MERCOR Group

Interim financial statements for the three months ended 31 December 2024

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

Gdańsk, 17 February 2025

Contents

Consolidated financial highlights

Financial highlights	PLN '000		EUR '000	
	1 Apr–31 Dec 2024	1 Apr–31 Dec 2023	1 Apr–31 Dec 2024	1 Apr–31 Dec 2023
Revenue	381,662	409,660	88,790	91,626
Operating profit	18,121	41,259	4,216	9,228
Profit before tax	18,135	47,662	4,219	10,660
Net profit	14,517	43,678	3,377	9,769
Net profit attributable to owners of the parent	14,102	43,120	3,281	9,644
Net cash provided by (used in) operating activities	26,740	40,111	6,221	8,971
Net cash provided by (used in) investing activities	(10,578)	(6,252)	(2,461)	(1,398)
Net cash provided by (used in) financing activities	(14,164)	(33,115)	(3,295)	(7,407)
Total net cash flows	1,998	744	465	166
Total assets	401,259	409,556	93,906	99,225
Non-current liabilities	84,866	74,673	19,861	17,362
Current liabilities	99,410	106,964	23,265	24,870
Equity	216,983	227,919	50,780	52,993
Share capital	3,892	3,892	911	905
Equity attributable to owners of the parent	214,415	225,393	50,179	52,406
Number of shares	15,299,502	15,476,864	15,299,502	15,476,864
Net earnings per share	0.92	2.79	0.21	0.62
Book value per share	14.01	14.59	3.28	3.39

Separate financial highlights

Financial highlights	PLN '000		EUR '000	
	1 Apr–31 Dec 2024	1 Apr–31 Dec 2023	1 Apr–31 Dec 2024	1 Apr–31 Dec 2023
Revenue	228,422	268,499	53,140	60,053
Operating profit	2,079	24,378	484	5,452
Profit before tax	3,879	35,235	902	7,881
Net profit	3,524	34,071	820	7,620
Net cash provided by (used in) operating activities	13,233	23,630	3,078	5,285
Net cash provided by (used in) investing activities	(2,331)	7,476	(542)	1,672
Net cash provided by (used in) financing activities	(10,490)	(30,030)	(2,440)	(6,717)
Total net cash flows	412	1,076	96	240
Total assets	301,899	303,153	70,653	70,486
Non-current liabilities	82,301	71,986	19,261	16,738
Current liabilities	59,689	59,354	13,969	13,800
Equity	159,909	171,813	37,423	39,948
Share capital	3,892	3,892	911	905
Number of shares	15,299,502	15,476,864	15,299,502	15,476,864
Earnings per share	0.23	2.20	0.05	0.49
Book value per share	10.45	11 ,12	2.45	2.59

Items of the statement of financial position have been translated into the euro at the mid rate quoted by the National Bank of Poland for the reporting dates, i.e. 4.2730 for 31 December 2024 and 4.3009 for 31 March 2024.

Items of the statement of comprehensive income, statement of changes in equity and statement of cash flows have been translated into the euro at the arithmetic mean of the mid rates quoted by the National Bank of Poland for the last days of the months covered by this report, i.e. 4.2985 for the period 1 April 2024–31 December 2024, and 4.4710 for the period 1 April 2023–31 December 2023.

Interim condensed consolidated statement of comprehensive income

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
	unaudited	unaudited	unaudited	unaudited
Revenue	381,662	131,351	409,660	133,780
Cost of sales	288,576	101,714	303,788	95,418
Gross profit	**93,086**	**29,637**	**105,872**	**38,362**
Other income	593	(138)	1,766	435
Distribution costs	42,420	13,799	37,657	15,267
Administrative expenses	31,604	13,815	27,461	9,166
Other expenses	1,394	213	1,520	557
(Expected credit loss)/reversal of expected credit loss	(140)	411	259	(62)
Operating profit	**18,121**	**2,083**	**41,259**	**13,745**
Finance income	1,229	381	9,904	3,673
Finance costs	4,672	1,674	5,363	1,937
Profit (loss) of equity-accounted investees	3,457	2,346	1,862	903
Profit before tax	**18,135**	**3,136**	**47,662**	**16,384**
Income tax	3,618	69	3,984	3,131
Net profit	**14,517**	**3,067**	**43,678**	**13,253**
Attributable to:				
owners of the parent	14,102	2,599	43,120	13,090
non-controlling interests	415	468	558	163
	14,517	3,067	43,678	13,253
Other comprehensive income				
Exchange differences from translation of foreign operations	(10,025)	(1,581)	(8,503)	(6,844)
Total comprehensive income	**4,492**	**1,486**	**35,175**	**6,409**
Attributable to:				
owners of the parent	4,450	946	35,333	6,336
non-controlling interests	42	540	(158)	73
	4,492	1,486	35,175	6,409
Earnings (loss) per share:				
Basic	0.92	0.17	2.79	0.85
Diluted	0.92	0.17	2.79	0.85

Interim consolidated statement of financial position

Assets

	End of period 31 Dec 2024	End of period 31 Mar 2024
	unaudited	restated
Non-current assets		
Goodwill	5,996	47,288
Other intangible assets	20,568	27,971
Property, plant and equipment	41,724	73,706
Right-of-use assets	11,430	16,987
Deferred tax assets	4,697	3,955
Other financial assets	4,157	3,955
Equity-accounted investees	13,511	12,012
Long-term security deposits receivable	282	12,842
Other non-current assets	107	811
	102,472	**199,527**
Current assets		
Inventories	62,764	57,166
Financial assets	1,000	-
Trade and other receivables	99,518	99,744
Contract receivables	21,384	28,194
Short-term security deposits receivable	3,755	3,453
Forward contracts	15	39
Current income tax assets	967	1,844
Other current assets	1,397	5,685
Cash and cash equivalents	15,902	13,904
	206,702	**210,029**
Non-current assets classified as held for sale	*92,085*	-
Total assets	**401,259**	**409,556**

Equity and liabilities

	End of period 31 Dec 2024	End of period 31 Mar 2024
	unaudited	restated
Equity		
Share capital	3,892	3,892
Share premium	106,202	106,202
Share buyback reserve	6,180	6,180
Merger reserve	857	857
Translation reserve	(17,102)	(7,450)
Treasury shares	(6,215)	(2,574)
Retained earnings	120,601	118,286
Equity attributable to owners of the parent	**214,415**	**225,393**
Non-controlling interests	2,568	2,526
Total equity	**216,983**	**227,919**
Non-current liabilities		
Long-term borrowings	70,635	60,535
Deferred tax liabilities	31	96
Provisions for liabilities	2,341	555
Deferred income	3,416	3,303
Right-of-use liabilities	6,215	10,184
	82,638	**74,673**
Current liabilities		
Short-term borrowings	8,579	8,774
Trade and other payables	76,716	81,178
Contract liabilities	3,896	3,688
Current income tax liabilities	948	402
Forward contracts	-	-
Provisions for liabilities	2,373	4,195
Deferred income	506	502
Right-of-use liabilities	4,601	8,225
	97,619	**106,964**
Liabilities related to non-current assets held for sale	*4,019*	-
Total equity and liabilities	**401,259**	**409,556**

Interim condensed consolidated statement of changes in equity

	Share capital	Share premium	Share buyback reserve	Merger reserve	Translation reserve	Treasury shares	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
As at 1 Apr 2023	**3,915**	**106,202**	**7,245**	**857**	**3,121**	**(1,507)**	**92,393**	**212,226**	**2,944**	**215,170**
Net profit (loss) for reporting period	-	-	-	-	-	-	43,120	43,120	558	43,678
Other comprehensive income	-	-	-	-	(7,787)	-	-	(7,787)	(716)	(8,503)
Comprehensive income for period	**-**	**-**	**-**	**-**	**(7,787)**	**-**	**43,120**	**35,333**	**(158)**	**35,175**
Dividend payment	-	-	-	-	-	-	(23,423)	(23,423)	-	(23,423)
Cancellation of treasury shares	(23)	-	(1,065)	-	-	1,088	-	-	-	-
Share buyback	-	-	-	-	-	(1,440)	-	(1,440)	-	(1,440)
Transactions with owners recognised in equity	**(23)**	**-**	**(1,065)**	**-**	**-**	**(352)**	**(23,423)**	**(24,863)**	**-**	**(24,863)**
As at 31 Dec 2023	**3,892**	**106,202**	**6,180**	**857**	**(4,666)**	**(1,859)**	**112,090**	**222,696**	**2,786**	**225,482**
As at 1 Apr 2024	**3,892**	**106,202**	**6,180**	**857**	**(7,450)**	**(2,574)**	**118,286**	**225,393**	**2,526**	**227,919**
Net profit (loss) for reporting period	-	-	-	-	-	-	14,102	14,102	415	14,517
Other comprehensive income	-	-	-	-	(9,652)	-	-	(9,652)	(373)	(10,025)
Comprehensive income for period	**-**	**-**	**-**	**-**	**(9,652)**	**-**	**14,102**	**4,450**	**42**	**4,492**
Dividend payment	-	-	-	-	-	-	(11,787)	(11,787)	-	(11,787)
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
Share buyback	-	-	-	-	-	(3,641)	-	(3,641)	-	(3,641)
Transactions with owners recognised in equity	**-**	**-**	**-**	**-**	**-**	**(3,641)**	**(11,787)**	**(15,428)**	**-**	**(15,428)**
As at 31 Dec 2024	**3,892**	**106,202**	**6,180**	**857**	**(17,102)**	**(6,215)**	**120,601**	**214,415**	**2,568**	**216,983**

Interim condensed consolidated statement of cash flows

	1 Apr–31 Dec 2024	1 Apr–31 Dec 2023
	unaudited	unaudited
Operating activities		
Profit (loss) before tax	18,135	47,662
Adjustments for:		
Depreciation and amortisation	13,906	14,060
Interest accrued	4,445	4,566
(Gains) losses on investing activities	(1,446)	(266)
Change in inventories	(5,598)	725
Change in receivables	3,000	9,519
Change in liabilities and provisions	(4,381)	(26,831)
Change in contract assets and liabilities	7,018	(1,607)
Change in other assets	4,688	5,490
Other adjustments (exchange differences on consolidation)	(10,025)	(8,503)
Total adjustments	***11,607***	***(2,847)***
Income tax paid	(3,002)	(4,704)
Net cash provided by (used in) operating activities	**26,740**	**40,111**
Investing activities		
Purchase of property, plant and equipment	(9,525)	(7,346)
Gain on disposal of property, plant and equipment	(53)	851
Loans to equity-accounted investees	-	-
Loans to other entities	(1,000)	-
Grants for development projects	-	243
Net cash provided by (used in) investing activities	**(10,578)**	**(6,252)**
Financing activities		
Increase in (repayment of) borrowings	9,905	(670)
Share buyback	(3,641)	(1,440)
Increase in (repayment of) right-of-use liabilities	(4,196)	(3,016)
Dividends paid	(11,787)	(23,423)
Interest paid	(4,445)	(4,566)
Net cash provided by (used in) financing activities	**(14,164)**	**(33,115)**
Change in cash	**1,998**	**744**
Cash at beginning of period	13,904	17,314
Cash at end of period	**15,902**	**18,058**

Interim condensed separate statement of comprehensive income

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
	unaudited	unaudited	unaudited	unaudited
Revenue	228,422	80,603	268,499	85,184
Cost of sales	180,111	63,970	209,061	64,517
Gross profit	**48,311**	**16,633**	**59,438**	**20,667**
Other income	50	(41)	1,361	387
Distribution costs	24,002	7,861	20,471	8,708
Administrative expenses	21,482	10,357	15,903	4,742
Other expenses	410	224	351	116
(Expected credit loss)/reversal of expected credit loss	(388)	163	304	(17)
Operating profit (loss)	**2,079**	**(1,687)**	**24,378**	**7,471**
Finance income	5,731	2,104	15,107	4,887
Finance costs	3,931	1,476	4,250	1,531
Profit (loss) before tax	**3,879**	**(1,059)**	**35,235**	**10,827**
Income tax	355	(464)	1,164	2,038
Net profit (loss)	**3,524**	**(595)**	**34,071**	**8,789**
Other comprehensive income	-	-	-	-
Net comprehensive income	**3,524**	**(595)**	**34,071**	**8,789**
Earnings (loss) per share:				
Basic	0.23	(0.04)	2.20	0.57
Diluted	0.23	(0.04)	2.20	0.57

Interim condensed separate statement of financial position

Assets

	End of period 31 Dec 2024	End of period 31 Mar 2024
	Unaudited	
Non-current assets		
Intangible assets	5,437	13,843
Property, plant and equipment	33,046	60,439
Right-of-use assets	1,904	7,476
Other financial assets	41,320	97,891
Deferred tax assets	4,240	3,291
Long-term security deposits receivable	282	3,345
Other non-current assets	13	190
	86,242	**186,475**
Current assets		
Inventories	41,607	37,790
Financial assets	1,000	-
Trade and other receivables	56,654	58,700
Contract assets	13,038	13,486
Short-term security deposits receivable	2,063	2,334
Current income tax assets	-	933
Forward contracts	15	39
Other current assets	1,079	2,846
Cash and cash equivalents	962	550
	116,418	**116,678**
Non-current assets classified as held for sale	*99,239*	-
Total assets	**301,899**	**303,153**

Equity and liabilities

	End of period 31 Dec 2024	End of period 31 Mar 2024
	unaudited	
Equity		
Share capital	3,892	3,892
Share premium	106,202	106,202
Capital reserves	7,037	7,037
Treasury shares	(6,215)	(2,574)
Retained earnings	48,993	57,256
Total equity	**159,909**	**171,813**
Non-current liabilities		
Long-term borrowings	73,435	63,175
Deferred tax liabilities	-	-
Provisions for liabilities	2,341	555
Deferred income	3,123	3,135
Right-of-use liabilities	1,174	5,121
	80,073	**71,986**
Current liabilities		
Short-term borrowings	2,775	2,787
Trade and other payables	48,160	48,052
Contract liabilities	3,896	1,847
Corporate income tax payable	-	-
Provisions for liabilities	1,616	3,402
Forward contracts	-	-
Deferred income	506	502
Right-of-use liabilities	945	2,764
	57,898	**59,354**
Liabilities directly related to non-current assets classified as held for sale	*4,019*	-
Total equity and liabilities	**301,899**	**303,153**

Interim condensed separate statement of changes in equity

	Share capital	Share premium	Capital reserves	Treasury shares	Retained earnings	Total equity
As at 1 Apr 2023	**3,915**	**106,202**	**8,102**	**(1,507)**	**42,446**	**159,158**
Net profit (loss) for reporting period	-	-	-	-	34,071	34,071
Comprehensive income for period	**-**	**-**	**-**	**-**	**34,071**	**34,071**
Dividend paid	-	-	-	-	(23,368)	(23,368)
Cancellation of treasury shares	(23)	-	(1,065)	1,088	-	-
Share buyback	-	-	-	(1,440)	-	(1,440)
Transactions with owners recognised in equity	**(23)**	**-**	**(1,065)**	**(352)**	**(23,368)**	**(24,808)**
As at 31 Dec 2023	**3,892**	**106,202**	**7,037**	**(1,859)**	**53,149**	**168,421**
As at 1 Apr 2024	**3,892**	**106,202**	**7,037**	**(2,574)**	**57,256**	**171,813**
Net profit (loss) for reporting period	-	-	-	-	3,524	3,524
Comprehensive income for period	**-**	**-**	**-**	**-**	**3,524**	**3,524**
Dividend paid	-	-	-	-	(11,787)	(11,787)
Cancellation of treasury shares	-	-	-	-	-	-
Share buyback	-	-	-	(3,641)	-	(3,641)
Transactions with owners recognised in equity	**-**	**-**	**-**	**(3,641)**	**(11,787)**	**(15,428)**
As at 31 Dec 2024	**3,892**	**106,202**	**7,037**	**(6,215)**	**48,993**	**159,909**

Interim condensed separate statement of cash flows

	1 Apr–31 Dec 2024	1 Apr–31 Dec 2023
	unaudited	unaudited
Operating activities		
Profit (loss) before tax	3,879	35,235
Adjustments for:		
Depreciation and amortisation	8,681	8,756
Interest	3,360	3,666
Dividends received	(3,972)	(4,912)
(Gains) losses on investing activities	110	(882)
Change in inventories	(3,817)	(2,744)
Change in receivables	(8,907)	4,860
Change in contract assets and liabilities	13,472	(956)
Change in liabilities and provisions	100	(18,269)
Change in other assets	698	526
Total adjustments	***9,725***	***(9,955)***
Income tax paid	(371)	(1,650)
Net cash provided by (used in) operating activities	**13,233**	**23,630**
Investing activities		
Purchase of property, plant and equipment	(5,193)	(4,537)
Payments for purchased financial assets	-	-
(Grant) repayment of loans	(1,000)	5,871
Proceeds from disposal of property, plant and equipment	(110)	882
Proceeds from disposal of financial assets	-	-
Dividends received	3,972	4,912
Grants for development projects	-	348
Net cash provided by (used in) investing activities	**(2,331)**	**7,476**
Financing activities		
Increase in/(repayment) of borrowings	10,248	366
Payment of right-of-use liabilities	(1,950)	(1,867)
Share buyback	(3,641)	(1,440)
Dividends paid	(11,787)	(23,423)
Interest paid	(3,360)	(3,666)
Net cash provided by (used in) financing activities	**(10,490)**	**(30,030)**
Change in cash	**412**	**1,076**
Cash at beginning of period	550	126
Cash at end of period	**962**	**1,202**

Notes to the financial statements

General information about the Company and the Group

MERCOR S.A. (the Company, the Parent, MERCOR) has traded as a joint-stock company since 21 September 2004. Prior to that date, the Company traded as a limited liability company under the name of Przedsiębiorstwo Usługowo-Handlowe MERCOR sp. z o.o. MERCOR S.A. is the Parent of the MERCOR Group.

The Company's registered office is located in Gdańsk, at ul. Grzegorza z Sanoka 2, 80-408 Gdańsk, Poland. The Company operates from its registered office as well as through trade offices and production establishments, none of which prepares a separate set of accounts. The Company is registered with the District Court of Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register. under entry No. KRS 0000217729.

The principal business of the Company and the Group consists in the manufacture, sale, installation and maintenance of passive fire protection systems. The Group's product offering includes:

- ✓ smoke and heat exhaust systems, rooflight systems,
- ✓ fire ventilation systems,
- ✓ fire protections of building structures,
- ✓ fire partitions, fire-rated doors and gates.

MERCOR S.A. and companies of the MERCOR Group manufacture, deliver and install equipment components for fire protection systems. They also provide maintenance services to guarantee reliable long-term operation of such systems. In addition, the Company offers product advisory services and comprehensive assistance in designing tailor-made fire safety solutions, including CFD simulations, CAD and BIM materials. MERCOR employees participate in various industry events to share their considerable knowledge and experience in the fire protection of building structures.

The Group's objective is to provide safety. The primary role of fire protection is to facilitate the evacuation of people in the event of a fire, enable the efficient operation of emergency response teams, reduce the damaging effects of high temperatures on the building, and safeguard property.

The Group's products are primarily manufactured to order based on a client's desired specifications while adhering to safety standards and relevant regulatory requirements.

Management and supervisory bodies

Composition of the governing bodies of MERCOR S.A. as at 31 December 2024.

Management Board

Krzysztof Krempeć – President of the Management Board
Jakub Lipiński – First Vice President of the Management Board
Tomasz Kamiński – Member of the Management Board.

Supervisory Board:

Lucjan Myrda – Chair of the Supervisory Board
Arkadiusz Kęsicki – Deputy Chair of the Supervisory Board
Tomasz Rutowski – Secretary of the Supervisory Board
Eryk Karski – Member of the Supervisory Board
Marian Popinigis – Member of the Supervisory Board
Pathy Timu Zenzo – Member of the Supervisory Board
Błażej Żmijewski – Member of the Supervisory Board.

There were no changes in the composition of the Management Board and the Supervisory Board of MERCOR S.A. during the reporting period.

After the reporting period, Lucjan Myrda tendered his resignation from the Supervisory Board, with effect from 21 January 2025. On 12 February 2025, Arkadiusz Kęsicki was appointed Chair of the Supervisory Board, and Eryk Karski was appointed Deputy Chair.

Subsidiaries

As at 31 December 2024, the following entities were consolidated:

Subsidiaries consolidated using the full method:

- ✓ Tecresa Protección Pasiva S.L. of Madrid (Spain)
- ✓ Mercor Dunamenti Tűzvédelem Zrt of Göd (Hungary)
- ✓ Dunamenti CZ s.r.o. of Prague (Czech Republic) (subsidiary of Dunamenti Tűzvédelem Zrt)
- ✓ Dunamenti s.r.o. of Kolárovo (Slovakia) (subsidiary of Dunamenti Tűzvédelem Zrt)
- ✓ Mercor Czech Republic s.r.o. of Ostrava (Czech Republic)
- ✓ Mercor Slovakia s.r.o. of Bratislava (Slovakia)
- ✓ Mercor Fire Protection Systems S.R.L. of Chitila (Romania)
- ✓ TOB Mercor Ukraina of Drohovyzh (Ukraine)
- ✓ DFM DOORS sp. z o.o. of Gdańsk (Poland)
- ✓ MERCOR FIRE PROTECTION UK LTD of Salford (England)
- ✓ MCR SOL ENERGY sp. z o.o. of Gdańsk (Poland)
- ✓ MCR Tech Lab sp. z o.o. of Gdańsk (Poland)
- ✓ MERCOR Centrum Usług Wspólnych sp. z o.o. of Gdańsk (Poland)
- ✓ MERCOR SILBOARD sp. z o.o. of Gdańsk (Poland)
- ✓ MHD1 sp. z o.o. of Gdańsk (Poland)
- ✓ MERCOR HD sp. z o.o. of Gdańsk (Poland)
- ✓ Mercor Light&Vent sp. z o.o. of Gdańsk (Poland)
- ✓ MCR IsoProtec sp. z o.o. of Gdańsk (Poland)

Equity-accounted investees:

- ✓ Elmech-ASE S.A. of Pruszcz Gdański (Poland)
- ✓ OOO Mercor-PROOF of Moscow (Russia)
- ✓ MKRP Systems Unitary Production Enterprise of Minsk (Belarus) (subsidiary of OOO Mercor-PROOF)
- ✓ TOO MKR – Astana of Almaty (Kazakhstan) (subsidiary of OOO Mercor-PROOF)

Shareholding structure

Shareholders holding 5% or more of total voting rights in the Company

Shareholder	As at the issue date of this report				Change relative to data disclosed in the most recent periodic report			
	Number of shares	% ownership interest	Number of voting rights	% voting interest	Number of shares	% ownership interest	Number of voting rights	% voting interest
PERMAG sp. z o.o.	4,102,994	26.35%	4,102,994	26.35%	-	-	-	-
Bangtino Limited	3,300,000	21.20%	3,300,000	21.20%	-22,000	-0.14%	-22,000	-0.14%
Nationale Nederlanden Powszechne Towarzystwo Emerytalne	1,454,465	9.34%	1,454,465	9.34%	-	-	-	-
Otwarty Fundusz Emerytalny PZU Złota Jesień	1,452,947	9.33%	1,452,947	9.33%	-	-	-	-
N50 Cyprus Limited	1,376,379	8.84%	1,376,379	8.84%	-	-	-	-
PTE Allianz Polska S.A.	834,757	5.36%	834,757	5.36%	-	-	-	-

MERCOR S.A. shares held by Management and Supervisory Board members as at the date of issue of this report

Management Board

	Number of shares held directly at the date of issue of this report	Change since issue of the most recent periodic report
Krzysztof Krempeć	15,608	-

Supervisory Board

To the best of the Company's knowledge, none of the Supervisory Board members held directly any shares in MERCOR S.A. as at the date of this report.

Indirect holdings of Company shares by Management and Supervisory Board members

Shareholder	Member of the Supervisory Board, Member of the Management Board: holding Company shares indirectly – through a Shareholder / related parties	Number of shares held by the Shareholder in the Company's share capital as at the issue date of this report
PERMAG sp. z o.o.	Krzysztof Krempeć	4,102,994
N50 Cyprus Limited	Marian Popinigis	1,376,379
Value Fund Poland Activist FIZ	Eryk Karski	562,098

Treasury shares

Pursuant to a resolution passed by the Extraordinary General Meeting in June 2020, the Company implemented a share buyback programme. As at 31 December 2024, the Company held 269,775 treasury shares, representing 1.73274% of its share capital and the total vote at its General Meeting.

With the funds allocated for the share buyback programme fully spent, the programme was concluded on 22 November 2024.

Other than the share buyback described above, there were no issues, redemptions or repayments of any debt or equity securities during the reporting period.

On 6 February 2025, by Resolution No. 8 of the Extraordinary General Meeting, the Management Board was authorised to buy back Company shares. As per the approved Share Buyback Terms, the total pecuniary amount allocated to the buyback is PLN 10,000,000.00. The buyback in exchange for a pecuniary consideration will cover no more than 778,463 shares. The maximum duration of the Programme is until 6 February 2030.

In view of Resolution No. 7 of the Extraordinary General Meeting dated 6 February 2025 on a material change of the Company's business profile and amendment to its Articles of Association, the Management Board announced a process to repurchase shares from dissenting shareholders. The shares will be repurchased at a price determined in accordance with Art. 417.1 of the Commercial Companies Code, set at PLN 26.91 per share. The period for submitting repurchase requests expires on 6 March 2025.

Policies applied in the preparation of the financial statements

In the preparation of these condensed consolidated financial statements, the same accounting policies and calculation methods were used as those applied by the Group in the preparation of its most recent full-year consolidated financial statements.

These condensed consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments measured at fair value.

Financial data contained in these condensed consolidated financial statements is presented in thousands of Polish złoty (PLN '000), unless more accurate data is provided in specific cases.

The functional currency is the same as the local currency of the country in which a given Group entity is located. Currently, the Group companies operate in Poland, the Czech Republic, Slovakia, Spain, Ukraine, Romania, Hungary, and the United Kingdom. The functional currency and the presentation currency of the Parent is the Polish złoty (PLN).

These condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern for the foreseeable future. As at the date of the condensed consolidated financial statements, there are no circumstances indicating any threat to the Group continuing as a going concern.

These interim condensed consolidated financial statements of the MERCOR Group covering the period ended 31 December 2024 have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as endorsed by the European Union.

These interim condensed consolidated financial statements cover the nine months ended 31 December 2024 and contain comparative data for the nine months ended 31 December 2023 with respect to the statement of comprehensive income, statement of changes in equity and statement of cash flows, and comparative data as at 31 March 2024 with respect to the statement of financial position.

These interim condensed consolidated financial statements do not include all the information and disclosures required by IFRS in full-year financial statements and should be read in conjunction with the Group's consolidated financial statements for the financial year ended 31 March 2024.

Seasonality or cyclicality of the Group's operations

The Group's operations are not highly cyclical or seasonal. Previous years' performance data suggest that the first half of the calendar year tends to have slower sales and earnings than the latter half.

Segment information

Based on similar economic characteristics, such as the nature of products and services, production processes, type and class of customers, distribution methods, and regulatory environment, the Group's operations have been aggregated and presented in the financial statements as a single operating segment.

Revenue

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
Revenue from sale of products	345,776	117,975	367,617	121,829
Revenue from sale of merchandise and materials	35,886	13,376	42,043	11,951
Total revenue	**381,662**	**131,351**	**409,660**	**133,780**

Revenue by geographical markets:

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
Poland	205,772	71,448	230,150	76,537
Czech Republic and Slovakia	32,121	11,783	28,105	8,597
Spain	36,734	13,404	36,926	11,543
Ukraine	2,626	1,761	4,202	1,934
Romania	9,610	3,547	11,241	3,783
Hungary	38,036	8,864	32,100	12,577
UK	8,647	2,219	8,725	2,775
Other	48,116	18,325	58,211	16,034
Total revenue	**381,662**	**131,351**	**409,660**	**133,780**

Operating expenses

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
Cost of sales	288,576	101,714	303,788	95,418
Distribution costs	42,420	13,799	37,657	15,267
Administrative expenses	31,604	13,815	27,461	9,166
Total operating expenses	**362,600**	**129,328**	**368,906**	**119,851**
Depreciation and amortisation	13,906	4,630	14,060	4,837
Raw materials and consumables used	168,697	57,419	180,497	75,372
Change in inventories of finished goods	(2,465)	(1,430)	(3,931)	679
Services	71,558	30,560	67,825	24,976
Salaries and wages	59,046	20,704	55,548	21,235
Employee benefits	15,259	5,029	13,062	4,110
Taxes and charges	5,433	2,019	4,846	1,613
Other	5,653	(698)	6,688	(15,791)
Cost of merchandise and materials sold	25,513	11,095	30,311	2,820
Total expenses by nature	**362,600**	**129,328**	**368,906**	**119,851**

Other income and expenses

Other income

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
Gain on disposal of property, plant and equipment	57	(78)	882	289
Reimbursement of court costs	10	10	130	-
Compensation and penalties received	48	29	-	-
Grants for development projects	-	-	348	40
Other	478	(99)	406	106
Total	**593**	**(138)**	**1,766**	**435**

Other expenses

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
Loss on disposal of property, plant and equipment	110	110	31	31
Compensation and penalties	26	17	21	8
Litigation costs	16	4	83	44
Other	1,242	82	1,385	474
Total	**1,394**	**213**	**1,520**	**557**

Finance income and costs

Finance income

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
Interest on cash and bank deposits	161	134	25	14
Interest on loans	201	67	220	65
Interest on receivables	523	180	5,535	187
Foreign exchange gains	323	3	4,035	3,349
Other	21	(3)	89	58
Total	**1,229**	**381**	**9,904**	**3,673**

Finance costs

	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
Interest and commissions on bank borrowings	3,646	1,400	4,401	1,645
Interest on leases	799	250	814	299
Interest on liabilities	89	6	44	5
Foreign exchange losses	119	11	73	(33)
Other	19	7	31	21
Total	**4,672**	**1,674**	**5,363**	**1,937**

Income tax

The effective tax rate for the Group was 19.95%, less than 1pp above the nominal tax rate for the Parent. This was mainly attributable to different tax rates applicable in various tax jurisdictions in which MERCOR Group companies are located and to permanent differences between profit (loss) before tax and taxable income.

Deferred tax assets and liabilities

Deferred tax is recognised for temporary differences between tax base and profit or loss disclosed in the financial statements. As at 31 December 2024 and 31 March 2024, deferred income tax arose from the items presented in the table below.

	Statement of financial position		Statement of comprehensive income			
	End of period 31 Dec 2024	End of period 31 Mar 2024	1 Apr–31 Dec 2024	1 Oct–31 Dec 2024	1 Apr–31 Dec 2023	1 Oct–31 Dec 2023
Differences between tax base and carrying amounts of property, plant and equipment and intangible assets	1,986	2,329	343	142	537	160
Revenue recognised over time	1,951	2,421	470	764	(121)	362
Unrealised exchange differences and measurement of forward contracts	-	7	7	-	(19)	(19)
Accrued interest	329	238	(91)	(31)	(72)	(97)
Deferred tax liabilities	**4,266**	**4,995**	729	875	325	406
Cost related to revenue recognised over time	1,291	1,001	290	(267)	356	(116)
Differences between tax base and carrying amount of property, plant and equipment, intangible assets and right-of-use assets	283	101	182	10	26	50
Provisions for employee expenses and employee benefit obligations	2,383	2,917	(534)	(50)	(956)	424
Impairment losses on receivables	1,396	1,324	72	(33)	(92)	4
Write-downs of inventories	3,225	2,743	482	43	593	222
Unrealised exchange differences and measurement of forward contracts	-	-	-	-	(9)	(10)
Accrued interest	180	205	(25)	3	33	2
Tax loss asset	174	563	(757)	(74)	(193)	(346)
Deferred tax assets	**8,932**	**8,854**	(290)	(368)	(242)	230
including:						
deferred tax assets	***4,697***	***3,955***				
deferred tax liabilities	***31***	***96***				
Deferred tax expense			**439**	**507**	**83**	**636**

Intangible assets

	End of period 31 Dec 2024	End of period 31 Mar 2024
Goodwill	46,743	47,288
Costs of completed development work	15,742	18,257
Capitalised costs of development work in progress	10,278	5,682
Concessions and licences	3,950	4,032
Total	**76,713**	**75,259**

Intangible assets disclosed under non-current assets held for sale amount to PLN 50,149 thousand, of which PLN 40,747 thousand relates to goodwill.

Property, plant and equipment

	End of period 31 Dec 2024	End of period 31 Mar 2024
Land	4,836	4,836
Buildings and structures	23,401	26,014
Machinery and equipment	32,476	35,130
Vehicles	3,568	2,649
Other property, plant and equipment	1,575	1,947
Property, plant and equipment	***65,856***	***70,576***
Property, plant and equipment under construction	3,688	2,740
Prepayments for property, plant and equipment	185	390
Total	**69,729**	**73,706**

Property, plant and equipment disclosed under non-current assets held for sale amount to PLN 26,269 thousand. This item includes freehold land worth PLN 3,000 thousand, and buildings and structures with a value of PLN 12,353 thousand.

Purchase and sale of material items property, plant and equipment

In the three months to 31 December 2024, the Company did not purchase or sell any material items of property, plant and equipment.

Borrowings

	End of period 31 Dec 2024	End of period 31 Mar 2024
Bank borrowings	79,214	69,309
Borrowings from financial institutions	-	-
Total	**79,214**	**69,309**
Long-term portion		
Bank borrowings	70,635	60,535
Borrowings from financial institutions	-	-
Total	***70,635***	***60,535***
Short-term portion		
Bank borrowings	8,579	8,774
Borrowings from financial institutions	-	-
Total	***8,579***	***8,774***
Borrowings maturing		
within 1 year	8,579	8,774
in 2 to 3 years	70,635	60,535
in 3 to 5 years	-	-
in over 5 years	-	-
Total	***79,214***	***69,309***

Currency breakdown of the Group's bank borrowings (presented in PLN)

	End of period 31 Dec 2024	End of period 31 Mar 2024
Borrowings in PLN	65,041	32,653
Borrowings in EUR	14,173	36,656
Total	**79,214**	**69,309**

Credit default or breach of material credit covenants with respect to which no remedial action was taken by the end of the reporting period

In the three months to 31 December 2024, there were no defaults or material breaches under borrowing agreements.

Amount and type of items that affect assets, liabilities, equity, net profit, or cash flows, which are atypical due to their nature, value, or frequency.

In the three months to 31 December 2024, there were no non-recurring items that would affect the Company's assets, liabilities, equity, net profit, or cash flows.

Write-downs

Inventories

As at 31 December 2024, write-downs of inventories to net realisable value were PLN 17,929 thousand. In the reporting period, the Parent reversed write-downs recognised in previous periods for an amount of PLN 235 thousand, while the amount of write-downs recognised in the reporting period was PLN 458 thousand.

Inventories at end of reporting period:

	End of period 31 Dec 2024	End of period 31 Mar 2024
Materials	43,317	37,313
Work in progress and semi-finished goods	5,194	6,539
Finished goods	32,182	28,398
Write-downs	(17,929)	(15,084)
Total	**62,764**	**57,166**

Recognition, increase, use and reversal of provisions

	Provision for employee benefit obligations	Provision for warranty repairs
Provisions as at 31 Mar 2024	**566**	**4,184**
Provisions expensed in period	-	-
Use of provisions recognised in prior periods	-	-
Effect of exchange differences	-	(36)
Provisions as at 31 Dec 2024	**566**	**4,148**

Changes in economic environment and trading conditions with a material effect on the fair value of financial assets and liabilities, irrespective of whether such assets and liabilities are carried at fair value or adjusted acquisition cost

There were no changes in the economic situation that could have a material effect on the fair value of financial assets and financial liabilities of the Company and its Group, whether measured at fair value or at amortised cost.

Financial instruments

In the three months to 31 December 2024, there were no changes in the method of measuring the fair value of financial instruments.

In the three months to 31 December 2024, there were no changes in the classification of financial assets resulting from a change in their purpose or use.

Contingent assets and liabilities

In the three months to 31 December 2024, there were no material changes in the Company's contingent assets or contingent liabilities.

Related-party transactions

Neither the Company nor any its subsidiaries entered into any related party transactions otherwise than on an arm's length basis.

Sureties or guarantees issued by the Company or its subsidiary if the aggregate value of outstanding sureties or guarantees issued to a single entity or its subsidiary is material

The Company and its subsidiaries did not provide any sureties or guarantees of material value.

Issue, redemption, cancellation and repayment of non-equity and equity securities

There were no issues, redemptions cancellations or repayments of any debt or equity securities during the reporting period.

Factors and events (including of non-recurring nature) having a material bearing on the condensed financial statements

Other than the reclassification of non-current assets involved in the business of manufacture and sale of comprehensive natural smoke exhaust systems and of manufacture and sale of comprehensive fire ventilation systems to non-current assets held for sale and liabilities directly related to those assets, in the three months ended 31 December 2024 there were no factors or events of non-recurring nature that would have a material effect on the condensed financial statements.

The individual non-current assets reclassified as held for sale and liabilities directly related to those assets are presented in the table below.

Non-current assets classified as held for sale	End of period

	31 Dec 2024
Goodwill	40,747
Other intangible assets	9,402
Property, plant and equipment	28,005
Right-of-use assets	3,776
Long-term security deposits receivable	9,508
Other non-current assets	647
Total	**92,085**

	End of period
Liabilities directly related to non-current assets classified as held for sale	31 Dec 2024
Long-term right-of-use liabilities	2,228
Short-term right-of-use liabilities	1,791
Total	**4,019**

Events after the reporting date which are not disclosed in the report but could significantly affect the Company's and its Group's future financial results

After the reporting period, there were no non-recurring events that could potentially impact the Company's and its Group's future performance.

Dividend paid or declared

On 11 October 2024, the Company paid dividend. The amount allocated to dividend was PLN 11,988,343.29, i.e. PLN 0.77 per share. As treasury shares held by the Company were excluded from the dividend payment, the amount of dividend actually paid was PLN 11,787,100.71. The difference between the amount allocated to dividend and the amount actually paid was taken to the Company's statutory reserve funds.

Management Board's position on the feasibility of published forecasts

No earnings guidance was published by the Company.

Material proceedings involving MERCOR S.A. or its subsidiaries

In the reporting period, there were no material proceedings pending against the Company or its subsidiaries.

Material achievements or failures and key events during the reporting period

In the three months to 31 December 2024, the MERCOR Group earned revenue of PLN 131,351 thousand, a year-on-year decrease of 7% from PLN 133,780 thousand. Sales in the Polish market fell by nearly 7%. In the foreign markets where the Group subsidiaries operate, sales growth was reported in the Czech and Slovak market (37%) and in Spain (approximately 16%). In all other markets, the Group experienced sales declines. In Hungary sales decreased by about 30%, by some 20% in the UK market, by over 6% in Romania, and by close to 9% in Ukraine.

In the three months to 31 December 2024, operating profit before depreciation and amortisation was PLN 6,713 thousand, a year-on-year decrease of over 42% from PLN 18,582 thousand. Operating profit for the period was PLN 2,083 thousand, representing a nearly 67% year-on-year decrease.

Net profit earned by the MERCOR Group in the three months to 31 December 2024 was PLN 3,067 thousand (three months to 31 December 2023: PLN 13,253 thousand).

Information relevant to the assessment of human resources, assets, financial condition and financial performance or any changes thereto, and the Company's ability to meet its obligations

The personnel, asset and financial position of the Company and the Group companies are stable and have not changed materially. The MERCOR Group has a stable workforce, uses its assets efficiently, and performs its obligations in a timely manner.

The Company's credit facility agreements have been extended for another period with the existing limits maintained. By way of an amendment of December 2024, the term of the credit limit agreement between the Company and BNP Paribas Bank Polska Spółka Akcyjna of Warsaw was extended until December 2026. The limit remained unchanged at PLN 42,880,000.00. In December 2024, the term of the Company's overdraft facility from Credit Agricole Bank Polska S.A. of Wrocław was also extended. The overdraft facility agreement is due to terminate on 30 October 2026and the facility amount remains unchanged at PLN 28,560,000.00. The term of the overdraft facility agreement between the Company and Santander Bank Polska Spółka Akcyjna of Warsaw was extended until 28 November 2026. The limit remains unchanged at PLN 28,560,000.00. In November and December 2024, the parties also executed amendments to the bank guarantee facility agreement, whereby the availability period of the facility was extended until November 2025, and its amount was raised by PLN 1,000,000.00, to PLN 8,000,000.00. The term of the guarantee facility agreement between Mercor and BNP Paribas Bank Polska was extended until December 2026, while the facility amount remained unchanged at PLN 10,500,000.00.

On 22 November 2024, the Company and Kingspan société à responsabilité limitée, a subsidiary of Kingspan Group Plc, executed a preliminary agreement for contemplated divestment of shares in certain entities within the MERCOR Group holding assets involved in the manufacture and sale of comprehensive natural smoke exhaust systems and the manufacture and sale of comprehensive fire ventilation systems, as announced by the Company in Current Report No. 59/2024 of 25 November 2024.

Under the agreement, the investor would pay a total consideration of PLN 420 million to the Company. However, up to PLN 60 million of this amount would be deferred, contingent upon the divestment companies achieving specified consolidated EBITDA thresholds generated by the demerged business in the 12 months ending 31 March 2026. Depending on the level of target EBITDA achieved, the Company will receive a corresponding portion of the deferred payment, ranging from PLN 15 million to PLN 60 million.

The agreement additionally provides that the final price would be subject to adjustments based on the investor's audit of financial statements as at the closing date, to be performed using a method typical for business acquisition transactions (i.e. the completion accounts method).

Completion of the transaction is subject to the following conditions precedent: (i) concentration clearance obtained by the investor from the relevant antitrust authority, (ii) approval from the Company's General Meeting for the transfer of its assets forming an organised part of the business, (iii) completion of the demerger process, and (iv) approval from the Company's financing banks for the transaction, including the release of security interests created in favour of those banks over assets to be transferred in the demerger process to the divestment companies.

If the transaction is successfully completed, the Company's Management Board intends to recommend allocating a significant portion of the proceeds to dividend payments. Also, if the final agreement with the investor is concluded, the business scope to be divested would be presented in the Company's reports as discontinued operations.

By Resolutions No. 5 and No. 6 dated 6 February 2025, the Extraordinary General Meeting approved the transfer of the following in-kind contributions:

- ✓ the entire business (including employees, property, plant and equipment, intangible assets, as well as rights and obligations under contracts) associated with Fire Ventilation Systems and Natural Smoke Exhaust Systems – to Mercor Light&Vent sp. z o.o., a wholly-owned subsidiary of the Company;
- ✓ the entire business (including employees, property, plant and equipment, intangible assets, as well as rights and obligations under contracts) associated with Fire Protection of Building Structures – to MCR IsoProtec sp. z o.o., a wholly-owned subsidiary of the Company.

Further to Resolutions No. 5 and No. 6, the Extraordinary General Meeting passed Resolution No. 7 to materially change the Company's business profile to that of a holding company.

Impact of the war in Ukraine on the Group's business

In the opinion of MERCOR S.A.'s Management Board, the impact of the war in Ukraine on the Company and the Group's operations has remained consistent with the description presented in the issued periodic report for the first half of the financial year, that is for the period 1 April 2024–30 September 2024. Based on the analyses performed, the Management Board of the Parent identified no threat to the Parent's and other Group companies' ability to continue as going concerns as at the release date of this report and for the foreseeable future.

Factors that, in the opinion of the Company, will affect its results in the following quarter and beyond

Key factors affecting the Group's performance are factors relating to the macro environment:

- construction investment levels,
- availability and prices of materials,
- inflation rate,
- interest rates,
- availability of qualified workforce,
- liquidity position of trading partners.

Profit (loss) on operations held for sale

In connection with the preliminary agreement for divestment of shares in the MERCOR Group entities holding assets involved in the business of manufacture and sale of comprehensive natural smoke exhaust systems and the manufacture and sale of comprehensive fire ventilation systems, the estimated results on those operations and comparative data are presented below.

	1 Apr–31 Dec 2024	1 Apr–31 Dec 2023
Revenue	269,008	291,115
Cost of sales	192,427	207,784
Gross profit	**76,581**	**83,331**
Distribution costs	28,285	26,213
Administrative expenses	20,578	20,672
Net other income (expenses)	(240)	(1,106)
Operating profit (loss)	**27,478**	**35,340**
Net finance income (costs)	(2,357)	748
Profit (loss) before tax	**25,121**	**36,088**
Income tax	5,070	7,238
Net profit (loss)	**20,051**	**28,850**

Corrections of prior period errors

During the preparation of the financial statements for the period ended 30 September 2024, an error relating to prior periods was identified based on analyses and opinions provided by independent external experts. This error resulted from the full consolidation of the Russian subsidiary Mercor Proof. Following a detailed analysis conducted in accordance with the International Financial Reporting Standards (IFRS), it was determined that the parent company (MERCOR S.A.) did not have control over the Russian subsidiary Mercor Proof under IFRS 10 as of its establishment in December 2009. The error has been classified as material and requires retrospective correction of financial statements in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The Company communicated the reasons for the error correction in Current Report No. 66/2024 of 30 December 2024.

Effect of the error on the financial statements

The error has affected all reporting periods since 2010 and necessitates retrospective restatement in compliance with IAS 8 and IFRS 10. Specifically:

1. **Correction of opening balances:** The Group's financial data has been restated to exclude the assets, liabilities, revenue/income and costs/expenses of Mercor Proof and to reflect the value of the investee established using the equity method.
2. **Correction of profit or loss:** The effect of Mercor Proof's profit or loss on the Group's consolidated results for 2010–2023 has been eliminated, and the effect of the equity method accounting on historical profit or loss has been recognised.
3. **Changes to equity:** Corrections have been made to accurately reflect the Group's equity balances.

The detailed effects of the error and the retrospective restatements are presented in the tables below:

1. Consolidated statement of financial position as at 31 March 2024

Item	Amount before correction	Correction	Amount after correction
Assets	432,380	(22,824)	409,556
Liabilities	193,110	(11,473)	181,637
Equity	239,270	(11,351)	227,919

2. Consolidated statement of comprehensive income for the period from 1 April to 31 December 2023

Item	Amount before correction	Correction	Amount after correction
Income	458,413	(34,962)	423,451
Expenses	407,113	(31,324)	375,789
Income tax	5,320	(1,336)	3,984
Net profit	45,980	(2,302)	43,678

3. Consolidated statement of changes in equity

Corrections have been recognised under retained earnings at the beginning of the period and under exchange differences on consolidation. The equity attributable to minority shareholders of Mercor Proof has been removed from the 'non-controlling interests' line item.

4. Consolidated statement of cash flows for the period from 1 April to 31 December 2023

Item	Amount before correction	Correction	Amount after correction
Cash flows from operating activities	38,295	1,816	40,111
Cash flows from investing activities	(13,434)	7,182	(6,252)
Cash flows from financing activities	(34,432)	1,317	(33,115)
Change in cash	(9,571)	10,315	744

The error has been corrected by retrospective restatement of the financial statements for all periods affected.

Additional information

No material changes to accounting policies were identified as a result of the correction. The Management Board has reviewed internal control procedures to prevent similar errors in the future.

The effect of the error corrections on individual items in the financial statements is presented below.

	1 Apr–31 Dec 2023	Elimination of Mercor Proof data	Equity-accounted assets	1 Apr–31 Dec 2023
	reported			restated
Revenue	446,271	(36,610)	-	409,660
Cost of sales	327,328	(23,540)	-	303,788
Gross profit	**118,943**	**(13,071)**	**-**	**105,872**
Other income	1,846	(80)	-	1,766
Distribution costs	40,069	(2,412)	-	37,657
Administrative expenses	31,190	(3,729)	-	27,461
Other expenses	1,707	(187)	-	1,520
(Expected credit loss)/reversal of expected credit loss	259	-	-	259
Operating profit	**48,082**	**(6,823)**	**-**	**41,259**
Finance income	10,037	(133)	-	9,904
Finance costs	5,867	(504)	-	5,363
Share of profit (loss) of equity-accounted investees	(952)	-	2,814	1,862
Profit before tax	**51,300**	**(6,452)**	**2,814**	**47,662**
Income tax	5,320	(1,336)	-	3,984
Net profit	**45,980**	**(5,116)**	**2,814**	**43,678**
Other comprehensive income				
Translation reserve	(10,879)	5,282	(2,906)	(8,503)
Total comprehensive income	**35,101**	**166**	**(92)**	**35,175**

	1 Oct–31 Dec 2023	Elimination of Mercor Proof data	Equity-accounted assets	1 Oct–31 Dec 2023
	reported			restated
Revenue	145,412	(11,632)	-	133,780
Cost of sales	103,014	(7,596)	-	95,418
Gross profit	**42,398**	**(4,036)**	**-**	**38,362**
Other income	448	(13)	-	435
Distribution costs	16,024	(757)	-	15,267
Administrative expenses	10,330	(1,164)	-	9,166
Other expenses	626	(69)	-	557
(Expected credit loss)/reversal of expected credit loss	(62)	-	-	(62)
Operating profit	**15,804**	**(2,059)**	**-**	**13,745**
Finance income	3,773	(100)	-	3,673
Finance costs	2,017	(80)	-	1,937
Share of profit (loss) of equity-accounted investees	-	-	903	903
Profit before tax	**17,560**	**(2,079)**	**903**	**16,384**
Income tax	3,569	(438)	-	3,131
Net profit	**13,991**	**(1,641)**	**903**	**13,253**
Other comprehensive income				
Translation reserve	(7,362)	1,154	(636)	(6,844)
Total comprehensive income	**6,629**	**(487)**	**267**	**6,409**

	End of period 31 Mar 2024	Elimination of Mercor Proof data	Correction of consolidation eliminations	Equity-accounted assets	End of period 31 Mar 2024
	reported				restated
Non-current assets					
Goodwill	47,288	-	-	-	47,288
Other intangible assets	28,148	(177)	-	-	27,971
Property, plant and equipment	84,440	(10,734)	-	-	73,706
Right-of-use assets	17,500	(513)	-	-	16,987
Deferred tax assets	4,170	(544)	329	-	3,955
Other financial assets	3,955	-	948	(948)	3,955
Long-term security deposits receivable	13,089	(247)			12,842
Equity-accounted investees	-	-	-	12,012	12,012
Other non-current assets	811	-	-	-	811
	199,401	**(12,215)**	**1,277**	**11,064**	**199,527**
Current assets					
Inventories	72,120	(14,954)	-	-	57,166
Financial assets	-	-	-	-	-
Trade and other receivables	104,680	(4,786)	(150)	-	99,744
Contract assets	29,056	(862)			28,194
Short-term security deposits receivable	3,665	(212)			3,453
Current income tax assets	1,988	(144)	-	-	1,844
Forward contracts	39	-	-	-	39
Other current assets	5,810	(125)	-	-	5,685
Cash and cash equivalents	15,621	(1,717)	-	-	13,904
	232,979	**(22,800)**	**(150)**	**-**	**210,029**
Total assets	**432,380**	**(35,015)**	**1,127**	**11,064**	**409,556**

	End of period 31 Mar 2024	Elimination of Mercor Proof data	Correction of consolidation eliminations	Equity-accounted assets	End of period 31 Mar 2024
	reported				restated
Equity					
Share capital	3,892	(1,846)	1,846	-	3,892
Share premium	106,202	-	-	-	106,202
Share buyback reserve	6,180	-	-	-	6,180
Merger reserve	857	-	-	-	857
Translation reserve	(8,150)	19,626	(13,080)	(5,846)	(7,450)
Treasury shares	(2,574)	-	-	-	(2,574)
Retained earnings	120,454	(39,742)	20,664	16,910	118,286
Equity attributable to owners of the parent	**226,861**	**(21,962)**	**9,430**	**11,064**	**225,393**
Non-controlling interests	12,409	-	(9,883)	-	2,526
Total equity	**239,270**	**(21,962)**	**(453)**	**11,064**	**227,919**
Non-current liabilities					
Long-term borrowings	60,535	-	-	-	60,535
Deferred tax liabilities	96	-	-	-	96
Provisions for liabilities	555	-	-	-	555
Deferred income	3,303	-	-	-	3,303
Right-of-use liabilities	10,566	(382)	-	-	10,184
	75,055	**(382)**	**-**	**-**	**74,673**
Current liabilities					
Short-term borrowings	8,774	-	-	-	8,774
Trade and other payables	92,092	(12,494)	1,580	-	81,178
Contract liabilities	3,688	-	-	-	3,688
Current income tax liabilities	579	(177)	-	-	402
Forward contracts	-	-	-	-	-
Provisions for liabilities	4,195	-	-	-	4,195
Deferred income	502	-	-	-	502
Right-of-use liabilities	8,225	-	-	-	8,225
	118,055	**(12,671)**	**1,580**	**-**	**106,964**
Total equity and liabilities	**432,380**	**(35,015)**	**1,127**	**11,064**	**409,556**

	1 Apr–31 Dec 2023	Elimination of Mercor Proof data	1 Apr–31 Dec 2023
	reported		restated
Operating activities			
Profit (loss) before tax	51,300	(3,638)	47,662
Adjustments for:			
Depreciation and amortisation	14,334	(274)	14,060
Interest accrued	4,728	(162)	4,566
(Gains) losses on investing activities	(361)	95	(266)
Change in inventories	(2,970)	3,695	725
Change in receivables	11,060	(1,541)	9,519
Change in liabilities and provisions	(28,271)	(167)	(28,438)
Change in other assets	5,522	(32)	5,490
Other adjustments (exchange differences on consolidation)	(10,880)	2,377	(8,503)
Total adjustments	***(6,838)***	***3,991***	***(2,847)***
Income tax paid	(6,167)	1,463	(4,704)
Net cash provided by (used in) operating activities	**38,295**	**1,816**	**40,111**
Investing activities			
Purchase of property, plant and equipment	(14,636)	7,290	(7,346)
Proceeds from disposal of property, plant and equipment	854	(3)	851
Grants for development projects	348	(105)	243
Net cash provided by (used in) investing activities	**(13,434)**	**7,182**	**(6,252)**
Financing activities			
Increase in (repayment of) borrowings	(670)	-	(670)
Increase in (repayment of) right-of-use liabilities	(4,171)	1,155	(3,016)
Share buyback	(1,440)	-	(1,440)
Dividends paid	(23,423)	-	(23,423)
Interest paid	(4,728)	162	(4,566)
Net cash provided by (used in) financing activities	**(34,432)**	**1,317**	**(33,115)**
Change in cash	**(9,571)**	**10,315**	**744**
Cash at beginning of period	29,248	(11,934)	17,314
Cash at end of period	**19,677**	**(1,619)**	**18,058**

MANAGEMENT BOARD OF MERCOR S.A.:

Krzysztof Krempeć   Jakub Lipiński   Tomasz Kamiński

President of the Management Board   First Vice President of the Management Board
Member of the Management Board

GDAŃSK, 17 February 2025