising from interest) for the period (-)	0	52	(45)
Adjustments to interest settlement in the period resulting from fluctuations of interest rates (-)	0	288	0
Deferred finance income arising from interest on lease agreements at period end, including:	0	0	(385)
<i>Conditional lease fees included in Profit and Loss Statement for the given period</i>	<i>0</i>	<i>0</i>	<i>0</i>

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Nominal value of minimum finance lease payments due in the period:	0	0	977
up to 1 year	0	0	977
between 1 and 5 years	0	0	0
over 5 years	0	0	0
Deferred finance income arising from interest on lease agreements (-)	0	0	385
Current value of deferred receivables arising from finance lease disclosed in assets, including the value due in the period:	0	0	592
up to 1 year	0	0	592
between 1 and 5 years	0	0	0
over 5 years	0	0	0
Additional information:			
Unguaranteed residual values attributable to the lessor	0	0	0

4.5. Note 5 – Inventory

The structure of inventory is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Gross value of inventory, including:	34 130	50 769	40 038
Materials	18 876	21 434	25 270
Semi-finished products and work in progress	13 529	27 583	13 060
Finished products	64	64	64
Goods	1 661	1 688	1 644
Write-downs of inventory, including:	(429)	(432)	(282)
<i>Goods</i>	<i>(305)</i>	<i>(304)</i>	<i>(177)</i>
<i>Materials</i>	<i>(23)</i>	<i>(25)</i>	<i>(16)</i>
<i>Semi-finished products and work in progress</i>	<i>(97)</i>	<i>(101)</i>	<i>(87)</i>
<i>Finished products</i>	<i>(2)</i>	<i>(2)</i>	<i>(2)</i>
Value of inventory disclosed in the Balance Sheet, including:	33 701	50 337	39 756
Materials	18 851	21 409	25 254
Semi-finished products and work in progress	13 432	27 482	12 973
Finished products	62	62	62
Goods	1 356	1 384	1 467
Additional information:			
<i>Value of basic materials recognised as expense in the period</i>	<i>16 161</i>	<i>31 962</i>	<i>14 036</i>

Inventory valuation methods were presented in item 2.12. of the adopted accounting principles (policy) description. Revaluation write-downs created for material inventory are recognised as other operating costs for the period, and the write-downs for the value of finished goods increase the distribution costs for the period.

The Company purchases inventory from various suppliers. Some suppliers of materials and goods inventory secure their receivables against the sold inventory. According to the relevant annotations on the invoices, the ownership of stocks sold remains with the supplier until the Company settles the liability.

4.6. Note 6 – Cash and cash equivalents

Cash and cash equivalents are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Cash and cash equivalents, including:	2 014	4 527	7 743
Cash in hand and cash on bank accounts	2 014	3 544	4 130
<i>Short-term deposits</i>	<i>0</i>	<i>983</i>	<i>3 613</i>
Other cash equivalents	0	0	0
Additional information:			
<i>Cash in foreign currency (converted into PLN)</i>	<i>782</i>	<i>40</i>	<i>2 307</i>
<i>Cash of limited disposability</i>	<i>373</i>	<i>165</i>	<i>0</i>

Short-term deposits are deposited for varying periods, ranging from one day to three months, depending on the current cash needs of the Capital Group's companies. The interest rate on these deposits is variable.

The fair value of cash and cash equivalents is equal to their carrying amount. The components of cash and cash equivalents in the Cash Flow Statement and in the Balance Sheet are equal.

Effects of the valuation of cash in foreign currencies are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Exchange differences related to the valuation of cash balances in EUR-denominated bank accounts at the end of the period. Positive exchange rate differences (increase in cash balances) are recognized with (+) sign; negative with (-) sign	0	0	0

4.7. Note 7 – Equity

Share capital

Detailed information on the Parent Company's share capital and share issuance as at 30th June 2025 is presented in the table below:

Data as at 30 th June 2025							
Series	Number of shares (in units)	Nominal value in PLN	Registration date in the National Court Register	Right to dividends	Manner of settlement	Type of shares	Number of votes
A	5 000 000	2 000 000	3 rd June 1997	no detailed provisions	cash	registered, privileged; 2 votes at the AGM	10 000 000
B	7 500 000	3 000 000	9 th June 2004	starting from 1 st of January 2005	cash	registered, privileged; 2 votes at the AGM	15 000 000
C	5 625 000	2 250 000	14 th November 2007	starting from the profit distribution for the year 2007	settlement of claims	registered, privileged; 2 votes at the AGM	11 250 000
D	5 250 000	2 100 000	14 th November 2007	starting from the profit distribution for the year 2007	settlement of claims	ordinary, bearer	5 250 000
E	3 125 000	1 250 000	25 th March 2008	starting from the profit distribution for the year 2007	cash	ordinary, bearer	3 125 000
F	3 000 000	1 200 000	29 th October 2009	starting from the profit distribution for the year 2008	cash	ordinary, bearer	3 000 000
TOTAL	29 500 000	11 800 000					47 625 000

As at 30th June 2025, the nominal value of one share of series A, B, C, E and series F was PLN 0.40 (0.40 groszy).

Series A registered shares are voting preference shares in such a way that each share of this series carries two votes at the General Meeting.

Series B registered shares are voting preference shares in such a way that each share of this series carries two votes at the General Meeting.

Series C registered shares are voting preference shares in such a way that each share of this series carries two votes at the General Meeting.

Series D, E and F registered shares are ordinary, non-privileged shares admitted to trading on the WSE Main Market.

Admitting series D, E and F shares to exchange trading

On 18th September 2009, the Polish Financial Supervision Authority approved the Parent Company's Prospectus.

On 29th October 2009, a new issue of series F shares was registered with the National Court Register, which were offered in the public issue. Following the registration, the Parent Company's share capital amounted to PLN 11,800,000, and is divided into 29,500,000 shares, each with a nominal value of PLN 0.40.

On 3rd November 2009, the Management Board of the Warsaw Stock Exchange adopted a resolution on the admission to exchange trading on WSE Main Market of ordinary bearer series D, E and F shares of PATENTUS S.A. In accordance with the Resolution No. 632/2009 of the Management Board of the Warsaw Stock Exchange S.A. of 4th November 2009, ordinary bearer series D, E and F shares were introduced to exchange trading on the main market on 9th November 2009. These shares are traded in the continuous system under the abbreviated name "PATENTUS" and carry the designation "PAT" with ISIN code PLPTNTS00019.

According to the issuer's knowledge, the Parent Company's shareholding structure at the end of periods covered by the present financial statements is as follows:

Shareholders	As at 30 th June 2025				As at 31 st December 2024				As at 30 th June 2024			
	Number of shares	% of share capital	Number of votes	% of votes	Number of shares	% of share capital	Number of votes	% of votes	Number of shares	% of shares	Number of votes	% of votes
Duda Małgorzata (nee Was)	7 804 675	26,46%	13 846 350	29,07%	7 804 675	26,46%	13 846 350	29,07%	7 804 675	26,46%	13 846 350	29,07%
Duda Józef	4 325 175	14,66%	7 679 350	16,12%	4 325 175	14,66%	7 679 350	16,12%	4 325 175	14,66%	7 679 350	16,12%
Duda Małgorzata (nee Wiktor)	3 619 300	12,27%	6 306 800	13,24%	3 619 300	12,27%	6 306 800	13,24%	3 619 300	12,27%	6 306 800	13,24%
Gotz Urszula	4 829 150	16,37%	8 183 300	17,18%	4 829 150	16,37%	8 183 300	17,18%	4 829 150	16,37%	8 183 300	17,18%
Gotz Henryk	2 962 500	10,04%	5 650 000	11,86%	2 962 500	10,04%	5 650 000	11,86%	2 962 500	10,04%	5 650 000	11,86%
Other natural persons or legal entities jointly	5 959 200	20,20%	5 959 200	12,53%	5 959 200	20,20%	5 959 200	12,53%	5 959 200	20,20%	5 959 200	12,53%
Total	29 500 000	100,00%	47 625 000	100,00%	29 500 000	100,00%	47 625 000	100,00%	29 500 000	100,00%	47 625 000	100,00%

Supplementary capital arising from the sale of shares above their nominal value

In this item, in accordance with Art. 396 § 2 of the *Commercial Companies Code*, a surplus from the sale of shares above their nominal value is presented, less the costs related to share capital increase.

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Supplementary capital arising from the sale of shares above their nominal value at the beginning of the period:	6 448	6 448	6 448
Changes in supplementary capital arising from the sale of shares above their nominal value during the year, including:	0	0	0
Gross surplus arising from the sale of shares of series „E” above their nominal value	0	0	0
Costs associated with the share capital increase	0	0	0
Supplementary capital arising from the sale of shares above their nominal value:	6 448	6 448	6 448

Revaluation reserve

Detailed information on the sources of the revaluation reserve is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Revaluation reserve at the beginning of the period:	10 841	9 990	9 990
Changes in revaluation reserve during the year, including:	0	851	0
Effects of revaluation of tangible fixed assets to fair value	0	1 050	0
Deferred tax provision settled with equity	0	(199)	0
Revaluation reserve at period end:	10 841	10 841	9 990

The revaluation reserve from revaluation to the fair value of tangible fixed assets (land and perpetual usufruct to land) is recognised after reduction by deferred income tax liabilities.

Retained earnings

Retained earnings consist of:

- Undistributed profit or unabsorbed loss from previous years;
- Statutory supplementary capital – created from profit in line with the requirements of Art. 396 § 1 of the *Commercial Companies Code (CCC)*;
- Supplementary capital created in accordance with the *Articles of Association* – established from profit in accordance with the *Articles of Association* of the companies belonging to the Capital Group;
- Net profit (loss) for the current fiscal period

On 26th June 2025, the Annual General Meeting of PATENTUS S.A. was conveyed. Pursuant to Resolution No. 5, the *Annual Separate Financial Statements for 2024* were approved. Shareholders also adopted Resolution No. 7 on net profit allocation, for the fiscal year 2024 in the amount of PLN 8,475 thousand in the following manner: the amount of PLN 1,100 thousand to the Variable Remuneration Fund, the amount of PLN 7,375 thousand for the payment of dividend, and the remaining amount of PLN 226.24 to the Company's supplementary capital, created voluntarily, which as at 31st December 2024 amounted to PLN 118,491 thousand and is disclosed in the balance sheet under retained earnings item. Retained earnings disclosed in the balance sheet at the end of 2024 fiscal year in the amount of PLN 133,399 thousand, include the value of statutory supplementary capital in the amount of PLN 3,933 thousand, voluntary supplementary capital in the amount of PLN 118,491 thousand, and net profit for 2024 in the amount of PLN 8,475 thousand, along with other capitals in the amount of PLN 2,500 thousand.

Pursuant to Resolution No. 8 the Annual General Meeting approved the *Annual Consolidated Financial Statements of the Capital Group for the Fiscal Year 2024*.

Pursuant to the Act of 16th September 2011 on the *Reduction of Certain Obligations of Citizens and Entrepreneurs* (Journal of Laws No. 232, item 1378), the obligation to publish financial statements in the Official Journal of the Republic of Poland *Monitor Polski B* has been lifted. Starting from 1st January 2013, information about the entry in the National Court Register on the submission of the report is automatically published in the *Monitor Sądowy i Gospodarczy*.

Changes in retained earnings item, which also include effects of financial statements conversion in accordance with IFRS are presented in the table below:

Specification / data in PLN thousand	Statutory supplementary capital- created from profits of previous years in accordance with Art. 396.1 of the Commercial Companies Code	Supplementary capital created from profits of previous years in accordance with the Articles of Association	Other capitals	Profit (loss) for current period disclosed in financial statements prepared in accordance with IAS/IFRS	Profit resulting from adjustment of financial statements in accordance with IAS as at 1 st January 2012	Undistributed profit from previous years resulting from adjustments of the financial statements in accordance with IAS	Total retained earnings
Data as at 1st January 2025	3 933	119 346	2 500	(54 928)	2 505	60 046	133 402
Distribution of financial result disclosed in the financial statements prepared in accordance with IAS/IFRS	0	1	1 100	635	0	(9 110)	(7 374)
Profit (loss) for the current period disclosed in financial statements prepared in accordance with IAS/IFRS	0	0	0	0	0	13 544	13 544
Data as at 30th June 2025	3 933	119 347	3 600	(54 293)	2 505	64 480	139 572
Data as at 1st January 2024	3 933	74 187	0	(460)	2 505	60 046	140 211
Distribution of financial result disclosed in the financial statements prepared in accordance with IAS/IFRS	0	45 159	2 500	(62 409)	0	0	(14 750)
Profit (loss) for the current period disclosed in the financial statements prepared in accordance with IAS/IFRS	0	0	0	7 941	0	0	7 941
Data as at 31st December 2024	3 933	119 346	2 500	(54 298)	2 508	60 046	133 402
Data as at 1st January 2024	3 933	74 187	0	(419)	2 505	60 046	140 252
Distribution of financial result disclosed in the financial statements prepared in accordance with IAS/IFRS	0	43 797	2 500	419	0	(61 466)	(14 750)
Profit (loss) for the current period disclosed in financial statements prepared in accordance with IAS/IFRS	0	0	0	7 454	0	0	7 454
Data as at 30th June 2024	3 933	117 984	2 500	7 454	2 505	(1 420)	132 959

Equity attributable to non-controlling interest

Equity attributable to non-controlling interests represents the portion of the net assets of the subsidiary MONTEX Sp. z o.o. that belongs to shareholders from outside the Capital Group. As at 30th June 2025, the equity of minority shareholders amounted to PLN 809 thousand.

4.8. Note 8 – Credits and loans

Liabilities arising from credits and loans are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Long-term bank loans	2 248	3 418	4 754
Short-term bank loans	5 107	2 707	3 511
Total liabilities arising from credits and loans, including those due in the period:	7 355	6 125	8 265
up to 1 year	5 107	2 707	3 511
between 1 and 3 years	2 248	3 184	4 038
between 3 and 5 years	0	234	716

In 2025, the value of short-term loans included an overdraft facility in the amount of PLN 2,612 thousand.

The currency structure of loans disposed by the Capital Group is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Bank loans denominated in PLN	5 600	3 627	4 960
Bank loans denominated in EUR (converted into PLN)	1 755	2 498	3 305
Total loans at end of period	7 355	6 125	8 265

The effects of the valuation of bank loans liabilities balance at the average NBP exchange rate as at the end of the fiscal year are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Exchange differences related to the valuation of the balance of bank loan liabilities in EUR at the end of period. Negative exchange differences (increasing the balance of liabilities) are shown with the (+) sign; positive with (-) sign	0	140	399

The average interest rates on credits and loans disposed by the Capital Group are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Average interest rate – bank loans denominated in PLN	13.29%	13.30%	13.72%
Average interest rate – bank loans denominated in EUR	2.34%	3.46%	3.71%

Applications for co-financing from EU funds

On 18th December 2019, as part of the Regional Operational Program of the Śląskie Voivodeship for 2014-2020, Priority Axis: III. Competitiveness of SMEs for action: 3.2. Innovations in SMEs the Company applied to the Silesian Center of Entrepreneurship for co-financing of project no. WND-RPSL.03.02.00-24-0678/19-001 titled *Implementation of an Innovative Drive Unit Consisting of a Toothed Gearbox Integrated with Technical Diagnostics Systems*. The total project value will amount to PLN 11,931 thousand, with co-financing amounting to PLN 2,910 thousand. The agreement was signed on 28th January 2021, the project implementation period, as specified in the co-financing application, ranges from 1st January 2020 to 31st December 2021. The project completion date specified in the co-financing application may not be later than 31st December 2023. In total, the Company submitted payment applications in the amount of PLN 3,170, of which, as at 30th June 2025, the amount of PLN 2,084 thousand remained to be settled.

On 29th April 2020, the Company submitted a co-financing application to the National Center for Research and Development in Warsaw as part of the 3rd TECHMASTRATEG Competition, regarding project number TECHMASTRATEG-III/00028/2019 titled *Development of Innovative Hybrid Surface Layers Composed of Anti-Wear Coatings Dedicated to the Tooting of Gears for Drive Units of Conveyors Operating in Difficult Operating Conditions*. The project implementation period is scheduled from 1st July 2021 to 30th June 2024. The project is to be carried out in a Consortium led by the Warsaw University of Technology, with other contractors including the Silesian University of Technology, Patentus Spółka Akcyjna, the Łukasiewicz Research Network – Institute of Sustainable Technologies and the Łukasiewicz Welding Institute Research Network. The total value of the project is PLN 17,259 thousand, with co-financing amounting to PLN 15,368 thousand. The Company's share in the entire project will amount to PLN 5,695 thousand, with co-financing amounting to PLN 3,804 thousand. The project passed the substantive evaluation stage, was recommended for support, and was approved on 9th November 2020. On 31st March 2021, an agreement was signed for co-financing of the aforementioned project. As at the preparation date of these financial statements, the Company has received co-financing in the amount of PLN 3,892 thousand. As at 30th June 2025, the subsidy in the amount of PLN 2,602 thousand was settled by the Company.

Other agreements for co-financing of EU projects are described in detail in notes 2 and 12.

Loan commitments

Do not occur.

Credits and loans

Specification of credits and loans granted, along with significant terms of credit agreements concluded by both the Parent Company and by the Subsidiaries is included in the tables below.

Bank margin on loans taken is in the range from 1.50 to 4.10 pp.

Credits and loans of Parent Company as at 30th June 2025

No.	Entity/Person	Date of conclusion of the agreement / annex	Form of commitment / Agreement number	Loan amount according to the agreement		Loan amount constituting the liability at period end 30 th June 2025 in PLN thousand		Interest rate conditions	Repayment period	Collateral
				in thous.	currency	short-term	long-term			
1	Santander Bank Polska S.A (former Deutsche Bank Polska S.A.)	2 nd October 2012 with subsequent amendments***	Investment credit agreement no KIN/1219501**	7 592	PLN	623	672	WIBOR 1M + bank's margin	30 th September 2027	a) irrevocable power of attorney to dispose by the Bank of all Borrower's current accounts maintained by the Bank; b) blank promissory note; c) mortgage for the bank's benefit up to the amount of PLN 11,387,589 established on the ownership title to the property located in Jankowice (Land and Mortgage Register No. KA1P / 00039796/5); d) assignment of rights for the Bank's benefit under the insurance policy; e) complete irrevocable blocking of auxiliary accounts; f) confirmed transfer of current and deferred receivables to the Bank from PARP; g) declaration of submission to enforcement
2	BNP Paribas Bank Polski (former Raiffeisen Bank)	23 rd December 2016 with subsequent amendments	Loan repayment agreement (STREFA)(agreement CRD/35678/11, CRD/45141/15, CRD/35677/11) - overtaken by EOS 1 Fundusz Inwestycyjny Zamknięty Niestandaryzowany Fundusz Sekurytyzacyjny)	2 334	PLN	0	0	WIBOR 1M + bank's margin	30 th November.2018 recognised in the statement in connection with the bank's lack of consent to release the collateral	a) contractual mortgage in the amount of PLN 2,751,000.00 on a land property located in Pszczyna for which the District Court in Pszczyna, 5 th Land and Mortgage Register Division maintains the Land and Mortgage Register No. KA1P / 00040503/5, b) contractual mortgage in the amount of PLN 543,000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040503/5, c) contractual mortgage in the amount of PLN 2,250,000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040317/4 and No. KA1P / 00037544/0, d) contractual mortgage in the amount of PLN 543,000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040317/4 and No. KA1P / 00037544/0, e) contractual mortgage in the amount of PLN 2,250,000.00 on land located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040317/4 and No. KA1P / 00037544/0, f) contractual mortgage in the amount of PLN 2,751,000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040317/4 and No. KA1P / 00037544/0 g) declaration of submission to enforcement pursuant to Art. 777 §1 point 5 of the Code of Civil Procedure to the amount of PLN 4,300,000.00
3	Towarzystwo Inwestycji Społeczno-Ekonomicznych SA Warszawa	12 th October 2018	Loan agreement no 42178	1 000	PLN	48	0	fixed percentage	17 th October 2025	a) blank promissory note, b) contractual mortgage in the amount of PLN 1,200 thousand on the perpetual usufruct of land covered by plot No. 2648/128 with an area of 0.1105 ha and on a building constituting a separate property for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register no KA1P / 00038751/1, c) assignment of rights from the insurance policy the aforementioned property not less than PLN 950 thousand d) transfer of ownership of the UNION CWS 2500 table milling machine and the HELLER MC 16 machining center with a value of not less than PLN 750 thousand for collateral e) assignment of rights under the insurance policy of the assigned fixed assets
4	PKO Leasing S.A.	26 th April 2019	Loan agreement number 00622/EI/19	1 209	EUR	737	0	interest based on the loan balance	26 th October 2025	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan, c) transfer of ownership agreement for collateral on the item financed with the loan, d) assignment of insurance policy rights
5	PKO Leasing S.A.	26 th April 2019	Loan agreement number 00623/EI/19	126	EUR	0	0	interest based on the loan balance	26 th July 2025	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan up to the amount of EUR 189,567, c) transfer of title agreement for collateral on the item financed with the loan, d) assignment of insurance policy rights up to the amount of EUR 180,000
6	PKO Leasing S.A.	10 th September 2019	Loan agreement number 01810/EI/19	852	EUR	522	496	interest based on the loan balance	31 st March 2027	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan, c) transfer of title agreement for collateral on the item financed with the loan, d) assignment of rights to the insurance policy, e) assignment of rights to the subsidy contract

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PATENTUS S.A Capital Group with its registered office in Pszczyna, Górnioślaska St. 11
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as adopted by the European Union for the period from 1st January 2025 to 30th June 2025
(amounts in tables in PLN thousand, unless stated otherwise)

No	Entity/Person	Date of conclusion of the agreement/annex	Form of commitment/Agreement number	Loan amount according to agreement		Loan amount constituting the liability at period end 30 th June 2025 in PLN thousand		Interest rate conditions	Repayment period	Collateral
				in thous	currency	short-term	long-term			
7	Agencja Rozwoju Regionalnego S.A.	30 th May 2022	Investment agreement number 04/ARRBB/POIR/2022	3 100	PLN	563	1 785	xxx	20 th May 2028	a) blank promissory note with a promissory note declaration, b) contractual mortgage on a developed property consisting of plots of land 2518/128 and 2793/128 located in Jankowice (Land and Mortgage Register No. KA1P/00044542/8) up to the amount of PLN 4,650 thousand c) assignment of rights from the insurance policy relating to the aforementioned property, d) declaration of submission to enforcement pursuant to Art. 777 section 1 point 5 of the Code of Civil Procedure up to the payment amount of PLN 4,650 thousand.
8	Bank Polskiej Spółdzielczości S.A.	15 th September 2023	Current account overdraft facility agreement 1222953/151/K/RB/23	7 000 PLN		2 612	0	xxx	14 th September 2024	a) contractual mortgage in the amount of PLN 11,900 thousand on a land property located in Pszczyna for which the District Court in Pszczyna, 5 th Land and Mortgage Register Division maintains Land and Mortgage Register No. KA1P/00022605/8 covering plots 1704/7, 2103/, 2104/7 and Land and Mortgage Register No. KA1P/00048136/7 covering the plot 1920/7, b) borrower's declaration of submission to enforcement, c) assignment of rights from the property insurance policy constituting collateral in the amount not less than PLN 11,744 thousand, d) blank promissory note, e) power of attorney for the borrower's current account and any other borrower's accounts maintained by the bank, f) Overdraft facility repayment guarantee for Bank Gospodarstwa Krajowego under the portfolio de Minimis guarantee line (PLD-KFG), in the amount of 80% of the overdraft facility amount, i.e. up to PLN 5,600,000.00. The guarantee validity period is from 15 th September 2023 to 14 th December 2024, i.e. the overdraft facility maturity date extended by 3 months;
9	Bank Polskiej Spółdzielczości S.A.	19 th January 2024	Guarantee Facility Agreement number 1222953/02/24/G	1 000	PLN	0	0	xxx	11 September 2026	a) contractual mortgage in the amount of PLN 11,900 thousand on a land property located in Pszczyna for which the District Court in Pszczyna, 5 th Land and Mortgage Register Division maintains Land and Mortgage Register No. KA1P/00022605/8 covering plots 1704/7, 2103/, 2104/7 and Land and Mortgage Register No. KA1P/00048136/7 covering the plot 1920/7, b) borrower's declaration of submission to enforcement, c) assignment of rights from the property insurance policy constituting collateral d) blank promissory note, e) power of attorney for the borrower's current account and any other borrower's accounts maintained by the bank, f) Overdraft facility repayment guarantee for Bank Gospodarstwa Krajowego under the portfolio de Minimis guarantee line (PLD-KFG), in the amount of 80% of the overdraft facility amount, i.e. up to PLN 5,600,000.00 g) blank promissory note to the BGK's benefit
10	Bank PKO	13 th November 2024 with subsequent amendments	Framework Agreement for the Issuance of Bank Guarantees	250	EUR	0	0	xxx	13 th November 2025	a) blank promissory note, b) payment of funds to an account maintained by the Bank in an amount corresponding to 30% of the amount of each guarantee with a validity period equal or exceeding 12 months.
11	Kuke Finance S.A.	29 th November 2017 with subsequent amendments	Factoring agreement no 0096/2017	Limit PLN 0		0	0	WIBOR 1M	repayment date dependant on the maturity date of the invoices returned by the Factorer to be processed by the Factor	a) blank promissory note with a promissory note declaration, b) power of attorney to the bank account maintained by Santander Bank Polska SA, Getin Noble Bank SA, ING Bank Śląski SA, c) declaration of submission to enforcement,
Total liabilities arising from loans and credits as at 30 th June 2025						5 105	2 248			

Credits and loans of Parent Company as at 30th June 2024

No.	Entity/Person	Date of conclusion of the agreement / annex	Form of commitment / Agreement number	Loan amount according to the agreement		Loan amount constituting the liability at period end 30 th June 2024 in PLN thousand		Interest rate conditions	Repayment period	Collateral
				in thous.	currency	short-term	long-term			
1	Santander Bank Polska S.A (former Deutsche Bank Polska S.A.)	2 nd October 2012 with subsequent amendments***	Investment credit agreement no KIN/1219501**	7 592	PLN	670	1 248	WIBOR 1M + bank's margin	30 th September 2027	a) irrevocable power of attorney to dispose by the Bank of all Borrower's current accounts maintained by the Bank; b) blank promissory note; c) mortgage for the bank's benefit up to the amount of PLN 11,387,589 established on the ownership title to the property located in Jankowice (Land and Mortgage Register No. KA1P / 00039796/5); d) assignment of rights for the Bank's benefit under the insurance policy; e) complete irrevocable blocking of auxiliary accounts; f) confirmed transfer of current and deferred receivables to the Bank from PARP; g) declaration of submission to enforcement
2	BNP Paribas Bank Polski (former Raiffeisen Bank)	23 rd December 2016 with subsequent amendments	Loan repayment agreement (STREFA)(agreement CRD/35678/11, CRD/45141/15, CRD/35677/11) - overtaken by EOS 1 Fundusz Inwestycyjny Zamknięty Niestandaryzowany Fundusz Sekurytyzacyjny)	2 334	PLN	0	0	WIBOR 1M + bank's margin	30 th November.2018 recognised in the statement in connection with the bank's lack of consent to release the collateral	a) contractual mortgage in the amount of PLN 2,751,000.00 on a land property located in Pszczyna for which the District Court in Pszczyna, 5 th Land and Mortgage Register Division maintains the Land and Mortgage Register No. KA1P / 00040503/5, b) contractual mortgage in the amount of PLN 543,000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040503/5, c) contractual mortgage in the amount of PLN 2,250,000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040503/5, d) contractual mortgage in the amount of PLN 543,000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040317/4 and No. KA1P / 00037544/0, e) contractual mortgage in the amount of PLN 2,250,000.00 on land located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040317/4 and No. KA1P / 00037544/0, f) contractual mortgage in the amount of PLN 2,751,000.00 on a land property located in Pszczyna, for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register No. KA1P / 00040317/4 and No. KA1P / 00037544/0 g) declaration of submission to enforcement pursuant to Art. 777 §1 point 5 of the Code of Civil Procedure to the amount of PLN 4,300,000.00
3	Towarzystwo Inwestycji Społeczno-Ekonomicznych SA Warszawa	12th October 2018	Loan agreement no 42178	1 000	PLN	146	44	fixed percentage	17 th October 2025	a) blank promissory note, b) contractual mortgage in the amount of PLN 1,200 thousand on the perpetual usufruct of land covered by plot No. 2648/128 with an area of 0.1105 ha and on a building constituting a separate property for which the District Court in Pszczyna, 5 th Land and Mortgage Registry Division maintains the Land and Mortgage Register no KA1P / 00038751/1, c) assignment of rights from the insurance policy the aforementioned property not less than PLN 950 thousand d) transfer of ownership of the UNION CWS 2500 table milling machine and the HELLER MC 16 machining center with a value of not less than PLN 750 thousand for collateral e) assignment of rights under the insurance policy of the assigned fixed assets
4	PKO Leasing S.A.	26 th April 2019	Loan agreement number 00622/EI/19	1 209	EUR	854	816	interest based on the loan balance	26 th October 2025	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan, c) transfer of ownership agreement for collateral on the item financed with the loan, d) assignment of insurance policy rights

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PATENTUS S.A Capital Group with its registered office in Pszczyna, Gómoślaska St. 11
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(amounts in tables in PLN thousand, unless stated otherwise)

No	Entity/Person	Date of conclusion of the agreement/annex	Form of commitment/Agreement number	Loan amount according to agreement		Loan amount constituting the liability at period end 30 th June 2024 in PLN thousand		Interest rate conditions	Repayment period	Collateral
				in thous	currency	short-term	long-term			
5	PKO Leasing S.A.	26 th April 2019	Loan agreement number 00623/EI/19	126	EUR	56	0	interest based on the loan balance	26 th July 2025	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan up to the amount of EUR 189,567, c) transfer of title agreement for collateral on the item financed with the loan, d) assignment of insurance policy rights up to the amount of EUR 180,000
6	PKO Leasing S.A.	10 th September 2019	Loan agreement number 01810/EI/19	852	EUR	577	1 002	interest based on the loan balance	31 st March 2027	a) blank promissory note with a promissory note declaration, b) registered pledge on the item financed with the loan, c) transfer of title agreement for collateral on the item financed with the loan, d) assignment of rights to the insurance policy, e) assignment of rights to the subsidy contract
7	PKO Leasing S.A.	9 th November 2021	Loan agreement number 03570/PI/21	4 081	PLN	642	0	WIBOR 1M + bank's margin	30 th November 2024	a) blank promissory note with a promissory note declaration, b) registered pledge on machines: Gleason hobbing machine, Gleason profile grinder, Walter gear milling machine, Okuma turning and milling centre c) transfer of ownership agreement collateral for the aforementioned machines, d) assignment of insurance policy rights on the aforementioned machines
8	Agencja Rozwoju Regionalnego S.A.	30 th May 2022	Investment agreement number 04/ARRBB/POIR/2022	3 100	PLN	564	1 644	xxx	20 th May 2028	a) blank promissory note with a promissory note declaration, b) contractual mortgage on a developed property consisting of plots of land 2518/128 and 2793/128 located in Jankowice (Land and Mortgage Register No. KA1P/00044542/8) up to the amount of PLN 4,650 thousand c) assignment of rights from the insurance policy relating to the aforementioned property, d) declaration of submission to enforcement pursuant to Art. 777 section 1 point 5 of the Code of Civil Procedure up to the payment amount of PLN 4,650 thousand.
9	Bank Polskiej Spółdzielczości S.A.	15 th September 2023	Current account overdraft facility agreement number 1222953/151/K/RB/23	7 000	PLN	0	0	xxx	14 th September 2024	a) contractual mortgage in the amount of PLN 11,900 thousand on a land property located in Pszczyna for which the District Court in Pszczyna, 5 th Land and Mortgage Register Division maintains Land and Mortgage Register No. KA1P/00022605/8 covering plots 1704/7, 2103/, 2104/7 and Land and Mortgage Register No. KA1P/00048136/7 covering the plot 1920/7, b) borrower's declaration of submission to enforcement, c) assignment of rights from the property insurance policy constituting collateral d) blank promissory note, e) power of attorney for the borrower's current account and any other borrower's accounts maintained by the bank, f) Overdraft facility repayment guarantee for Bank Gospodarstwa Krajowego under the portfolio de Minimis guarantee line (PLD-KFG), in the amount of 80% of the overdraft facility amount, i.e. up to PLN 5,600,000.00 g) blank promissory note to the BGK's benefit
10	Bank Polskiej Spółdzielczości S.A.	19 th January 2024	Guarantee Facility Agreement number 1222953/02/24/G	1 000	PLN	0	0	xxx	19 th January 2025	a) contractual mortgage in the amount of PLN 1,700 thousand on a land property located in Pszczyna for which the District Court in Pszczyna, 5 th Land and Mortgage Register maintains Land and Mortgage register no. KA1P/00022605/8 covering plots 1704/7, 2103/, 2104/7 and Land and Mortgage register no. KA1P/00048136/7 covering the plot 1920/7, b) borrower's declaration of submission to enforcement, c) assignment of rights from the property insurance policy constituting collateral d) blank promissory note, e) power of attorney for the borrower's current account and any other borrower's accounts maintained by the bank, f) Overdraft facility repayment guarantee for Bank Gospodarstwa Krajowego under the portfolio de Minimis guarantee line (PLD-KFG), in the amount of 80% of the overdraft facility amount, i.e. up to PLN 5,600,000.00 g) blank promissory note to the BGK's benefit
Total liabilities arising from loans and credits as at 30 th June 2024						3 509	4 754			

PATENTUS S.A Capital Group with its registered office in Pszczyna, Gómoślaska St. 11
Semi-Annual Condensed Consolidated Financial Statements prepared in accordance with IFRS
as adopted by the European Union for the period from 1st January 2025 to 30th June 2025
(amounts in tables in PLN thousand, unless stated otherwise)

No	Entity/Person	Date of conclusion of the agreement/annex	Form of commitment/Agreement number	Loan amount according to agreement		Loan amount constituting the liability at period end 30 th June 2024 in PLN thousand		Interest rate conditions	Repayment period	Collateral
				in thous	currency	short-term	long-term			
11	Kuke Finance S.A.	29 th November, 2017 with subsequent amendments	Factoring agreement no 0096/2017	Limit PLN 0		0	0	WIBOR 1M	indefinitely	a) blank promissory note with a promissory note declaration, b) power of attorney to the bank account maintained by Santander Bank Polska SA, Getin Noble Bank SA, ING Bank Śląski SA, c) declaration of submission to enforcement,
Total liabilities arising from credits and financial leasing as at 30 th June 2024						3 509	4 754			

Credits and loans of the Subsidiary ZKS MONTEX LTD. as at 30th June 2024

No.	Entity / Person	Date of conclusion of the agreement / annex	Form of commitment / Agreement number	Loan amount according to agreement		Loan amount constituting the liability at the end of period 30 th June 2022 in PLN thousand		Interest rate conditions	Repayment period	Notes	Collateral
				in thous.	currency	short-term	long-term				
1	BPS S.A.	15 th April 2024	Credit card agreement 1223989/59/K/KK/24	10	PLN	2	0	0.19	28 th July 2024		a) power of attorney to dispose by the Bank of all Borrower's current accounts maintained by the Bank; b) blank promissory note;
Total liabilities arising from credit and loans as at 30th June 2024						2	0				

4.9. Note 9 – Trade liabilities and other financial liabilities and non-financial liabilities

The structure of trade liabilities and other financial liabilities is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Other long-term financial liabilities, including:	40	49	63
Finance lease agreements liabilities	40	49	63
Trade liabilities and other short-term financial liabilities, including:	6 699	11 275	8 420
Trade liabilities to associated entities	0	0	0
Trade liabilities to other entities	6 699	10 726	8 384
Finance lease agreements liabilities	30	34	36
Valuation of financial instruments hedging currency exchange rates from product sales	0	515	0
Total trade liabilities and other long-term and short-term liabilities	6 739	11 324	8 483

Trade liabilities do not bear interest and typically have a payment term ranging from 7 to 90 days.

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Current trade liabilities	5 500	10 225	8 130
Overdue trade liabilities including:	1 169	501	254
up to 30 days	864	434	73
between 31 and 60 days	305	67	83
between 61 and 90 days	0	0	101
between 91 and 180 days	0	0	(3)
between 181 and 365 days	0	0	0
over 365 days	0	0	0
Total trade liabilities	6 669	10 726	8 384

Part of liabilities is settled with a delay. In the opinion of the Parent Company's Management Board, there is no risk related to the default interest charging by contractors.

Currency structure of liabilities is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Trade liabilities, including:	6 669	10 726	8 384
Trade liabilities denominated in Polish currency	6 481	10 145	8 361
Trade liabilities denominated in foreign currencies	188	581	23

Significant information on the lease liabilities is presented in the tables below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Current value of deferred liabilities arising from finance lease at the beginning of the period	83	123	123
Increases arising from new finance lease agreements (+)	0	0	0
Repayment of finance lease instalments (principal part) in the period (-)	(13)	(40)	(24)
Current value of deferred liabilities arising from finance lease at period end	70	83	99
Short-term liabilities under lease agreements	30	34	36
Long-term liabilities under lease agreements	40	49	63
Deferred finance costs arising from interest on lease agreements at the beginning of the period	14	24	24
Increase of deferred finance cost arising from new finance lease agreements (+)	0	0	0
Repayment of finance lease instalments (interest part) in the period (-)	(4)	(10)	(5)
Deferred finance cost arising from interest on lease agreements at period end	10	14	19

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Nominal value of the minimum finance lease payments due in the period:	80	97	118
up to 1 year	35	35	38
between 1 and 5 years	45	62	80
over 5 years	0	0	0
Deferred finance cost arising from interest on lease agreements (-)	(10)	(14)	(19)
Current value of deferred liabilities arising from finance lease recognised in liabilities, including those due in the period:	70	83	99
up to 1 year	30	34	28
between 1 and 5 years	40	49	71
over 5 years	0	0	0

Throughout the period covered by the report, the Capital Group did not conclude lease agreements.

The structure of other non-financial liabilities is presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Other long-term non-financial liabilities, including:	4 822	7 826	3 819
Deferred income (EU funds subsidies)	4 822	7 826	3 819
Other short-term non-financial liabilities, including:	15 258	5 534	20 191
Advances received for supplies and services	0	1	0
Taxes and social security liabilities	2 829	2 103	2 655
Other liabilities and settlements	8 313	2 425	16 119
Deferred income (EU funds subsidies received)	4 116	1 005	1 417
Total other long-term and short-term non-financial liabilities	20 080	13 360	24 010

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Deferred income (EU funds subsidies received) at the beginning of the period	8 831	5 996	5 966
Subsidies received in the period (+)	538	4 110	30
Settlement of subsidies received in the period (-)	(431)	(1 275)	(760)
Deferred income (EU funds subsidies received) to be settled in the following years	8 938	8 831	5 236

4.10. Note 10 – Provisions for liabilities

Employees of the Capital Group are entitled to a retirement gratuity on the terms of Art. 92¹ of the *Labor Code*, i.e. in the amount of one month's remuneration on the day of acquiring the right to severance pay. Provisions for retirement benefits, disability, and death benefits are estimated using actuarial methods.

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Provisions for liabilities, including:	2 003	2 038	2 176
Provisions for long-term employee benefits	283	283	263
Provisions for short-term employee benefits	1 591	1 598	1 893
Other long-term provisions	28	0	0
Other short-term provisions	101	157	20

Significant actuarial assumptions for individual balance sheet dates are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Discount rate	5.9%	5.9%	5.1%
Remuneration increase rate	5.6%	5.6%	4.6%
Remuneration increases rate (future years)	2.7%	2.7%	3.7%

Based on an analysis of costs from previous years, the Parent Company's Management Board concluded that there is no risk of significant costs of future warranty repairs and, therefore, decided not to estimate provisions for warranty repairs.

The warranty period provided by the Parent Company for its products ranges from 6 to 36 months depending on the product.

In the opinion of the Parent Company's Management Board, there are no other factors or events indicating the need to create provisions for other reasons.

Based on an analysis of costs from previous years, the Management Board of ZKS MONTEX SP. z o.o. concluded that there is a risk of significant costs of future warranty repairs and, therefore, provisions for warranty repairs have been estimated.

The warranty period provided by the Company for its products is 36 months.

According to the Management Board of ZKS MONTEX SP. z o.o. there are other factors and events resulting from previous years activities' that indicate the need to create provisions for:

- Interest on overdue liabilities
- Costs of bailiff and enforcement proceedings

4.11. Note 11 – Revenue

The structure of revenues is presented in the table below:

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Sales revenue according to material structure, including:	75 168	40 852	48 728	23 012
Revenue from the sale of products and services	73 130	39 808	43 336	19 827
Revenue from the sale of goods and materials	1 771	943	4 935	2 979
Revenue from rent and lease of investment property and other property	267	101	457	206
Additional information:				
Revenue from sales to related entities	0	0	0	0

In the operations of the Capital Group, two basic operating segments can be distinguished:

- Production of mining machinery and equipment, provision of repair services for mining machinery and equipment, and production of other equipment.
- Wholesale of steel products, welding equipment, and packaging.

Information on the results of the operating segments is presented in Note 18.

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 202 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Sales revenues by territorial structure, including:	75 168	40 852	48 728	23 012
Domestic sales revenue	68 776	36 991	46 559	21 753
Export and intra-community supplies of goods and services	6 392	3 861	2 169	1 259

Since sales outside Poland are primarily directed to recipients within the European Union, with similar delivery terms – no additional geographical segments have been distinguished.

4.12. Note 12 – Costs

Specification of costs by function and by type is presented in the tables below:

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Manufacturing cost of sold products, services, goods and materials	57 521	32 339	35 362	17 083
Distribution costs	2 280	1 224	2 174	2 032
General and administrative expenses	4 575	2 211	4 277	2 659
Total operating costs (functional layout)	64 376	35 774	41 813	21 774

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Depreciation and amortisation	4 998	2 533	5 019	2 610
Materials and energy consumption	21 047	7 316	17 787	6 181
Outsourcing	14 498	7 744	10 070	4 105
Taxes and fees	686	246	636	266
Employee benefits costs	10 226	5 340	9 098	5 747
Other costs	684	315	698	386
Write-down of the value of product inventory	0	0	0	0
Total costs by type	52 139	23 494	43 308	19 295
Change in inventory of finished products, work in progress	11 452	11 854	(2 495)	2 579
Production costs of products for internal needs	(37)	(37)	(82)	(82)
Selling cost of goods and materials	822	463	1 082	(18)
Total cost of sales including sales of products, goods, materials and general and administrative expenses	64 376	35 774	41 813	21 774

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Employee benefits costs, including:	10 226	5 340	9 098	5 747
Remuneration	8 649	4 504	7 699	4 882
Social security and other employee benefits	1 577	836	1 399	865
Contribution to the Company Social Benefit Fund	0	0	0	0
Future benefits (provisions) arising from retirement benefits and similar employee benefits	0	0	0	0

Remuneration costs include remuneration payable in accordance with employment contracts concluded with individual employees, as well as remuneration payable on the basis of individual civil law contracts.

Social insurance costs for units located in Poland include benefits from retirement, disability, and accident insurance, as well as contributions to the Guaranteed Social Benefits Fund and the Labor Fund.

When exercising the rights under Article 4 § 1-3 of the Act of 4th March 1994 on the Company Social Benefits Fund, as of 1st September 2013 the Parent Company ceased to establish the Company Social Benefits Fund. Until fully exhausted, the unused funds deposited in a separate bank account will be allocated for the purposes specified in the aforementioned Act.

Other employee benefits include training aimed at improving qualifications and other benefits specified by labour law.

Pension benefit costs include retirement benefits paid to employees in accordance with the provisions of the *Labor Code*. The Capital Group is not a party to any pension schemes, or collective labour agreements that would impose different regulations in this respect.

4.13. Note 13 – Other operating income

Specification of other operating income is presented in the table below:

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Other operating income, including:	751	362	1 051	402
Profit on non-financial fixed assets sale	89	82	52	52
EU funds subsidies, accounted in proportion to depreciation and amortization of fixed assets	432	187	812	287
EU funds subsidies from accounted parallel to the costs incurred	0	0	(53)	(53)
Other subsidies received	130	61	112	58
Reversed write-downs of receivables as a result of payment	8	1	10	2
Reversed write-downs of material inventory	0	0	0	0
Reimbursement of legal costs	0	0	0	(1)
Compensation received	50	19	53	33
Other operating income	42	12	65	24
Reversal of impairment loss on fixed assets	0	0	0	0
Revaluation of investment property	0	0	0	0

4.14. Note 14 – Other operating expense

A detailed specification of other operating expense is presented in the table below:

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 20245	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Other operating expense, including:	263	229	(24)	(332)
Loss on sale of non-financial fixed assets	0	0	0	(4)
Write-downs of receivables revaluation	0	0	0	0
Write-downs of inventory	0	0	(25)	(25)
Provision for warranty liabilities	0	0	0	0
Costs of court proceedings	200	200	2	2
Donations	7	7	4	3
Decrease in investment property fair value	0	0	0	0
Compensation paid for poor service and repair costs	32	30	34	9
Other operating expense	24	(8)	(39)	(317)

4.15. Note 15 – Finance income

The structure of finance income is presented in the table below:

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Finance income, including:	2 206	977	1 974	1 622
Interest on overdue payment of receivables	0	(1)	49	(51)
Reversed write-downs of interest receivables value as a result of payment	2	2	0	0
Interest on bank deposits	43	23	59	14
Interest on loans granted	0	0	0	0
Interest on receivables arising from lease agreements	0	0	45	18
Profit from investments disposal	463	0	641	641
Revaluation of investments	1 650	968	1 146	1 146
Profits from currency fluctuations	46	(15)	33	17
Other finance income	2	0	1	(163)

4.16. Note 16 – Finance cost

Structure of finance cost is presented in the table below:

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Finance cost, including:	608	78	699	402
Interest on budget liabilities	0	0	10	10
Interest on bank loans	71	42	79	37
Interest on overdue payment of liabilities	0	0	0	0
Interest on finance lease agreements	4	2	0	0
Interest and commissions on the factoring agreement	0	0	0	0
Interest on loans	61	28	255	80
Revaluation of financial assets (granted loans)	446	0	317	317
Losses from currency fluctuations	10	1	0	0
Other finance cost	16	5	38	(42)

4.17. Note 17 – Income tax

Current income tax is calculated on the basis of applicable tax regulations. Application of these regulations differentiates the tax profit (or loss) from the accounting net profit (or loss) in connection with the adjustments for non-taxable income, costs that do not constitute tax deductible costs, and items of costs and revenues that will not be permanently taxable.

The current income tax of the Parent Company was calculated based on the applicable fixed 19% tax rate. Current regulations do not provide for change in the tax rates in the coming years.

The tax year and the balance sheet year align with the calendar year.

On 8th May 2019, the Parent Company submitted an application to the Katowice Special Economic Zone S.A. for a decision on business support, understood as production, trade and service activities, in the field of products or services provided in the Śląskie Voivodeship, Pszczyna powiat, and Pszczyna commune. Due to uncertainties

regarding the occurrence of undeveloped mineral deposits referred to in Art. 3 of the Act of 10th May 2018 on *Supporting New Investments* (Journal of Laws of 2018, item 1162), in the context of the property to which the application was submitted, on 17th May 2019, the Parent Company applied for the suspension of the pending proceedings to issue a decision about support. Ultimately, the decision on support (decision number 66/2020) was issued on 15th January 2020. The decision has been issued for a specified period of time – 10 years from the date of issuance. The decision's conditions include primarily to incur eligible costs on the investment site with a total value of at least PLN 20,000 thousand within the period from the date of the decision till 14th May 2023, and to increase the number of employees by at least 3 people until 14th May 2023 with employment maintained until 14th May 2026. The maximum amount of eligible investment costs will amount to PLN 25,000 thousand. The Company reached the maximum level of eligible expenses in October 2021. The maximum amount of public aid available under the decision on support amounts to PLN 8,750 thousand, however, when discounted, totals PLN 8,571 thousand. The Company had fully utilized its available aid limit by the end of 2023.

On 7th August 2023, the Parent Company submitted two applications to the Katowice Special Economic Zone S.A. for decisions on business support, understood as production, trade and service activities, in the field of products or services provided in the Śląskie Voivodeship, Pszczyna powiat, and Pszczyna commune. On 19th September 2023, the Company submitted supplements to both applications. The first application requested support for an amount of PLN 23,000 thousand, and the second for PLN 5,000 thousand. Ultimately, both support decisions (numbers 347/2023 and 348/2023) were issued on 5th October 2023. Decision number 347/2023 was issued for a fixed term of 12 years from the date of its issuance. The decision's conditions include primarily to incur eligible costs on the investment site with a total value of at least PLN 23,000 thousand within the period from the date of the decision till 30th June 2026, and to increase the number of employees by at least 5 people until 30th June 2026 with employment maintained at the level of 118 employees at the new investment site until 30th June 2029. The maximum amount of eligible investment costs will amount to PLN 23,000 thousand. Decision number 348/2023 was also issued for a fixed term of 12 years from the date of its issuance. The decision's conditions include primarily to incur eligible costs on the investment site with a total value of at least PLN 5,000 thousand within the period from the date of the decision till 30th September 2024, and to increase the number of employees by at least 3 people until 30th September 2024 with employment maintained at the level of 116 employees at the new investment site until 30th September 2027. The maximum amount of eligible investment costs will amount to PLN 5,000 thousand. In accordance with both applications the entrepreneur is obligated to meet the quantitative criterion, i.e. to incur minimum eligible investment costs in the amount of PLN 4,000 thousand as defined in Article 4 of the regulation on public aid provided to certain entrepreneurs for the implementation of new investment projects. Additionally, the Company is also obligated to meet the following qualitative criteria: 1. Within the framework of sustainable economic development criterion: a) Investment in a project supporting an industry consistent with the current national development policy, in which the Republic of Poland may gain a competitive advantage, including investment within the scope of a supply chain of strategic sectors consistent with the Strategy for Responsible Development, in the machinery sector (PKWU; 28.9); b) Utilization of human resource potential; c) Engagement in Research and Development activities d) Possession of micro, small, or medium-sized enterprise status. 2. Within the framework of sustainable social development criterion: a) supporting the acquisition of education and professional qualifications along with cooperation with vocational schools, b) Undertaking employee welfare measures, in particular by offering employees: 1) participation in additional healthcare programs beyond those required by law; 2) additional employee benefits in terms of various forms of leisure, cultural and educational activity, sports and recreational activity, and insurance. As at the date of the present financial statements the Company has incurred eligible expenses as follows: under Decision no. 348/2023 equal to PLN 4,335 thousand, and under Decision no. 347/2023 equal to PLN 69 thousand.

As at the date of this report, the Company had fully utilized its available aid limit under Decision No. 348/2023 in the discounted amount of PLN 2,418 thousand. The aid granted under Decision No. 347/2023 remains in progress. In accordance with the terms and conditions for granting the aid, the Company must complete the investment by 30th June 2026.

The main amounts affecting the income tax amount recognised in the Profit and Loss Statement are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Statutory income tax rate	19%	19%	19%
Current income tax	106	3 148	1 919
Deferred income tax, including:	(743)	(2 138)	(121)
Change in deferred tax assets	(101)	(263)	(29)
Change in deferred income tax provisions	(642)	(1 875)	(92)
Income tax disclosed in Profit and Loss Statement	(637)	1 010	1 798

The table below presents differences between the nominal and the effective tax rate:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Pre-tax gross profit	12 878	8 850	9 265
Occasional acquisition of shares profit	0	0	0
Financial result serving as the basis for calculating the effective tax rate	12 878	8 850	9 265
Effective tax rate	-4.95%	11.41%	19.41%
Income tax at the effective tax rate	(637)	1 010	1 798
Income tax at the statutory tax rate	2 447	1 682	1 760
Tax effect related to adjustment of non-deductible tax costs according to tax regulations	474	1 350	457
Tax effect related to adjustment of revenues not considered revenues according to tax regulations	(392)	(760)	(338)
Tax effect related to adjustments of deferred tax estimates from previous years	(3 166)	(1 262)	(81)
Income tax at the effective tax rate	(637)	1 010	1 798

Due to temporary differences between the tax value and the carrying amount of assets and liabilities, deferred tax is created. Specification of the main items affecting the balance of the Capital Group's deferred tax assets and liabilities is presented in the table below:

Specification / data in PLN thousand	Balance Sheet			Profit and Loss Statement		
	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Deferred income tax assets						
Doubtful debts write-downs	338	339	148	1	(188)	3
Exchange rates differences	0	0	0	0	0	0
Inventory value write-down	82	82	53	0	(23)	6
Tax loss	150	150	(1)	0	150	1
Special economic zone tax relief asset	0	0	0	0	0	0
Impairment losses on fixed assets	0	0	0	0	0	0
Interest on liabilities to be paid	5	0	0	(5)	0	0
Employee benefits provisions and warranty repairs provisions	126	126	125	0	12	12
Provisions for payment of bonuses from profit of 2023	245	245	285	0	40	0
Financial assets PKO TFI	0	0	0	0	0	0
Social Insurance Institution paid past the due date	87	5	82	(82)	1	(78)
Other items adjustments from previous years	8	16	(18)	7	6	26
Total deferred income tax assets	1 041	940	674	(79)	21	(29)
Deferred income tax assets reducing provisions for deferred income tax balance	0	0	0	x	x	x
Total (per balance) deferred tax assets disclosed in the Balance Sheet	1 041	940	674	x	x	x

Deferred income tax provisions						
Differences in the tax value and carrying amount of investment property	271	1 061	262	(790)	(7)	0
Interest on receivables and interest on loans	5	0	0	5	0	0
Principal interest on late payment of receivables (mines)	0	0	0	0	0	0
Difference between tax value and the carrying amount of fixed assets	2 149	1 615	4 140	534	(2 063)	(311)
Settlement of profit from sale of products in the form of lease agreements	0	0	21	0	(64)	(43)
Temporary differences due to sales adjustments (lease receivables – unpaid interest)	0	0	0	0	0	0
Difference between the tax value and the carrying amount of fixed assets covered by the subsidy	(462)	146	191	(608)	67	112
Interest on lease	0	0	(73)	0	65	(8)
PKO TFI appraisal	421	204	212	217	150	158
Other items of adjustments from previous years	0	(23)	0	23	0	0
Total provision for deferred income tax settled with financial result	2 361	3 003	4 753	(619)	(1 875)	(92)
Effects of valuation of fixed assets to the revalued amount (settled with Revaluation reserve item)	2 554	2 554	2 355	x	x	x
Total deferred income tax liability recognized in the Balance Sheet	4 915	5 557	7 108	x	x	x
Deferred income tax assets reducing provisions for deferred income tax balance	0	0	0	x	x	x
Total (per balance) provisions for deferred income tax recognised in the balance sheet	4 915	5 557	7 108	x	x	x
Total effects of changes in deferred tax assets and liabilities affecting the financial result	x	x	x	(698)	(1 854)	(121)

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Total provisions for deferred income tax at the beginning of the period:	5 557	7 200	7 200
Change in deferred income tax provision settled with Revaluation reserve item	146	134	0
Change in deferred income tax provision settled with financial result	(788)	(1 777)	(92)
Total deferred income tax provisions at period end, including:	4 915	5 557	7 108
Deferred income tax provisions settled with Revaluation reserve item	2 635	2 554	2 355
Deferred income tax provisions settled with financial result	2 280	3 003	4 753
Deferred income tax assets subject to compensation with deferred income tax provisions	0	0	0
Total (per balance) deferred income tax provisions recognised in the Balance Sheet at the end of year	4 915	5 557	7 108

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Deferred income tax assets at the beginning of the period	940	646	646
Change in assets settled with financial result	101	294	28
Deferred tax assets at period end	1 041	940	674
Deferred income tax assets subject to compensation with deferred income tax provisions	0	0	0
Total (per balance) deferred income tax assets recognised in the Balance Sheet at the end of year	1 041	940	674

Current income tax settlements of the Capital Group are presented in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Current corporate income tax for the period	106	3 148	1 919
Income tax paid related to settlement for given period	0	0	0
Settlement balance of current income tax at period end:			
Receivables arising from current income tax	223	15	0
Liabilities arising from current income tax	0	0	35

4.18. Note 18 – Segment information

Two business segments can be distinguished in the Capital Group's operations. The first operating segment relates to the production of machinery and equipment as well as provision of services for the mining industry. The second operating segment involves the wholesale of goods and materials.

The Capital Group's operations are primarily focused within the country. A minimum portion of sales revenue is generated through exports. Due to the fact that sales outside Poland are mainly directed to recipients based in the European Union, with similar delivery terms – no additional geographical segments have been distinguished.

A segment's assets include tangible fixed assets, inventory, and trade receivables that can be directly assigned to the specific area of operation. A segment's liabilities include, inter alia, all liabilities due to trade, deferred income, and, in part, liabilities related to loans and concluded finance lease agreements.

Segments' revenue include revenue from sales to external customers, and, in part, other operating income that based on rational premises, can be assigned to the specific segment.

Segments' costs include selling costs to external customers, which can be allocated to the respective segment based on reasonable premises. Due to the needs of the Capital Group's Management Board in the field of economic analysis of segments – conducted accounting records do not allow for the precise allocation of other costs, including general and administrative expenses, other operating costs, financial costs and other costs incurred at the Capital Group level, which pertain to the economic entity as whole.

For each segment, additional information has been provided regarding the acquisition of fixed assets, intangible assets, the value of impairment losses on non-current assets, the net value of disposed fixed assets, depreciation expenses, and inventory write-down costs.

Information on major customers in terms of sales revenue at the Capital Group level has been disclosed. The structure of the trade receivables balance at the end of the period was also presented, including information on trade receivables from major customers. The balances of trade receivables are presented as net amount, i.e. after taking into account the effects of the created write-downs.

Additionally, information on the main suppliers of services, goods and materials as well as information on the structure of the trade liabilities balance at the end of the period at the Capital Group level is presented.

Selected information on revenues and costs, as well as assets and liabilities for the Capital Group's operating segments for the period ending on 30th June 2025 is presented below:

Specification / data in PLN thousand for the period from 1 st January 2025 to 30 th June 2025	Products and services	Wholesale	Items not allocated to segments	Total (the Company)
Revenue from sale of products, services, goods and materials	73 224	1 924	0	75 168
Cost of sales	(56 364)	(1 157)	0	(57 521)
Gross profit (loss) from sales	16 880	767	0	17 647
Distribution costs	(1 319)	(961)	0	(2 280)
General and administrative expenses and other operating income and cost	(543)	0	(3 544)	(4 087)
Operating profit (loss)	15 018	(194)	(3 544)	11 200
Finance income	1	0	2 223	2 224
Finance cost	(38)	0	(588)	(626)
Pre-tax profit (loss)	14 981	(194)	(1 909)	12 878
Income tax	7	0	630	637
Net profit (loss)	14 988	(194)	(1 279)	13 515

Specification / data in PLN thousand for the period from 1 st January 2025 to 30 th June 2025	Products and services	Wholesale	Items not allocated to segments	Total (the Company)
Net value of tangible fixed assets and intangible assets	79 965	2 391	12 108	94 464
Investment property	0	0	1 425	1 425
Deferred income tax assets and long-term financial assets	209	0	832	1 041
Inventory	32 350	1 351	0	33 701
Trade receivables (net value)	5 437	153	192	5 818
Unallocated current assets	190	0	73 923	74 113
Total assets	118 187	3 895	88 480	210 562
Trade liabilities	5 520	433	716	6 669
Deferred income	24	0	8 914	8 938
Credits, loans and liabilities arising from finance lease agreements	72	0	7 353	7 425
Unallocated liabilities and provisions	1 304	0	16 756	18 060
Total liabilities and provisions	6 920	433	33 739	41 092

Specification / data in PLN thousand for the period from 1st January 2025 to 30th June 2025	Products and services	Wholesale	Items not allocated to segments	Total (the Company)
Additional information				
Acquisition or modernization of tangible fixed assets and intangible assets	21 705	198	854	22 757
Write-downs increasing the value of tangible fixed assets and intangible assets	0	0	0	0
Impairment losses and the net value of liquidated tangible fixed assets and intangible assets	(815)	0	0	(815)
Depreciation of fixed assets and intangible assets	4 617	42	339	4 998
Acquisition or modernization of investment property	0	0	0	0
Write-downs increasing the value of investment property	0	0	0	0
Inventory write-downs (-) or reversal of inventory write-downs (+)	0	0	0	0

Selected information on the revenues and costs as well as assets and liabilities of the operating segments of the Parent Company in the period ending on 31st December 2024 is presented below:

Specification / data in PLN thousand for the period from 1 st January 2024 to 31 st December 2024	Products and services	Wholesale	Items not allocated to segments	Total (the Company)
Revenue from sale of products, services, goods and materials	94 485	4 717	0	99 202
Cost of sales	(74 809)	(3 531)	0	(78 340)
Gross profit (loss) from sales	19 676	1 186	0	20 862
Distribution costs	(3 200)	(1 633)	0	(4 833)
General and administrative expenses and other operating income and cost	(1 040)	0	(9 080)	(10 120)
Operating profit (loss)	15 436	(447)	(9 080)	5 909
Finance income		0	5 639	5 639
Finance cost		0	(2 698)	(2 698)
Pre-tax profit (loss)	15 436	(447)	(6 139)	8 850
Income tax		0	(1 010)	(1 010)
Net profit (loss)	15 436	(447)	(7 149)	7 840

Specification / data in PLN thousand for the period from 1 st January 2024 to 31 st December 2024	Products and services	Wholesale	Items not allocated to segments	Total (the Company)
Net value of tangible fixed assets and intangible assets	71 067	2 235	13 017	86 319
Investment property	0	0	1 425	1 425
Deferred income tax assets and long-term financial assets	62	0	49 240	49 302
Inventory	48 958	1 379	0	50 337
Trade receivables (net value)	4 346	86	80	4 512
Unallocated current assets	0	0	9 839	9 839
Total assets	124 433	3 700	73 601	201 734
Trade liabilities	9 164	416	1 146	10 726
Deferred income	24	0	8 807	8 831
Credits, loans and liabilities arising from finance lease agreements	0	0	6 125	6 125
Unallocated liabilities and provisions	0	0	12 722	12 722
Total liabilities and provisions	9 188	416	28 800	38 404

Specification / data in PLN thousand for the period from 1 st January 2024 to 31 st December 2024	Products and services	Wholesale	Items not allocated to segments	Total (the Company)
Additional information				
Acquisition or modernization of tangible fixed assets and intangible assets	7 604	181	1 403	9 188
Write-downs increasing the value of tangible fixed assets and intangible assets	284	38	0	322
Impairment losses and the net value of liquidated tangible fixed assets and intangible assets	0	0	0	0
Depreciation of fixed assets and intangible assets	9 444	86	612	10 142
Acquisition or modernization of investment property	0	0	0	0
Write-downs increasing the value of investment property	0	0	50	50
Inventory write-downs (-) or reversal of inventory write-downs (+)	(25)	(407)	0	(432)

Selected information on the revenues and costs as well as assets and liabilities of the Parent Company's operating segments in the period ending on 30th June 2024 is presented below:

Specification / data in PLN thousand for the period from 1 st January 2024 to 30 th June 2024	Products and services	Wholesale	Items not allocated to segments	Total (the Company)
Revenue from sale of products, services, goods and materials	46 222	2 506	0	48 728
Cost of sales	(33 373)	(1 989)	0	(35 362)
Gross profit (loss) from sales	12 849	517	0	13 366
Distribution costs	(1 380)	(794)	0	(2 174)
General and administrative expenses and other operating income and cost	(521)	0	(2 681)	(3 202)
Operating profit (loss)	10 948	(277)	(2681)	7 990
Finance income	2	0	1 972	1 974
Finance cost	(15)	0	(684)	(699)
Pre-tax profit (loss)	10 935	(277)	(1 393)	9 265
Income tax	(17)	0	(1 781)	(1 798)
Net profit (loss)	10 918	(277)	(3 174)	7 467

Specification / data in PLN thousand for the period from 1 st January 2024 to 30 th June 2024	Products and services	Wholesale	Items not allocated to segments	Total (the Company)
Net value of tangible fixed assets and intangible assets	60 746	3 105	10 920	74 771
Investment property	0	0	1 380	1 380
Deferred income tax assets and long-term financial assets		0	674	674
Inventory	38 294	1 462	0	39 756
Trade receivables (net value)	7 339	0	140	7 479
Unallocated current assets	2 844	0	85 278	88 122
Total assets	109 223	4 567	98 392	212 182
Trade liabilities	7 228	428	728	8 384
Deferred income	24	0	5 212	5 236
Credits, loans and liabilities arising from finance lease agreements	101	0	8 263	8 364
Unallocated liabilities and provisions	16 133	0	11 960	28 093
Total liabilities and provisions	23 486	428	26 163	50 077

Specification / data in PLN thousand for the period from 1 st January 2024 to 30 th June 2024	Products and services	Wholesale	Items not assigned to segments	Total (the Company)
Additional information				
Acquisition or modernization of tangible fixed assets and intangible assets	3 754	21	765	4 540
Write-downs increasing the value of tangible fixed assets and intangible assets	0	0	0	0
Impairment losses and the net value of liquidated tangible fixed assets and intangible assets	(506)	0	(168)	(674)
Depreciation of fixed assets and intangible assets	4 708	42	269	5 019
Acquisition or modernization of investment property	0	0	0	0
Write-downs increasing the value of investment property	0	0	0	0
Inventory write-downs (-) or reversal of inventory write-downs (+)	265	16	0	281

Information on the main Recipients as well as the structure of trade receivables is presented below:

Specification / data in PLN thousand	Period from 1 st January 2025 to 30 th June 2025		Period from 1 st January 2024 to 31 st December 2024		Period from 1 st January 2024 to 30 th June 2024	
	data in PLN thousand	data in percentage points	data in PLN thousand	data in percentage points	data in PLN thousand	data in percentage points
Total revenue from the sale of products, services, goods and materials, including main recipients:	75 168	100.00%	99 202	100.00%	48 728	100.00%
Jastrzębska Spółka Węglowa S.A.	3 263	4.34%	5 977	6.03%	2 523	5.18%
<i>including KUKE factoring*</i>						
PGG SP. Z O.O.	55 396	73.70%	58 322	58.79%	24 433	50.14%
<i>including KUKE factoring *</i>						
PG SILESIA	321	0.43%	1 872	1.89%	787	1.62%
BECKER WARKOP	575	0.76%	2 976	3.00%	2 167	4.45%
UNGAREX S.C.	2 866	3.81%	683	0.69%	83	0.17%
SBM Polska	1 273	1.69%	1 481	1.49%	1 481	3.04%
SBM MINERAL PROCESSING	309	0.41%	1 657	1.67%	1 143	2.35%
DEMAG CRANES	1 530	2.04%	0	0.00%	0	0.00%
PROMEN	319	0.42%	0	0.00%	0	0.00%
TIM INVEST	1 866	2.48%	840	0.85%	840	1.72%
ABR SP. Z O.O.	280	0.37%	566	0.57%	117	0.24%
Other recipients	7 170	9.34%	24 828	25.03%	15 154	31.10%

Specification / data in PLN thousand	Period end 30 th June 2025		Period end 31 st December 2024		Period end 30 th June 2024	
	data in PLN thousand	data in percentage points	data in PLN thousand	data in percentage points	data in PLN thousand	data in percentage points
Total net value of trade receivables at end of period, including:	5 818	100.00%	1 926	100.00%	7 479	100.00%
Jastrzębska Spółka Węglowa S.A.	1 603	27.55%	321	42.69%	616	8.24%
PGG SP. Z O.O.	285	4.90%	546	7.11%	1 525	20.39%
PG SILESIA	1 199	20.61%	0	12.10%	295	3.94%
BECKER WARKOP	29	0.50%	277	0.00%	750	10.03%
UNGAREX S.C.	922	15.85%	0	6.14%	0	0.00%
SBM Polska	358	6.15%	0	0.00%	707	9.45%
SBM MINERAL PROCESSING	1	0.02%	0	0.00%	739	9.88%
DEMAG CRANES	557	9.57%	0	0.00%	0	0.00%
PROMEN	0	0.00%	0	0.00%	0	0.00%
TIM INVEST	41	0.70%	0	0.00%	0	0.00%
ABR SP. Z O.O.	0	0.00%	0	0.00%	10	0.13%
Other recipients	823	14.15%	1 442	31.96%	2 837	37.93%

Information on the main Suppliers as well as the structure of trade liabilities is presented below.

Specification / data in PLN thousand	Period from 1 st January 2024 to 30 th June 2024		Period from 1 st January 2023 to 31 st December 2023		Period from 1 st January 2023 to 30 th June 2023	
	data in PLN thousand	% share in sales	data in PLN thousand	% share in sales	data in PLN thousand	% share in sales
Acquisition of goods and services for core business (net value, excluding VAT), including major suppliers:						
PPHU Mirpol Mirosław Kobiór	12 601	16.76%	15 622	15.75%	7 747	15.90%
REEVER TEC	1 182	1.57%	1 620	1.65%	0	0.00%
MEGA STEEL	498	0.66%	1 694	1.71%	1 107	2.27%
PGO	1 039	1.38%	755	0.76%	499	1.02%
HUTA MAŁAPANEW	1 013	1.35%	4 223	4.26%	2 063	4.23%
KONKO S.A.	898	1.19%	1 050	1.06%	234	0.32%
ARCELOMITTAL SP. Z O.O.	367	0.49%	842	0.85%	420	0.86%
MALMET	341	0.45%	606	0.61%	287	0.59%
AKROSTAL	321	0.43%	394	0.40%	269	0.55%
GT STEEL	303	0.40%	103	0.10%	64	0.13%
STALPROFIL	288	0.38%	103	0.10%	21	0.04%
REMA-POL	901	1.20%	1 546	1.56%	762	1.56%

NOTE: The percentage of supplier involvement (column *Data in Percentage Points*) was calculated in proportion to the sales revenues in the given year.

Specification / data in PLN thousand	Period end 30 th June 2025		Period end 31 st December 2024		Period end 30 th June 2024	
	data in PLN thousand	data in percentage points	data in PLN thousand	data in percentage points	data in PLN thousand	data in percentage points
Total trade liabilities at end of period (gross value including VAT), including:	6 669	100.00%	10 726	100.00%	8 384	100.00%
PPHU Mirpol Mirosław Kobiór	2 711	40.65%	323	3.01%	2 803	33.43%
REEVER TEC	0	0.00%	1 836	17.12%	0	0.00%
MEGA STEEL	119	1.78%	343	3.20%	642	7.66%
PGO	27	0.40%	315	2.94%	214	2.55%
HUTA MAŁAPANEW	0	0.00%	2 488	23.20%	108	1.29%
KONKO S.A.	0	0.00%	979	9.13%	312	3.72%
ARCELOMITTAL SP. Z O.O.	80	1.20%	333	3.10%	222	2.65%
MALMET	116	1.74%	131	1.22%	108	1.29%
AKROSTAL	164	2.46%	41	0.38%	50	0.60%
GT STEEL	70	1.05%	0	0.00%	39	0.47%
STALPROFIL S.A.	106	1.59%	0	0.00%	26	0.31%
REMA-POL	602	9.03%	529	4.93%	580	6.92%
Other Suppliers	2 674	40.10%	3 408	31.77%	3 280	39.12%

4.19. Note 19 – Additional information on Cash Flow Statement

According to the overdraft facility agreement No. 1222953/151/K/RB/23 concluded on 15th September 2023 with Bank Polskiej Spółdzielczości S.A. as at 30th June 2025, the Parent Company could dispose of the overdraft facility up to PLN 7,000 thousand, of which only the amount of PLN 2,612 thousand had been disposed.

The factoring agreement concluded between the Parent Company and Kuke Finance SA (agreement no. 0096/2017) has been suspended until 30th November 2026.

In total, as at 30th June 2025, the Capital Group may additionally utilize the unused amount of PLN 4,388 thousand resulting from the overdraft facility.

The analysis and calculation of complex items in the Cash Flow Statement are presented below:

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Profit (loss) from investment activity, including:	(1 735)	(1 046)	(50)	0
Revenue from the sale of fixed assets, intangible assets, investment property	(107)	(101)	(81)	0
Net value of liquidated tangible fixed assets, intangible assets, and investment property (in accordance with Note 1, Note 2 and Note 3)	18	18	31	0
Impairment loss on tangible fixed assets (in accordance with Note 2 and Note 14)	0	0	0	0
Reversal of impairment loss on tangible fixed assets (in accordance with Note 2 and Note 13)	0	0	0	0
Impairment loss on investment property (in accordance with Note 3 and Note 13)	0	0	0	0
Profit (loss) on finance lease operation	0	0	0	0
Profit (loss) on sales of certificates	0	0	0	0
Profit (loss) on investment property disposal	0	0	0	0

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April to 2024 to 30 th June 2024
Change in liabilities provisions and deferred income tax provisions, including:	(30)	(10)	(78)	3
Change in liabilities provisions (in accordance with Note 10)	(30)	(10)	(78)	3

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Change in liabilities, excluding loans, credits and provisions, including:	(5 238)	(14 101)	(48 623)	9 689
Balance sheet changes in liabilities	3 726	(3 774)	0	0
Borrowings (loans and credits)	(2 591)	(2 642)	0	0
Repayment of loans and credits	1 364	686	0	0
Change in carrying amount	0	0	0	0
Change in other long-term financial liabilities (in accordance with Note 9)	(9)	(3)	(13)	(7)
Change in other long-term non-financial liabilities (in accordance with Note 9)	0	0	(348)	(1 169)
Change in other short-term financial liabilities (in accordance with Note 9)	59	(168)	(39 193)	(3 653)
Change in other short-term non-financial liabilities (in accordance with Note 9)	(412)	(825)	5 681	14 506
Adjustment for the increase in dividend payable liability	(7 375)	(7 375)	(14 750)	
Adjustment for increase in liabilities under finance lease agreements concluded in the given period (in accordance with Note 9)	0	0	0	0
Adjustment for repayment of liabilities under finance lease agreements in the given period (in accordance with Note 9)	0	0	0	0
Adjustment for asset-related subsidies received during the period (disclosed as a separate item in the cash flows from finance activity – in accordance with Note 9)	0	0	0	0

Specification / data in PLN thousand	Period from 1 st January 2025 to 30 th June 2025	Period from 1 st April 2025 to 30 th June 2025	Period from 1 st January 2024 to 30 th June 2024	Period from 1 st April 2024 to 30 th June 2024
Change in accruals	0	0	0	0
Balance sheet change	0	0	0	0
Depreciation cost included in development works	0	0	0	0
Subsidy proceeds	0	0	0	0

Specification / data in PLN thousand	6 months period from 1 st January 2025 to 30 th June 2025	3 months period from 1 st April 2025 to 30 th June 2025	6 months period from 1 st January 2024 to 30 th June 2024	3 months period from 1 st April 2024 to 30 th June 2024
Expenditure on intangible assets and tangible fixed assets acquisition, including:	(2 549)	(2 533)	4 398	(3 396)
Change in tangible fixed assets and intangible assets	(7 637)	(3 914)	(649)	(2 460)
Depreciation	(4 997)	(2 540)	4 723	2 452
Non-amortised value	0	0	0	0
Revaluation	0	0	0	0
Net value of disposed intangible assets and tangible fixed assets	(18)	0	32	0
Acquisition of intangible assets and tangible fixed assets (in accordance with Note 1 and Note 2)	0	0	0	(1 117)
Change in the balance of tangible fixed assets under construction (in accordance with Note 1 and Note 2)	10 103	3 921	0	(518)
Settlement of advance payments from previous periods for the acquisition of tangible fixed assets (in accordance with Note 4)	0	0	0	(1 926)
Depreciation cost included in development works	0	0	292	173
Other adjustments	0	0	0	0

4.20. Note 20 – Financial instruments and risk management

The financial instruments by category are presented in the table below:

Specification / data in PLN thousand	Note	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Financial assets measured at fair value through comprehensive income		0	0	0
Financial assets held to maturity		0	0	0
Financial assets measured at fair value through Profit and Loss Statement		63 230	47 854	74 896
Financial assets measured at amortized cost, including:		11 753	6 949	9 561
Trade receivables (net value)	4	5 818	4 649	7 479
Receivables arising from advances transferred for the tangible fixed assets acquisition	4	5 935	2 300	2 082
Other receivables arising from finance lease agreements	4	0	0	592
Cash and cash equivalents	6	2 014	4 527	7 743
Total assets by category		76 997	59 330	92 792
Financial liabilities measured at fair value through comprehensive income	9	0	0	0
Derivative liabilities designated as hedging instruments		0	0	0
Financial liabilities measured at amortized cost, including:		14 094	16 934	16 748
Trade liabilities	9	6 669	10 726	8 384
Other financial liabilities	9	0	0	0
Credits and loans liabilities	8	7 355	6 125	8 265
Liabilities arising from finance lease	9	70	83	99
Total liabilities by category		14 094	16 934	16 748

The financial instruments categorized by class are presented in the table below:

Specification / data in PLN thousand	Note	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Trade receivables (net value)	4	5 818	52 503	7 479
Advances transferred for the tangible fixed assets acquisition		63 230	0	74 896
Receivables for advances transferred for the tangible fixed assets acquisition	4	5 935	2 300	2 082
Other receivables arising from finance lease agreements	4	0	0	592
Cash and cash equivalents	6	2 014	4 527	7 743
Total assets by class		76 997	59 330	92 792
Trade liabilities and other financial liabilities	9	6 669	10 726	8 384
Credits and loans	8	7 355	6 125	8 265
Liabilities arising from finance lease	9	70	83	99
Total financial liabilities by class		14 094	16 934	16 748

Items of revenue, costs, and profit and loss recognised in the Profit and Loss statement by financial instruments categories are presented in the table below:

Specification/data in PLN thousand	Note	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Items of revenue (costs) related to the category of instruments <i>Loans and Receivables, Other Receivables and Cash and Cash Equivalents</i>				
Interest revenue (cost)	15	68	142	108
Interest revenue arising from lease agreements receivables	15	0	52	45
Profits (losses) through currency fluctuations	15,16	(115)	(113)	(75)
Impairment losses	4	0	(1 016)	0
Reversal of impairment losses	4	8	23	18
Total net profit (loss)		(39)	(912)	96
Items of revenue (costs) related to the category of instruments <i>Other Liabilities and Liabilities Arising from Finance Lease</i>				
Interest revenue (cost)	16	71	(189)	344
Profits (losses) through currency fluctuations	15,16	162	(72)	33
Total net profit (loss)		233	(261)	377

One of the collaterals for liabilities under loan agreements is the unconfirmed global transfer (assignment) of existing and future receivables arising from leases, sales of goods and services.

During the reporting period the below-mentioned economic events that would require disclosure did not occur in the Capital Group:

- No reclassification of financial assets was made that would result in change of the measurement method of these assets (IFRS 7, § 12)
- The Capital Group did not issue instruments containing both liability and equity components (IFRS 7, § 17),
- The Capital Group did not breach any contractual provisions (IFRS 7, § 18),
- The Capital Group does not apply fair value hedge accounting and cash flow hedge accounting (IFRS 7, § 22),
- No financial assets were acquired at a price different from their fair value (IFRS 7, § 28);
- The Capital Group did not take over any assets as collateral (IFRS 7, § 38)

The Capital Group uses several key financial instruments, which include bank loans (described in Note 8), cash and cash equivalents, and short-term deposits (described in Note 6). The main purpose of these instruments is to raise funds for the Parent Company's operations and to invest surplus liquid cash on an ad hoc basis. Additionally, the Capital Group holds other financial instruments, which include trade receivables and liabilities, as well as receivables arising from loan agreements (Note 4 and Note 9), which are the result of conducted operations.

Main risks arising from the Capital Group's financial instruments include:

- market risk (including interest rate risk, exchange rate risk, risk of changes in the prices of raw materials for production, risk of increased competition on domestic market, risk related to public tenders, risk related to unit production, risk of responsibility for the quality and timeliness of deliveries and services, risk of dependence on significant customers and suppliers, risk resulting from grants obtained from EU funds, risk of granted collateral on assets, risk of applying tax law and changes in legal regulations);
- credit risk;
- liquidity risk.

Market risk

Interest rate risk. This risk arises from fluctuations in interest rates and is primarily related to long-term liabilities, which include loans. These loans bear interest at variable interest rates. The basis for determining the interest rate on loans is WIBOR 1M, WIBOR 3M and EURIBOR 1M, EURIBOR 3M. Consequently, the Capital Group is exposed to the risk of changes in interest rates. The average interest rate of loans used by the Capital Group is detailed in Note 8.

At point of WIBOR 1M, WIBOR 3M or EURIBOR 1M, EURIBOR 3M ratios increase by 1.00 percentage point, the Capital Group is exposed to additional financial costs in the next fiscal year, as detailed in the table below:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Additional financial costs to which the Capital Group is exposed in the event of the interest rate increase on financial liabilities by 1 percentage point	74	61	83

In the opinion of the Capital Group, a potential increase in interest on loans and finance lease agreements will not have a significant impact on the level of the gross financial result. The Capital Group does not utilize any instruments to hedge against the interest rate risk.

Exchange rate risk. The Capital Group is exposed to exchange rate risk by concluding sale or purchase transactions in currencies other than its functional currency and by concluding loan agreements in foreign currencies. The Capital Group does not engage investment activities that would be exposed to exchange rate risk. Exchange rate differences related to operating activities are recognised as financial costs and revenues, respectively.

In the event of the EUR exchange rate increase in the next fiscal year, the Capital Group is exposed to additional financial costs resulting from the valuation of liabilities arising from loan agreements denominated in EUR. The table below presents the estimated additional financial costs related to negative exchange rate differences that would occur if the EUR exchange rate increased by 10% in the next fiscal year:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Additional financial costs to which the Capital Group is exposed in the event of EUR exchange rate increase by 10% resulting from the valuation of liabilities arising from foreign currency loans	176	250	331

Risk of changes in the prices of raw materials for production. The main problem is the market risk of changes in the prices of materials for production. Production costs largely depend on changes in the prices of materials, including steel products (sheets, plates, sections). In recent years, high volatility of prices of steel products has been observed. Certain hedge against short-term increases in raw material prices is high inventory of materials for production. The Capital Group does not apply the policy of hedging the risk of prices increase on materials for production, which, taking into account the fact that the sale prices of products are to a large extent determined in public tenders – in a short period of time may have a significant impact on the profitability of production.

Due to the large variety of raw materials needed for production, high stocks of raw materials and variable delivery times for finished products, it is not possible to estimate the possible financial effects of changes in raw material prices on the financial result of the Capital Group in the reporting period.

Risk of increased competition on the domestic market. Recently, there has been a decrease in the activity of competition on the domestic market for the production of mining machinery and equipment but also less demand for this type of production. Such situation increases the pressure to reduce margins on individual products, which may have a negative impact on the Capital Group's financial result. However, due to the actions taken by the Parent Company's Management Board towards the sources of revenues diversification, the reduction in prices of products manufactured for the mining industry will not have a significant impact on the operations and revenues of the Capital Group in the future.

Risk related to public tenders. Significant part of the Capital Group's revenues comes from the implementation of won public tenders, where the price offered has the primary impact on the final result. Currently, the companies within the Capital Group calculate their price offers at the level ensuring fair margin, which may not always be the case in the future. The additional element increasing the risk of potentially worse financial results is opposition to tender provisions by other tender participants, which leads to extending the time of signing contracts or, in extreme cases, to cancelling the tender.

For further bidding risk reduction, the Company is looking for clients from outside the mining industry.

Risk related to unit production. The Parent Company produces machines and devices mainly based on a unit order for the given customer. Due to the lack of serial production, typical production preparation processes, the process of supplying materials, as well as the maintenance and repair schedule of the machinery park are more difficult to plan and implement. This phenomenon may have temporary impact on the Capital Group's financial results.

Risk of the responsibility for quality and timeliness of deliveries and services. Risk of responsibility for the quality of delivered equipment and timeliness of executed services is an integral element of agreements concluded by the Capital Group. The Capital Group may be exposed to the necessity to incur additional costs related to possible complaints. However, in the opinion of the Management Board of the Parent Company, the risk of frequent or significantly debilitating complaints is small due to the many years of experience of the personnel. The Company does not create provisions for possible costs of warranty repairs.

Risk of dependence on significant customers and suppliers. The amount of the Company's revenues depends to a large extent on the current economic situation in the hard coal industry in Poland. Over 78 % of the Company's revenues during the audited period of 2025 and over 56% in the corresponding period of 2024 were generated from such recipients from the mining industry as Jastrzębska Spółka Węglowa S.A., Polska Grupa Górnicza, PG Silesia, PGE, JZR. The remaining sales were carried out, among others, for such recipients as Becker Warkop, Ungarex, SBM Mineral, and TIM Invest. The value of revenues for the aforementioned customers in 2025 accounted for over 21%, and over 43% in 2024 in relation to total sales. The deterioration of the financial situation of main clients in this industry may result in the deterioration of the Company's financial results. Termination of cooperation or limitation of orders from these entities would have a significant, negative impact on the level of revenues and financial situation of the Company. The Management Board's strategy, that has been pursued in recent years, is to diversify the revenue sources, by commencing the supply of mining machinery and equipment to the Eastern and Far Eastern markets, as well as the export of welded structures and equipment to the European Union markets. To further mitigate the risk of dependence on major customers, the Company is also seeking for customers outside the mining industry.

The service provider during the reporting period was PPHU MIRPOL Mirosław Kobiór with its registered office in Pszczyna. PPHU MIRPOL Mirosław Kobiór provides services concerning work on the machines and equipment of the Capital Group, under the supervision of the Group's engineering staff and based on its patents, solutions, and documentation. In the opinion of the Parent Company's Management Board, the risk of terminating this cooperation is minimal. The contract termination could cause temporary production difficulties. However, in such case, the Capital Group would aim to retain the majority of the contractor's employees, as the Company is the primary recipient of its services.

Several suppliers cooperating with the Capital Group hold a significant share in the supply of materials and commercial goods, including metallurgical products. In the event of cooperation termination with the Capital Group by leading suppliers of metallurgical products, shortages in the supply of raw materials may periodically occur, until other suppliers can compensate for the shortfall. However, due to the ample supply of steel products – any difficulties in obtaining raw materials should not be a permanent phenomenon.

Risk resulting from subsidies obtained from EU funds. The Company has concluded agreements with the unit managing structural funds regarding co-financing from the European Union funds for the purchase of new machinery and equipment and agreements regarding the reimbursement of costs incurred necessary to perform the tasks resulting from these agreements. In the event of failure to meet the indicators specified in agreements with the given structural fund managing unit, it may be necessary to return part or all of the grant with interest. The maximum amount subject to reimbursement is approximately PLN 40,908 thousand (excluding required interest). As at the date of the present financial statements' submission, there is no risk of subsidies reimbursement.

Risk of collateral pledges on assets. One of the forms of collateral for loans granted by banks are mortgages and registered pledges on production assets and inventory. In the event of the Capital Group not paying its liabilities arising from loan agreements, banks may satisfy the claim by taking over the pledged subject. Such situation may affect the production processes and, consequently, the financial results of the Capital Group. Liabilities are settled regularly by the Capital Group and at present there is no such threat.

Risk of applying tax law and changes in legal regulations. Polish tax system is characterized by instability. Tax regulations are changed very often, mostly to the detriment of taxpayers. Changes in tax law may also result from the need to implement new solutions provided for in the European Union law, resulting from the introduction of new or changes to existing tax regulations. In practice, tax authorities apply the law not only relying directly on the provisions, but also on their interpretations made by higher instance bodies and court decisions. Such interpretations are also subject to change, replaced by others, or are in contradiction with each other. To some extent, this also applies to judicial decisions. This results in uncertainty as to the application method of the law by tax authorities or its automatic application in accordance with the interpretations available at the moment, which may not be compatible with various, often complex facts occurring in economic transactions. The lack of clarity in many provisions that constitute Polish tax system additionally contributes to increasing this risk. On the one hand, this raises doubts as to the proper provisions application, and on the other, it makes it necessary to take into account the above-mentioned interpretations to a greater extent. In the case of tax regulations that are based on the regulations in force in the European Union and should be fully harmonized with them, attention should be paid to the risk of their application related to the often-insufficient level of knowledge about EU regulations, which is due to the fact that they are relatively new to Polish legal system. This may result in the adoption of an interpretation of Polish law that is inconsistent with the regulations in force at the European Union level. There are also numerous changes in other areas of law, which may also affect the Capital Group. The introduced legal changes may potentially pose risk related to interpretation problems, lack of judicial practice, unfavourable interpretations adopted by courts or public administration bodies. In order to safeguard against potential penal and fiscal consequences, on 30th March 2020, the Parent Company entered into a Group Fiscal Insurance Policy with Allianz. Since the aforementioned conclusion date, the agreement has been annexed for subsequent periods.

As at the date these financial statements publication, the Issuer does not plan to significantly reduce or discontinue its operations with regards to the situation in Ukraine.

The Company shall disclose all information of relevant importance regarding the situation in Ukraine impact on its business, in line with the transparency obligations under Regulation 596/2014 on market abuse (MAR)

Statement of PATENTUS S.A. on the energy crisis impact on the Company's operations

The current energy crisis in Europe may affect the Company's future financial results, but we do not expect it to affect the Company's going concern. In order to protect the Company against rising electricity prices, the Company's Management Board decided to install photovoltaic panels and replace the lighting installation with an energy-saving one.

Credit risk

Creditworthiness of customers with whom transactions of products physical sale are concluded are subject to verification procedures. Receivables are monitored on an ongoing basis. Credit risk in the case of trade receivables is high and associated with limited number of significant recipients of products, services and goods. According to the data as at 30th June 2025, as presented in Note 18, the total balances of trade receivables disclosed in the balance sheet assets for mining industry counterparties constitutes 53% of the total balance of trade receivables disclosed in the balance sheet assets. As at 30th June 2024, the receivables concentration ratio was over 32%. The remaining part of the receivables balance is attributable to remaining recipients. The aforementioned analysis indicates the credit risk of the Parent Company and the Capital Group. Specification of receivables according to overdue periods and the amount of write-downs on receivables is presented in Note 4. In the opinion of the Company, the maximum risk of non-payment of receivables is equal to the allowances for trade receivables created for individual balance sheet days.

The Company does not disclose granted loans receivables in the balance sheet as at 30th June 2025.

With regard to other financial assets, including cash and cash equivalents and investments, the Capital Group's risk is directly related to the other party's inability to make payment, and the maximum level of this risk is equal to the carrying amount of the given instrument. However, taking into account the fact that the Capital Group cooperates with reputable banks, the risk related to depositing funds is significantly limited.

The fair value of individual financial instruments does not differ from their book values disclosed in the financial statements on each balance sheet date.

Liquidity risk

The Capital Group is exposed to the risk of losing financial liquidity, understood as the ability to settle liabilities within the prescribed time limits. Financing the activity with the help of external sources (credits, loans, trade credit) increases the risk of losing liquidity in the future. The Capital Group must have constant access to financial markets, therefore is exposed to the risk of not being able to obtain new financing as well as refinancing its debt. This risk depends mainly on market conditions, assessment of creditworthiness and the degree of concentration. Due to the high creditworthiness of the Parent Company, in the opinion of the Management Board, there is no risk of losing access to financing. The Parent Company tries to limit the risk of loans concentration in one bank by signing new loan agreements with new banks.

In order to ensure financial liquidity, the Company concluded fully proper factoring agreement with the factoring company Kuke Finance S.A. with its registered office in Warsaw (agreement 0096/2017 dated 29th November 2017) with a financing limit of up to PLN 10 100 thousand. The aforementioned agreement has been suspended until 30th November 2026.

The liquidity risk measure is the degree of matching cash flows (inflows and outflows) in the period up to 3 months, in the period from 4 to 12 months, in the period from 1 to 5 years and over 5 years. The inflows include the trade receivables balance and the balance of receivables arising from concluded lease agreement, which was increased by the cash in bank accounts balance and the available balance of unused credit in the current account. Expenses include the value of liabilities arising from loans, credits, and lease agreements, increased by interest due in the period and the value of other financial liabilities.

The surplus (shortage) of planned inflows over planned expenses in particular periods and years is presented in the tables below:

Financial liabilities and receivables as at 30 th June 2025 in PLN thousand	Contractual maturity dates from the balance sheet date				Total	Value disclosed in the Balance Sheet
	up to 3 months	between 3 and 12 months	between 1 and 5 years	over 5 years		
Trade liabilities	6 669	0	0	0	6 669	6 669
Other financial liabilities	0	0	0	0	0	0
Bank credits and loans (gross with interest due in the period)	3 292	1 872	2 372	0	7 536	7 355
Finance lease liabilities (gross value with interest due in the period)	6	18	46	0	70	70
Total financial liabilities in individual maturity ranges (planned expenses)	9 967	1 890	2 418	0	14 275	14 094
Cash in bank accounts	2 014	0	0	0	2 014	2 014
Available, unused overdraft facilities on the current account	4 388	0	0	0	4 388	0
Current trade receivables and receivables overdue up to 90 days	259	0	0	0	259	259
Net trade receivables overdue more than 90 days	5 559	0	0	0	5 559	5 559
Receivables arising from loans granted (gross with interest due)	0	0	0	0	0	0
Due payments for receivables arising from finance lease agreement (gross with interest due)	0	0	0	0	0	0
Total inflows planned for the period	12 220	0	0	0	12 220	7 832
Surplus (shortage) of planned inflows over planned outflows in the period	2 253	0	0	0	(2 055)	(6 282)

Financial liabilities and receivables as at 31 st December 2024 in PLN thousand	Contractual maturity dates from the balance sheet date				Total	Value disclosed in the Balance Sheet
	up to 3 months	between 3 and 12 months	between 1 and 5 years	over 5 years		
Trade liabilities	10 726	0	0	0	10 726	10 726
Other financial liabilities	955	0	0	0	955	955
Bank credits and loans (gross with interest due in the period)	719	2 048	3 455	235	6 457	6 125
Finance lease liabilities (gross with interest due in the period)	83	0	0	0	83	83
Total financial liabilities in individual maturity ranges (planned expenses)	12 483	2 048	3 455	235	18 221	17 889
Cash in bank accounts	4 527	0	0	0	4 527	4 527
Available, unused overdraft facilities on the current account	7 000	0	0	0	7 000	0
Current trade receivables and receivables overdue up to 90 days	4 508	0	0	0	4 508	4 508
Net trade receivables overdue more than 90 days	1 797	0	0	0	1 797	1 797
Receivables arising from loans granted (gross with interest due)	0	0	0	0	0	0
Due payments for receivables arising from finance lease agreement (gross with interest due)	0	0	0	0	0	0
Total inflows planned for the period	17 832	0	0	0	17 832	10 832
Surplus (shortage) of planned inflows over planned outflows in the period	5 349	(2 048)	(3 455)	(235)	(389)	(7 057)

Financial liabilities and receivables as at 30 th June 2024 in PLN thousand	Contractual maturity dates from the balance sheet date				Total	Value disclosed in the Balance Sheet
	up to 3 months	between 3 and 12 months	between 1 and 5 years	over 5 years		
Trade liabilities	8 384	0	0	0	8 384	8 384
Other financial liabilities	36	0	0	0	36	36
Bank credits and loans (gross with interest due in the period)	1 165	2 576	4 410	796	8 947	8 265
Finance lease liabilities (gross with interest due in the period)	9	27	23	0	59	99
Total financial liabilities in individual maturity ranges (planned expenses)	9 594	2 603	4 433	796	17 426	16 784
Cash in bank accounts	7 384	0	0	0	7 384	7 743
Available, unused overdraft facilities balance on the current account	7 140	0	0	0	7 140	0
Current trade receivables and receivables overdue up to 90 days	7 199	0	0	0	7 199	7 199
Net trade receivables overdue more than 90 days	280	0	0	0	280	280
Receivables arising from loans granted (gross with interest due)	0	0	0	0	0	0
Due payments for receivables arising from finance lease agreement (gross with interest due)	977	0	0	0	977	592
Total inflows planned for the period	22 980	0	0	0	22 980	15 814
Surplus (shortage) of planned inflows over planned outflows in the period	13 386	(2 603)	(4 433)	(796)	5 554	(970)

Another liquidity risk measure monitored by the Parent Company is the equity levels analysis. The equity levels analysis is made on the basis of the Equity-to Assets ratio and the Debt/EBITDA ratio.

The Equity-to-Assets ratio is calculated as the proportion of total equity to the balance sheet total of assets as at the given balance sheet date. The Capital Group assumes maintaining the Equity-to-Assets ratio at a level not lower than 0.6. As at 30th June 2025, the ratio is 0.80.

The Debt/EBITDA ratio is calculated as the proportion of credits and loans liabilities including liabilities arising from finance lease agreements to the sum of EBITDA. EBITDA value is the sum of operating profit and depreciation. The Capital Group assumes maintaining the debt level ratio at no higher than 2.7. As at 30th June 2025, the ratio is 0.23.

The tables below present the analysis of equity ratios in the following years:

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Calculation of Equity-to-Assets ratio (proportion of equity to total assets)			
Equity	169 470	163 330	162 105
Total assets	210 562	201 734	212 182
Equity-to-Assets ratio	0.80	0.81	0.76

Calculation of Debt/EBITDA ratio (proportion liabilities from loans, credits and finance leases to EBITDA)			
Operating profit	11 280	5 909	7 990
Depreciation and amortization	4 998	10 142	5 019
EBITDA (sum of operating profit and depreciation and amortization)	16 278	16 051	13 009
Total liabilities arising from credits, loans and finance lease agreements	7 425	6 208	8 364
Debt/EBITDA ratio (for six-month periods the indicator value was averaged for the entire year)	0.23	0.39	0.32

4.21. Note 21 – Contingent receivables and contingent liabilities

During the current reporting period and in the comparable period, the Parent Company did not conclude any trade agreements that would result in significant liabilities in the next reporting period.

The list of contingent liabilities resulting from the liabilities incurred by the Company is presented below

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Registered pledge on fixed assets constituting collateral for repayment of liabilities to BOWIM S.A.	400	400	0
Total contingent receivables	400	400	0

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Promissory notes issued as collateral, including:	66 304	67 078	3 351
bank loans	23 592	23 592	10
lease liabilities	146	146	2 181
EU funds subsidies received	40 908	40 908	0
other (separate specification)	1 658	2 432	1 160
Collateral for bank loans, including:	144 727	130 913	164 883
Mortgage on property (fixed assets and investment property) to secure liabilities arising from bank loans	41 926	41 926	41 926
Registered pledge amount or transfer of title to fixed assets to secure liabilities arising from bank loans	14 668	14 770	24 746
Collateral on inventory	0	0	0
Assignment of rights arising from insurance policy	47 900	33 984	57 978
Assignment of future claim from BGK	5 600	5 600	5 600
Declaration of submission to enforcement	34 633	34 633	34 633
Total contingent liabilities	211 031	197 991	168 234

A detailed description of bank loan collaterals is presented in Note 8.

As part of its business activity, the Parent Company provides warranties to customers (buyers) related to the sale of products and services. The warranty is granted for the period of 12 to 36 months from the date of delivery, commissioning of the device, or completion of the services. The maximum value liabilities arising from the granted warranties corresponds to the revenue value generated from the sale of these products and services.

Based on the costs of previous years analysis, the Parent Company's Management Board has concluded, that there is no risk of significant costs of warranty repairs in the future. In the opinion of the Parent Company's Management Board, there are no other factors and events that would indicate the need to create provisions for other reasons. On this basis, the Parent Company's Management Board withdrew from estimating potential liabilities arising from the conducted business activity.

Contingent liabilities include guarantees issued at the request of the Parent Company as collateral for the due deposit and due performance of commercial contracts. In order to receive the guarantee, the Parent Company signed appropriate agreements with guarantors and provided them with blank promissory notes.

The table below presents the total amounts of guarantees issued at the request of the Parent Company as collateral for the due deposit and due performance of commercial contracts.

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Total value of bid bonds	287	1 073	1 004
Total value of performance bonds	231	256	259
Total value of bank guarantees of payment	829	919	927
Total value of guarantees for proper removal of defects and faults	84	84	84
Total value of guarantees for proper removal of defects and faults throughout the warranty period	127	0	0
Total value of issued guarantees	1 558	2 332	2 274

The tables below present a record of the blank promissory notes that the Parent Company and its Subsidiaries have transferred to other entities as collateral for commercial and financial transactions:

Promissory notes securing the Parent Company's liabilities disclosed in the Balance Sheet

No	Issue date of promissory note	Promissory note return	Promissory note type	Promissory note holder	Trade agreement description	Notes	Maximum value of the promissory note liability arising from the promissory note declaration or the agreement. Data in PLN	Secured liabilities disclosed in the balance sheet as at 30 th June 2025 Data in PLN thous.	Secured liabilities disclosed in the balance sheet as at 30 th June 2024 Data in PLN thous.
1	2 nd October 2012		blank promissory note	Santander Bank Polska (former Deutsche Bank Polska S.A.)	Investment loan agreement KIN/1219501	30 th September 2027	PLN 7 592 thous.	1 295	1 918
2	13 th December 2012		blank promissory note	Orlen Petro Tank Sp. z o.o.	Cooperation agreement No. 158/PO/2012		PLN 150 thous.		0
3	29 th June 2016		blank promissory note	Narodowe Centrum Badań i Rozwoju Warszawa	Co-financing for the contract POIR.04.01.04-00-0064 / 15-00 toothed elements	30 th September 2023	to the amount of PLN 8.589 thous.	0	373
4	25 th April 2016	16 th May 2024	blank promissory note	ING Bank Śląski SA	Multi-product agreement 889/2015/0000771/00	30 th November 2023	to the amount of PLN 2.400 thous.	0	0
5	29 th November 2017		blank promissory note	Kuke Finanse SA	Factoring agreement 0096/2017	indefinitely	to the amount of PLN 9.000 thous.		0
6	3 rd September 2018		blank promissory note	Narodowe Centrum Badań i Rozwoju Warszawa	Co-financing for the agreement POIR.04.01.04-00-0081/17-00 RED-DYN	1 st July 2021	to the amount of PLN 5.761 thous.	0	0
7	12 th October 2018		blank promissory note	Towarzystwo Inwestycji Społeczno-Ekonomicznych SA Warszawa	Loan agreement no 42178	12 th October 2025	to the amount of PLN 1.200 thous.	48	190
8	26 th April 2019		blank promissory note	PKO Leasing SA	Loan agreement no 00622/EI/19	30 th April 2026	to the amount of EUR 1.209 thous. + interest	737	1 670
9	26 th April 2019		blank promissory note	PKO Leasing SA	Loan agreement no 00623/EI/19	31 st May 2025	to the amount of EUR 126 thous. EUR + interest	0	56

continued on next page

PATENTUS S.A Capital Group with its registered office in Pszczyna, Gómoślaska St. 11
Semi-Annual Condensed Consolidated Financial Statements prepared in accordance with IFRS
as adopted by the European Union for the period from 1st January 2025 to 30th June 2025
(amounts in tables in PLN thousand, unless stated otherwise)

No.	Issue date of promissory note	Promissory note return	Promissory note type	Promissory note holder	Trade agreement description	Notes	Maximum value of the promissory note liability arising from the promissory note declaration or the agreement. Data in PLN thous.	Secured liabilities disclosed in the balance sheet as at 30 th June 2025 Data in PLN thous.	Secured liabilities disclosed in the balance sheet as at 30 th June 2024 Data in PLN thous.
10	10 th September 2019		blank promissory note	PKO Leasing SA	Loan agreement no 01810/EI/19	31 st March 2027	to the amount of EUR 852 thous. + interest	1 017	1 579
11	28 th January 2021		blank promissory note	Śląskie Centrum Przedsiębiorczości z siedzibą w Chorzowie	agreement for project co-financing UDA-RPSL.03.02.00-24-0678/19-00	31 st December 2023	to the amount of PLN 2.910 thous.	2 084	2 192
12	9 th November 2021		blank promissory note	PKO Leasing S.A.	Loan agreement no. 03570/PI/21	30 th November 2024	to the amount of PLN 4 081 thous.	0	642
13	30 th May 2022		blank promissory note	Agencja Rozwoju Regionalnego Bielsko Biała	Investment Agreement no. 04/ARRBB/POIR/2022	20 th May 2028	to the amount of PLN 3 1000 thous. + interest	1 644	2 207
14	12 th September 2024		blank promissory note	Bank BPS S.A.	overdraft facility agreement no. 1222953/151/K/RB/23	14 th September 2026	to the amount of PLN 7 000 thous. + interest	2 612	0
15	12 th September 2024		blank promissory note	Bank BPS S.A.	Guarantee Facility Agreement	9 th January 2026	to the amount of PLN 1 000 thous. + interest	0	0
16	10 th April 2024		blank promissory note	Śląskie Centrum Przedsiębiorczości w Chorzowie	agreement for project co-financing	30 th June 2025	to the amount of PLN 23 648 thous. + interest	3 514	0
Total								12 951	10 827

Promissory notes securing the off-balance sheet liabilities of the Parent Company

No	Issue date of promissory note	Promissory note return	Promissory note type	Promissory note holder	Trade agreement description	Notes	Maximum value of the promissory note liability arising from the promissory note declaration or the agreement. Data in PLN	Off-balance sheet liabilities as at 30 th June 2025 Data in PLN thous.	Off-balance sheet liabilities as at 30 th June 2024 Data in PLN thous.
1	13 th November 2024		blank promissory note	PKO BP S.A.	framework agreement on granting bank guarantees No. 80102023130000310211488634		to the amount of EUR 250 thous.	1 187	1 186
2	10 th September 2015		blank promissory note	GENERALI T.U. S.A.	framework agreement for the provision of contractual guarantees within the revolving limit GNL - UF/2015/997/UG		to the amount of PLN 2.000 thous.	343	1 060
3	23 rd August 2017 annex of 28 th March 2019		5 blank promissory notes	Ergo Hestia S.A.	agreement on granting insurance guarantees within the granted guarantee limit 40/2017/GL50	indefinitely	to the amount of PLN 2.000 thous.	28	28
Total								1 558	2 274

Promissory notes securing the balance sheet liabilities of the Subsidiary Montex Sp. z o.o.

No.	Issue date of promissory note	Promissory note return	Promissory note type	Promissory note holder	Trade agreement description	Notes	Maximum value of the promissory note liability arising from the promissory note declaration or the agreement. Data in PLN thous.	Secured liabilities disclosed in the balance sheet as at 30 th June 2025 Data in PLN thous.	Secured liabilities disclosed in the balance sheet as at 31 st December 2024 Data in PLN thous.	Secured liabilities disclosed in the balance sheet as at 30 th June 2024 Data in PLN thous.
1	8 th March 2018		blank promissory note	NYSTAL S.A.	Collateral on receivables from the sale of commercial goods		100	10	0	2
2	15 th April 2024		blank promissory note	BPS S.A.	Credit card agreement no. 1223989/59/K/KK/24		10	2	0	2
3	11 th September 2019		blank promissory note	Millenium Leasing Sp. z o.o.	Finance lease agreement no. 300780		117	0	0	2
4	20 th February 2023		blank promissory note	Millenium Leasing Sp. z o.o.	Finance lease agreement no. 382158		43	10	17	23
5	10 th November 2023		blank promissory note	Millenium Leasing Sp. z o.o.	Finance lease agreement no. 396837		103	59	67	75
Total								100	84	104

4.22 Note 22 – Profit per share and dividend policy

Earnings per share are calculated by dividing the net profit for the fiscal year attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the fiscal year. There were no financial instruments that would have caused the profit to be diluted.

Specification / data in PLN thousand	Period end 30 th June 2025	Period end 31 st December 2024	Period end 30 th June 2024
Weighted average number of shares (in units)	29 500 000	29 500 000	29 500 000
Net profit (loss) for the period (in PLN thousand)	13 515	7 840	7 467
Net profit (loss) per share attributable to the shareholders of the Parent Company (in PLN):			
Basic	0.46	0.27	0.25
Diluted	0.46	0.27	0.25
Portion of the net profit distributed for dividend payment	0	7 375	0.00
Dividend per share	0.00	0.25	0.00

On 26th June 2025, the Annual General Meeting of PATENTUS S.A. was conveyed. Pursuant to Resolution No. 6, the *Annual Financial Statements for 2023* were approved. Shareholders also adopted Resolution No. 7 concerning the allocation of net profit for the fiscal year 2024 totaling PLN 8,475 thousand in the following manner: the amount of PLN 1,100 thousand to the Variable Remuneration Fund, the amount of 7,375 for the dividend payment, and the remaining amount of PLN 226.24 thousand to Company's supplementary capital, which was created voluntarily. As at 31st December 2024 this supplementary capital amounted to PLN 118,491 thousand and is disclosed in the balance sheet under retained earnings item. Retained earnings disclosed in the balance sheet as at 31st December 2024, amounted to PLN 133,399 thousand. Retained earnings item comprises voluntary reserve capital in the amount of PLN 118,491 thousand, net profit for the financial year 2024 in the amount of PLN 8,475 thousand, and other reserves in the amount of PLN 2,500 thousand.

Pursuant to the resolution adopted by the Annual General Meeting of PATENTUS S.A., the amount of PLN 7,375,000.00 thousand (in words: seven million three hundred and seventy-five thousand zlotys) was allocated for dividend payment in the amount of PLN 0.25 gross (in words: twenty-five grosz) per share. The number of shares entitled to the dividend is 29,500,000 units. The dividend applies to Company's shares of all issues. The Annual General Meeting of PATENTUS S.A. set the dividend date as 1st July 2025 and the dividend payment date as 10th July 2025.

Pursuant to Resolution No. 10, the Annual General Meeting approved the *Annual Consolidated Financial Statements of the Capital Group* for the fiscal year 2024.

The implementation of the dividend payment policy from the profits achieved by the Capital Group in future years will be conditioned by satisfying the Group's demand for funds resulting from the investment program.

4.23. Note 23 – Judicial proceedings and arbitration

Write-downs were created for all receivables pursued through court, enforcement or bankruptcy proceedings, and these write-downs were charged to other operating costs or financial costs.

4.24. Note 24 – Events after the reporting date

On 10th July 2025, a dividend was paid in accordance with the Resolution of the Annual General Meeting of PATENTUS S.A. dated 26th June 2025, regarding the dividend payment from the Company's net profit for the fiscal year 2024. Pursuant to the resolution adopted by the Annual General Meeting of PATENTUS S.A., the amount of PLN 7,375,000.00 (in words: seven million three hundred and seventy-five thousand zlotys) was allocated for dividend payment, which translates to a gross dividend payment of PLN 0.25 (in words: twenty-five

groszy) per share. The number of shares entitled to the dividend is 29,500,000 units. The dividend applies to Company's shares of all issues.

4.25. Note 25 – Threats to going concern

The *Consolidated Financial Statements* have been prepared on the assumption that the Capital Group will continue as a going concern, in its current form and scope, for the period of at least 12 months from the end of the reporting period. There are no premises for intentional or forced discontinuation or significant limitation of its current activities. As at the date of the present financial statements signing, the Parent Company's Management Board does not identify any facts or circumstances that would indicate a threat to the going concern in the foreseeable future.

4.26. Transactions with related entities

The entities related to the Capital Group include:

- Shareholders of the Parent Company. Due to the fact that there are Shareholders holding over 10% of voting rights, and also due to family ties among Shareholders, it was decided that they could exert significant influence on the Company. The Parent Company's Management Board includes individuals who are also Shareholders. Additionally, members of the Supervisory Board are close family members of the Shareholders.
- Other entities. This category includes members of the Management Board and Supervisory Board (including directors), close family members of these individuals and other economically relevant persons. Close family members are persons who are family members and who may be expected to influence, or be influenced by, those family members in their dealings with the entity.
- Other entities, including subsidiaries.

The Capital Group does not have any post-employment benefit programs aimed at employees of the Capital Group or other related entity.

The Parent Company holds 83.85% of the share capital of the subsidiary Zakład Konstrukcji Spawalniczych "Montex" Sp. z o.o. with its registered office in Świętochłowice. On 12th March, 2021, the Company made a contribution in kind to the Subsidiary in the form of fixed assets with a value of PLN 300 thousand. As a result of this contribution, the Company acquired 600 new shares in the Subsidiary with a nominal value of PLN 500 per share. The Subsidiary's share capital was increased to the amount of PLN 4 818 thousand.

The scope of mutual transactions with related entities includes commercial transactions concluded between the Parent Company and close family members of Shareholders or close family members of members of the Management and Supervisory bodies. Moreover, upon the establishment of the Capital Group, there are also transactions conducted with the entity belonging to the group. The Parent Company's Management Board declares that the transactions with related entities were concluded on market basis.

Synthetic information on the value of transactions in terms of sales and receivables from related entities is presented in the table below:

Other related entities Data in PLN thousand	Position or nature of the relationship	Period from 1 st January 2025to 30 th June 2025		Period from 1 st January 2024 to 31 st December 2024		Period from 1 st January 2024 to 30 th June 2024	
		Transaction value	Balance at period end	Transaction value	Balance at period end	Transaction value	Balance at period end
Total transactions value / Total gross receivables balance, including		2	1	88	0	51	1
Helf S.C. Pszczyna	co-owner of the company Ligas Wiesław-brother-in-law of Commercial Proxy and shareholder Małgorzata Duda	0	0	1	0	0	0
Szymczak Jakub MAK	son-in-law of Commercial Proxy, shareholder and Chief Financial Officer Małgorzata Duda (Wąs)	0	0	3	0	1	1
Duda Małgorzata (nee Wiktor)	Commercial Proxy – Shareholder	0	0	6	0	1	0
3 000 Guitars Łukasz Duda	owner - son of the President of the Management Board, shareholder Józef Duda	0	0	1	0	0	0
Joanna Duda Szymczak	daughter of Małgorzata Duda (Wąs) – Shareholder and Chief Financial Officer	2	1	4	0	1	0
Duda Małgorzata (Wąs)	Commercial Proxy, Shareholder, Chief Financial Officer	0	0	5	0	1	0
Inter Bud A. Gotz	daughter of Henryk Gotz and Urszula Gotz – Shareholders	0	0	0	0	0	0
Mateusz Duda, Monika Duda	son and daughter-in-law of the President of the Management Board Józef Duda	0	0	47	0	47	0
Duda Łukasz	son of the Commercial Proxy – shareholder Małgorzata Duda (Wiktor)	0	0	1	0	0	0
Duda Stanisław	Vice President of the Management Board, husband of the Commercial Proxy, Chief Financial Officer Małgorzata Duda (Wąs)	0	0	10	0	0	0
Duda Józef	President of the Management Board, husband of the Commercial Proxy Małgorzata Duda (Wiktor)	0	0	10	0	0	0

Transactions concluded with subsidiaries and associates Data in PLN thousand	Transaction type	Period from 1 st January 2025 to 30 th June 2025		Period from 1 st January 2024 to 31 st December 2024		Period from 1 st January 2024 to 30 th June 2024	
		Transaction value	Balance at period end	Transaction value	Balance at period end	Transaction value	Balance at period end
Total transactions value / Total gross receivables balance, including:		940	4 824	285	4 107	166	4 065
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	shares in the share capital	0	4 040	0	4 040	0	4 040
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	loans granted	700	700	0	0	0	0
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	accrued interest on loans	24	24	0	0	0	0
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	other receivables	216	60	285	67	166	25
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	other receivables	0	0	0	0	0	0

Synthetic information on the value of transactions related to the acquisition of services, materials, and liabilities toward related entities is presented in the table below

Other related entities Data in PLN thousand	Position or nature of the relationship	Period from 1 st January 2025 to 30 th June 2025		Period from 1 st January 2024 to 31 st December 2024		Period from 1 st January 2024 to 30 th June 2024	
		Transaction value	Balance at period end	Transaction value	Balance at period end	Transaction value	Balance at period end
Total transactions value / Total gross receivables balance at end of period, including:		23	1	57	0	37	0
Helf S.C. Pszczyna	co-owner Ligas Wiesław – brother-in-law of Commercial Proxy and shareholder Małgorzata Duda	23	1	57	0	37	0

Transactions concluded with subsidiaries and associates Data in PLN thousand	Transaction type	Period from 1 st January 2025 to 30 th June 2025		Period from 1 st January 2024 to 31 st December 2024		Period from 1 st January 2024 to 30 th June 2024	
		Transaction value	Balance at period end	Transaction value	Balance at period end	Transaction value	Balance at period end
Total transaction value Total gross receivables balance at end of period, including:		466	5	2 304	1	2 166	975
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	supply of goods liabilities	466	5	2 304	1	2 166	975
Zakład Konstrukcji Spawanych Montex Sp. z o.o.	paid advances receivables	0	0	0	0	0	0

The Capital Group does not hold any shares or stocks in associates.

4.27. Note 27 – Information on benefits for Key Management Personnel and Supervisory Board in Parent Company and in Subsidiaries

Key Management Personnel includes the Management Board, the Supervisory Board and the Chief Officers.

Key Management Personnel Data in PLN thousand	Benefit type	Period from 1 st January 2025 to 30 th June 2025	Period from 1 st January 2024 to 31 st December 2024	Period from 1 st January 2024 to 30 th June 2024
Parent Company	remuneration from employment and other benefits	2 394	4 950	1 152
Subsidiaries	remuneration from employment and other benefits	182	395	220
Total remuneration and other benefits for Key Management Personnel		2 576	5 345	1 372

Members of the Parent Company's Key Managing Personnel did not receive post-employment benefits, benefits due to termination of employment, benefits in the form of treasury shares, or bonuses from profit.

Remuneration of the Members of the Supervisory Board is presented in the table below:

Supervisory Board Data in PLN thousand	Benefit type	Period from 1st January 2025 to 30th June 2025	Period from 1st January 2024 to 31st December 2024	Period from 1st January 2024 to 30th June 2024
Parent Company	remuneration for serving as Supervisory Board member	120	205	90
	remuneration from employment and other benefits	176	328	160
Subsidiaries	remuneration for serving as Supervisory Board member	63	108	45
	remuneration from employment and other benefits	0	0	0
Total remuneration from serving as Supervisory Board member		183	313	135
Total remuneration from employment contracts		176	328	160

4.28. Note 28 – Information on the amount of outstanding advances, loans, credits, guarantees, or by members of the Management Board or Supervisory Board of the Parent Company

During the audited period, the Parent Company had no claims against members of its Key Management Personnel for unpaid advances, loans, credits, guarantees and warranties.

4.29. Note 29 – Information on average employment rate

The table below presents data on the average number of employees in the Capital Group during the reporting periods:

Specification by professional groups	Period from 1st January 2025 to 30th June 2025		Period from 1st January 2024 to 31st January 2024		Period from 1st January 2024 to 30th June 2024	
	Total	including women	Total	including women	Total	including women
Total employment, including:						
Employees in direct production positions						
Service employees						
Management Board and administration						

4.30. Note 30 – Information on hedging of exchange rates in respect of future income from sales of products

Does not occur.

4.31. Note 31 – Agreements with senior auditor

On 5th December 2024, the Parent Company concluded an agreement with MOORE Polska Audyt sp. z o.o., the entity authorized to audit financial statements, with its registered office in Warsaw (00-844), at Grzybowska St. 87, The agreement covers the audit of the separate and consolidated financial statements for 2025 and 2026, as well as the review of the semi-annual separate and consolidated financial statements for periods ending 30th June 2025 and 30th June 2025. The remuneration due for activities related to the audit and review of the separate and consolidated financial statements, including the consolidation package audit, was set at PLN 105.20 thousand net for 2025. For 2026 the remuneration due was set on equal amount.

Apart from the services described above, the entity authorized to audit financial statements did not provide any other services to the Parent Company, including certification services and tax advisory services.

4.32. Signatures of persons responsible for financial statements preparation

Date	Name and surname	Position	Signature
28 th August 2025	Józef Duda	President of the Management Board	
28 th August 2025	Stanisław Duda	Vice President of the Management Board	
28 th August 2025	Krystyna Ligas	Chief Accountant Person responsible for bookkeeping	

Company's seal

5. Statement of the Parent Company's Management Board on the reliability of the preparation of the semi-annual consolidated financial statements

To the best of our knowledge, the semi-annual consolidated financial statements and comparable data have been prepared in accordance with the applicable accounting principles, and reflect truthfully, fairly and clearly the property and financial situation of the PATENTUS S.A. Capital Group as well as the net profit of the Capital Group.

The semi-annual report on the Capital Group's performance presents a true and accurate picture of the development, achievements, and situation of the PATENTUS S.A. Capital Group, including a description of the main hazards and risks.

Signatures of all Members of the Parent Company's Management Board

Date	Name and surname	Position	Signature
28 th August 2025	Józef Duda	President of the Management Board	
28 th August 2025	Stanisław Duda	Vice President of the Management Board	

Company's seal

6. Statement of the Management Board of the Parent Company on the entity authorized to audit the consolidated semi-annual financial statements

The Company's Management Board, based on the documentation provided by the Supervisory Board, declares that on 18th October 2024, the Supervisory Board adopted a resolution appointing MOORE Polska Audyt sp. z o.o., with its registered office in Warsaw, as the entity authorized to audit the annual financial statements and to review the semi-annual separate and consolidated financial statements of the Company for 2025 and 2026 in accordance with generally applicable regulations, the Company's policy regarding the selection of the audit firm, and the relevant internal procedures.

Bearing in mind the above, the Company's Management Board, based on the documentation provided by the Supervisory Board, declares that:

- The audit firm and members of the audit team met the conditions necessary for the preparing an impartial and independent report on the audit of the annual consolidated financial statements, in accordance with the applicable regulations, professional standards, and professional ethics rules.
- The Company complies with applicable regulations related to the rotation of the auditing firm and key statutory auditor, as well as mandatory grace periods.
- The Company has established policies regarding the selection of an audit firm and a policy for the provision of additional non-audit services by the audit firm, its related entities, or members of its network, including services conditionally exempt from the prohibition on the audit firm from providing such services.

Signatures of all Members of the Parent Company's Management Board.

Date	Name and surname	Position	Signature
28 th August 2025	Józef Duda	President of the Management Board	
28 th August 2025	Stanisław Duda	Vice President of the Management Board	

Company's seal