



Group Capital Protektor

**Periodic report
for the first half of 2025 ending on
June 30, 2025**

(*The official version of the report is the Polish version.
The English translation is provided for information purposes only.)

Lublin, September 30, 2025

Selected financial data

Data regarding the condensed interim consolidated financial statements

Specification	for the period		for the period	
	from 01/01/2025 to 30/06/2025	from 01/01/2024 to 30/06/2024	from 01/01/2025 to 30/06/2025	from 01/01/2024 to 30/06/2024
	thousand PLN		thousand EUR	
PROFIT AND LOSS ACCOUNT				
Sales revenue	39 853	44 847	9 442	10 403
Gross profit (loss) from sales	13 596	15 180	3 221	3 521
Profit (loss) from operating activities	(1923)	(725)	(456)	(168)
Profit (loss) before tax	(2 865)	(1 782)	(679)	(413)
Net profit (loss) of the capital group	(4 253)	(2785)	(1 008)	(646)
Earnings (loss) per share (PLN/EUR)	(0.23)	(0.15)	(0.05)	(0.03)
CASH FLOW STATEMENT				
Net cash flow from operating activities	(2 044)	967	(484)	224
Net cash flow from investing activities	47	(178)	11	(41)
Net cash flow from financing activities	656	(1 623)	155	(376)
Net change in cash	(1 341)	(834)	(318)	(193)
Specification	per day		per day	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
thousand PLN		thousand EUR		
STATEMENT OF FINANCIAL POSITION				
Fixed assets	22 121	27 235	5 215	6 374
Current assets	41 956	37 671	9 891	8 816
Equity capital	20 834	23 663	4 911	5 538
Long-term liabilities	3 629	5 118	856	1 198
Short-term liabilities	39 614	36 125	9 339	8 454
Weighted average number of shares (pcs)*	19 021 600	19 021 600	19 021 600	19 021 600
Book value per share (PLN/EUR)	1.08	1.23	0.25	0.29

*number of shares admitted to trading

The above financial data have been converted into EUR according to the following rules:

- The items of the consolidated statement of comprehensive income and the consolidated statement of cash flows were translated at exchange rates representing the arithmetic average 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. These rates were: from 1 January to 30 June 2025: 4.2208 EUR/PLN and from 1 January to 30 June 2024: 4.3109 EUR/PLN.
- Assets and liabilities in the consolidated statement of financial position were translated at the exchange rates announced by the National Bank of Poland for the euro, effective on the last day of the reporting period. These rates were 4.2419 EUR/PLN as of June 30, 2025, and 4.2730 EUR/PLN as of December 31, 2024, respectively.

Data regarding the condensed interim separate financial statements

Specification	for the period		for the period	
	from 01/01/2025 to 30/06/2025	from 01/01/2024 to 30/06/2024	from 01/01/2025 to 30/06/2025	from 01/01/2024 to 30/06/2024
	thousand PLN		thousand EUR	
PROFIT AND LOSS ACCOUNT				
Sales revenue	15 710	15 999	3 722	3 711
Gross profit (loss) from sales	1832	1 741	434	404
Profit (loss) from operating activities	(5 211)	(4 483)	(1 235)	(1 040)
Profit (loss) before tax	(5 636)	(2 853)	(1 335)	(662)
Net profit (loss) of the parent company	(6 117)	(2 701)	(1 449)	(627)
Earnings (loss) per share (PLN/EUR)	(0.32)	(0.14)	(0.08)	(0.03)
CASH FLOW STATEMENT				
Net cash flow from operating activities	(2 368)	(1 585)	(561)	(368)
Net cash flow from investing activities	1 161	2,026	275	470
Net cash flow from financing activities	1 129	(1 516)	267	(352)
Net change in cash	(78)	(1 076)	(18)	(250)
Specification	per day		per day	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	thousand PLN		thousand EUR	
STATEMENT OF FINANCIAL POSITION				
Fixed assets	32 508	36 867	7 663	8 628
Current assets	15 083	13 881	3 556	3 248
Equity capital	12 603	16 818	2 971	3 936
Long-term liabilities	5 834	6 987	1 375	1 635
Short-term liabilities	29 153	26 943	6 873	6 305
Weighted average number of shares (pcs)*	19 021 600	19 021 600	19 021 600	19 021 600
Book value per share (PLN/EUR)	0.66	0.88	0.16	0.21

*number of shares admitted to trading

The above financial data have been converted into EUR according to the following rules:

- Items in the separate statement of comprehensive income and the separate statement of cash flows were translated at exchange rates representing the arithmetic average 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. These rates were: from 1 January to 30 June 2025: 4.2208 EUR/PLN and from 1 January to 30 June 2024: 4.3109 EUR/PLN.
- Assets and liabilities in the separate statement of financial position were translated at the exchange rates announced by the National Bank of Poland for the euro, effective on the last day of the reporting period. These rates were 4.2419 EUR/PLN as of June 30, 2025, and 4.2730 EUR/PLN as of December 31, 2024, respectively.

Contents

1. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION	6
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	6
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	7
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	9
2. GENERAL INFORMATION AND PRINCIPLES ADOPTED IN THE PREPARATION OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	10
2.1. GENERAL INFORMATION	10
2.2. BASIS FOR PREPARING FINANCIAL STATEMENTS.....	16
2.3. CHANGES TO STANDARDS OR INTERPRETATIONS	16
2.4. DESCRIPTION OF ACCOUNTING PRINCIPLES ADOPTED.....	18
2.5. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY.....	18
2.6. ESSENTIAL VALUES BASED ON PROFESSIONAL JUDGMENT AND ESTIMATE	19
2.7. ASSUMPTION OF COMPARABILITY OF FINANCIAL STATEMENTS.....	20
3. REPORTING SEGMENTS AND FINANCIAL SITUATION OF THE PROTEKTOR CAPITAL GROUP	23
3.1. OPERATING SEGMENTS	23
3.2. SEASONALITY OF BUSINESS	24
3.3. SIGNIFICANT EVENTS IN THE FIRST HALF OF 2025	24
3.4. MANAGEMENT BOARD'S POSITION REGARDING THE POSSIBILITY OF FULFILLING PREVIOUSLY PUBLISHED FORECASTS.....	34
3.5. FACTORS AND EVENTS THAT MAY AFFECT THE FUTURE RESULTS OF THE PROTEKTOR CAPITAL GROUP	34
3.6. OTHER INFORMATION IMPORTANT FOR THE ASSESSMENT OF THE ASSETS, FINANCIAL SITUATION AND FINANCIAL RESULT	36
4. ADDITIONAL INFORMATION – OTHER EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	37
4.1. SALES REVENUE	37
4.2. OPERATING COSTS.....	38
4.3. OTHER OPERATING INCOME AND EXPENSES.....	38
4.4. FINANCIAL REVENUE AND COSTS	39
4.5. INVENTORY WRITE-DOWNS	39
4.6. ASSET WRITE-DOWNS.....	39
4.7. RESERVES.....	40
4.8. DEFERRED TAX	40
4.9. TANGIBLE FIXED ASSETS AND RIGHT TO USE ASSETS	41
4.10. CHANGES IN THE ECONOMIC SITUATION AND BUSINESS CONDITIONS THAT HAVE A SIGNIFICANT IMPACT ON THE FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES.....	41
4.11. INFORMATION ON DEFAULT OF REPAYMENT OF A CREDIT OR LOAN OR BREACH OF MATERIAL PROVISIONS OF A CREDIT OR LOAN AGREEMENT IN RELATION TO WHICH NO CORRECTIVE ACTIONS HAVE BEEN TAKEN BY THE END OF THE REPORTING PERIOD	42
4.12. INFORMATION ON GRANTING BY THE ISSUER OR ITS SUBSIDIARY A GUARANTEE FOR A CREDIT OR LOAN OR GRANTING A GUARANTEE – TOGETHER TO ONE ENTITY OR SUBSIDIARY OF THIS ENTITY, IF THE TOTAL VALUE OF THE EXISTING GUARANTEES OR SURETIES IS SIGNIFICANT	42
4.13. TRANSACTIONS WITH RELATED ENTITIES	43
4.14. INFORMATION ON THE CHANGE IN THE METHOD OF VALUING FINANCIAL INSTRUMENTS (SO FAR MEASURED AT FAIR VALUE)	43
4.15. CLASSIFICATION OF FINANCIAL ASSETS	44
4.16. ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES.....	44
4.17. DIVIDEND PAID (DECLARED)	44
4.18. CONTINGENT ASSETS AND LIABILITIES.....	44

4.19.	SIGNIFICANT SETTLEMENTS FROM LITIGATION CASES	45
4.20.	SIGNIFICANT PROCEEDINGS PENDING BEFORE A COURT, ARBITRATION AUTHORITY OR PUBLIC ADMINISTRATION AUTHORITY	45
4.21.	INFORMATION ABOUT EVENTS AFTER THE BALANCE SHEET DATE.....	45
4.22.	SIGNIFICANT RISK FACTORS AND THREATS.....	48
5.	INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION	57
	INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME	57
	INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION	57
	INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY	58
	INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS	60
6.	ADDITIONAL INFORMATION – OTHER EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS 61	
6.1.	SALES REVENUE	61
6.2.	OPERATING COSTS.....	62
6.3.	OTHER OPERATING INCOME AND EXPENSES.....	62
6.4.	FINANCIAL REVENUE AND COSTS	63
6.5.	INVENTORY WRITE-DOWNS	63
6.6.	ASSET WRITE-DOWNS.....	63
6.7.	RESERVES.....	64
6.8.	DEFERRED TAX	64
6.9.	TANGIBLE FIXED ASSETS AND RIGHT TO USE ASSETS	65
6.10.	CHANGES IN THE ECONOMIC SITUATION AND BUSINESS CONDITIONS THAT HAVE A SIGNIFICANT IMPACT ON THE FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES.....	65
6.11.	INFORMATION ON DEFAULT OF REPAYMENT OF A CREDIT OR LOAN OR BREACH OF MATERIAL PROVISIONS OF A CREDIT OR LOAN AGREEMENT IN RELATION TO WHICH NO CORRECTIVE ACTIONS HAVE BEEN TAKEN BY THE END OF THE REPORTING PERIOD	66
6.12.	INFORMATION ON GRANTING BY THE ISSUER OR ITS SUBSIDIARY A GUARANTEE FOR A CREDIT OR LOAN OR GRANTING A GUARANTEE – TOGETHER TO ONE ENTITY OR SUBSIDIARY OF THIS ENTITY, IF THE TOTAL VALUE OF THE EXISTING GUARANTEES OR SURETIES IS SIGNIFICANT	66
6.13.	TRANSACTIONS WITH RELATED ENTITIES	67
6.14.	INFORMATION ON THE CHANGE IN THE METHOD OF VALUING FINANCIAL INSTRUMENTS (SO FAR MEASURED AT FAIR VALUE)	69
6.15.	CLASSIFICATION OF FINANCIAL ASSETS	69
6.16.	ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES.....	69
6.17.	DIVIDEND PAID (DECLARED)	69
6.18.	CONTINGENT ASSETS AND LIABILITIES.....	69
6.19.	SIGNIFICANT SETTLEMENTS FROM LITIGATION CASES	70
6.20.	SIGNIFICANT PROCEEDINGS PENDING BEFORE A COURT, ARBITRATION AUTHORITY OR PUBLIC ADMINISTRATION AUTHORITY	70
6.21.	INFORMATION ABOUT EVENTS AFTER THE BALANCE SHEET DATE.....	70
6.22.	SIGNIFICANT RISK FACTORS AND THREATS.....	73
7.	STATEMENT OF THE MANAGEMENT BOARD	82

1. Interim condensed consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Interim condensed consolidated statement of comprehensive income

Specification	for the period		for the period	
	from April 1, 2025 to June 30, 2025	from 01/01/2025 to 30/06/2025	from April 1, 2024 to June 30, 2024	from 01/01/2024 to 30/06/2024
Sales revenue	18 974	39 853	20 500	44 847
Revenues from product sales	18 676	39 062	20 131	43 825
Revenues from the sale of services	62	89	45	99
Revenues from the sale of goods and materials	236	702	324	923
Cost of sales	(11 482)	(26 257)	(14 151)	(29 667)
Cost of products sold	(11 257)	(25 744)	(13 850)	(28 925)
Cost of services sold	(16)	(35)	(34)	(72)
Cost of goods and materials sold	(209)	(478)	(267)	(670)
Gross profit (loss) from sales	7 492	13 596	6 349	15 180
Selling costs	(2 834)	(5 605)	(3 058)	(6 244)
General administrative expenses	(3 520)	(6 781)	(3 963)	(7 633)
Other operating income	264	490	144	290
Other operating costs	(3 441)	(3 623)	(1 482)	(2 318)
Profit (loss) from operating activities	(2 039)	(1 923)	(2 010)	(725)
Financial income	-	4	12	100
Financial costs	(701)	(946)	(662)	(1 157)
Profit (loss) before tax	(2 740)	(2 865)	(2 660)	(1 782)
Tax	(845)	(1 388)	(343)	(1 003)
Net profit (loss)	(3 585)	(4 253)	(3 003)	(2 785)
- attributed to shareholders of the parent entity	(3 599)	(4 280)	(3 027)	(2 814)
- attributed to minority shareholders	14	27	24	29
Other comprehensive income				
Items that may be reclassified to the income statement in the future and losses, including:	209	(477)	105	(175)
- exchange rate differences from the conversion of foreign companies	209	(477)	105	(175)
- income tax on other comprehensive income	-	-	-	-
Items that cannot be reclassified to the income statement in the future and losses, including:	-	-	-	-
- write-down of fixed assets held for sale	-	-	-	-
- income tax on other comprehensive income	-	-	-	-
Total comprehensive income	(3 376)	(4 730)	(2 898)	(2 960)
- attributed to shareholders of the parent company	(3 372)	(4 730)	(2 922)	(2 996)
- attributed to minority shareholders	(3)	(0)	25	36
Weighted average number of ordinary shares (pcs)*	19 021 600	19 021 600	19 021 600	19 021 600
Weighted average diluted number of ordinary shares (units)*	19 021 600	19 021 600	19 021 600	19 021 600
Basic earnings (loss) per share (PLN)**	(0.19)	(0.23)	(0.16)	(0.15)
Diluted earnings (loss) per share (PLN)**	(0.19)	(0.23)	(0.16)	(0.15)

*number of shares admitted to trading

**earnings (loss) per share are calculated from the profit (loss) attributable to the shareholders of the parent company

Interim condensed consolidated statement of financial position

Specification	per day	per day	per day
	30/06/2025	31/12/2024	30/06/2024
Fixed assets	22 121	27 235	31 251
Intangible assets	6 356	6 584	7 755
Property, plant and equipment	6 757	7 642	8 083
The right to use leased assets	6 206	7 901	9 961
Long-term receivables	435	502	632
Deferred tax assets	304	2 401	2 487
Long-term accruals	2 063	2 205	2 333
Current assets	41 956	37 671	50 465
Supplies	30 293	27 967	37 048
Trade receivables	7 422	4 071	7 764
Current income tax receivables	-	815	589
Other short-term receivables	2 087	1 345	1 209
Other short-term financial assets	44	33	27
Cash and cash equivalents	604	1 945	1677
Short-term accruals	1 506	1 495	2 151
TOTAL ASSETS	64 077	64 906	81 716

Specification	per day	per day	per day
	30/06/2025	31/12/2024	30/06/2024
Equity	20 834	23 663	31 378
Equity of shareholders of the parent company	20 502	23 330	30 984
Share capital	11 474	9 572	9 572
Reserve capital from the sale of shares above their nominal value	10 235	10 235	10 235
Capital from valuation of hedging transactions and exchange rate differences from consolidation	(470)	(20)	209
Other capital	6 229	6 229	6 229
Retained earnings, including:	(6 966)	(2 686)	4 739
- net profit (loss) from previous years	(2 686)	7 553	7 553
- net profit (loss) for the current year attributable to shareholders of the parent company	(4 280)	(10 239)	(2 814)
Non-controlling interests	332	333	394
Obligations	43 243	41 243	50 338
Long-term liabilities	3 629	5 118	7 172
Long-term loans and credits	-	-	152
Long-term liabilities arising from the right to use assets in leasing (IFRS 16)	2 935	4 286	6 195
Deferred income tax provision	322	444	432
Provisions for employee benefit liabilities	372	386	389
Long-term accruals	-	2	4
Short-term liabilities	39 614	36 125	43 166
Short-term loans and credits	16 970	14 828	16 185
Other short-term financial liabilities	2 201	2 545	3 256
Trade payables	10 666	7 763	11 434
Current income tax liabilities	674	1 364	2 174
Other short-term liabilities	3 549	2 873	3 346
Short-term liabilities arising from the right to use assets in leasing (IFRS 16)	3 734	4 272	4 762
Provisions for employee benefit liabilities	589	365	979
Other provisions for short-term liabilities	1 120	1 575	1 006
Short-term accruals	111	540	24
TOTAL LIABILITIES	64 077	64 906	81 716

Interim condensed consolidated statement of changes in equity

Specification	Capital attributable to shareholders of the parent company						Non-controlling interests	Total equity
	Share capital	Reserve capital	Exchange rate differences from conversion	Other capital	Retained earnings	Together		
Balance as of January 1, 2025	9 572	10 235	(20)	6 229	(2 686)	23 330	333	23 663
Net profit (loss) for the period 01/01/2025 - 30/06/2025	-	-	-	-	(4 280)	(4 280)	27	(4 253)
Exchange rate differences from conversion	-	-	(450)	-	-	(450)	(28)	(477)
Total comprehensive income	-	-	(450)	-	(4 280)	(4 730)	(0)	(4 730)
Share issue	1 902	-	-	-	-	1 902	-	1 902
Division of financial result	-	-	-	-	-	-	-	-
Changes in equity	1 902	-	(450)	-	(4 280)	(2 828)	(0)	(2 828)
Balance as of June 30, 2025	11,474	10 235	(470)	6 229	(6,966)	20 502	332	20 834
Balance as of January 1, 2024	9 572	10 235	391	6 229	7 553	33 980	359	34 339
Net profit (loss) for the period 01/01/2024 - 30/06/2024	-	-	-	-	(2 814)	(2 814)	29	(2 785)
Exchange rate differences from conversion	-	-	(182)	-	-	(182)	6	(175)
Total comprehensive income	-	-	(182)	-	(2 814)	(2 996)	36	(2 960)
Share issue	-	-	-	-	-	-	-	-
Division of financial result	-	-	-	-	-	-	-	-
Changes in equity	-	-	(182)	-	(2 814)	(2 996)	36	(2 960)
Balance as of June 30, 2024	9 572	10 235	209	6 229	4 739	30 984	394	31 378
Balance as of January 1, 2024	9 572	10 235	391	6 229	7 553	33 980	359	34 339
Net profit (loss) for the period 01/01/2024 - 31/12/2024	-	-	-	-	(10 239)	(10 239)	(40)	(10 279)
Exchange rate differences from conversion	-	-	(411)	-	-	(411)	14	(397)
Total comprehensive income	-	-	(411)	-	(10 239)	(10 650)	(26)	(10 676)
Share issue	-	-	-	-	-	-	-	-
Division of financial result	-	-	-	-	-	-	-	-
Changes in equity	-	-	(411)	-	(10 239)	(10 650)	(26)	(10 676)
Balance as of December 31, 2024	9 572	10 235	(20)	6 229	(2 686)	23 330	333	23 663

Interim condensed consolidated statement of cash flows

Specification	for the period		for the period	
	from April 1, 2025 to June 30, 2025	from 01/01/2025 to 30/06/2025	from April 1, 2024 to June 30, 2024	from 01/01/2024 to 30/06/2024
Cash flow from operating activities				
Profit (loss) before tax	(2 740)	(2 865)	(2 660)	(1 782)
Corrections:	4 037	1 980	4 941	3 743
Amortization of intangible assets	100	173	125	225
Depreciation of tangible fixed assets	1 351	2 741	1 465	2 987
Profit (loss) on the sale of tangible fixed assets	(5)	(126)	-	(15)
Interest costs	409	846	528	1 047
Change in inventory	(3 059)	(2 207)	146	(475)
Change in receivables	1 661	(2 226)	2 314	(2 497)
Change in liabilities except loans	2 073	1 778	(934)	1 168
Change in reserves and accruals	(74)	(522)	1 229	1 255
Other corrections	1 581	1 523	68	48
Cash generated from operating activities	1 297	(885)	2 281	1 961
Income tax paid	(467)	(1 159)	(682)	(994)
Net cash from operating activities	830	(2 044)	1 599	967
Cash flow from investing activities				
Acquisition of tangible fixed assets and intangible assets	(30)	(112)	(60)	(166)
Sale of tangible fixed assets and intangible assets	45	167	-	15
Acquisition of financial assets	-	(24)	(2)	(27)
Sale of financial assets	16	16	-	-
Net cash from investing activities	31	47	(62)	(178)
Cash flows from financing activities				
Net proceeds from the issue of shares	1 902	1 902	-	-
Proceeds from taking out loans and borrowings	-	2 154	-	1 157
Repayment of loans and credits	(652)	-	(253)	-
Repayment of financial leasing liabilities	(1 336)	(2 205)	(1 039)	(1 971)
Interest paid	(409)	(846)	(528)	(1 047)
Other income/expenditures	(960)	(349)	(414)	238
Net cash from financing activities	(1 455)	656	(2 234)	(1 623)
Total net cash flow, including:	(594)	(1 341)	(697)	(834)
Cash at the beginning of the period	1 198	1 945	2 374	2 511
Cash at the end of the period	604	604	1 677	1 677

2. General information and principles adopted in the preparation of the condensed interim financial statements

2.1. GENERAL INFORMATION

Data of the Parent Company

Name:	PROTEKTOR SA
Legal form:	joint-stock company
Address:	Vetterów 24a-24b Street, 20-277 Lublin, Poland
Primary place of business:	Poland
Core business activity:	footwear production
Industry/sector:	clothing and cosmetics / clothing and footwear
The body maintaining the register:	District Court Lublin East in Lublin with its seat in Świdnik 6th Commercial Division of the National Court Register
KRS:	0000033534
REGON:	430068516
Tax Identification Number:	7120102959
Website:	www.protektorsa.pl

An outline of the corporate history of the Capital Group

2021	sale of 51% of shares in Terri-Pa (Moldova) – an indirect subsidiary of the Parent Company
2016	relocation to a new factory in the Lublin Subzone of the EURO-PARK Mielec Special Economic Zone
2012	sale of 100% shares in Prabos (Czech Republic)
2009	increase to 100% of shares in Abeba and Inform Brill (Germany)
2007	acquisition of 75% of shares in Abeba and Inform Brill (Germany) and 100% of shares in Prabos (Czech Republic)
1998	debut on the Warsaw Stock Exchange as Lubelskie Zakłady Przemysłu Skórzanego PROTEKTOR SA
1993	privatization process, taking over full control by private investors
1992	transformation into a single-member company of the State Treasury
1958	establishment of the state-owned Lublin Leather Industry Plant named after Marian Buczek
1944	commencement of footwear production for the Polish People's Army

Duration of the Capital Group

The duration of operations of the Parent Company and its subsidiaries is unlimited.

Periods presented

The interim condensed consolidated financial statements and the interim condensed separate financial statements contain the following data:

- for the period from January 1, 2025 to June 30, 2025 and
- as of June 30, 2025.

Comparative data is presented as follows:

- for the consolidated and separate statement of comprehensive income and statement of cash flows – for the period from 1 January to 30 June 2024,
- for the consolidated and separate statement of financial position – as at 30 June 2024 and as at 31 December 2024,
- for the consolidated and separate statement of changes in equity – for the period from 1 January to 30 June 2024 and for the period from 1 January to 31 December 2024.

Composition of the Capital Group's bodies

Composition of the Management Board as of June 30, 2025 and as of the date of approval of the report for publication

Name and surname	Function	Date of last appointment
Radosław Rogacki	President of the Management Board	20/06/2024

In the first half of 2025 and until the date of approval of this report for publication, there were no changes in the composition of the Management Board of PROTEKTOR S.A.

Composition of the Supervisory Board as of June 30, 2024

Name and surname	Function	Date of last appointment
Jarosław Palejko	Chairman of the Supervisory Board	29/11/2023
Wojciech Sobczak	Deputy Chairman of the Supervisory Board	28/11/2024
Piotr Zarzycki	Secretary of the Supervisory Board	28/11/ 2024
Krzysztof Matan	Member of the Supervisory Board	29/11/2023
Tomasz Krześniak	Member of the Supervisory Board	28/11/ 2024

In the first half of 2025, there were no changes in the composition of the Supervisory Board of PROTEKTOR S.A.

After the balance sheet date, until the date of approval of this report for publication, the following changes took place in the composition of the Company's Supervisory Board:

On August 19, 2025:

- Mr. Jarosław Palejko – Chairman of the Supervisory Board,
- Mr. Wojciech Sobczak – Deputy Chairman of the Supervisory Board,
- Mr. Tomasz Krześniak – Member of the Supervisory Board,

resigned from their membership in the Supervisory Board of the Company with effect from 21 August 2025 (Current report 31/2025).

On August 21, 2025, during the Extraordinary General Meeting of Shareholders, the following persons were appointed to the Supervisory Board of PROTEKTOR S.A.:

- Mr. Maciej Kolon,
- Mrs. Aleksandra Zamasz,
- Mrs. Dominika Welon,

as Members of the Supervisory Board of the Company (Current report 35/2025).

On September 3, 2025 (Current report 46/2025), the Supervisory Board adopted resolutions pursuant to which:

- Ms. Aleksandra Zamasz was elected Chairwoman of the Supervisory Board,
- Mr. Piotr Zarzycki – Deputy Chairman of the Supervisory Board,
- Ms. Dominika Welon – Secretary of the Supervisory Board.

Composition of the Supervisory Board as of the date of approval of the report for publication

Name and surname	Function	Date of last appointment
Aleksandra Zamasz	Chairman of the Supervisory Board	21/08/2025
Piotr Zarzycki	Deputy Chairman of the Supervisory Board	28/11/ 2024
Dominika Welon	Secretary of the Supervisory Board	21/08/2025
Krzysztof Matan	Member of the Supervisory Board	29/11/2023
Maciej Kolon	Member of the Supervisory Board	21/08/2025

The Audit Committee operates within the Supervisory Board.

Composition of the Audit Committee as of June 30, 2024

Name and surname	Function	Date of last appointment
Tomasz Krześniak	Chairman of the Audit Committee	09/12/2024
Jarosław Palejko	Member of the Audit Committee	08/01/2024
Wojciech Sobczak	Member of the Audit Committee	09/12/2024

In the first half of 2025, there were no changes in the composition of the Audit Committee of PROTEKTOR SA

After the balance sheet date, due to changes in the composition of the Company's Supervisory Board, there were also changes in the composition of the Audit Committee.

On September 3, 2025, the Supervisory Board of PROTEKTOR S.A. appointed new members of the Audit Committee from among its members. The following persons were appointed to the Audit Committee:

- Ms. Aleksandra Zamasz – Chairwoman of the Audit Committee,

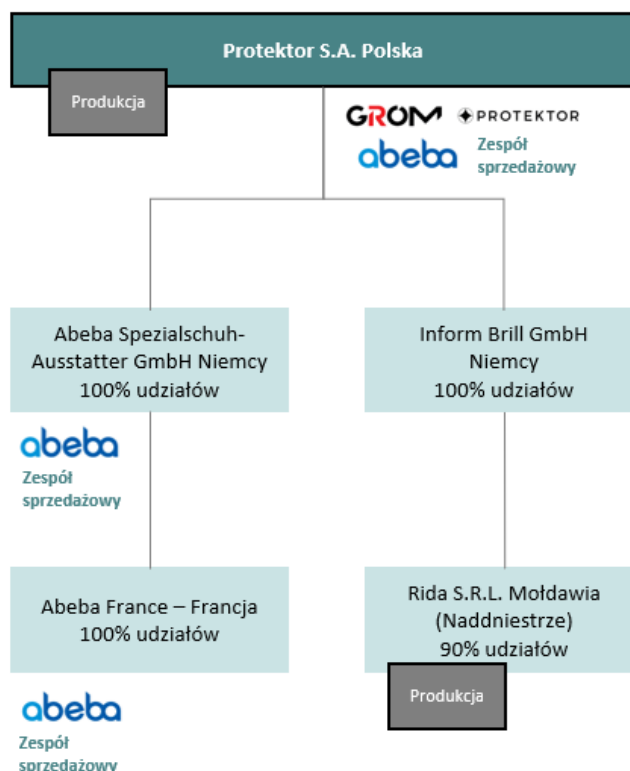
- Mr. Maciej Kolon – Member of the Audit Committee,
- Mr. Krzysztof Matan – Member of the Audit Committee.

Composition of the Audit Committee as of the date of approval of the report for publication

Name and surname	Function	Date of last appointment
Aleksandra Zamasz	Chairman of the Audit Committee	03/09/2025
Maciej Kolon	Member of the Audit Committee	03/09/2025
Krzysztof Matan	Member of the Audit Committee	03/09/2025

Protektor Capital Group

Subsidiaries of the Protektor Capital Group subject to full consolidation as at June 30, 2025:



- PROTEKTOR S.A. - Parent Company. PROTEKTOR S.A. is also the highest-level parent company in the Protektor Group.
- ABEBA Spezialschuh-Ausstatter GmbH, based in Sankt Ingbert, Germany, is a subsidiary company entered in the commercial register of the District Court in Saarbrücken under number HRB 32581. PROTEKTOR SA holds 100% of the shares. Control was acquired in May 2007. Core business: sale of footwear, footwear parts, leather goods, and related products.
- Inform Brill GmbH, based in Sankt Ingbert, Germany, is a subsidiary company entered in the commercial register of the District Court in Saarbrücken under number HRB 32553. PROTEKTOR S.A. holds 100% of the shares. Control was acquired in May 2007. Core business: trade in footwear and its parts, leather goods, and related products.

- ABEBA FRANCE SARL with its registered office in Sarreguemines, France – entered in the Registre du Commerce et des Sociétés Sarreguemines under number TI 490524964. The sole shareholder of the company is ABEBA Spezialschuh-Ausstatter GmbH. An indirect subsidiary of PROTEKTOR SA
- Limited Liability Company "Rida" with its registered office in Tiraspol, Moldova (Transnistria) – registered by a certificate dated February 4, 1993, under number 01-023-2054. Inform Brill GmbH holds 90% of the company's shares. Indirect subsidiary of PROTEKTOR SA

The companies ABEBA Spezialschuh-Ausstatter GmbH and Inform Brill GmbH together with their subsidiaries are referred to in this report under the common name: Abeba Capital Group.

Other related entities:

- POLANIA Sp. z o. o. in liquidation – is not a subsidiary, but remains a related entity. PROTEKTOR S.A. holds 12,242 shares, representing 14.1% of votes at the Shareholders' Meeting. The shares were acquired on October 25, 2002 for PLN 1.00 and are fully covered by a write-down.

During the reporting period and until the date of publication of these financial statements, there were no changes in the organisation of the Protektor Capital Group, including as a result of mergers, obtaining or losing control over subsidiaries and long-term investments, as well as division, restructuring or discontinuation of operations.

Consolidation rules

The interim condensed consolidated financial statements include data for PROTEKTOR S.A. and its subsidiaries. Subsidiaries are entities controlled by the Parent Company. Control exists when the Parent Company has the ability to govern the financial and operating policies of a given company in order to obtain economic benefits from its operations.

The accounting policies applied by subsidiaries have been appropriately adjusted to ensure compliance with the accounting policies applicable in the Protektor Capital Group.

When preparing the consolidated financial statements, mutual transactions, settlements and unrealized profits from transactions between companies belonging to the Capital Group were excluded.

The consolidation process at the Protektor Capital Group is a two-stage process. The first stage involves preparing consolidated financial statements for the lower-tier entity, i.e., the Abeba Capital Group, which comprises ABEBA Spezialschuh-Ausstatter GmbH, Inform Brill GmbH, ABEBA FRANCE SARL, and Spółka z o. o. "Rida." The second stage involves higher-level consolidation, combining the financial statements of the Parent Company and the Abeba Capital Group.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are presented separately in the Protektor Capital Group's equity. They consist of the value of non-controlling interests as of the acquisition date and the non-controlling interests in changes in equity since the acquisition date.

As at 30 June 2025, non-controlling interests presented in the financial statements relate to minority interests at the level of the Abeba Capital Group, including minority shareholders of the limited liability company "Rida".

Stock exchange quotes

PROTEKTOR SA is the Parent Company of the Protektor Capital Group. PROTEKTOR S.A. shares are listed on the Warsaw Stock Exchange in the continuous trading system.

Approval of the financial statements

The interim condensed consolidated and separate financial statements were approved for publication by the Management Board of PROTEKTOR S.A. on 30 September 2025.

Continuation of business

As at the balance sheet date and at the time of approval of this report for publication, the financial situation of the Protektor Capital Group is subject to an increased risk of losing liquidity in the absence of further internal optimisation measures (in particular changes to the business model) and failure to implement the planned share capital increase.

As at the date of approval of these consolidated financial statements, the following risks have been identified that may affect the going concern of the Protektor Capital Group:

- Growing delays in settling liabilities towards contractors,
- The need to utilize various forms of financial support (including loans) provided by related entities also negatively impacts their financial and liquidity situation. This forces these entities to incur additional debt from financial institutions and to allocate any free cash flow to financing the parent company's debt instead of expanding sales in attractive Western European markets, where there is demand for the products of these related entities.
- Deteriorating creditworthiness, which results in limited access to external sources of financing.

In order to improve its capital situation and ensure its continued ability to implement investment projects and orders under tender procedures, the Company has taken the following actions:

- On June 30, 2025, the Management Board announced the conclusion of annexes to the loan agreements between PROTEKTOR S.A. and mBank S.A., which extend the loan period and establish a loan repayment schedule in order to ensure the continuity of financing of the Company's operations.
- On August 29, 2025, the Management Board announced the conclusion of an annex to the revolving credit agreement for the financing of contracts between Protektor S.A. and mBank S.A., which extends the credit period until May 31, 2026.
- On March 27, 2025, the Management Board of PROTEKTOR S.A. adopted Resolution No. 2/III/2025 on increasing the share capital by issuing ordinary series E bearer shares, within the authorized capital, excluding all subscription rights of the existing shareholders.
- On March 28, 2025, an Agreement for the Subscription of Series E Shares was concluded between the Company and a strategic investor, Luma Holding Limited, with its registered office in St. Julian's, Malta. The subject of the agreement was the subscription of 3 804 319 Series E shares with a total nominal value of PLN 1,902,159.50.
- On June 16, 2025, during the Extraordinary General Meeting of PROTEKTOR S.A., Resolution No. 3/2025 was adopted on amending the Articles of Association, consisting in authorizing the Management Board to further increase the share capital within the authorized capital, excluding the subscription rights of existing shareholders. Pursuant to the above Resolution, the Management Board of the Company was authorized to increase the share capital by an amount not exceeding PLN 8,000,000.00 by issuing a maximum of 16 000 000 new ordinary bearer shares with a nominal value of PLN 0.50 each.

- The increase in the share capital of PROTEKTOR S.A. in 2025 is also necessary due to the provisions contained in the annex to the loan agreement concluded with mBank S.A., concerning a revolving loan intended to finance contracts carried out as part of tender procedures for public entities. Under the concluded annex, mBank agreed to extend the possibility of using the loan until May 31, 2026, and to extend the final repayment date of the loan until June 30, 2026. The above conditions are conditional on the Company fulfilling the capital commitment, according to which: "Luma Holding Limited with its registered office in St. Julians, Level 2, Luxe Pavilion, Portomaso Complex, STJ 4010 St. Julians, Malta, entered in the Maltese Registry of Companies under number C76225, being a shareholder of [the Company], will provide capital financing to [the Company] by increasing the share capital of [the Company] by a total amount of not less than PLN 4,000,000.00, and the cash contribution to cover this increase will be made in full in cash. The first increase in the share capital by an amount of not less than PLN 2,000,000.00 will be carried out by 28 November 2025 ("Increase No. 1"), and the second increase in the share capital by an amount of not less than PLN 2,000,000.00 will be carried out by February 27, 2026 ("Increase No. 2")." Maintaining this loan is crucial to ensuring the Company's current financial liquidity, as well as to continue participating in the public procurement system, in particular in the implementation of projects requiring significant capital and production involvement.

These activities are aimed at strengthening the capital structure of PROTEKTOR S.A., securing operational and investment financing, meeting the terms of the loan agreement with mBank S.A., and reducing liquidity risk.

2.2. BASIS FOR PREPARING FINANCIAL STATEMENTS

These condensed interim consolidated financial statements and condensed interim separate financial statements for the first half of 2025 have been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" and the Regulation of the Minister of Finance of 6 June 2025 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws of 2025, item 755).

The interim condensed consolidated and separate financial statements do not contain all the information and disclosures required in the full annual financial statements and should be read in conjunction with the annual Consolidated Financial Statements of the Protektor Capital Group for the year ended 31 December 2024 and the annual Separate Financial Statements of PROTEKTOR SA for the year ended 31 December 2024.

2.3. CHANGES TO STANDARDS OR INTERPRETATIONS

When preparing the condensed interim consolidated financial statements and the condensed interim separate financial statements for the first half of 2025, the Capital Group and PROTEKTOR SA, respectively, applied the same accounting principles that were applied when preparing the annual financial statements for the year ended 31 December 2024, except for changes resulting from new standards and amendments to standards and interpretations approved by the European Union, which are effective for reporting periods beginning on 1 January 2025.

Standards and interpretations applied for the first time

In the opinion of the Management Board, the application of the following amendments had no material impact on the interim condensed consolidated financial statements of the Protektor Capital Group for the period ended 30 June 2025.

Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates"

The amendments introduce guidance on situations where a currency exchange rate is unavailable. They specify how to proceed when no exchange rate is available and introduce rules for determining an estimated exchange rate. The amendments are effective for annual periods beginning on or after January 1, 2025.

Application of a standard or interpretation before its effective date

These financial statements do not take into account standards and interpretations that, at the date of authorisation of publication, are awaiting approval by the European Union, or those that have already been approved but whose effective date is after the balance sheet date.

New standards and amendments to existing standards adopted by the IASB that have not yet been approved for use by the EU

In the opinion of the Management Board of PROTEKTOR S.A., the application of the following standards and amendments to standards that have already been adopted by the International Accounting Standards Board (IASB) but have not yet been approved for application by the European Union as at the date of approval of this report will not have a material impact on the Group's accounting policy applied so far.

IFRS 18 "Presentation and Disclosure in Financial Statements"

This standard introduces significant changes to the presentation of financial results, including: a new income statement structure distinguishing operating, investing, and financing results; expanded data aggregation and disaggregation requirements; mandatory disclosure of management-defined performance measures (MPMs); and new presentation principles for other elements of the financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027.

IFRS 19 "Subsidiaries without public accountability: Disclosures"

The standard aims to simplify financial reporting for subsidiaries that are not required to file financial statements publicly, but whose parent prepares consolidated financial statements in accordance with IFRS. IFRS 19 allows these companies to apply simplified disclosures while maintaining compliance with the IFRS measurement and presentation principles. The standard is effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments - Disclosures" - changes in the classification and measurement of financial instruments

The amendments are intended to clarify the rules for the classification and measurement of financial instruments, including for instruments with variable features, early redemption, etc. The standards will apply to annual periods beginning on or after 1 January 2026.

IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments - Disclosures" - changes in the qualification of Power Purchase Agreements (PPA) in the context of hedge accounting

The changes apply to contracts where the energy source is dependent on natural factors (e.g., renewable energy), meaning the amount of energy may vary depending on environmental conditions. The proposed changes are intended to adjust the accounting and disclosure rules for these contracts. The changes will be effective for annual reporting periods beginning on or after January 1, 2026.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 7 Cash Flow Statement

These changes contain clarifications and explanations intended to improve the quality and clarity of the accounting policies used. The changes will be effective for annual periods beginning on or after January 1, 2026.

2.4. DESCRIPTION OF ACCOUNTING PRINCIPLES ADOPTED

The accounting policies adopted by the Protektor Capital Group are presented in the Consolidated Financial Statements of the Protektor Capital Group for the 2024 financial year. This report contains detailed information on the principles and methods for valuing assets and liabilities, as well as the principles for measuring the financial result and the method of preparing the financial statements. These policies are consistently applied to both the currently presented data and the data included in the most recent annual report and comparative data.

2.5. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

Functional currency and presentation currency

Items included in the financial statements of individual Group entities are measured in the currency of the primary economic environment in which the entity operates (the "functional currency"). These interim condensed consolidated and separate financial statements are presented in Polish zloty (PLN), which is the functional currency of the Parent Entity and the Group's presentation currency. All values, unless otherwise indicated, are expressed in thousands of zloty (kPLN).

Differences between the sum of values shown in individual table items and their summaries may result from rounding the values to full thousands of PLN.

Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate in effect on the transaction date. Foreign exchange gains and losses arising from the settlement of these transactions, as well as those arising from the balance sheet valuation of monetary assets and liabilities denominated in foreign currencies, are recognized in the current period's profit or loss, except when they are deferred in equity in the case of classification as cash flow hedges or net asset hedges.

2.6. ESSENTIAL VALUES BASED ON PROFESSIONAL JUDGMENT AND ESTIMATE

Professional judgment

In preparing the interim condensed consolidated and separate financial statements, the Parent Company's Management Board exercises professional judgment, applying estimates and assumptions that have a significant impact on the accounting policies adopted and the reported values of assets, liabilities, revenues, and expenses. Actual results may differ from Management's estimates. Information regarding the key estimates and assumptions used in preparing the interim condensed consolidated and separate financial statements is presented below.

Estimation uncertainty

Economic useful lives of fixed assets

The Parent Company's Management Board annually reviews the useful lives of depreciable fixed assets. At the balance sheet date, the Management Board assesses whether the depreciation periods adopted by individual companies reflect the expected period of future economic benefits from these assets. However, it should be noted that actual useful lives may differ from the assumed useful lives, due to factors including technical obsolescence.

Reserves

Provisions are created, among other things, for certain or highly probable future liabilities whose amount can be reliably estimated. This applies in particular to losses from ongoing business transactions, including the effects of ongoing legal proceedings or disputes. The assessment of the likelihood of these liabilities arising is based on an analysis of the course of the proceedings, as well as opinions and consultations with lawyers and tax advisors.

Deferred tax assets

The likelihood of realizing deferred tax assets depends on projected future taxable profits, based on the Group's budgets approved by the Management Board. When these projections indicate that taxable profit will be achieved, deferred tax assets are recognized in full. Otherwise, these assets are recognized to the extent not exceeding the value of the deferred tax provision.

Asset impairment

The Group assesses the impairment of assets such as fixed assets, intangible assets, and other assets at the end of each reporting period. If there are indications of possible impairment, the Group performs an impairment test. This test involves estimating the asset's recoverable amount and comparing it to the carrying amount at the audit date. If the carrying amount exceeds the recoverable amount, a write-down is recognized to reduce the asset's value to the recoverable amount.

2.7. ASSUMPTION OF COMPARABILITY OF FINANCIAL STATEMENTS

Changes in accounting policy

The changes in accounting policies resulted from changes in applicable laws and regulations under which the Group conducts its business. A detailed description of these changes is presented in Section 2.3 "Changes to standards or interpretations."

Error correction

In the first half of 2025, the Group did not identify or make any corrections to any errors in the accounting treatment of previous periods.

Presentation changes

In these condensed interim consolidated financial statements and the condensed interim separate financial statements for the first half of 2025 changes were introduced in the presentation of the item "Unused production capacity".

In accordance with the new approach, the value of unused production capacity was transferred from the item "Cost of products sold" to "Other operating expenses".

In order to ensure comparability of financial data, appropriate presentation changes were also made for the data for the period from 1 January 2024 to 30 June 2024,

This change was of a presentational nature only – it did not affect the value of the financial result or equity presented in the financial statements.

Interim condensed consolidated statement of comprehensive income – restated vs. published data:

Specification	for the period	for the period	for the period
	from 01/01/2024 to 30/06/2024	from 01/01/2024 to 30/06/2024	from April 1, 2024 to June 30, 2024
	transformed data	published data	difference
Sales revenue	44 847	44 847	-
Revenues from product sales	43 825	43 825	-
Revenues from the sale of services	99	99	-
Revenues from the sale of goods and materials	923	923	-
Cost of sales	(29 667)	(31 217)	1 550
Cost of products sold	(28 925)	(30 475)	1 550
Cost of services sold	(72)	(72)	-
Cost of goods and materials sold	(670)	(670)	-
Gross profit (loss) from sales	15 180	13 630	1 550
Selling costs	(6 244)	(6 244)	-
General administrative expenses	(7 633)	(7 633)	-
Other operating income	290	290	-
Other operating costs	(2 318)	(768)	(1 550)
Profit (loss) from operating activities	(725)	(725)	-
Financial income	100	100	-
Financial costs	(1 157)	(1 157)	-
Profit (loss) before tax	(1 782)	(1 782)	-
Tax	(1 003)	(1 003)	-
Net profit (loss)	(2 785)	(2 785)	-
- attributed to shareholders of the parent entity	(2 814)	(2 814)	-
- attributed to minority shareholders	29	29	-
Other comprehensive income			
Items that may be reclassified to the income statement in the future and losses, including:	(175)	(175)	-
- exchange rate differences from the conversion of foreign companies	(175)	(175)	-
- income tax on other comprehensive income	-	-	-
Items that cannot be reclassified to the income statement in the future and losses, including:	-	-	-
- write-down of fixed assets held for sale	-	-	-
- income tax on other comprehensive income	-	-	-
Total comprehensive income	(2 960)	(2 960)	-
- attributed to shareholders of the parent company	(2 996)	(2 996)	-
- attributed to minority shareholders	36	36	-
Weighted average number of ordinary shares (pcs)	19 021 600	19 021 600	-
Weighted average diluted number of ordinary shares (pcs)	19 021 600	19 021 600	-
Basic earnings (loss) per share (PLN)*	(0.15)	(0.15)	-
Diluted earnings (loss) per share (PLN)*	(0.15)	(0.15)	-

Interim condensed separate statement of comprehensive income – restated vs. published data:

Specification	for the period	for the period	for the period
	from 01/01/2024 to 30/06/2024	from 01/01/2024 to 30/06/2024	from April 1, 2024 to June 30, 2024
	transformed data	published data	difference
Sales revenue	15 999	15 999	-
Revenues from product sales	10 900	10 900	-
Revenues from the sale of services	1 034	1 034	-
Revenues from the sale of goods and materials	4 066	4 066	-
Cost of sales	(14 258)	(15 808)	1 550
Cost of products sold	(10 851)	(12 401)	1 550
Cost of services sold	(629)	(629)	-
Cost of goods and materials sold	(2 778)	(2 778)	-
Gross profit (loss) from sales	1 741	191	1 550
Selling costs	(1 800)	(1 800)	-
General administrative expenses	(2 658)	(2 658)	-
Other operating income	61	61	-
Other operating costs	(1 828)	(278)	(1 550)
Profit (loss) from operating activities	(4 483)	(4 483)	-
Financial income	2 626	2 626	-
Financial costs	(995)	(995)	-
Profit (loss) before tax	(2 853)	(2 853)	-
Tax	151	151	-
Net profit (loss)	(2 701)	(2 701)	-
Other comprehensive income			
Items that may be reclassified to the income statement in the future and losses, including:	-	-	-
- exchange rate differences from the conversion of foreign companies	-	-	-
- income tax on other comprehensive income	-	-	-
Items that cannot be reclassified to the income statement in the future and losses, including:	-	-	-
- write-down of fixed assets held for sale	-	-	-
- income tax on other comprehensive income	-	-	-
Total comprehensive income	(2 701)	(2 701)	-
Weighted average number of ordinary shares (pcs)	19 021 600	19 021 600	-
Weighted average diluted number of ordinary shares (pcs)	19 021 600	19 021 600	-
Basic earnings (loss) per share (PLN)	(0.14)	(0.14)	-
Diluted earnings (loss) per share (PLN)	(0.14)	(0.14)	-

3. Reporting segments and financial situation of the Protektor Capital Group

3.1. OPERATING SEGMENTS

The Protektor Capital Group's operations are conducted within operating segments, which constitute the Group's strategic business units. The segments were identified based on the organizational structure encompassing the Abeba Capital Group and PROTEKTOR SA.

The activities of individual segments are mainly focused on the production and sale of safety, professional and military footwear, as well as footwear intended for rescue services and police forces.

Management monitors the performance of individual segments separately to make decisions regarding resource allocation and assess the effectiveness of segment operations. Segment results are analyzed at the net profit (loss) level.

The accounting principles applied in the operating segments are consistent with the accounting policy in force in the Protektor Capital Group.

The segments were not combined. The Group has no other segments that would not meet the disclosure criteria for operating segments.

SPECIFICATION	for the period from 01/01/2025 to 30/06/2025			for the period from 01/01/2024 to 30/06/2024		
	GK ABEBA	PROTEKTOR	TOGETHER	GK ABEBA	PROTEKTOR	TOGETHER
Sales revenue	29 320	15 710	45 030	35 057	16 000	51 057
Outside Sales	26 584	13 269	39 853	31 822	13 025	44 847
Sales between segments	2 736	2 441	5 177	3 235	2,975	6 210
Cost of sales	(14 614)	(11 643)	(26 257)	(17 944)	(11 723)	(29 667)
Segment result	11 970	1 626	13 596	13 878	1 302	15 180
Other segment costs (revenues)	(8 705)	(6 814)	(15 519)	(10 175)	(5 730)	(15 905)
Operating result	3 265	(5 188)	(1923)	3 703	(4 428)	(725)
Financial income	227	(224)	3	60	40	100
Financial costs	(364)	(581)	(945)	(396)	(761)	(1 157)
Profit before tax	3 128	(5 993)	(2 865)	3 367	(5 149)	(1 782)
Tax	(907)	(481)	(1 388)	(1 135)	132	(1 003)
Net result	2 221	(6 474)	(4 253)	2 232	(5 017)	(2 785)
	as of June 30, 2025			as of December 31, 2024		
Segment assets	40 360	23 717	64 077	38 667	26 239	64 906
including the trademark - GK ABEBA	5 298	-	5 298	5 337	-	5 337
including investments in subsidiaries	-	(22 840)	(22 840)	-	(22 840)	(22 840)
Segment liabilities	8 250	34 993	43 243	7 319	33 924	41 243
	for the period from 01/01/2025 to 30/06/2025			for the period from 01/01/2024 to 30/06/2024		
Amortization of intangible assets	33	140	173	88	137	225
Depreciation of tangible fixed assets	857	1 884	2 741	932	2 055	2 987

In the first half of 2025, sales revenues to the Tax Administration Chamber in Zielona Góra accounted for 11% of the Group's consolidated sales revenues. This high share is due to the implementation of a contract concluded as part of a public procurement procedure.

3.2. SEASONALITY OF BUSINESS

The work and safety footwear industry, in which the Protektor Capital Group operates, is characterized by relatively low sales cyclicity. However, fluctuations in revenue are influenced by certain seasonal and calendar factors, including:

- number of working days in a given reporting period (e.g. January, May, August, December),
- holiday period (July – September),
- budget expenditure cycle (especially Q4),
- holiday periods (December – January and Easter).

The Group consistently focuses on increasing the share of revenue generated in industrial and service markets, which are less sensitive to economic fluctuations. These efforts are aimed at mitigating the impact of seasonal factors and contributing to the stabilization and improvement of the Group's financial results – both in the short and long term.

3.3. SIGNIFICANT EVENTS IN THE FIRST HALF OF 2025

3.3.1. IMPACT OF EXTRAORDINARY EVENTS ON THE ACTIVITIES OF THE PROTEKTOR CAPITAL GROUP

The impact of the war in Ukraine on the Group's activities

Like most other manufacturing companies, the Protektor Capital Group is grappling with problems stemming from uncertain international markets, the uncertain geopolitical situation resulting from the Russian-Ukrainian war, and the volatile relations between the United States and the European Union economies. The war's impact on the economic situation of the entire Protektor Capital Group was evident from its inception.

The most important effects of the invasion, which directly or indirectly still negatively affect the operations and results of the Capital Group, can be indicated as follows:

- Decrease in demand for footwear in selected segments served by the Capital Group (however, it should be emphasized that a sharp increase in expenditure on armaments and the rescue industry is expected in the coming years – which will be the result of recently developed programs to accelerate defense spending at the level of the entire European Union and in individual member states).
- The growing importance of the price factor in the product selection process, which results in increased competition from cheaper products from the Far East (especially after the reconstruction of supply chains after the Covid-19 pandemic).
- A significant increase in production costs – including: the costs of electricity and heat, as well as the costs of materials and services.
- A cautious approach by suppliers to cooperation with companies that are in a difficult financial situation (e.g. cooperation based on prepayments).

The assessment of the risk related to the war in Ukraine on the Group's operations is therefore multi-threaded and includes an analysis of the loss of raw material markets and sales, as well as achieving the expected level of revenues and costs from the Group's operating activities.

It's important to emphasize that the Protektor Capital Group does not sell its products directly to Russia and Belarus. Recently, steps have been taken to expand sales in the Ukrainian market. The Protektor Capital Group sources its raw materials and supplies from suppliers operating outside the areas affected by armed conflict.

The Protektor Capital Group is a manufacturer and distributor of specialized footwear, with a portfolio that includes military footwear, firefighting footwear, and footwear designed for various uniformed services. Recently, the Protektor Capital Group has been implementing initiatives to optimize operational processes to increase the availability of finished products while maintaining appropriate quality and attractive pricing. This stems from forecasts regarding the development of specialized footwear segments in the coming years, and primarily from plans being prepared and implemented at the level of NATO, the European Union, and its individual member states to increase spending on defense and related industries (firefighting, rescue) – as part of preparations for a possible escalation of the Russian-Ukrainian conflict to other countries.

The Board currently assesses the risk of the unrecognized Transnistrian Moldovan Republic becoming a focal point of Russian military operations as moderate. The situation is being monitored on an ongoing basis through regular Board visits to Transnistria, as well as ongoing analysis of the situation in both Transnistria and Moldova, a country aspiring to European Union membership.

The Board has analyzed possible scenarios for the development of the situation in the region and considers the current geopolitical situation, with a weakening role for Russia, to be the most likely scenario. Currently, neither Russia nor Moldova would benefit economically from the annexation of Transnistria. It is one of the poorest regions in Europe, and a large portion of the population are retirees, which imposes a real budgetary burden. It is in Russia's interest to maintain the current status quo, i.e., political influence in Transnistria in order to destabilize the situation in the region through the media. Full political integration with Russia would result in the imposition of economic sanctions on Transnistria, which would prevent trade with the West. This would trigger an economic and humanitarian crisis in the region, as exports to the West account for approximately 70-75% of all goods and services produced in Transnistria. Despite the pro-Russian rhetoric of the current government and some citizens of the Republic, changing the current economic and political model would be contrary to their interests. Residents of Transnistria often hold one or more passports from countries in the Central and Eastern European region (including Romanian, Bulgarian and Israeli passports), which allows them to travel, among others, to European Union countries for work purposes.

Until December 31, 2024, Transnistria was supplied with free gas by Russia's Gazprom, but on January 1, 2025, Gazprom suspended gas supplies to Transnistria when Ukraine failed to extend its agreement with Russia for gas transit through its territory. In the short term, this led to significant reductions in electricity and heat supplies for both residential and industrial customers in the region. However, this had a limited impact on the operations of factories supplying footwear under the Abeba brand (a subsidiary of Rida and a former subsidiary of Terri-Pa). In January 2025, both plants operated night shifts in accordance with the municipal energy supply schedule. Meanwhile, the Transnistrian authorities concluded a short-term agreement with the Hungarian company MET Gas and Energy Marketing, a subsidiary of the Swiss MET Group, for gas supplies to the Moldovan corporation Moldovagaz. The European Union offered Transnistria €60 million in aid for energy supplies, but the offer was rejected. Currently, gas is supplied to Transnistria thanks to a loan from Russia and cooperation with the Russian Ministry of Energy. Within the prepared scenarios, the Management Board considers the risk of trade disruption with factories to be high only in a scenario where Russian troops advance westward in the Odessa Oblast.

In implementing this scenario, the Management Board will launch a plan that assumes the immediate securing of production equipment, materials and work in progress currently located in Transnistria factories.

- Part of the footwear production under the Abeba brand will be launched at the factory in Lublin, which has recreated production equipment for selected lines currently produced at the Terri-Pa factory.
- Additionally, it is possible to outsource selected footwear models to external manufacturers, including those outside Europe. In this case, it will be necessary to recreate selected production molds and ensure appropriate quality control of materials and production processes.

If the annexation scenario of Transnistria were to materialize, Russian actions to nationalize entities with Western capital cannot be ruled out, which would mean a complete loss of control over the Rida subsidiary. The Management Board cannot rule out such a development, but considers it unlikely in the current situation. The Management Board believes there is currently no risk of the Group's operations being disrupted due to the ongoing military conflict in Ukraine. The Management Board does not currently identify any risk of a direct impact of the armed conflict on the production process, nor does it identify any significant negative impact on the sales of its products in Poland and other European countries. The Management Board of PROTEKTOR SA remains in direct contact with the management of the Transnistria companies and continuously analyzes incoming information to quickly and effectively respond to the changing situation.

Change in US policy towards the European Union

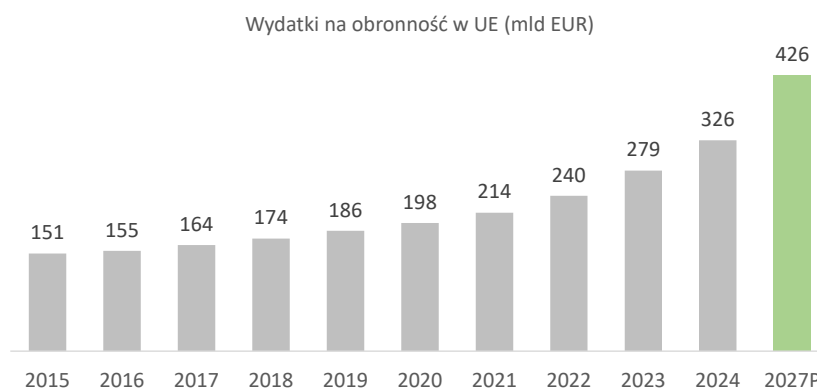
The election of Donald John Trump as the 47th President of the United States in 2025, and his decisions after his inauguration on January 20, 2025, in the first half of 2025, indicate that the United States will radically change its relations with its partners in NATO and the European Union member states, as well as with other existing partners. These changes include, in particular:

- **A change in the approach to supporting Ukraine in the war initiated by the Russian Federation.** In May 2025, an agreement was concluded between the United States and Ukraine. It is worth noting that the administration of US President Donald Trump resumed arms deliveries to Ukraine, the AP reported on July 9, 2025, citing US officials. On August 18, 2025, an emergency multilateral meeting was held at the White House—including European leaders and President Zelensky—to discuss security guarantees for Ukraine and actions against Russia. In September, Russian strikes focused on military and energy targets in Ukraine, increasing pressure on infrastructure systems. The US stance on the conflict began to shift—Trump publicly stated that Ukraine could regain all lost territories with NATO and EU support. He described Russia as a "paper tiger." September 22, 2025: Russia declared its readiness to extend the New START nuclear arms control treaty for another year—despite the suspension of inspections.
- **Current situation regarding relations between the USA and the European Union (as of September 2025).** The United States and the European Union remain one of the most important trade and investment partnerships in the world, with a combined direct investment stock exceeding \$5 trillion. In 2025, the main challenges remain tariff tensions, retaliatory measures, and attempts to reach a new "framework" trade agreement that will redefine the rules of cooperation. Relations are not limited to tariffs alone; areas such as technical standards, recognition of norms, non-tariff barriers, supply chains, and policies in strategic sectors (technology, energy) are becoming increasingly important. For most goods originating from the European Union imported into the US, the tariff is set at a maximum of 15%. Tariffs on steel and aluminum remain separate (up to 50%). The US and the European Union are committed to cooperation in non-tariff areas: recognition of technical standards (particularly in the automotive industry), simplification of customs and sanitary-phytosanitary procedures, a common energy policy, recognition of conformity assessment bodies,

investment policy, and supply chain security. The European Union's declarations include plans to purchase US energy (gas, oil, nuclear products) worth US\$750 billion by 2028, and EU investments in the US amounting to US\$600 billion in strategic areas.

The lack of full stability in relations between the USA and the European Union leads to an acceleration of actions aimed at rearming the European Union countries.

The chart below shows the planned increase in defense spending in the European Union:



Historically, defense spending in the European Union has been steadily growing at a rate of 9% annually since 2015. According to data from the European Defense Agency, further real-terms spending growth is expected to exceed €100 billion by 2027.

Since 2014, NATO member states have had a defense spending target of 2% of their GDP. Collectively, defense spending among the 23 EU member states in NATO exceeded the 2% of GDP target after spending was increased by 30% following Russia's invasion of Ukraine in February 2022. The NATO summit in The Hague concluded in June 2025. NATO leaders committed to increasing defense spending to 5% of GDP by 2035. Under this target, member states are to allocate 3.5% of GDP to basic defence needs and an additional 1.5% to investments such as cybersecurity, military mobility and critical infrastructure.

The planned increase in defense spending in Europe (increase in the number of professional soldiers, additional equipment for other uniformed services in the event of an armed conflict with the Russian Federation) is being analyzed by the Protektor Capital Group, as an entity supplying military and specialized footwear, including for uniformed services.

Food service markets and healthcare

The Abeba brand addresses its offer to various segments related to the hotel and catering industry and the broadly understood healthcare sector (hospitals, nursing homes, medical industry, laboratories, veterinary medicine).

In the hotel and catering segments, trends are currently being observed that should have a positive impact on the development of companies providing services and products for the entire sector in the near future:

- The popularity of online delivery platforms is driving market growth - the growing popularity of online delivery platforms, including food delivery companies, is positively impacting the restaurant and catering industry, contributing to an increase in the number of orders and, therefore, increased restaurant revenues.
- Growth in tourism is increasing demand for hospitality and catering services – the tourism industry is driving demand for accommodation, food, and catering services. According to forecasts, global spending on international travel will increase by 56% in real terms by 2030.

- Market Rebounds from COVID-19 Pandemic and Continues to Grow – The HoReCa market in Europe is rebounding from declines caused by the COVID-19 pandemic. Further growth is forecast.

Similarly, positive trends are visible in the broadly understood healthcare sector:

- An ageing population increases demand for healthcare services – the demand for healthcare services in Europe will increase in the coming decades as the percentage of citizens aged 65 and older increases noticeably, increasing the number of patients requiring healthcare.

Growing demand for healthcare workers – The European healthcare sector is projected to experience the most significant increase in workforce demand by 2030, with the potential to add approximately 3.7 million jobs. This growth will be driven primarily by the growing demand for medical assistants and healthcare workers.

Analysis of the impact of extraordinary factors on the valuation of assets and liabilities

Impairment of tangible fixed assets or intangible assets

Due to the ongoing war in Ukraine, analyses of key assets performed in the Company as at 30 June 2025 in accordance with IAS 36 "Impairment of Assets" did not provide any indication of a significant risk of impairment of assets and their impact on future estimated cash flows.

Credit assessment

The Group conducted an analysis of the war's impact on the level of credit risk to which it is exposed from its counterparties. As of the date of approval of this report for publication, no significant deterioration in repayment performance, increase in bankruptcies, or restructurings among the Group's clients were observed.

Given the lack of exposure to the Russian and Belarusian markets, the Management Board expects that the collectability of receivables reported in the statement of financial position as of June 30, 2025, will remain substantially unchanged. Therefore, no changes have been made to the assumptions used in the models for estimating and calculating credit losses in accordance with IFRS 9.

Liquidity situation

As at the balance sheet date and at the time of approval of this report for publication, the financial situation of the Protektor Capital Group is subject to an increased risk of losing liquidity in the absence of further internal optimisation measures (in particular changes to the business model) and failure to implement the planned share capital increase.

In order to improve its capital situation and ensure its continued ability to implement investment projects and orders under tender procedures, the Company has taken the following actions:

- On June 30, 2025, the Management Board announced the conclusion of annexes to the loan agreements between PROTEKTOR S.A. and mBank S.A., which extend the loan period and establish a loan repayment schedule in order to ensure the continuity of financing of the Company's operations.
- On August 29, 2025, the Management Board announced the conclusion of an annex to the revolving credit agreement for the financing of contracts between Protektor S.A. and mBank S.A., which extends the credit period until May 31, 2026.
- On March 27, 2025, the Management Board of PROTEKTOR S.A. adopted Resolution No. 2/III/2025 on increasing the share capital by issuing ordinary series E bearer shares, within the authorized capital, excluding all subscription rights of the existing shareholders.

- On March 28, 2025, an Agreement for the Subscription of Series E Shares was concluded between the Company and a strategic investor, Luma Holding Limited, with its registered office in St. Julian's, Malta. The subject of the agreement was the subscription of 3 804 319 Series E shares with a total nominal value of PLN 1,902,159.50.
- On June 16, 2025, during the Extraordinary General Meeting of PROTEKTOR S.A., Resolution No. 3/2025 was adopted on amending the Articles of Association, consisting in authorizing the Management Board to further increase the share capital within the authorized capital, excluding the subscription rights of existing shareholders. Pursuant to the above Resolution, the Management Board of the Company was authorized to increase the share capital by an amount not exceeding PLN 8,000,000.00 by issuing a maximum of 16 000 000 new ordinary bearer shares with a nominal value of PLN 0.50 each.
 - The increase in the share capital of PROTEKTOR S.A. in 2025 is also necessary due to the provisions contained in the annex to the loan agreement concluded with mBank S.A., concerning a revolving loan intended to finance contracts carried out as part of tender procedures for public entities. Under the concluded annex, mBank agreed to extend the possibility of using the loan until May 31, 2026, and to extend the final repayment date of the loan until June 30, 2026. The above conditions are conditional on the Company fulfilling the capital commitment, according to which: "Luma Holding Limited with its registered office in St. Julians, Level 2, Luxe Pavilion, Portomaso Complex, STJ 4010 St. Julians, Malta, entered in the Maltese Registry of Companies under number C76225, being a shareholder of [the Company], will provide capital financing to [the Company] by increasing the share capital of [the Company] by a total amount of not less than PLN 4,000,000.00, and the cash contribution to cover this increase will be made in full in cash. The first increase in the share capital by an amount of not less than PLN 2,000,000.00 will be carried out by 28 November 2025 ("Increase No. 1"), and the second increase in the share capital by an amount of not less than PLN 2,000,000.00 will be carried out by February 27, 2026 ("Increase No. 2")." Maintaining this loan is crucial to ensuring the Company's current financial liquidity, as well as to continue participating in the public procurement system, in particular in the implementation of projects requiring significant capital and production involvement.

These activities are aimed at strengthening the capital structure of PROTEKTOR S.A., securing operational and investment financing, meeting the terms of the loan agreement with mBank S.A., and reducing liquidity risk.

Other accounting estimates

As at the date of approval of these financial statements for publication, the Group does not identify any significant risks related to a potential breach of the terms of signed commercial agreements.

3.3.2. IMPORTANT EVENTS IN THE FIRST HALF OF 2025

Company Statute

On **January 21, 2025** The Management Board of PROTEKTOR S.A. informed (Current report No 2/2025) that it was informed about the registration on January 19, 2025 by the District Court Lublin-Wschód in Lublin with its registered office in Świdnik, 6th Commercial Division of the National Court Register of amendments to the

Company's Articles of Association adopted by the Extraordinary General Meeting of the Company under resolution No. 3/2024 of November 28, 2024.

The Management Board of PROTEKTOR S.A, was authorized to increase the share capital of PROTEKTOR by an amount not higher than PLN 1,902,159.50 by issuing not more than 3 804 319 new ordinary bearer shares with a nominal value of PLN 0.50 each.

Changes in the shareholder structure

On **March 14, 2025** The Management Board informed (Current report 5/2025) about receiving a written notification from the Shareholder, Mr. Mariusz Szymula, informing the Company about the Shareholder reducing his share in the total number of votes in the Company below the threshold of 5% of the total number of votes.

Before the change, the Shareholder Mr. Mariusz Szymula held a total of 1 995 755 shares, which constituted 10.49% of the share capital of the Company, and 1 995 755 votes at the General Meeting of the Company, which constituted 10.49% of the total number of votes.

After the change, the Shareholder holds a total of 382 321 shares, which constitutes 2.0099% of the share capital of the Company, and 382 321 votes at the General Meeting of the Company, which constitutes 2.0099% of the total number of votes.

On **March 17, 2025** The Management Board informed (Current report 6/2025) about receiving a written notification from the Shareholder, Mr. Piotr Szostak, informing the Company about the Shareholder's reduction of the share in the total number of votes in the Company below the threshold of 10% of the total number of votes.

Before the change, the Shareholder Mr. Piotr Szostak held 1 935 182 shares in the share capital of the Company, which constituted 10.17% of the share capital of the Company, and 1 935 182 votes at the General Meeting of the Company, which constituted 10.17% of the total number of votes.

After the change, the Shareholder holds a total of 430 065 shares, which constitutes 2.26% of the share capital of the Company, and 430 065 votes at the General Meeting of the Company, which constitutes 2.26% of the total number of votes.

Share issue and share subscription agreement

On **March 27, 2025** The Management Board informed (Current report 7/2025) that it adopted a resolution on increasing the Company's share capital by issuing 3 804 319 new ordinary bearer shares of series E with a nominal value of PLN 0.50 each within the authorized capital.

Pursuant to the resolution, the Issuer's share capital was increased from PLN 9,572,300.00 to PLN 11,474,459.50, i.e. by PLN 1,902,159.50, through the issue of 3 804 319 new ordinary bearer series E shares with a nominal value of PLN 0.50 each.

On **March 28, 2025** The Management Board informed (Current report 8/2025) about the signing of the "Share Subscription Agreement" with Luma Holding Limited with its registered office in St. Julians, Level 2, Portomaso Complex, (postal code STJ 4010 St. Julians), Malta.

Under the Agreement, 3 804 319 Series E shares in the Company's share capital were acquired, with a nominal value of PLN 0.50 each, with a total nominal value of PLN 1,902,159.50, at an issue price of PLN 0.50 per share,

i.e. at a total issue price of PLN 1,902,159.50, issued by the Company on the basis of the Management Board resolution of March 28, 2025.

On **April 23, 2025** In 2018, the Issuer submitted an application to the Warsaw Stock Exchange for the admission and introduction of 3,804,319 series E ordinary bearer shares to stock exchange trading on the main market (RB 10/2025).

Conclusion of important public procurement contracts

On **January 27, 2025** The Management Board of PROTEKTOR SA informed (RB 3/2025) that in the public procurement procedure, which was conducted in accordance with the provisions of framework agreement no. 136/BLP/34/Ckt/24/AK for the production and delivery of 3,000 pairs of service boots, announced by the State Treasury – the Chief Commander of the Police in Warsaw for the execution of the order entitled: "Conclusion of an executive agreement for the production and delivery of service boots", the Issuer's offer was selected as the most advantageous.

The implementation agreement was signed on **March 11, 2025** (RB 4/2025) in accordance with the principles set out in the already concluded framework agreement of 10 July 2024, No. 136/BLP/34/Ckt/24/AK, for the production and delivery of 12,000 pairs of service shoes, about which the Company informed in the current report No. 16/2024 on 11 July 2024.

The subject of the tender is the supply of 3,000 pairs of new work boots from current production. The value of the offer submitted by the Issuer was PLN 1,646,000 gross.

Change of the publication date of the periodic report

On **April 16, 2025** The Management Board of PROTEKTOR, in reference to current report No. 1/2025 of January 14, 2025, announced a change in the date of publication of the separate and consolidated annual report of PROTEKTOR SA and the Protektor Capital Group for the financial year ended on December 31, 2024 (RB 9/2025).

On **May 30, 2025** The Management Board announced that, with reference to the current report dated April 16, 2025, No. 9/2025, it will not be able to publish the audited separate and consolidated financial statements of PROTEKTOR SA and the Protektor Capital Group for the financial year ended December 31, 2024 by May 31, 2025, because the audit of the statements has not been completed (RB 16/2025).

Suspension of trading in shares

On **May 5, 2025** pursuant to Resolution No. 586/2025 of the Management Board of the Warsaw Stock Exchange, the shares of PROTEKTOR company marked with the code "PLLZPSK00019" were suspended (RB 12/2025).

The reason for the suspension of the Company's shares - announced by the Polish Financial Supervision Authority - was the ongoing work related to the audit of financial statements, about which the Company informed in Current Report No. 9/2025 of April 16, 2025.

The Company's shares were suspended on July 2, 2025, pursuant to Resolution No. 894/2025 of the Management Board of the Warsaw Stock Exchange.

Changes to the agreement for the provision of assurance services

On **June 17, 2025** The Management Board announced (CR 21/2025) that on 16 June 2025, PROTEKTOR SA terminated (with effect as of that date) the agreement for the provision of assurance services, concluded with PKF CONSULT Sp. z o.o. Sp. k. in Warsaw on 6 August 2024, for the audit of the Company's separate financial statements and the consolidated financial statements of the Protektor Capital Group for the financial years 2024 and 2025 due to PKF CONSULT Sp. z o.o. Sp. k.'s breach of the agreement. The entity responsible for the audit of the statements did not audit the separate financial statements of PROTEKTOR SA and the consolidated financial statements of the Protektor Capital Group for 2024 within the agreed deadline and there were no prospects for their completion in time to allow for approval of the financial statements by the General Meeting of Shareholders by the end of June 2025.

Furthermore, the Management Board of the Company informed that on **June 17, 2025** an agreement was signed with General Audyt Sp. z o. o. based in Katowice for the provision of assurance services, including:

- for the audit of the Company's separate financial statements and the consolidated financial statements of the Protektor Capital Group for the financial years ended on 31 December 2024 and 31 December 2025,
- to review the half-yearly condensed separate financial statements of the Company and the consolidated financial statements of the Protektor Capital Group for the periods ended on 30 June 2025 and 30 June 2026,
- for the auditor's assessment of the remuneration report in terms of including the information required under Article 90g, sections 1-5 and 8 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies for the financial years ending on 31 December 2024 and 31 December 2025.

Conclusion of annexes to loan agreements

On **March 26, 2025** an annex to the recourse factoring agreement of September 28, 2021 was signed. Pursuant to the provisions of the annex, the agreement ended on May 31, 2025.

On **June 30, 2025** The Management Board of the Company informed (RB 22/2025 and 27/2025) about concluding annexes with mBank SA to:

- framework agreement for the multi-product line No. 87/067/20/Z/VX concluded on October 19, 2020,
- Framework Agreement No. 43/069/24/Z/GX concluded on October 4, 2021,
- Flexible revolving credit agreement No. 02/168/22/Z/LE concluded on June 30, 2022,
- credit agreement for the payment of liabilities no. 87/066/20/Z/ZE concluded on October 19, 2020.

Annexes extend the loan period and establish a loan repayment schedule.

Extraordinary General Meeting

On **April 23, 2025** the Management Board of PROTEKTOR announced the convening of the Extraordinary General Meeting of the Company on 20 May 2025 (RB 11/2025).

On **May 20, 2025** during the Extraordinary General Meeting of Shareholders convened for that day, no resolution was adopted on the adoption of the agenda and amendments to the Company's Articles of Association consisting in authorizing the Management Board to increase the share capital within the authorized capital, excluding the subscription rights of existing shareholders, due to the lack of the required quorum (RB 13/2025).

The General Meeting was formally opened, however, due to the content of Article 445 § 2 of the Commercial Companies Code, due to the lack of presence of shareholders representing the required number of shares, it was not possible to adopt a resolution amending the Company's Articles of Association consisting in authorizing the Management Board to increase the share capital within the authorized capital, excluding the subscription rights of existing shareholders.

On the same day, i.e. 20 May 2025, the Management Board announced the convening of the Extraordinary General Meeting of the Company on 16 June 2025 (RB 15/2025).

On **June 16, 2025** The Extraordinary General Meeting adopted a resolution amending the Company's Articles of Association, authorizing the Management Board to increase the share capital within the authorized capital, excluding the subscription rights of existing shareholders. The Management Board is authorized to increase the Company's share capital by an amount not exceeding PLN 8,000,000 by issuing no more than 16,000,000 new ordinary bearer shares with a nominal value of PLN 0.50 each (RB 20/2025).

Annual General Meeting

On **June 3, 2025** The Company's Management Board announced the convening of the Company's Annual General Meeting on 30 June 2025 (RB 19/2025).

On **June 30, 2025** The Annual General Meeting of PROTEKTOR SA was held, about which the Issuer informed in current report No. 25/2025.

During the Annual General Meeting, shareholders approved:

- separate financial statements of PROTEKTOR SA for 2024,
- consolidated financial statements of the Protektor Capital Group for 2024,
- Management Board report on the activities of the Protektor Capital Group and PROTEKTOR SA for 2024,
- report of the Supervisory Board of PROTEKTOR SA on its activities in 2024.

In addition, the Supervisory Board adopted a resolution regarding:

- covering the net loss of PLN 10,486 thousand for the financial year ended on December 31, 2024 with the Company's future profits,
- granting discharge to individual members of the Management Board and Supervisory Board for the performance of their duties in 2024.

3.3.3. A CONCISE DESCRIPTION OF SIGNIFICANT ACHIEVEMENTS AND FAILURES

In the first half of 2025, significant events occurred in the Group, both positive (achievements) and negative (failures), which had an impact on its current operational, financial and strategic activities.

Significant achievements

- Reduction in selling and general administrative costs by PLN 1.5 million y/y (-10.7% y/y).
- Concluding an agreement with the Chief Commander of the Police in Warsaw, which will generate revenue of PLN 1,646,000 gross.
- Signing of an agreement between PROTEKTOR SA and Luma Holding Limited regarding the acquisition of 3,804,319 series E shares with a total nominal value of PLN 1,902,159.50.
- Extension of existing loan agreements.

Significant failures

- Sales revenues decreased by PLN 5.0 million y/y (-11.1% y/y).
- EBITDA result worsened by PLN 1.5 million year-on-year; EBITDA profitability decreased by 3.1 percentage points year-on-year.
- Net profit down by PLN 1.5 million year-on-year; net profitability decreased by 4.5 percentage points year-on-year.
- Delays in the publication of periodic reports for 2024 and the first quarter of 2025, resulting from the prolonged process of auditing financial statements.
- Temporary suspension of trading in the Company's shares as a result of the above-mentioned delays in fulfilling disclosure obligations.

3.4. MANAGEMENT BOARD'S POSITION REGARDING THE POSSIBILITY OF FULFILLING PREVIOUSLY PUBLISHED FORECASTS

The Protektor Capital Group did not publish any financial forecasts for the presented reporting period.

3.5. FACTORS AND EVENTS THAT MAY AFFECT THE FUTURE RESULTS OF THE PROTEKTOR CAPITAL GROUP

Positive factors

- Reconstruction of the collection structure for the Protektor, Abeba and GROM brands, including refreshing the image of own brands and the successive introduction of new products to the market, with particular emphasis on the ABEBA brand and models dedicated to tenders for large institutional customers, such as the army or the police.
- Intensification of marketing and sales activities in the HoReCa and industrial foodservice sectors. Participation in the A+A trade fair in Düsseldorf in October 2025 is planned.
- Increased activity in the area of public tenders, resulting in the signing of contracts for the supply of footwear for the Police, Army, Customs and Tax Service, which will translate into additional revenues for the Group.
- Improving communication processes and cooperation between entities within the Protektor Capital Group.
- Increase in defense spending in Europe and in selected countries around the world.
- The concentration of the safety footwear market and the dominance of a few major players creates opportunities for manufacturers offering new models of high quality and competitive prices, standing out in a market saturated with a uniform offer.

- Economic interventionism that may affect the implementation of infrastructure projects, which may result in increased demand for footwear in the construction segment.
- Deliveries made for the needs of Western European armies are carried out by foreign affiliates of PROTEKTOR SA (e.g. military units in Austria and Germany).
- Recapitalization by Luma Holding Limited – capital support from the main shareholder has a positive impact on the Group's financial liquidity and creditworthiness.

Negative factors

- Negative changes in the macroeconomic environment, such as inflation, rising interest rates and the crisis on raw materials markets, resulting from the military operations in Ukraine conducted by the Russian Federation.
- The deepening trade and political conflict between the United States and the European Union.
- Problems related to the availability and quality of production materials, especially leather, and production services, especially the preparation and sewing of uppers.
- Increased costs of developing production equipment, labor costs, electricity and transportation costs, including increased fuel prices.
- Exchange rate volatility affecting sales revenues and operating costs.
- Decline in demand for personal protective equipment (PPE) in the manufacturing sector, caused by a decline in business sentiment and disruptions in the supply chains of production components.
- An unfavorable climate for implementing new product lines, resulting from market uncertainty and companies' focus on survival, which reduces the willingness to test innovations.
- Price pressure from competitors outside the European market.
- Underutilization of the machinery park in the Polish factory, requiring further optimization in the context of the operations of the entire Group, including the factories in Transnistria.
- The location of footwear production, which accounts for approximately 75% of the Group's turnover, in Transnistria, which is potentially exposed to the risk of being included in the conflict in Ukraine (temporary shutdown of gas supplies to the Region in January 2025, uncertain political situation in Moldova itself before the parliamentary elections scheduled for September 2025).
- The location of footwear production, which accounts for approximately 75% of the Group's turnover, in Transnistria, carries a risk related to the potential inclusion of the region in the axis of the conflict in Ukraine (including a temporary shutdown of gas supplies in January 2025 and the uncertain political situation in Moldova before the planned parliamentary elections to the unicameral parliament on September 28, 2025 (particularly important considering, on the one hand, Moldova's EU aspirations and, on the other, the impact of the Russian Federation's actions on public opinion, as well as deep political and social divisions in Moldova itself, making the future of the country uncertain)).

3.6. OTHER INFORMATION IMPORTANT FOR THE ASSESSMENT OF THE ASSETS, FINANCIAL SITUATION AND FINANCIAL RESULT

Apart from the information disclosed in this report, the Protektor Capital Group does not have any other data that – to the best of its knowledge – could be of material importance for the assessment of the Group's assets, financial situation and financial result.

4. Additional information – other explanatory notes to the interim condensed consolidated financial statements

4.1. SALES REVENUE

The table below presents sales revenue from contracts with customers by category, which includes sales of products, services, and goods and materials:

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Product sales	39,062	43 825
Provision of services	89	99
Sales of goods and materials	702	923
Total sales revenue	39,853	44,847

The core business of the Protektor Group is the production, wholesale and retail sale of footwear.

In the first half of 2025, sales to the Tax Administration Chamber in Zielona Góra accounted for 11% of the Group's total sales revenue. This increase is due to deliveries made under the tender won by PROTEKTOR SA in the second half of 2023.

Apart from the above-mentioned contractor, sales to no other single external customer exceeded 10% of the Company's total revenues.

The most common payment terms are 14 and 30 days from the VAT invoice date. For business, key, and strategic clients, individual payment terms can be negotiated.

The table below presents sales revenues by distribution channel:

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Wholesale	30,567	41,777
Tenders	8,641	2 313
E-commerce	610	723
Other retail sales	36	34
Total sales revenue	39,853	44,847

4.2. OPERATING COSTS

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Depreciation	(2,914)	(3,212)
Material and energy consumption	(24,293)	(25,131)
External services	(5,368)	(5,911)
Taxes and fees	(285)	(278)
Salaries	(10,522)	(11,328)
Social security and other benefits	(2,489)	(2,822)
Other costs by type	(900)	(1,045)
Value of goods and materials sold	(478)	(670)
	(47,249)	(50,396)
Change in inventory	3,091	1,749
Consolidation adjustments	-	-
Benefits for own needs	5 515	5 103
Operating costs	(38,643)	(43,544)
Selling costs	5 605	6,244
General administrative expenses	6,781	7,633
Cost of sales	(26,257)	(29,667)

4.3. OTHER OPERATING INCOME AND EXPENSES

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Other operating income		
Gain from the sale of tangible fixed assets	126	15
Inventory surpluses	46	-
Compensation	2	7
Reversal of a write-down on current assets	20	27
Release of remaining reserves	112	-
Use of property for private purposes	86	166
Funding and subsidies	5	2
Other net operating income	93	73
Total other operating income	490	290
Other operating costs		
Unused production capacity	(1,652)	(1,550)
Net inventory losses	-	(9)
Penalties, fines, compensation	(8)	(171)
Costs of court and administrative proceedings	(38)	(18)
Write-down of deferred tax asset	(1,616)	-
Write-down of current assets	(149)	(444)
Costs of abandoned projects	(1)	-
Donations made	(2)	(1)
Other net operating expenses	(157)	(125)
Total other operating expenses	(3,623)	(2,318)
Total other operating income and expenses	(3,133)	(2,028)

As of June 30, 2025, PROTEKTOR recognized a write-down of its deferred tax asset in the amount of PLN 1,616 thousand. The decision to write-down resulted from updated forecasts of future taxable income, which indicated an insufficient probability of realizing tax benefits arising from existing temporary differences and tax losses to be settled in the future.

4.4. FINANCIAL REVENUE AND COSTS

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Financial income		
Interest income from current account and other	-	1
Result on exchange rate differences	-	88
Other financial income	3	12
Total financial income	3	100
Financial costs		
Interest	(844)	(1,046)
Result on exchange rate differences	(8)	-
Commissions	(90)	(112)
Other financial costs	(3)	-
Total financial costs	(945)	(1,157)
Total financial revenues and costs	(942)	(1,057)

4.5. INVENTORY WRITE-DOWNS

Specification	per day 01/01/2025	increase	reduction	per day 30/06/2025
Supplies	5,447	327	-	5,775

The balance of inventory write-downs as at June 30, 2025 increased by PLN 327 thousand compared to December 31, 2024, including the write-down of materials amounting to PLN 94 thousand and of finished products and goods amounting to PLN 233 thousand.

4.6. ASSET WRITE-DOWNS

Specification	per day 01/01/2025	increase	reduction	per day 30/06/2025
Receivables	55	33	-	88
Property, plant and equipment	120	396	-	516
The right to use leased assets	396	-	(396)	-
Deferred tax assets	-	1,616	-	1,616
Together	571	2,044	(396)	2 219

During the period ended June 30, 2025, the following changes were made to impairment losses:

- The write-down on trade receivables was increased by PLN 33,000. The write-down was recorded in other operating expenses.
- The impairment loss on property, plant and equipment increased by PLN 396,000, while the impairment loss on right-of-use lease assets decreased by the same amount. The changes resulted from the reclassification of

the impairment loss in connection with the terminated lease agreement. The reclassification had no impact on the financial result.

- A write-down of PLN 1,616 thousand was made against deferred tax assets, resulting from the lack of sufficient probability of realizing future tax benefits. The write-down was recorded in other operating expenses.

Changes in write-offs resulted in a total increase in costs for the period by PLN 1,648 thousand.

The above events took place in the PROTEKTOR company.

4.7. RESERVES

Specification	Provisions for employee benefit liabilities	Other provisions for liabilities	Together
Reserves as of January 1, 2025	751	1,575	2,326
Reserves created (+)	840	512	1,353
Reserves used (-)	(627)	(851)	(1,478)
Reserves released (-)	-	(113)	(113)
Other changes in reserves (+) / (-)	(3)	(4)	(7)
Reserves as of June 30, 2025	961	1 120	2,081

As at 30 June 2025, the total value of provisions for liabilities amounted to PLN 2,081 thousand, including:

- Provisions for employee benefits increased by PLN 210 thousand compared to the balance as at 31 December 2024. The change results from the creation of provisions for unused holidays in PROTEKTOR and creating reserves for holiday pay and Christmas bonuses for employees in the Abeba Group.
- Other provisions for liabilities decreased by PLN 455,000. This decrease primarily relates to provisions released in connection with the receipt of invoices in 2025, relating to costs recognized in provisions at the end of 2024.

4.8. DEFERRED TAX

Specification	per day 01/01/2025	increase	reduction	per day 30/06/2025
Deferred income tax provision	444	-	(122)	322
Deferred tax assets	2,401	155	(2,252)	304

As of June 30, 2025:

- The deferred income tax provision decreased by PLN 122 thousand compared to the balance as at December 31, 2024. The change results mainly from the revaluation of temporary differences on the liabilities side.
- Deferred income tax assets decreased by PLN 2,096 thousand, including: PLN 1,616 thousand was a write-down of tax assets in PROTEKTOR, made due to the lack of sufficient probability of utilizing future tax benefits, while the remaining part of the decrease resulted from the settlement of temporary differences.

The write-down was recorded in other operating expenses, while other changes in deferred tax were recorded in accordance with the nature of the related balance sheet items.

4.9. TANGIBLE FIXED ASSETS AND RIGHT TO USE ASSETS

The table below presents the status of property, plant and equipment as at June 30, 2025 and December 31, 2024:

Specification	per day 30/06/2025	per day 31/12/2024
Buildings and structures	743	896
Machines and equipment	5 331	5,484
Write-down	(516)	(120)
Means of transport	107	80
Other fixed assets	762	929
Net carrying amount	6,427	7,269
Fixed assets under construction	331	374
Total tangible fixed assets	6,757	7,642

The table below presents the status of assets with the right of use as at June 30, 2025 and December 31, 2024:

Specification	per day 30/06/2025	per day 31/12/2024
Buildings and structures	5,287	6,761
Machines and equipment	296	705
Write-down	-	(396)
Means of transport	599	729
Other fixed assets	25	101
Net carrying amount	6 206	7,901
Fixed assets under construction	-	-
Total tangible fixed assets	6 206	7,901

4.9.1. SIGNIFICANT ACQUISITION AND SALE TRANSACTIONS OF PROPERTY, FIXED ASSETS

In the reporting period ended 30 June 2025, there were no significant acquisitions or sales of property, plant and equipment.

4.9.2. SIGNIFICANT LIABILITIES DUE TO THE PURCHASE OF PROPERTY, FIXED ASSETS

During the reporting period ended 30 June 2025, the Group did not purchase any property, plant and equipment that would result in significant liabilities as at the balance sheet date.

4.10. CHANGES IN THE ECONOMIC SITUATION AND BUSINESS CONDITIONS THAT HAVE A SIGNIFICANT IMPACT ON THE FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The ongoing war in Ukraine and its economic consequences have caused significant changes in the macroeconomic environment and business conditions.

As a result of the analyses carried out to assess the impact of these events on the financial situation of the Protektor Group, no premises were identified justifying the need to update the fair value of financial assets or financial liabilities presented in the financial statements as at 30 June 2025.

4.11. INFORMATION ON DEFAULT OF REPAYMENT OF A CREDIT OR LOAN OR BREACH OF MATERIAL PROVISIONS OF A CREDIT OR LOAN AGREEMENT IN RELATION TO WHICH NO CORRECTIVE ACTIONS HAVE BEEN TAKEN BY THE END OF THE REPORTING PERIOD

In the reporting period ended 30 June 2025, there were no cases of default on any loan or credit in the Group.

The credit agreements concluded by PROTEKTOR SA provide for three bank covenants. As of June 30, 2025, the Company had not met two of them: net profit margin and debt ratio.

This violation did not result in any additional fees or other sanctions from financial institutions. As of the end of the reporting period, no remedial or restructuring actions had been taken as a result of this violation.

4.12. INFORMATION ON GRANTING BY THE ISSUER OR ITS SUBSIDIARY A GUARANTEE FOR A CREDIT OR LOAN OR GRANTING A GUARANTEE – TOGETHER TO ONE ENTITY OR SUBSIDIARY OF THIS ENTITY, IF THE TOTAL VALUE OF THE EXISTING GUARANTEES OR SURETIES IS SIGNIFICANT

The list of all guarantees of the Protektor Capital Group as of June 30, 2025 is presented in the table below:

Type of surety	Contractor	per day 30/06/2025	per day 31/12/2024
Loan guarantee for PROTEKTOR SA by ABEBA Spezialschuh-Ausstatter GmbH	mBank SA	15,744	15,744
Loan guarantee for Inform Brill GmbH by ABEBA Spezialschuh-Ausstatter GmbH	Bank 1 Saar	189	362
Loan guarantee for ABEBA Spezialschuh-Ausstatter GmbH by Inform Brill GmbH	Bank 1 Saar	7,537	7 166
Together	x	23,470	23 272

Guarantees granted by the subsidiary ABEBA GmbH to PROTEKTOR SA:

- Flexible revolving credit agreement signed between PROTEKTOR SA and mBank SA. Limit granted in the amount of PLN 7,300,000. Guarantee by ABEBA in the amount of PLN 9,125,000 until March 29, 2028 (loan validity date).
- Electronic credit agreement for the payment of liabilities signed between PROTEKTOR SA and mBank SA. Limit granted in the amount of PLN 2,500,000. Guarantee by ABEBA in the amount of PLN 3,125,000 until July 15, 2026 (loan validity date).
- Framework agreement for a multi-product line signed between PROTEKTOR SA and mBank SA. Limit granted in the amount of PLN 2,025 thousand. Guarantee by ABEBA in the amount of PLN 2,756 thousand until June 30, 2026 (line validity date).
- Framework agreement regarding a guarantee line signed between PROTEKTOR SA and mBank SA. Limit granted in the amount of PLN 749,000. Guaranteed by ABEBA in the amount of PLN 738,000 until June 28, 2030 (line validity date).

For the guarantees granted, ABEBA GmbH receives remuneration from PROTEKTOR SA, calculated at the end of each financial year according to the following formula:

Remuneration = 0.2% × surety amount × surety validity period × reference interest rate of the surety currency for a given period.

Within the ABEBA Capital Group, during the reporting period, subsidiaries granted each other guarantees.

Guarantee granted by ABEBA GmbH in favour of Inform Brill GmbH:

- Loan agreement for the purchase of a Stemma machine signed between Inform Brill GmbH and Bank 1 Saar. The loan granted is EUR 172,600 for the period from November 30, 2023, to December 31, 2025.

ABEBA does not receive any remuneration from Inform Brill for the above-mentioned guarantee.

Guarantee granted by Inform Brill GmbH in favour of ABEBA GmbH:

- Overdraft agreement signed between ABEBA Spezia Schuh-Ausstatter GmbH and Bank 1 Saar. The current account includes a credit line of up to EUR 1,900,000. The guarantee for the amount of the credit used within the granted limit was entered into on February 22, 2022, for an indefinite period.

Inform Brill does not receive any remuneration from ABEBA for the above-mentioned guarantee.

4.13. TRANSACTIONS WITH RELATED ENTITIES

On March 27, 2025, the Management Board announced (RB 7/2025) that it adopted a resolution on increasing the Company's share capital by issuing 3,804,319 new ordinary bearer shares of series E with a nominal value of PLN 0.50 each within the authorized capital.

Pursuant to the resolution, the Issuer's share capital was increased from PLN 9,572,300.00 to PLN 11,474,459.50, i.e. by PLN 1,902,159.50, through the issue of 3,804,319 new ordinary bearer series E shares with a nominal value of PLN 0.50 each.

On 28 March 2025, the Management Board announced (RB 8/2025) the signing of the "Share Subscription Agreement" with Luma Holding Limited with its registered office in St. Julians, Level 2, Portomaso Complex, (postal code STJ 4010 St. Julians), Malta.

Under the Agreement, 3,804,319 Series E shares in the Company's share capital were acquired, with a nominal value of PLN 0.50 each, with a total nominal value of PLN 1,902,159.50, at an issue price of PLN 0.50 per share, i.e. at a total issue price of PLN 1,902,159.50, issued by the Company on the basis of the Management Board resolution of March 28, 2025.

Terms of transactions with related parties

In the first half of 2025, the Protektor Capital Group did not conclude any transactions with related entities on terms other than market terms.

Loans granted to members of the Management Board and Supervisory Board

In the first half of 2025, no loans were granted to members of the Management Board and Supervisory Board of PROTEKTOR SA

4.14. INFORMATION ON THE CHANGE IN THE METHOD OF VALUING FINANCIAL INSTRUMENTS (SO FAR MEASURED AT FAIR VALUE)

There were no changes to the method for determining the fair value of financial instruments measured at fair value during the reporting period ended June 30, 2025. The valuation methods used remained consistent with the methods adopted as of December 31, 2024.

4.15. CLASSIFICATION OF FINANCIAL ASSETS

During the reporting period ended June 30, 2025, there were no changes in the classification of financial assets resulting from changes in the purpose or use of these assets. The classification of financial assets remained consistent with the principles applied as of December 31, 2024.

4.16. ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES

In the reporting period ended on 30 June 2025, the Protektor Capital Group did not issue, redeem or repay any debt or equity securities.

4.17. DIVIDEND PAID (DECLARED)

In the current reporting period ended on 30 June 2025, the Parent Company did not pay or declare any dividends.

4.18. CONTINGENT ASSETS AND LIABILITIES

The table below presents all contingent liabilities of the Protektor Group as at June 30, 2025 and December 31, 2024:

Specification	per day 30/06/2025	per day 31/12/2024
Contingent liabilities		
Bank guarantees	2,238	2 234
Blank promissory note	16,439	17,015

As at 30 June 2025, the Group had contingent liabilities resulting from bank guarantees granted and blank promissory notes issued.

- Bank guarantees were issued to secure: liabilities arising from the lease of the production hall, as well as warranty and proper performance of contracts implemented in connection with won public tenders.
- Blank promissory notes serve as security for: bank loans, leasing agreements, the agreement concluded with the National Centre for Research and Development, and potential commercial claims arising from current relationships with contractors.

Due to the observed deterioration of the liquidity situation of PROTEKTOR SA, the probability of realization of the obligations arising from the above guarantees and security increases.

4.19. SIGNIFICANT SETTLEMENTS FROM LITIGATION CASES

There were no significant settlements related to court cases during the reporting period.

4.20. SIGNIFICANT PROCEEDINGS PENDING BEFORE A COURT, ARBITRATION AUTHORITY OR PUBLIC ADMINISTRATION AUTHORITY

To the best of the knowledge of the Management Board of PROTEKTOR SA, there are no significant proceedings pending against the Group before a court, arbitration body or public administration body concerning liabilities or receivables with a total value of at least 10% of the Group's equity.

In the opinion of the Management Board, neither the individual proceedings nor their total sum pose a threat to the financial liquidity of the Group in the period covered by the financial statements.

4.21. INFORMATION ABOUT EVENTS AFTER THE BALANCE SHEET DATE

Conclusion of important public procurement contracts

On the day **August 13, 2025** The Management Board of PROTEKTOR SA announced (RB 30/2025) that in the open tender announced by the Chief Commander of the Police for the execution of the contract entitled: "Conclusion of a framework agreement for the production and delivery of service boots for a period of 36 months", the offer of the PROTEKTOR Company was selected as one of the three most advantageous offers within the meaning of Article 239, paragraph 2 of the Public Procurement Law, with which bidders are to conclude framework agreements.

The framework agreement was signed on **August 26, 2025** (RB 40/2025). Individual orders may include between 1,000 and 3,000 pairs of service boots delivered to Police organizational units. The total value of funds the Ordering Party intends to allocate for the contract is PLN 18,750,000 gross.

On the day **September 3, 2025** PROTEKTOR SA has been informed that the Company's offer has been selected as the most advantageous (in reference to CR 30 and 40/2025). The implementation agreement will be signed in accordance with the terms specified in the already concluded framework agreement. The subject of the proceedings under Request No. 1 is the delivery of 3,000 new pairs of service boots, from current production. The value of the offer submitted by the Issuer was PLN 1,466,000 gross. The subject of the proceedings under Request No. 2 is the delivery of 3,000 new pairs of service boots, from current production. The value of the offer submitted by the Issuer was PLN 1,482,000 gross. The order completion deadline is 90 calendar days from the date of signing the implementation agreement. On September 22, 2025, the Company concluded an agreement for the implementation of the order under Request No. 1 (CR 48/2025). On September 23, 2025, the Company concluded an agreement for the execution of the order under inquiry No. 2 (RB 49/2025).

On the day **August 27, 2025** The Management Board of PROTEKTOR SA informed (RB 41/2025) that it received information about the selection of the offer of the PROTEKTOR Company as the most advantageous in the procedure for awarding a public contract in an open tender under the name "Supply of uniforms for officers of PKP Polskie Linie Kolejowe SA of the Main Headquarters of the Railway Protection Guard in the years 2025-2026" for PKP Polskie Linie Kolejowe SA with its registered office in Warsaw in the scope of lot no. 5 of the public contract.

The contract covers the delivery of 2,400 pairs of summer shoes and 2,200 pairs of tactical boots to the Ordering Party's organizational units. The value of the offer submitted by the Issuer and selected as the most advantageous is PLN 2,178,000 gross. The completion deadline will be 16 months from the date of the contract.

On the day **September 15, 2025** The Management Board of PROTEKTOR SA informed (RB 47/2025), that in the public procurement procedure conducted as an open tender entitled "Supply of Navy training shoes, model 914/MON," announced by the 1st Regional Logistics Base in Wałcz, the offer from PROTEKTOR was selected as the most advantageous. The value of the offer submitted by the Company was PLN 1,643,000 gross and covers 4,000 pairs of training shoes. On September 24, 2025, the Company concluded an agreement with the State Treasury – 1st Regional Logistics Base.

Conclusion of annexes to loan agreements

On the day **August 29, 2025** The Management Board of PROTEKTOR SA announced (CR 42/2025) that PROTEKTOR and mBank SA have concluded Annex No. 2 to the Revolving Credit Facility Agreement for Contract Financing of March 6, 2024, as amended. In order to ensure the continuity of financing of the Company's operations, including in the form of bank loans, the Management Board of the Company has negotiated with the Bank new financing terms for the Company, which will be implemented based on the relevant annex. The repayment date of the used credit facility will be postponed to the final repayment date of the Credit Facility, i.e., June 30, 2026. The Company is not able to reuse the credit facility funds in the event of early repayment.

Shareholders

On the day **August 20, 2025** The Management Board of PROTEKTOR SA informed (RB 32/2025) that PROTEKTOR received notifications from Luma Holding Limited of share disposal transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on 18, 19 and 20 August 2025.

On the day **August 20, 2025** The Management Board of PROTEKTOR SA informed (RB 33/2025) that PROTEKTOR received a notification from the shareholder Luma Holding Limited, informing about a change in the shareholding held by the shareholder by at least 1% of the total number of votes.

On the day **August 22, 2025** The Management Board of PROTEKTOR SA informed (RB 37/2025) that PROTEKTOR received notifications from Luma Holding Limited of share disposal transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on August 20 and 21, 2025.

On the day **August 26, 2025** The Management Board of PROTEKTOR SA informed (RB 38/2025) that PROTEKTOR received notifications from Luma Holding Limited of share disposal transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on August 22, 2025.

On the day **August 26, 2025** The Management Board of PROTEKTOR SA informed (RB 39/2025) that PROTEKTOR received a notification from the shareholder Luma Holding Limited, informing about a change in the shareholding held by the shareholder by at least 1% of the total number of votes, as a result of transactions carried out on August 20, 21 and 22, 2025.

On the day **September 2, 2025** The Management Board of PROTEKTOR SA announced (RB 43/2025) that PROTEKTOR received notifications from Luma Holding Limited of share disposal transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on August 27 and 28, 2025. Furthermore, the Company announces that on September 2, 2025 it received from Luma Holding Limited a correction of the notification of transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on August 28, 2025.

Extraordinary General Meeting

On the day **July 25, 2025** The Management Board of PROTEKTOR SA informed (RB 28/2025) about convening the Extraordinary General Meeting of the Company on August 21, 2025.

On the day **August 21, 2025** The Extraordinary General Meeting of Shareholders of the Company was held, during which resolutions were adopted on the appointment of Members of the Supervisory Board of PROTEKTOR SA (RB 34/2025).

Supervisory Board

On the day **August 19, 2025** (RB 31/2025):

- Mr. Jarosław Palejko – Chairman of the Supervisory Board,
- Mr. Wojciech Sobczak – Deputy Chairman of the Supervisory Board,
- Mr. Tomasz Krześniak – Member of the Supervisory Board,

resigned from their membership in the Supervisory Board of the Company with effect from August 21, 2025.

On the day **August 21, 2025** (RB 35/2025), during the Extraordinary General Meeting of Shareholders, the following persons were appointed to the Supervisory Board of PROTEKTOR SA:

- Mr. Maciej Kolon,
- Mrs. Aleksandra Zamasz,
- Mrs. Dominika Welon,

as Members of the Supervisory Board of the Company.

On the day **September 3, 2025** (RB 46/2025) The Supervisory Board adopted resolutions pursuant to which:

- Ms. Aleksandra Zamasz was elected Chairwoman of the Supervisory Board,
- Mr. Piotr Zarzycki – Deputy Chairman of the Supervisory Board,
- Ms. Dominika Welon – Secretary of the Supervisory Board.

The Supervisory Board of PROTEKTOR SA has appointed new members to the Audit Committee from among its members. The following persons have been appointed to the Audit Committee:

- Ms. Aleksandra Zamasz – Chairwoman of the Audit Committee,
- Mr. Maciej Kolon – Member of the Audit Committee,
- Mr. Krzysztof Matan – Member of the Audit Committee.

Company Statute

On the day **August 1, 2025** The Management Board of PROTEKTOR SA informed (RB 29/2025) that it received information about the registration on July 31, 2025 by the District Court Lublin-Wschód in Lublin with its registered office in Świdnik, 6th Commercial Division of the National Court Register of changes to the Articles of Association of PROTEKTOR adopted by the Extraordinary General Meeting of the Company under resolution No. 3/2025 of June 16, 2025.

4.22. SIGNIFICANT RISK FACTORS AND THREATS

Risk management at the Protektor Capital Group includes systematic activities in the field of monitoring, controlling and taking corrective actions in the areas of financial and operational risk.

Financial risk results from the financial instruments held by the Group, which include: bank loans and borrowings, leasing agreements, cash, trade receivables and payables arising directly from operating activities.

On this basis, the following financial risk groups were identified:

- Credit risk – related to the insolvency of contractors,
- Exchange rate risk – resulting from changes in foreign currency exchange rates (in particular EUR and USD),
- Interest rate risk – relating to the variability of financing costs (loans, leasing),
- Liquidity risk – related to the ability to settle liabilities on time.

Due to operating in a dynamically changing economic environment, and taking into account the specific nature of the industry and business, the Management Board has also identified a number of operational risks, which are covered by a separate risk management policy. The policy aims to avoid or minimize losses, protect profitability, increase revenues, and improve operating margins.

The Group's operations may also be affected by risks of an unusual or extraordinary nature that are difficult or impossible to predict. Such cases are described in detail in section 3.3 "Significant events in the first half of 2025" of this report.

Credit risk

Credit risk is the risk of financial losses resulting from the failure of a client or counterparty (a party to a financial instrument) to fulfill its contractual obligations.

At the Protektor Group, credit risk is primarily focused on: the timely collection of receivables from customers and the level of cash and cash equivalents accumulated in bank accounts.

With respect to collaboration with entities outside the Group, a procedure is in place to verify the counterparty's credibility before signing a commercial contract. This process includes assessing the counterparty's ability to timely settle financial obligations.

In the case of receivables from contractors with an increased risk of insolvency, the Group:

- Monitors due dates on an ongoing basis,
- Carries out debt collection activities to effectively enforce payments.

Thanks to the implemented procedures and prudential policy, the Group actively limits credit risk affecting its financial results and operating liquidity.

Current asset items as at June 30, 2025 and December 31, 2024 are presented in the table below:

Specification	per day 30/06/2025	per day 31/12/2024
Trade receivables	7,422	4,071
Other receivables	2,522	1,847
Cash and cash equivalents	604	1,945

The maturities of current assets as at June 30, 2025 and December 31, 2024 are presented in the table below:

Specification	Book value	as of June 30, 2025, including:			Book value	as of December 31, 2024, including:		
		< 1 month	1 - 3 months	1 year >		< 1 month	1 - 3 months	1 year >
Cash on hand	8	8	-	-	22	22	-	-
Cash in bank accounts	571	571	-	-	1,905	1,905	-	-
Other	25	25	-	-	17	17	-	-
Together	604	604	-	-	1,945	1,945	-	-

The age structure of receivables as at 30 June 2025 and 31 December 2024 is presented in the tables below:

Specification	Gross value 30/06/2025	Write-down 30/06/2025	Net worth 30/06/2025
Not required	8,734	-	8,734
Past due from 0 to 30 days	944	-	944
Past due between 31 and 90 days	101	-	101
Past due between 91 and 180 days	82	-	82
Past due from 181 to 365 days	105	(22)	83
Overdue for more than 1 year	66	(66)	-
SUM	10,032	(88)	9,944

Specification	Gross value 31/12/2024	Write-down 31/12/2024	Net worth 31/12/2024
Not required	4,956	-	4,956
Past due from 0 to 30 days	453	-	453
Past due between 31 and 90 days	365	-	365
Past due between 91 and 180 days	125	-	125
Past due from 181 to 365 days	25	(12)	13
Overdue for more than 1 year	49	(43)	6
SUM	5,973	(55)	5,918

The age structure of liabilities as at 30 June 2025 and 31 December 2024 is presented in the table below:

Specification	Gross value 30/06/2025	Gross value 31/12/2024
Not required	9,494	6 420
Past due from 0 to 30 days	2,369	1,261
Past due between 31 and 90 days	645	937
Past due between 91 and 180 days	748	504
Past due from 181 to 365 days	392	1,220
Overdue for more than 1 year	567	294
SUM	14 215	10,636

Interest rate risk

The Protektor Group has liabilities arising from bank loans, borrowings and leasing agreements for which interest is calculated based on a variable interest rate.

Liabilities arising from the lease of production halls and office buildings, as well as parts of leased vehicles and office equipment, are not subject to interest rate risk because their financial cost is based on a fixed interest rate.

As of June 30, 2025, the Group's liabilities based on variable interest rates constituted 75.6% of total financial liabilities.

The Group did not use hedging instruments to limit its exposure to interest rate risk.

Sensitivity analysis

The impact of potential interest rate changes on the level of interest costs is presented in the table below:

Interest rate change	-5.00%	-1.00%	0.00%	1.00%	5.00%
Change in interest costs	(977)	(195)	-	195	977

- Negative amounts mean a reduction in interest costs, which has a positive impact on the net result.
- Positive amounts indicate an increase in costs, which negatively affects the net result.

Assumptions made in the analysis:

- Debt from credits, loans and leases was assumed at a constant level as at June 30, 2025.
- The calculation does not take into account changes in the cost of money over time or possible renegotiations of contracts.

Exchange rate risk

The Group is exposed to currency risk arising from transactions denominated in foreign currencies. In the first half of 2025, the main sources of currency risk included:

- purchases of raw materials and components from foreign suppliers,
- sales of products on export markets,
- intra-group settlements, including dividends received and repayments of receivables from subsidiaries.

The main currency for foreign transactions was and remains the EUR.

In the first half of 2025, the Group did not use any currency risk hedging instruments, such as forward contracts, currency options or swaps.

Sensitivity analysis

The tables below present the impact of a hypothetical 5% change in foreign exchange rates on the Group's financial results and equity. The analysis includes only outstanding monetary positions in foreign currencies, translated as of the balance sheet date. The assumed exchange rate volatility ($\pm 5\%$) reflects Management's assessment of potential exchange rate fluctuations.

A positive value means an increase in net profit and equity (when PLN strengthens). A negative value means their decrease (when PLN weakens).

Specification	Currency assets	Rate change +5%	Gross impact on profit	Rate change -5%	Gross impact on profit
Currency assets expressed in EUR thousand	1,954				
Currency assets expressed in thousands of USD	7				
Currency assets expressed in thousands of PRB*	164				
Currency assets expressed in foreign currencies after conversion into PLN thousand	8,352	8,770	418	7,934	(418)
The total effect of the rate increase			418		(418)
Tax effect 19%			80		(80)
Net effect of the increase in exchange rates (impact on the financial result)			338		(338)

*Transnistrian ruble

Specification	Currency liabilities	Rate change +5%	Gross impact on profit	Rate change -5%	Gross impact on profit
Currency liabilities expressed in EUR thousand	3,255				
Currency liabilities expressed in thousands of USD	9				
Currency liabilities expressed in thousands of PRB*	2,616				
Currency liabilities expressed in foreign currencies after conversion into PLN thousand	14,426	15 148	(722)	13,704	722
The total effect of the rate increase			(722)		722
Tax effect 19%			(138)		138
Net effect of the increase in exchange rates (impact on the financial result)			(584)		584

*Transnistrian ruble

Specification	Net profit/loss	Rate change +5%	Gross impact on profit	Rate change -5%	Gross impact on profit
Net profit (loss) expressed in EUR thousand	436				
Net profit (loss) expressed in thousands of EUR after conversion into thousands of PLN	1,839	1,931	92	1,747	(92)
The total effect of the rate increase			92		(92)
Tax effect 19%			18		(18)
Net effect of the increase in exchange rates (impact on the financial result)			74		(74)

Liquidity risk

The risk of losing financial liquidity may occur in the event of a disruption in the relationship between current operating income and liabilities arising from production, investments and fixed costs.

The main threats to financial liquidity include:

- insufficient sales revenues compared to production costs and other current liabilities,
- the need to finance tender and investment projects,
- debt obligations, including loans and leases.

Available sources of financing

In June 2025, PROTEKTOR SA's credit agreements were extended and as at the balance sheet date, the company had the following active credit agreements and financial lines with mBank SA:

- Flexible revolving loan – limit: PLN 7,300,000,
- Electronic loan for repayment of liabilities – limit: PLN 2,500,000,
- Multi-product line – limit: PLN 2,025,000 (including: overdraft limit: PLN 320,000, guarantee line: PLN 1,705,000),
- Guarantee lines – limit: PLN 749,000,
- Revolving credit facility – limit: PLN 2,000,000 (contract extension in August 2025).

As of June 30, 2025, ABEBA and ABEBA France had overdraft lines of credit with a total value of EUR 2,000 thousand.

Despite the extension of the loan agreements, the risk of losing liquidity remains real, assuming that the optimisation measures are not effectively implemented and the planned share capital increase is not implemented.

Risk assessment and actions taken

The Management Board is undertaking a number of optimization activities, including:

- reduction of operating costs, in particular external services and employment,
- sale of unnecessary assets,
- limiting the wide product range of the Protektor and Grom brands,
- development of project sales – production "to order", minimization of inventories,
- diversification of markets and contracts – searching for larger, homogeneous export orders,
- obtaining new, larger orders, in particular within the framework of public procurement procedures.

Additionally:

- On March 27, 2025, the Management Board of PROTEKTOR SA adopted a resolution to increase the share capital by issuing series E shares (3,804,319 shares with a total nominal value of PLN 1,902,159.50),
- On March 28, 2025, an agreement for the acquisition of series E shares was concluded with Luma Holding Limited,
- On June 16, 2025, the Extraordinary General Meeting of PROTEKTOR SA adopted a resolution enabling a further increase in the share capital to PLN 8,000,000.00 by issuing up to 16,000,000 ordinary bearer shares (nominal value: PLN 0.50).
 - The increase in the share capital of PROTEKTOR SA in 2025 is also necessary due to the provisions contained in the annex to the loan agreement concluded with mBank SA, concerning a revolving loan intended to finance contracts carried out as part of tender procedures for public entities. Under the concluded annex, mBank agreed to extend the possibility of using the loan until May 31, 2026, and to extend the final repayment date of the loan until June 30, 2026. The above conditions are conditional on the Company fulfilling the capital commitment, according to which: "Luma Holding Limited with its registered office in St. Julians, Level 2, Luxe Pavilion, Portomaso

Complex, STJ 4010 St. Julians, Malta, entered in the Maltese Registry of Companies under number C76225, being a shareholder of [the Company], will provide capital financing to [the Company] by increasing the share capital of [the Company] by a total amount of not less than PLN 4,000,000.00, and the cash contribution to cover this increase will be made in full in cash. The first increase in the share capital by an amount of not less than PLN 2,000,000.00 will be carried out by 28 November 2025 ("Increase No. 1"), and the second increase in the share capital by an amount of not less than PLN 2,000,000.00 will be carried out by February 27, 2026 ("Increase No. 2"). Maintaining this loan is crucial to ensuring the Company's current financial liquidity, as well as to continue participating in the public procurement system, in particular in the implementation of projects requiring significant capital and production involvement.

Despite the available financing lines and recapitalization, the risk of losing liquidity at PROTEKTOR remains real, especially in the event of limited market demand or incomplete or delayed implementation of optimization measures.

The Management Board, being aware of these threats, has been conducting an intensive analysis of strategic scenarios since the second half of 2024 and monitoring all key liquidity areas, taking actions to secure the continuation of operating activities over the next 12 months.

Risk related to the supply of materials and raw materials for production

The risk related to the supply of materials and raw materials for production includes in particular:

- risk of dependence on a limited number of suppliers (poor market diversification),
- the risk of increases in the purchase prices of raw materials and external services, affecting the level of costs of sales.

In the opinion of the Management Board, the Group is not currently exposed to a significant risk of dependence on key suppliers due to its relatively well-developed purchasing network.

Purchases of production materials and components are made within several basic raw material groups, such as: leather, uppers, insoles and insole materials, adhesives, metal accessories, and linings.

Unpredictable changes in the purchase prices of materials, raw materials, and services may lead to reduced product profitability and negatively impact the Group's financial results. To mitigate price risk, the Group employs mechanisms such as adapting its sales pricing policy to changes in purchasing costs and entering into agreements with suppliers that include pricing formulas that limit unfavorable price fluctuations.

In order to increase purchasing security and production continuity, the Protektor Group systematically expands its database of potential suppliers, deepens relationships with existing partners, and obtains appropriate certificates and approvals for key footwear models, which enables the use of components from many alternative suppliers.

Risk of dependence on key clients

The risk of dependence on key customers is the potential threat of losing a significant portion of sales revenues in the event of termination or limitation of cooperation with one or more large customers whose share in sales is significant from the point of view of the Group's total revenues.

The fragmentation of external customers and the diversified order portfolio of companies belonging to the Protektor Capital Group limit the risk of significant dependence on individual contractors.

In the first half of 2025, sales to the Tax Administration Chamber in Zielona Góra accounted for 11% of the Group's total sales revenue, which results from the implementation of a large tender contract concluded in the second half of 2023.

Apart from the above-mentioned customer, the share of sales to any other single external customer did not exceed 10% of the Group's total revenues.

Risk related to the procedures and conditions for awarding public tenders

This risk refers to potential threats arising from participation in the public procurement system, encompassing both the bidding process and contract execution. It includes the risk of establishing suboptimal pricing terms, difficulties in delivering deliveries on time and in accordance with the contract, as well as the risk of contractual penalties or losses resulting from unprofitable contracts.

Main sources of risk in the Protektor Capital Group:

- Price pressure and strong competition – leads to offering very low prices, often at the break-even point.
- Differences between the calculation and actual costs may lead to lower than expected profitability or losses.
- Accumulation of orders – simultaneous execution of many tenders may overload production capacity.
- Material or logistics shortages – negatively impact on timely deliveries.
- Contractual Penalty Provisions – Delays, product defects or other breaches may result in contractual penalties (e.g. financial penalties, product replacement).
- Reputational risk and exclusion from future proceedings – in the event of improper execution of contracts.

For the Protektor Capital Group, participation in tenders and the execution of public procurement contracts is handled through PROTEKTOR SA. Public tenders constitute a significant sales channel and source of revenue, particularly for specialized, uniform, and military footwear. At the same time, they involve significant operational and financial risks. Precise calculation, production planning, and strict quality control are crucial. Protektor SA takes conscious steps to mitigate the potential negative effects of participating in the public procurement system.

Risk related to the tax system

The risk related to the tax system refers to the uncertainty resulting from the possibility of a different interpretation of tax law provisions and other regulations related to public law obligations (in particular social security and health insurance contributions) by the tax authorities in relation to the position adopted by the companies of the Protektor Group.

The Management Board does not currently anticipate any significant threats in this area, however, the risk of unfavorable interpretations or decisions being issued by tax administration authorities cannot be completely ruled out.

The Company exercises due diligence in the following areas:

- ongoing monitoring of changes in tax regulations,
- using the services of tax and legal advisors,
- applying individual interpretations (if deemed justified),
- keeping accounting records in accordance with the principle of prudence and applicable legal provisions.

The Management Board hereby informs that the Capital Group's operations in Germany are subject to periodic tax audits conducted by the German tax office. In accordance with applicable regulations, tax audits in Germany are conducted every three years.

The most recent completed audit covered the 2015–2017 tax years and was concluded in April 2023. This proceeding was favorable for the Group and resulted in the refund of overpaid income tax to the subsidiary Inform Brill GmbH.

General economic and political risk

General economic and political risk is the risk of the impact of unfavorable changes in the macroeconomic environment and the geopolitical situation on the Group's operations, financial results, liquidity and development prospects.

Economic factors:

- inflation and rising business costs (e.g. energy, raw materials, labor),
- interest rate volatility,
- economic slowdown or recession,
- disruptions in supply chains,
- limitations in the availability of raw materials (especially energy and critical ones),
- instability of financial and currency markets.

Political and geopolitical factors:

- armed conflicts (e.g. war in Ukraine, Middle East),
- tensions between the US, China and the EU,
- economic and financial sanctions,
- protectionist policies and tariff wars (e.g. US–EU, US–China),
- the situation in the Transnistrian and Moldovan regions (significant due to the activities of the subsidiary)

The Group generates revenues mainly on the domestic market and in Western European countries, including Germany, which makes it sensitive to economic and political changes in these regions.

Armed conflicts and international tensions can lead to increased operating costs, inflation and reduced availability of materials.

Changes in the EU and Poland's armaments policy may have a positive impact on the potential increase in demand for military and specialized footwear – which constitutes a development opportunity.

The ongoing instability in the Transnistrian region (Moldova) poses a potential operational and logistical risk due to the presence of one of the Issuer's subsidiaries.

General economic and political risk is systemic in nature and difficult to eliminate. The Company can only mitigate its effects through appropriate strategic actions, scenario analyses, and flexible responses to changes in the macroeconomic environment. Given the specific nature of the Company's operations, this risk represents both a threat and a potential development opportunity, particularly in the context of rising defense spending in Europe.

5. INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION

Interim condensed separate statement of comprehensive income

Specification	for the period	for the period	for the period	for the period
	from April 1, 2025 to June 30, 2025	from 01/01/2025 to 30/06/2025	from April 1, 2024 to June 30, 2024	from 01/01/2024 to 30/06/2024
Sales revenue	8,098	15,710	7,484	15,999
Revenues from product sales	6 205	12,029	5 128	10,900
Revenues from the sale of services	297	529	469	1,034
Revenues from the sale of goods and materials	1,596	3 152	1,887	4,066
Cost of sales	(5,985)	(13,878)	(6,735)	(14,258)
Cost of products sold	(4,820)	(11,561)	(5 125)	(10,851)
Cost of services sold	(159)	(303)	(297)	(629)
Cost of goods and materials sold	(1,006)	(2014)	(1,313)	(2,778)
Gross profit (loss) from sales	2 113	1,832	749	1,741
Selling costs	(681)	(1,429)	(884)	(1,800)
General administrative expenses	(1,098)	(2,212)	(1,343)	(2,658)
Other operating income	65	220	42	61
Other operating costs	(3,441)	(3,622)	(997)	(1,828)
Profit (loss) from operating activities	(3,041)	(5 211)	(2,434)	(4,483)
Financial income	192	438	-	2,626
Financial costs	(422)	(864)	(672)	(995)
Profit (loss) before tax	(3,271)	(5,636)	(3,106)	(2,853)
Tax	(563)	(481)	49	151
Net profit (loss)	(3,833)	(6 117)	(3,058)	(2,701)
Other comprehensive income				
Items that may be reclassified to the income statement in the future and losses, including:	-	-	-	-
- exchange rate differences from the conversion of foreign companies	-	-	-	-
- income tax on other comprehensive income	-	-	-	-
Items that cannot be reclassified to the income statement in the future and losses, including:	-	-	-	-
- write-down of fixed assets held for sale	-	-	-	-
- income tax on other comprehensive income	-	-	-	-
Total comprehensive income	(3,833)	(6 117)	(3,058)	(2,701)
Weighted average number of ordinary shares (pcs)*	19 021 600	19 021 600	19 021 600	19 021 600
Weighted average diluted number of ordinary shares (units)*	19 021 600	19 021 600	19 021 600	19 021 600
Basic earnings (loss) per share (PLN)	(0.20)	(0.32)	(0.16)	(0.14)
Diluted earnings (loss) per share (PLN)	(0.20)	(0.32)	(0.16)	(0.14)

*number of shares admitted to trading

Interim condensed separate statement of financial position

Specification	per day	per day	per day
	30/06/2025	31/12/2024	30/06/2024
Fixed assets	32,508	36,867	39,774
Intangible assets	801	942	1,781
Property, plant and equipment	4,316	4,872	5 218
The right to use leased assets	2,576	3,865	5,478
Investments in subsidiaries	22,840	22,840	22,840
Deferred tax assets	-	2 177	2 156
Long-term accruals	1,974	2 171	2,301
Current assets	15,083	13,881	21,047
Supplies	11,202	10,504	14,642
Trade receivables	2,439	1,061	3,097
- from related entities	85	66	263
- from other units	2,354	995	2,834
Other short-term receivables	693	1,258	1,908
- from related entities	1	641	1,290
- from other units	692	617	618
Other short-term financial assets	3	-	-
Cash and cash equivalents	90	168	249
Short-term accruals	655	889	1 151
TOTAL ASSETS	47,590	50,748	60 821

Specification	per day	per day	per day
	30/06/2025	31/12/2024	30/06/2024
Equity	12,603	16,818	24 602
Equity of shareholders of the parent company	12,603	16,818	24 602
Share capital	11,474	9,572	9,572
Reserve capital from the sale of shares above their nominal value	10 235	10 235	10 235
Other capital	6,957	6,957	6,957
Retained earnings, including:	(16,063)	(9,945)	(2,161)
- net profit (loss) from previous years	(9,945)	540	540
- net profit (loss) for the current year attributable to shareholders of the parent company	(6 117)	(10,486)	(2,701)
Non-controlling interests	-	-	-
Obligations	34,988	33,930	36 218
Long-term liabilities	5,834	6,987	8,475
Long-term loans and credits	5,566	5,607	5,659
Long-term liabilities arising from the right to use assets in leasing (IFRS 16)	82	1 112	2,576
Deferred income tax provision	79	159	134
Provisions for employee benefit liabilities	107	107	103
Long-term accruals	-	2	4
Short-term liabilities	29 153	26,943	27,743
Short-term loans and credits	9,084	7,300	7,604
Other short-term financial liabilities	2 201	2,545	3,256
Trade payables	11,556	9,464	9,715
Other short-term liabilities	2,455	2,611	2,735
Short-term liabilities arising from the right to use assets in leasing (IFRS 16)	2,776	3 232	3,729
Provisions for employee benefit liabilities	288	183	212
Other provisions for short-term liabilities	665	1,067	467
Short-term accruals	128	540	24
TOTAL LIABILITIES	47,590	50,748	60 821

Interim condensed separate statement of changes in equity

Specification	Capital attributable to shareholders of the parent company					Non-controlling interests	Total equity
	Share capital	Reserve capital	Other capital	Retained earnings	Together		
Balance as of January 1, 2025	9,572	10 235	6,957	(9,945)	16,818	-	16,818
Net profit (loss) for the period 01/01/2025 - 30/06/2025	-	-	-	(6 117)	(6 117)	-	(6 117)
Total comprehensive income	-	-	-	(6 117)	(6 117)	-	(6 117)
Share issue	1,902	-	-	-	1,902	-	1,902
Division of financial result	-	-	-	-	-	-	-
Changes in equity	1,902	-	-	(6 117)	(4,215)	-	(4,215)
Balance as of June 30, 2025	11,474	10 235	6,957	(16,063)	12,603	-	12,603
Balance as of January 1, 2024	9,572	10 235	6,957	540	27,304	-	27,304
Net profit (loss) for the period 01/01/2024 - 30/06/2024	-	-	-	(2,701)	(2,701)	-	(2,701)
Total comprehensive income	-	-	-	(2,701)	(2,701)	-	(2,701)
Share issue	-	-	-	-	-	-	-
Division of financial result	-	-	-	-	-	-	-
Changes in equity	-	-	-	(2,701)	(2,701)	-	(2,701)
Balance as of June 30, 2024	9,572	10 235	6,957	(2,161)	24 602	-	24 602
Balance as of January 1, 2024	9,572	10 235	6,957	540	27,304	-	27,304
Net profit (loss) for the period 01/01/2024 - 31/12/2024	-	-	-	(10,486)	(10,486)	-	(10,486)
Total comprehensive income	-	-	-	(10,486)	(10,486)	-	(10,486)
Share issue	-	-	-	-	-	-	-
Division of financial result	-	-	-	-	-	-	-
Changes in equity	-	-	-	(10,486)	(10,486)	-	(10,486)
Balance as of December 31, 2024	9,572	10 235	6,957	(9,945)	16,818	-	16,818

Interim condensed separate statement of cash flows

Specification	for the period		for the period	
	from April 1, 2025 to June 30, 2025	from 01/01/2025 to 30/06/2025	from April 1, 2024 to June 30, 2024	from 01/01/2024 to 30/06/2024
Cash flow from operating activities				
Profit (loss) before tax	(3,271)	(5,636)	(3,106)	(2,853)
Corrections:	3,436	3 269	4,289	1,268
Amortization of intangible assets	69	140	68	137
Depreciation of tangible fixed assets	964	1,939	979	2005
Profit (loss) on the sale of tangible fixed assets	(4)	(126)	-	(15)
Interest costs	266	554	324	651
Dividends received	-	-	-	(2,588)
Change in inventory	(808)	(698)	(213)	(1,150)
Change in receivables	1,268	(1,834)	1,388	(311)
Change in liabilities except loans	(95)	1,957	1,201	1,984
Change in reserves and accruals	157	(280)	541	554
Other corrections	1,619	1,616	-	-
Net cash from operating activities	165	(2,368)	1 182	(1,585)
Cash flow from investing activities				
Acquisition of tangible fixed assets and intangible assets	-	(27)	(58)	(157)
Sale of tangible fixed assets and intangible assets	74	167	-	15
Dividends received	381	1,020	649	2 169
Net cash from investing activities	454	1 161	590	2,026
Cash flows from financing activities				
Net proceeds from the issue of shares	1,902	1,902	-	-
Proceeds from taking out loans and borrowings	-	1,743	-	258
Repayment of loans and credits	(218)	-	(158)	-
Repayment of financial leasing liabilities	(1,018)	(1,614)	(740)	(1,364)
Interest paid	(266)	(554)	(324)	(651)
Other income/expenditures	(961)	(347)	(413)	239
Net cash from financing activities	(562)	1 129	(1,635)	(1,516)
Total net cash flow, including:	57	(78)	138	(1,076)
Cash at the beginning of the period	33	168	111	1,325
Cash at the end of the period	90	90	249	249

6. Additional information – other explanatory notes to the interim condensed separate financial statements

6.1. SALES REVENUE

The table below presents sales revenue from contracts with customers by category, which includes sales of products, services, and goods and materials:

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Product sales	12,029	10,900
Provision of services	529	1,034
Sales of goods and materials	3 152	4,066
Total sales revenue	15,710	15,999

PROTEKTOR SA's core business is the production, wholesale, and retail sale of footwear. Sales revenue is generated both to affiliated entities and external customers, including the sale of products, services, goods, and materials.

In the first half of 2025, sales to the Tax Administration Chamber in Zielona Góra accounted for 28% of the company's total sales revenue. This increase is due to deliveries made under a tender won in the second half of 2023.

Sales to BEHAPEX accounted for 11% of the Company's total revenues from sales of products, services, goods and materials.

Apart from the two contractors mentioned above, sales to no other single external customer exceeded 10% of the Company's total revenues.

The most common payment terms are 14 and 30 days from the VAT invoice date. For business, key, and strategic clients, individual payment terms can be negotiated.

Detailed sales data, broken down by distribution channel, are presented in the table below:

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Wholesale	6,424	12,929
Tenders	8,641	2 313
E-commerce	610	723
Other retail sales	36	34
Total sales revenue	15,710	15,999

6.2. OPERATING COSTS

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Depreciation	(2,079)	(2,142)
Material and energy consumption	(13,460)	(12,764)
External services	(1,343)	(1,861)
Taxes and fees	(63)	(74)
Salaries	(4,795)	(5,695)
Social security and other benefits	(949)	(1,159)
Other costs by type	(177)	(279)
Value of goods and materials sold	(2014)	(2,778)
	(24,879)	(26,752)
Change in inventory	1,846	2,933
Benefits for own needs	5 515	5 103
Operating costs	(17,519)	(18,716)
Selling costs	1,429	1,800
General administrative expenses	2 212	2,658
Cost of sales	(13,878)	(14,258)

6.3. OTHER OPERATING INCOME AND EXPENSES

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Other operating income		
Gain from the sale of tangible fixed assets	126	15
Inventory surpluses	46	-
Compensation	2	2
Reversal of a write-down on current assets	2	27
Funding and subsidies	5	2
Other net operating income	40	16
Total other operating income	220	61
Other operating costs		
Unused production capacity	(1,652)	(1,550)
Net inventory losses	-	(9)
Penalties, fines, compensation	(8)	(171)
Costs of court and administrative proceedings	(38)	(18)
Write-down of deferred tax asset	(1,616)	-
Write-down of current assets	(149)	(6)
Costs of abandoned projects	(1)	-
Other net operating expenses	(159)	(74)
Total other operating expenses	(3,622)	(1,828)
Total other operating income and expenses	(3,402)	(1,767)

As of June 30, 2025, the entity recognized a write-down of PLN 1,616 thousand on its deferred tax asset. The decision to write-down resulted from updated forecasts of future taxable income, which indicated an insufficient

probability of realizing tax benefits arising from existing temporary differences and tax losses to be settled in the future.

6.4. FINANCIAL REVENUE AND COSTS

Specification	for the period from 01/01/2025 to 30/06/2025	for the period from 01/01/2024 to 30/06/2024
Financial income		
Interest income from current account and other	-	1
Result on exchange rate differences	51	37
Dividends for previous years	381	2,588
Other financial income	6	1
Total financial income	438	2,626
Financial costs		
Interest	(554)	(651)
Commissions	(309)	(345)
Total financial costs	(864)	(995)
Total financial revenues and costs	(425)	1,631

In the first half of 2025, the Company received a dividend of PLN 381,000 from its subsidiary, Inform Brill GmbH. The dividend was paid from the entity's prior-year profits and was recognized in financial income for the period.

6.5. INVENTORY WRITE-DOWNS

Specification	per day 01/01/2025	increase	reduction	per day 30/06/2025
Supplies	3,904	269	-	4 173

The balance of inventory write-downs as at June 30, 2025 increased by PLN 269 thousand compared to December 31, 2024, including the write-down of materials amounting to PLN 115 thousand and of finished products and goods amounting to PLN 154 thousand.

6.6. ASSET WRITE-DOWNS

Specification	per day 01/01/2025	increase	reduction	per day 30/06/2025
Receivables	55	33	-	88
Property, plant and equipment	120	396	-	516
The right to use leased assets	396	-	(396)	-
Deferred tax assets	-	1,616	-	1,616
Together	571	2,044	(396)	2 219

During the period ended June 30, 2025, the following changes were made to impairment losses:

- The write-down on trade receivables was increased by PLN 33,000. The write-down was recorded in other operating expenses.
- The impairment loss on property, plant and equipment increased by PLN 396,000, while the impairment loss on right-of-use lease assets decreased by the same amount. The changes resulted from the reclassification of

the impairment loss in connection with the terminated lease agreement. The reclassification had no impact on the financial result.

- A write-down of PLN 1,616 thousand was made against deferred tax assets, resulting from the lack of sufficient probability of realizing future tax benefits. The write-down was recorded in other operating expenses.

Changes in write-offs resulted in a total increase in costs for the period by PLN 1,648 thousand.

6.7. RESERVES

Specification	Provisions for liabilities employee benefits	Other provisions for liabilities	Together
Reserves as of January 1, 2025	291	1,067	1,358
Reserves created (+)	105	193	298
Reserves used (-)	-	(595)	(595)
Reserves released (-)	-	-	-
Other changes in reserves (+) / (-)	-	-	-
Reserves as of June 30, 2025	396	665	1,061

As at 30 June 2025, the total value of provisions for liabilities amounted to PLN 1,601 thousand, including:

- Provisions for employee benefits increased by PLN 105 thousand compared to the balance as at December 31, 2024. The change results from the creation of provisions for unused holiday leave.
- Other provisions for liabilities decreased by PLN 402 thousand. This decrease primarily relates to provisions released in connection with the receipt of invoices in 2025, relating to costs recognized in provisions at the end of 2024.

6.8. DEFERRED TAX

Specification	per day 01/01/2025	increase	reduction	per day 30/06/2025
Deferred income tax provision	159	-	(80)	79
Deferred tax assets	2 177	75	(2,252)	-

As of June 30, 2025:

- The deferred income tax provision decreased by PLN 80 thousand compared to the balance as at December 31, 2024. The change results mainly from the revaluation of temporary differences on the liabilities side.
- Deferred income tax assets decreased by PLN 2,117 thousand, including: PLN 1,616 thousand was a write-down of tax assets, made due to the lack of sufficient probability of utilizing future tax benefits, while the remaining part of the decrease resulted from the settlement of temporary differences.

The write-down was recorded in other operating expenses, while other changes in deferred tax were recorded in accordance with the nature of the related balance sheet items.

6.9. TANGIBLE FIXED ASSETS AND RIGHT TO USE ASSETS

The table below presents the status of property, plant and equipment as at June 30, 2025 and December 31, 2024:

Specification	per day 30/06/2025	per day 31/12/2024
Buildings and structures	166	233
Machines and equipment	4 192	4 216
Write-down	(516)	(120)
Means of transport	67	25
Other fixed assets	407	519
Net carrying amount	4,316	4,872
Fixed assets under construction	-	-
Total tangible fixed assets	4,316	4,872

The table below presents the status of assets with the right of use as at June 30, 2025 and December 31, 2024:

Specification	per day 30/06/2025	per day 31/12/2024
Buildings and structures	2,042	3 129
Machines and equipment	256	604
Write-down	-	(396)
Means of transport	254	427
Other fixed assets	25	101
Net carrying amount	2,576	3,865
Fixed assets under construction	-	-
Total tangible fixed assets	2,576	3,865

6.9.1. SIGNIFICANT ACQUISITION AND SALE TRANSACTIONS OF PROPERTY, FIXED ASSETS

In the reporting period ended 30 June 2025, there were no significant acquisitions or sales of property, plant and equipment.

6.9.2. SIGNIFICANT LIABILITIES DUE TO THE PURCHASE OF PROPERTY, FIXED ASSETS

During the reporting period ended 30 June 2025, the Company did not purchase any property, plant and equipment that would result in significant liabilities as at the balance sheet date.

6.10. CHANGES IN THE ECONOMIC SITUATION AND BUSINESS CONDITIONS THAT HAVE A SIGNIFICANT IMPACT ON THE FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The ongoing war in Ukraine and its economic consequences have caused significant changes in the macroeconomic environment and business conditions.

As a result of the analyses conducted to assess the impact of these events on the financial situation of the Parent Company, no indications were identified justifying the need to update the fair value of financial assets or financial liabilities presented in the financial statements as at 30 June 2025.

6.11. INFORMATION ON DEFAULT OF REPAYMENT OF A CREDIT OR LOAN OR BREACH OF MATERIAL PROVISIONS OF A CREDIT OR LOAN AGREEMENT IN RELATION TO WHICH NO CORRECTIVE ACTIONS HAVE BEEN TAKEN BY THE END OF THE REPORTING PERIOD

In the reporting period ended June 30, 2025, there were no cases of default on any loan or credit facility in the Company.

The credit agreements concluded by PROTEKTOR SA provide for three bank covenants. As of June 30, 2025, the Company had not met two of them: net profit margin and debt ratio.

This violation did not result in any additional fees or other sanctions from financial institutions. As of the end of the reporting period, no remedial or restructuring actions had been taken as a result of this violation.

6.12. INFORMATION ON GRANTING BY THE ISSUER OR ITS SUBSIDIARY A GUARANTEE FOR A CREDIT OR LOAN OR GRANTING A GUARANTEE – TOGETHER TO ONE ENTITY OR SUBSIDIARY OF THIS ENTITY, IF THE TOTAL VALUE OF THE EXISTING GUARANTEES OR SURETIES IS SIGNIFICANT

The list of all guarantees of the Protektor Capital Group as of June 30, 2025 is presented in the table below:

Type of surety	Contractor	per day 30/06/2025	per day 31/12/2024
Loan guarantee for PROTEKTOR SA by ABEBA Spezialschuh-Ausstatter GmbH	mBank SA	15,744	15,744
Loan guarantee for Inform Brill GmbH by ABEBA Spezialschuh-Ausstatter GmbH	Bank 1 Saar	189	362
Loan guarantee for ABEBA Spezialschuh-Ausstatter GmbH by Inform Brill GmbH	Bank 1 Saar	7,537	7 166
Together	x	23,470	23 272

Guarantees granted by the subsidiary ABEBA GmbH to PROTEKTOR SA:

- Flexible revolving credit agreement signed between PROTEKTOR SA and mBank SA. Limit granted in the amount of PLN 7,300,000. Guarantee by ABEBA in the amount of PLN 9,125,000 until March 29, 2028 (loan validity date).
- Electronic credit agreement for the payment of liabilities signed between PROTEKTOR SA and mBank SA. Limit granted in the amount of PLN 2,500,000. Guarantee by ABEBA in the amount of PLN 3,125,000 until July 15, 2026 (loan validity date).
- Framework agreement for a multi-product line signed between PROTEKTOR SA and mBank SA. Limit granted in the amount of PLN 2,025 thousand. Guarantee by ABEBA in the amount of PLN 2,756 thousand until June 30, 2026 (line validity date).
- Framework agreement regarding a guarantee line signed between PROTEKTOR SA and mBank SA. Limit granted in the amount of PLN 749,000. Guaranteed by ABEBA in the amount of PLN 738,000 until June 28, 2030 (line validity date).

For the guarantees granted, ABEBA GmbH receives remuneration from PROTEKTOR SA, calculated at the end of each financial year according to the following formula:

Remuneration = 0.2% × surety amount × surety validity period × reference interest rate of the surety currency for a given period.

Within the ABEBA Capital Group, during the reporting period, subsidiaries granted each other guarantees.

Guarantee granted by ABEBA GmbH in favour of Inform Brill GmbH:

- Loan agreement for the purchase of a Stemma machine signed between Inform Brill GmbH and Bank 1 Saar. The loan granted is EUR 172,600 for the period from November 30, 2023, to December 31, 2025.

ABEBA does not receive any remuneration from Inform Brill for the above-mentioned guarantee.

Guarantee granted by Inform Brill GmbH in favour of ABEBA GmbH:

- Overdraft agreement signed between ABEBA Spezialschuh-Ausstatter GmbH and Bank 1 Saar. The current account includes a credit line of up to EUR 1,900,000. The guarantee for the amount of the credit used within the granted limit was entered into on February 22, 2022, for an indefinite period.

Inform Brill does not receive any remuneration from ABEBA for the above-mentioned guarantee.

6.13. TRANSACTIONS WITH RELATED ENTITIES

On March 27, 2025, the Management Board announced (RB 7/2025) that it adopted a resolution on increasing the Company's share capital by issuing 3,804,319 new ordinary bearer shares of series E with a nominal value of PLN 0.50 each within the authorized capital.

Pursuant to the resolution, the Issuer's share capital was increased from PLN 9,572,300.00 to PLN 11,474,459.50, i.e. by PLN 1,902,159.50, through the issue of 3,804,319 new ordinary bearer series E shares with a nominal value of PLN 0.50 each.

On 28 March 2025, the Management Board announced (RB 8/2025) the signing of the "Share Subscription Agreement" with Luma Holding Limited with its registered office in St. Julians, Level 2, Portomaso Complex, (postal code STJ 4010 St. Julians), Malta.

Under the Agreement, 3,804,319 Series E shares in the Company's share capital were acquired, with a nominal value of PLN 0.50 each, with a total nominal value of PLN 1,902,159.50, at an issue price of PLN 0.50 per share, i.e. at a total issue price of PLN 1,902,159.50, issued by the Company on the basis of the Management Board resolution of March 28, 2025.

The tables below present transactions with related parties for the first half of 2025 and the first half of 2024:

Specification	To Abeba Capital Group	
	from 01/01/2025 to 30/06/2025	from 01/01/2024 to 30/06/2024
PROTEKTOR SA - sales to related entities, including:	2,441	2,975
- products	1,949	2,041
- goods and materials	52	(1)
- services	440	935

Specification	To PROTEKTOR SA	
	from 01/01/2025 to 30/06/2025	from 01/01/2024 to 30/06/2024
Abeba Group – sales to related entities, including:	2,736	3 235
- products	1,878	2,511
- goods and materials	858	724

Specification	per day 30/06/2025	per day 31/12/2024
Other long-term financial assets	5,566	5,607
PROTEKTOR SA from:	-	-
- Abeba Capital Group	-	-
Abeba Capital Group from:	5,566	5,607
- PROTEKTOR SA	5,566	5,607
Trade receivables	8,440	5 271
PROTEKTOR SA from:	85	66
- Abeba Capital Group	85	66
Abeba Capital Group from:	8,355	5 205
- PROTEKTOR SA	8,355	5 205
Other short-term receivables	1	641
PROTEKTOR SA from:	1	641
- Abeba Capital Group	1	641
Abeba Capital Group from:	-	-
- PROTEKTOR SA	-	-
Together	14,007	11,519

Specification	per day 30/06/2025	per day 31/12/2024
Long-term loans and credits	5,566	5,607
PROTEKTOR SA towards:	5,566	5,607
- Abeba Capital Group	5,566	5,607
Abeba Capital Group towards:	-	-
- PROTEKTOR SA	-	-
Trade payables	7,829	5 503
PROTEKTOR SA towards:	7,829	5 503
- Abeba Capital Group	7,829	5 503
Abeba Capital Group towards:	-	-
- PROTEKTOR SA	-	-
Other short-term liabilities	612	408
PROTEKTOR SA towards:	612	408
- Abeba Capital Group	612	408
Abeba Capital Group towards:	-	-
- PROTEKTOR SA	-	-
Together	14,007	11,519

Terms of transactions with related parties

In the first half of 2025, the Protektor Capital Group did not conclude any transactions with related entities on terms other than market terms.

Loans granted to members of the Management Board and Supervisory Board

In the first half of 2025, no loans were granted to members of the Management Board and Supervisory Board of PROTEKTOR SA

6.14. INFORMATION ON THE CHANGE IN THE METHOD OF VALUING FINANCIAL INSTRUMENTS (SO FAR MEASURED AT FAIR VALUE)

There were no changes to the method for determining the fair value of financial instruments measured at fair value during the reporting period ended June 30, 2025. The valuation methods used remained consistent with the methods adopted as of December 31, 2024.

6.15. CLASSIFICATION OF FINANCIAL ASSETS

During the reporting period ended June 30, 2025, there were no changes in the classification of financial assets resulting from changes in the purpose or use of these assets. The classification of financial assets remained consistent with the principles applied as of December 31, 2024.

6.16. ISSUE, REDEMPTION AND REPAYMENT OF DEBT SECURITIES

In the reporting period ended on 30 June 2025, PROTEKTOR SA did not issue, redeem or repay any debt or equity securities.

6.17. DIVIDEND PAID (DECLARED)

In the current reporting period ended on 30 June 2025, the Parent Company did not pay or declare any dividends.

6.18. CONTINGENT ASSETS AND LIABILITIES

The table below presents a list of all contingent liabilities of PROTEKTOR SA as at June 30, 2025 and December 31, 2024:

Specification	per day 30/06/2025	per day 31/12/2024
Contingent liabilities		
Bank guarantees	2,238	2 234
Blank promissory note	16,439	17,015

As at June 30, 2025, the Company had contingent liabilities resulting from bank guarantees granted and blank promissory notes issued.

- Bank guarantees were issued to secure: liabilities arising from the lease of the production hall, as well as warranty and proper performance of contracts implemented in connection with won public tenders.

- Blank promissory notes serve as security for: bank loans, leasing agreements, the agreement concluded with the National Centre for Research and Development, and potential commercial claims arising from current relationships with contractors.

Due to the observed deterioration of the liquidity situation of PROTEKTOR SA, the probability of realization of the obligations arising from the above guarantees and security increases.

6.19. SIGNIFICANT SETTLEMENTS FROM LITIGATION CASES

There were no significant settlements related to court cases during the reporting period.

6.20. SIGNIFICANT PROCEEDINGS PENDING BEFORE A COURT, ARBITRATION AUTHORITY OR PUBLIC ADMINISTRATION AUTHORITY

To the best of the knowledge of the Management Board of PROTEKTOR SA, there are no significant proceedings pending against the Company before a court, an arbitration body or a public administration body concerning liabilities or receivables with a total value of at least 10% of the Issuer's equity.

In the opinion of the Management Board, neither the individual proceedings nor their total sum pose a threat to the financial liquidity of the Company in the period covered by the financial statements.

6.21. INFORMATION ABOUT EVENTS AFTER THE BALANCE SHEET DATE

Conclusion of important public procurement contracts

On **August 13, 2025** The Management Board of PROTEKTOR SA announced (RB 30/2025) that in the open tender announced by the Chief Commander of the Police for the execution of the contract entitled: "Conclusion of a framework agreement for the production and delivery of service shoes for a period of 36 months", the Company's offer was selected as one of the three most advantageous offers within the meaning of Article 239, paragraph 2 of the Public Procurement Law, with which bidders are to conclude framework agreements.

The framework agreement was signed on **August 26, 2025** (RB 40/2025). Individual orders may include between 1,000 and 3,000 pairs of service boots delivered to Police organizational units. The total value of funds the Ordering Party intends to allocate for the contract is PLN 18,750,000 gross.

On **September 3, 2025** The Company has been informed that the Company's offer has been selected as the most advantageous (in reference to CR 30 and 40/2025). The implementation agreement will be signed in accordance with the terms specified in the already concluded framework agreement. The subject of the proceedings under Request No. 1 is the delivery of 3,000 new pairs of service boots, from current production. The value of the offer submitted by the Issuer was PLN 1,466,000 gross. The subject of the proceedings under Request No. 2 is the delivery of 3,000 new pairs of service boots, from current production. The value of the offer submitted by the Issuer was PLN 1,482,000 gross. The order completion deadline is 90 calendar days from the date of signing the implementation agreement. On September 22, 2025, the Company concluded an agreement for the implementation of the order under Request No. 1 (CR 48/2025). On September 23, 2025, the Company concluded an agreement for the execution of the order under inquiry No. 2 (RB 49/2025).

On **August 27, 2025** The Management Board of PROTEKTOR SA informed (RB 41/2025) that it received information about the selection of the Company's offer as the most advantageous in the procedure for awarding a public contract in an open tender under the name "Supply of uniforms for officers of PKP Polskie Linie Kolejowe

SA of the Main Headquarters of the Railway Protection Guard in the years 2025-2026" for PKP Polskie Linie Kolejowe SA with its registered office in Warsaw in the scope of lot no. 5 of the public contract.

The contract covers the delivery of 2,400 pairs of summer shoes and 2,200 pairs of tactical boots to the Ordering Party's organizational units. The value of the offer submitted by the Issuer and selected as the most advantageous is PLN 2,178,000 gross. The completion deadline will be 16 months from the date of the contract.

On **September 15, 2025** The Management Board of PROTEKTOR SA informed (RB 47/2025), that in the public procurement procedure conducted as an open tender entitled "Supply of Navy training shoes, model 914/MON," announced by the 1st Regional Logistics Base in Wałcz, the Company's offer was selected as the most advantageous. The value of the offer submitted by the Company was PLN 1,643,000 gross and covers 4,000 pairs of training shoes. On September 24, 2025, the Company concluded an agreement with the State Treasury – 1st Regional Logistics Base.

Conclusion of annexes to loan agreements

On **August 29, 2025** The Management Board of PROTEKTOR SA announced (CR 42/2025) that it had concluded Annex No. 2 to the Revolving Credit Facility Agreement for Contract Financing dated March 6, 2024, as amended, with mBank SA. In order to ensure the continuity of financing of the Company's operations, including in the form of bank loans, the Management Board of the Company negotiated with the Bank new financing terms for the Company, which will be implemented based on the relevant annex. The repayment date of the used credit facility will be postponed to the final repayment date of the Credit Facility, i.e., June 30, 2026. The Company is not able to reuse the credit facility funds in the event of early repayment.

Shareholders

On **August 20, 2025** The Management Board of PROTEKTOR SA informed (RB 32/2025) that the Company received notifications from Luma Holding Limited of share disposal transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on 18, 19 and 20 August 2025.

On **August 20, 2025** The Management Board of PROTEKTOR SA informed (RB 33/2025) that the Company received a notification from the shareholder Luma Holding Limited, informing about a change in the shareholding held by the shareholder by at least 1% of the total number of votes.

On **August 22, 2025** The Management Board of PROTEKTOR SA informed (RB 37/2025) that The Company received notifications from Luma Holding Limited of share disposal transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on August 20 and 21, 2025.

On **August 26, 2025** The Management Board of PROTEKTOR SA informed (RB 38/2025) that the Company received notifications from Luma Holding Limited of share disposal transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on August 22, 2025.

On **August 26, 2025** The Management Board of PROTEKTOR SA informed (RB 39/2025) that the Company received a notification from the shareholder Luma Holding Limited, informing about a change in the shareholding held by the shareholder by at least 1% of the total number of votes, as a result of transactions carried out on August 20, 21 and 22, 2025.

On **September 2, 2025** The Management Board of PROTEKTOR S.A. announced (RB 43/2025) that the Company received notifications from Luma Holding Limited of share disposal transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on August 27 and 28, 2025. Furthermore, the

Company announces that on September 2, 2025 it received from Luma Holding Limited a correction of the notification of transactions referred to in Article 19 section 1 of the MAR Regulation, performed on the Company's shares on August 28, 2025.

Extraordinary General Meeting

On **July 25, 2025** The Management Board of PROTEKTOR SA informed (RB 28/2025) about convening the Extraordinary General Meeting of the Company on August 21, 2025.

On **August 21, 2025** The Extraordinary General Meeting of Shareholders of the Company was held, during which resolutions were adopted on the appointment of Members of the Supervisory Board of PROTEKTOR SA (RB 34/2025).

Supervisory Board

On **August 19, 2025** (RB 31/2025):

- Mr. Jarosław Palejko – Chairman of the Supervisory Board,
- Mr. Wojciech Sobczak – Deputy Chairman of the Supervisory Board,
- Mr. Tomasz Krześciak – Member of the Supervisory Board,

resigned from their membership in the Supervisory Board of the Company with effect from August 21, 2025.

On **August 21, 2025** (RB 35/2025), during the Extraordinary General Meeting of Shareholders, the following persons were appointed to the Supervisory Board of PROTEKTOR SA:

- Mr. Maciej Kolon,
- Mrs. Aleksandra Zamasz,
- Mrs. Dominika Welon,

as Members of the Supervisory Board of the Company.

On **September 3, 2025** (RB 46/2025) The Supervisory Board adopted resolutions pursuant to which:

- Ms. Aleksandra Zamasz was elected Chairwoman of the Supervisory Board,
- Mr. Piotr Zarzycki – Deputy Chairman of the Supervisory Board,
- Ms. Dominika Welon – Secretary of the Supervisory Board.

The Supervisory Board of PROTEKTOR SA has appointed new members to the Audit Committee from among its members. The following persons have been appointed to the Audit Committee:

- Ms. Aleksandra Zamasz – Chairwoman of the Audit Committee,
- Mr. Maciej Kolon – Member of the Audit Committee,
- Mr. Krzysztof Matan – Member of the Audit Committee.

Company Statute

On **August 1, 2025** The Management Board of PROTEKTOR SA informed (RB 29/2025) that it received information about the registration on July 31, 2025 by the District Court Lublin-Wschód in Lublin with its registered office in

Świdnik, 6th Commercial Division of the National Court Register of changes to the Company's Articles of Association adopted by the Extraordinary General Meeting of the Company under resolution No. 3/2025 of June 16, 2025.

6.22. SIGNIFICANT RISK FACTORS AND THREATS

Risk management at PROTEKTOR SA includes systematic activities in the field of monitoring, controlling and taking corrective actions in the areas of financial and operational risks.

Financial risk results from the financial instruments held by the Company, which include: bank loans and borrowings, leasing agreements, cash, trade receivables and payables arising directly from operating activities.

On this basis, the following financial risk groups were identified:

- Credit risk – related to the insolvency of contractors,
- Exchange rate risk – resulting from changes in foreign currency exchange rates (in particular EUR and USD),
- Interest rate risk – relating to the variability of financing costs (loans, leasing),
- Liquidity risk – related to the ability to settle liabilities on time.

Due to operating in a dynamically changing economic environment, and taking into account the specific nature of the industry and business, the Company's Management Board has also identified a number of operational risks, which are covered by a separate risk management policy. The policy aims to avoid or minimize losses, protect profitability, increase revenues, and improve operating margins.

The Company's operations may also be affected by risks of an unusual or extraordinary nature that are difficult or impossible to predict. Such cases are described in detail in section 3.3 "Significant events in the first half of 2025" of this report.

Credit risk

Credit risk is the risk of financial losses resulting from the failure of a client or counterparty (a party to a financial instrument) to fulfill its contractual obligations.

At PROTEKTOR SA, credit risk is primarily focused on: the timely collection of receivables from customers and the level of cash and cash equivalents accumulated in bank accounts.

Credit risk and related entities

In the first half of 2025, sales to related entities accounted for 15.5% of the Company's revenue. These entities are not exposed to credit risk due to the intra-group nature of settlements and ongoing monitoring of their financial situation.

Credit risk and external entities

With respect to cooperation with entities outside the Group, PROTEKTOR SA employs a procedure to verify the contractor's credibility before signing a commercial contract. This process includes assessing the contractor's ability to timely settle financial obligations.

In the case of receivables from contractors for whom there is an increased risk of insolvency, the Company:

- Monitors due dates on an ongoing basis,
- Carries out debt collection activities to effectively enforce payments.

Thanks to the implemented procedures and prudential policy, the Company actively limits credit risk affecting its financial results and operating liquidity.

Current asset items as at June 30, 2025 and December 31, 2024 are presented in the table below:

Specification	per day 30/06/2025	per day 31/12/2024
Trade receivables	2,439	1,061
Other receivables	693	1,258
Cash and cash equivalents	90	168

The maturities of current assets as at June 30, 2025 and December 31, 2024 are presented in the table below:

Specification	Book value	as of June 30, 2025, including:			Book value	as of December 31, 2024, including:		
		< 1 month	1 - 3 months	1 year >		< 1 month	1 - 3 months	1 year >
Cash on hand	1	1	-	-	3	3	-	-
Cash in bank accounts	64	64	-	-	149	149	-	-
Other	25	25	-	-	17	17	-	-
Together	90	90	-	-	168	168	-	-

The age structure of receivables as at 30 June 2025 and 31 December 2024 is presented in the tables below:

Specification	Gross value 30/06/2025	Write-down 30/06/2025	Net worth 30/06/2025
Not required	2,335	-	2,335
Past due from 0 to 30 days	631	-	631
Past due between 31 and 90 days	62	-	62
Past due between 91 and 180 days	82	-	82
Past due from 181 to 365 days	44	(22)	22
Overdue for more than 1 year	66	(66)	-
SUM	3 220	(88)	3 132

Specification	Gross value 31/12/2024	Write-down 31/12/2024	Net worth 31/12/2024
Not required	1,915	-	1,915
Past due from 0 to 30 days	139	-	139
Past due between 31 and 90 days	216	-	216
Past due between 91 and 180 days	30	-	30
Past due from 181 to 365 days	24	(12)	12
Overdue for more than 1 year	50	(43)	7
SUM	2,374	(55)	2,319

The age structure of liabilities as at 30 June 2025 and 31 December 2024 is presented in the table below:

Specification	Gross value 30/06/2025	Gross value 31/12/2024
Not required	3,746	3,348
Past due from 0 to 30 days	1,503	558
Past due between 31 and 90 days	1,488	967

Past due between 91 and 180 days	2,689	1,505
Past due from 181 to 365 days	1,489	4 911
Overdue for more than 1 year	3,095	786
SUM	14,011	12,075

Interest rate risk

The Issuer has liabilities under bank loans, borrowings and leasing agreements for which interest is calculated on the basis of a variable interest rate.

Liabilities arising from the lease of production halls and office buildings are not subject to interest rate risk because their financial cost is based on a fixed interest rate.

As of June 30, 2025, the Company's liabilities based on variable interest rates constituted 87.4% of total financial liabilities.

The Company did not use hedging instruments to limit its exposure to interest rate risk.

Sensitivity analysis

The impact of potential interest rate changes on the level of interest costs is presented in the table below:

Interest rate change	-5.00%	-1.00%	0.00%	1.00%	5.00%
Change in interest costs	(861)	(172)	-	172	861

- Negative amounts mean a reduction in interest costs, which has a positive impact on the net result.
- Positive amounts indicate an increase in costs, which negatively affects the net result.

Assumptions made in the analysis:

- Debt from credits, loans and leases was assumed at a constant level as at June 30, 2025.
- The calculation does not take into account changes in the cost of money over time or possible renegotiations of contracts.

Exchange rate risk

The Company is exposed to currency risk arising from transactions denominated in foreign currencies. In the first half of 2025, the main sources of currency risk included:

- purchases of raw materials and components from foreign suppliers,
- sales of products on export markets,
- cash held in foreign currencies,
- external financing, including leasing agreements concluded in EUR,
- intra-group settlements, including dividends received and repayments of receivables from subsidiaries.

The main currency for foreign transactions was and remains the EUR.

Impact of exchange rate changes on the financial result:

- The increase in the EUR exchange rate has a positive impact on the Company's financial result, in particular in the case of dividends received and repayment of receivables from subsidiaries.

- A decline in the Polish zloty (PLN) exchange rate against foreign currencies may lead to an increase in liability costs, resulting in a deterioration of financial results.

In the first half of 2025, the Company did not use any currency risk hedging instruments, such as forward contracts, currency options or swaps.

Sensitivity analysis

The tables below present the impact of a hypothetical 5% change in foreign exchange rates on the Company's financial results and equity. The analysis includes only outstanding monetary positions in foreign currencies, translated as of the balance sheet date. The assumed exchange rate volatility ($\pm 5\%$) reflects the Management Board's assessment of potential exchange rate fluctuations.

A positive value means an increase in net profit and equity (when PLN strengthens). A negative value means their decrease (when PLN weakens).

Specification	Currency assets	Rate change +5%	Gross impact on profit	Rate change -5%	Gross impact on profit
Currency assets expressed in EUR thousand	239				
Currency assets expressed in thousands of USD	3				
Currency assets expressed in foreign currencies after conversion into PLN thousand	1,025	1,077	52	974	(52)
The total effect of the rate increase			52		(52)
Tax effect 19%			10		(10)
Net effect of the increase in exchange rates (impact on the financial result)			42		(42)

Specification	Currency liabilities	Rate change +5%	Gross impact on profit	Rate change -5%	Gross impact on profit
Currency liabilities expressed in EUR thousand	3,749				
Currency liabilities expressed in thousands of USD	9				
Currency liabilities expressed in foreign currencies after conversion into PLN thousand	15,933	16,731	(798)	15 136	797
The total effect of the rate increase			(798)		798
Tax effect 19%			(152)		152
Net effect of the increase in exchange rates (impact on the financial result)			(646)		646

Liquidity risk

The risk of losing financial liquidity may occur in the event of a disruption in the relationship between current operating income and liabilities arising from production, investments and fixed costs.

The main threats to financial liquidity include:

- insufficient sales revenues compared to production costs and other current liabilities,

- the need to finance tender and investment projects,
- debt obligations, including loans and leases.

Available sources of financing

In June 2025, the loan agreements were extended and as at the balance sheet date, PROTEKTOR SA had the following active loan agreements and financial lines with mBank SA:

- Flexible revolving loan – limit: PLN 7,300,000. PLN,
- Electronic loan for repayment of liabilities – limit: PLN 2,500,000,
- Multi-product line – limit: PLN 2,025,000 (including: overdraft limit: PLN 320,000, guarantee line: PLN 1,705,000),
- Guarantee lines – limit: PLN 749,000,
- Revolving credit facility – limit: PLN 2,000,000 (contract extension in August 2025).

Despite the extension of the loan agreements, the risk of losing liquidity remains real, assuming that the optimisation measures are not effectively implemented and the planned share capital increase is not implemented.

Risk assessment and actions taken

The Management Board is undertaking a number of optimization activities, including:

- reduction of operating costs, in particular external services and employment,
- sale of unnecessary assets,
- limiting the wide product range of the Protektor and Grom brands,
- development of project sales – production "to order", minimization of inventories,
- diversification of markets and contracts – searching for larger, homogeneous export orders,
- obtaining new, larger orders, in particular within the framework of public procurement procedures.

Additionally:

- On March 27, 2025, the Company's Management Board adopted a resolution to increase the share capital by issuing series E shares (3,804,319 shares with a total nominal value of PLN 1,902,159.50),
- On March 28, 2025, an agreement for the acquisition of series E shares was concluded with Luma Holding Limited,
- On June 16, 2025, the Extraordinary General Meeting adopted a resolution enabling a further increase in the share capital to PLN 8,000,000.00 by issuing up to 16,000,000 ordinary bearer shares (nominal value: PLN 0.50).
 - The increase in the share capital of PROTEKTOR SA in 2025 is also necessary due to the provisions contained in the annex to the loan agreement concluded with mBank SA, concerning a revolving loan intended to finance contracts carried out as part of tender procedures for public entities. Under the concluded annex, mBank agreed to extend the possibility of using the loan until May 31, 2026, and to extend the final repayment date of the loan until June 30, 2026. The above conditions are conditional on the Company fulfilling the capital commitment, according to which: "Luma

Holding Limited with its registered office in St. Julians, Level 2, Luxe Pavilion, Portomaso Complex, STJ 4010 St. Julians, Malta, entered in the Maltese Registry of Companies under number C76225, being a shareholder of [the Company], will provide capital financing to [the Company] by increasing the share capital of [the Company] by a total amount of not less than PLN 4,000,000.00, and the cash contribution to cover this increase will be made in full in cash. The first increase in the share capital by an amount of not less than PLN 2,000,000.00 will be carried out by 28 November 2025 ("Increase No. 1"), and the second increase in the share capital by an amount of not less than PLN 2,000,000.00 will be carried out by February 27, 2026 ("Increase No. 2"). Maintaining this loan is crucial to ensuring the Company's current financial liquidity, as well as to continue participating in the public procurement system, in particular in the implementation of projects requiring significant capital and production involvement.

Despite the available financing lines and recapitalization, the risk of losing liquidity in PROTEKTOR remains real, especially in the event of limited market demand or incomplete or delayed implementation of optimization measures.

The Management Board, being aware of these threats, has been conducting an intensive analysis of strategic scenarios since the second half of 2024 and monitoring all key liquidity areas, taking actions to secure the continuation of operating activities over the next 12 months.

Risk related to the supply of materials and raw materials for production

The risk related to the supply of materials and raw materials for production includes in particular:

- risk of dependence on a limited number of suppliers (poor market diversification),
- the risk of increases in the purchase prices of raw materials and external services, affecting the level of costs of sales.

In the opinion of the Management Board, the Company is not currently exposed to a significant risk of dependence on key suppliers due to its relatively widely developed purchasing network.

Purchases of production materials and components are made within several basic raw material groups, such as: leather, uppers, insoles and insole materials, adhesives, metal accessories, and linings.

Unpredictable changes in the purchase prices of materials, raw materials, and services can lead to reduced product profitability and negatively impact the Company's financial results. To mitigate price risk, the Company employs mechanisms such as adapting its sales pricing policy to changes in purchasing costs and entering into agreements with suppliers that include pricing formulas that limit unfavorable price fluctuations.

In order to increase purchasing security and production continuity, PROTEKTOR SA systematically expands its database of potential suppliers, deepens relationships with existing partners, and obtains appropriate certificates and approvals for key footwear models, which enables the use of components from many alternative suppliers.

Risk of dependence on key clients

The risk of dependence on key customers is the potential threat of losing a significant portion of sales revenues in the event of termination or limitation of cooperation with one or more large customers whose share in sales is significant from the point of view of the Company's total revenues.

PROTEKTOR SA has recently focused primarily on handling large, homogeneous orders within public-private tenders, which leads to customer concentration.

In the first half of 2025, sales revenues from two contractors exceeded the threshold of 10% of the Company's total revenues:

- Tax Administration Chamber in Zielona Góra – 28% of the Company's total sales revenue. The increase in this client's share is due to the implementation of a large tender contract concluded in the second half of 2023.
- BEHAPEX – 11% of total revenues from the sale of products, services, goods and materials.

Apart from the above two customers, the share of sales to any other single external customer did not exceed 10% of the Company's total revenues.

With respect to related entities, whose share in turnover in the first half of 2025 amounted to 15.5%, there is no risk of losing commercial relations due to the stable nature of cooperation within the Capital Group.

Risk related to the procedures and conditions for resolving and implementing public tenders

This risk refers to potential threats arising from participation in the public procurement system, encompassing both the bidding process and contract execution. It includes the risk of establishing suboptimal pricing terms, difficulties in delivering deliveries on time and in accordance with the contract, as well as the risk of contractual penalties or losses resulting from unprofitable contracts.

Main sources of risk at PROTEKTOR SA:

- Price pressure and strong competition – leads to offering very low prices, often at the break-even point.
- Differences between the calculation and actual costs may lead to lower than expected profitability or losses.
- Accumulation of orders – simultaneous execution of many tenders may overload production capacity.
- Material or logistics shortages – negatively impact on timely deliveries.
- Contractual Penalty Provisions – Delays, product defects or other breaches may result in contractual penalties (e.g. financial penalties, product replacement).
- Reputational risk and exclusion from future proceedings – in the event of improper execution of contracts.

Participating in public tenders is an important sales channel for PROTEKTOR SA, but it also carries significant operational and financial risks. Precise calculations, production planning, and strict quality control are crucial. The company takes conscious steps to mitigate the potential negative effects of participating in the public procurement system.

Risk related to the tax system

The risk related to the tax system refers to the uncertainty resulting from the possibility of a different interpretation of tax law provisions and other regulations related to public law obligations (in particular social security and health insurance contributions) by the tax authorities in relation to the position adopted by the Company.

The Management Board of PROTEKTOR SA does not currently anticipate any significant threats in this area, however, the risk of unfavorable interpretations or decisions being issued by tax administration authorities cannot be completely ruled out.

The Company exercises due diligence in the following areas:

- ongoing monitoring of changes in tax regulations,
- using the services of tax and legal advisors,
- applying individual interpretations (if deemed justified),
- keeping accounting records in accordance with the principle of prudence and applicable legal provisions.

General economic and political risk

General economic and political risk is the risk of the impact of unfavorable changes in the macroeconomic environment and the geopolitical situation on the Company's operating activities, financial results, liquidity and development prospects.

Economic factors:

- inflation and rising business costs (e.g. energy, raw materials, labor),
- interest rate volatility,
- economic slowdown or recession,
- disruptions in supply chains,
- limitations in the availability of raw materials (especially energy and critical ones),
- instability of financial and currency markets.

Political and geopolitical factors:

- armed conflicts (e.g. war in Ukraine, Middle East),
- tensions between the US, China and the EU,
- economic and financial sanctions,
- protectionist policies and tariff wars (e.g. US–EU, US–China),
- the situation in the Transnistrian and Moldovan regions (significant due to the activities of the subsidiary)

The company generates revenues mainly on the domestic market and in Western European countries, including Germany, which makes it sensitive to economic and political changes in these regions.

Armed conflicts and international tensions can lead to increased operating costs, inflation and reduced availability of materials.

Changes in the EU and Poland's armaments policy may have a positive impact on the potential increase in demand for military and specialized footwear – which constitutes a development opportunity.

The ongoing instability in the Transnistrian region (Moldova) poses a potential operational and logistical risk due to the presence of one of the Issuer's subsidiaries.

General economic and political risk is systemic in nature and difficult to eliminate. The Company can only mitigate its effects through appropriate strategic actions, scenario analyses, and flexible responses to changes in the macroeconomic environment. Given the specific nature of the Company's operations, this risk represents both a threat and a potential development opportunity, particularly in the context of rising defense spending in Europe.

7. Statement of the Management Board

The Management Board of PROTEKTOR SA declares that, to the best of its knowledge, these interim condensed consolidated financial statements of the Protektor Capital Group and the interim condensed separate financial statements of PROTEKTOR SA and the comparative data have been prepared in accordance with the accounting principles applicable to the Protektor Capital Group and PROTEKTOR SA and reflect in a true, fair and clear manner the assets and financial situation as well as the financial result of the Protektor Capital Group and PROTEKTOR SA.

Signature of the person entrusted with keeping the accounting books

Joanna Szczesna	Chief Accountant	
-----------------	------------------	--

Signatures of all members of the Management Board

Radosław Rogacki	President of the Management Board	
------------------	-----------------------------------	--

Lublin, September 30, 2025