



**Financial statements for Boryszew S.A.  
FOR THE PERIOD BETWEEN 1 JANUARY AND  
31 DECEMBER 2024**

*Publication date:  
17 April 2025*



Table of contents	Page
STATEMENT OF COMPREHENSIVE INCOME .....	3
STATEMENT OF FINANCIAL POSITION .....	4
CASH FLOW STATEMENT .....	6
STATEMENT OF CHANGES IN EQUITY .....	7
NOTES .....	8
1. INTRODUCTION .....	8
2. BASIS FOR REPORT PREPARATION .....	10
3. ACCOUNTING PRINCIPLES APPLIED .....	13
4. BASIC ACCOUNTING JUDGMENTS AND THE BASIS FOR ESTIMATING UNCERTAINTY .....	27
5. REVENUES FROM SALES .....	28
6. OPERATING SEGMENTS .....	28
7. OPERATING EXPENSES .....	30
8. OTHER OPERATING REVENUES .....	30
9. OTHER OPERATING EXPENSES .....	31
10. FINANCIAL REVENUES .....	31
11. FINANCIAL EXPENSES .....	31
12. INCOME TAX .....	32
13. NON-CURRENT ASSETS .....	34
14. INVESTMENT PROPERTY .....	37
15. INTANGIBLE ASSETS .....	38
Intangible assets .....	39
16. RIGHT-OF-USE ASSETS .....	41
17. SHARES IN SUBSIDIARIES .....	43
18. FINANCIAL ASSETS .....	47
19. DERIVATIVE FINANCIAL INSTRUMENTS .....	49
20. TRADE AND OTHER RECEIVABLES .....	50
21. INVENTORIES .....	51
22. CASH .....	52
23. RESERVES .....	52
24. BANK LOANS, FACTORING, BORROWINGS AND BONDS .....	55
25. LEASE LIABILITIES .....	59
26. TRADE PAYABLES AND OTHER LIABILITIES .....	62
27. EMPLOYEE BENEFIT PROVISIONS .....	63
28. OTHER PROVISIONS .....	64
29. OTHER LIABILITIES AND EQUITY .....	64
30. FINANCIAL INSTRUMENTS .....	65
31. BUSINESS RISKS .....	66
32. SIGNIFICANT EVENTS IN ISSUER'S ACTIVITY .....	76
33. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE .....	76
34. CONTINGENT LIABILITIES .....	77
35. TRANSACTIONS WITH AFFILIATED ENTITIES AND BENEFITS FOR KEY PERSONNEL .....	81
36. REMUNERATION OF THE AUDITOR .....	82
37. EMPLOYMENT .....	83
38. THE REPORT DRAFTED AS PER ART. 44 OF THE ENERGY LAW ACT FINANCIAL STATEMENT .....	83
39. APPROVAL OF THE FINANCIAL STATEMENTS .....	88



	note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Revenues from sales	5	1 669 369	1 815 286
Cost of sales	7	1 518 990	1 654 068
<b>Gross profit on sales</b>		<b>150 379</b>	<b>161 218</b>
Selling costs		17 467	18 734
General and administrative expenses		101 665	109 290
Other operating revenues	8	219 530	142 863
Other operating expenses	9	62 958	50 550
<b>Operating income</b>		<b>187 819</b>	<b>125 507</b>
Financial revenues	10	75 185	108 803
Financial expenses	11	414 269	257 781
<b>Profit before taxation</b>		<b>(151 265)</b>	<b>(23 471)</b>
Income tax	12	(3 867)	(12 242)
<b>Net profit</b>		<b>(147 398)</b>	<b>(11 229)</b>
<b>Earnings / Diluted earnings per share</b>			
Weighted average number of shares		205 205 000	205 205 000
Earnings / Diluted earnings per share (PLN)		(0.72)	(0.05)

  

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Net profit</b>	<b>(147 398)</b>	<b>(11 229)</b>
<b>Earnings recognised in equity</b>		
Hedge accounting (pre-tax)	33	(4 892)
Measurement of financial assets		
<b>Income tax</b>	<b>(6)</b>	<b>934</b>
<b>Earnings recognised in equity, to be transferred to income statement</b>	<b>27</b>	<b>(3 958)</b>
Gains/losses on valuation and disposal of equity instruments (before tax)	-	(1 241)
<b>Income tax</b>	<b>-</b>	<b>236</b>
Employee benefit capital reserve (before tax)	500	(546)
<b>Income tax</b>	<b>(95)</b>	<b>130</b>
<b>Earnings recognised in equity, not to be transferred to income statement, including:</b>	<b>405</b>	<b>(1 421)</b>
<i>Disposal of financial assets through comprehensive income in 2023.</i>	-	3 433
<b>Total earnings recognised in equity</b>	<b>432</b>	<b>(5 379)</b>
<b>Total comprehensive income</b>	<b>(146 966)</b>	<b>(16 608)</b>

## STATEMENT OF FINANCIAL POSITION

ASSETS	Note	Balance on 31.12.2024	Balance on 31.12.2023
<b>Non-current assets</b>		<b>1 305 005</b>	<b>1 382 290</b>
Tangible fixed assets	13	149 071	165 374
Investment property	14	11 180	21 702
Goodwill		-	-
Intangible assets	15	12 127	14 491
Right-of-use assets	16	100 908	114 406
Shares in subsidiaries and associates	17	887 689	886 639
Financial assets	18	60 072	46 576
Long-term receivables	20	65 347	119 100
Deferred tax assets		18 611	14 002
<b>Current assets</b>		<b>640 099</b>	<b>804 517</b>
<b>Current assets other than assets held for sale</b>		<b>638 926</b>	<b>804 517</b>
Inventories	21	123 202	175 060
Trade receivables and other receivables	20	350 746	266 695
Short-term financial assets	18	152 124	330 142
Derivative financial instruments	19	-	3 777
Current tax receivables		458	4 032
Cash and cash equivalents	22	12 396	24 811
<b>Assets classified as held for sale</b>		<b>1 173</b>	<b>-</b>
<b>Total assets</b>		<b>1 945 104</b>	<b>2 186 807</b>

<b>LIABILITIES AND EQUITY</b>	<b>Note</b>	<b>Balance on 31.12.2024</b>	<b>Balance on 31.12.2023</b>
<b>Equity</b>	<b>23</b>	<b>973 792</b>	<b>1 211 048</b>
Share capital		248 906	248 906
Share premium		112 346	112 346
Own shares		(182 816)	(182 816)
Hedge accounting capital		-	(27)
Capital reserve on translating employee payables		56	(349)
Revaluation reserve and gain on disposal of financial assets		-	3 433
Retained earnings		795 300	1 029 555
<b>Liabilities and long-term provisions</b>		<b>192 622</b>	<b>234 983</b>
Bank loans, borrowings	24	45 546	92 872
Lease and right-of-use liabilities	25	71 579	76 016
Employee benefit provisions	27	2 720	3 094
Other provisions	28	32 601	31 916
Trade payables and other liabilities	26	35 000	25 000
Other long-term liabilities	29	5 176	6 085
<b>Short-term liabilities</b>		<b>778 690</b>	<b>740 776</b>
Bank loans, borrowings	24	430 297	374 912
Lease and right-of-use liabilities	25	18 811	23 086
Trade payables and other liabilities	26	319 915	325 413
Tax liabilities		-	3 658
Employee benefit provisions	27	6 407	9 560
Other provisions	28	1 514	2 346
Other liabilities and equity	29	1 746	1 801
<b>Total liabilities and provisions</b>		<b>971 312</b>	<b>975 759</b>
<b>Total equity and liabilities</b>		<b>1 945 104</b>	<b>2 186 807</b>

**CASH FLOW STATEMENT**

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>(151 265)</b>	<b>(23 471)</b>
<b>Adjustments for</b>	<b>161 059</b>	<b>126 246</b>
Amortisation/depreciation	44 022	42 456
Profit/loss on financial activity (including interest on financial liabilities)	32 407	10 601
Dividends received	(142 478)	(95 053)
Profit / loss on investment activities	273 598	72 723
Change in receivables	(114 388)	91 522
Change in inventories	51 858	43 007
Change in liabilities	30 208	7 038
Change in provisions	(12 341)	(37 084)
Other items	(918)	(1 143)
Income tax paid	(909)	(7 821)
<b>Net cash from operating activities</b>	<b>9 794</b>	<b>102 775</b>
<b>Cash flows from investment activities</b>		
Proceeds from disposal of fixed assets	25 066	2 422
Proceeds from disposal of shares	-	12 191
Proceeds from dividend	142 478	95 053
Proceeds from repayment of loans granted	32 031	66 495
Other proceeds from investment activities	198	3 254
Expenses on acquisition of fixed assets	(5 896)	(13 555)
Acquisition of shares and stocks	(24 865)	(18 055)
Long term borrowings granted	(62 761)	(98 274)
<b>Net cash from investing activities</b>	<b>106 251</b>	<b>49 531</b>
<b>Cash flows from financial activities</b>		
Incomes on credit and loan facilities	37 107	89 871
Loans received	54 752	197 296
Other inflows	5 319	28
Dividends paid	(90 290)	(151 851)
Loans repaid	(52 653)	(79 106)
Repayment of borrowings	(33 635)	(149 154)
Interest paid on loans, borrowings and leasing	(28 931)	(27 545)
Payment of liabilities arising from financial lease agreements	(20 129)	(26 864)
<b>Net cash from financing activities</b>	<b>(128 460)</b>	<b>(147 325)</b>
<b>Net change in cash</b>	<b>(12 415)</b>	<b>4 981</b>
Cash opening balance	24 811	26 118
Cash as a result of merger with a subsidiary and spin-off of a branch	-	(6 288)
<b>Cash closing balance</b>	<b>12 396</b>	<b>24 811</b>
<i>Restricted cash</i>	<i>3 743</i>	<i>8 842</i>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
<b>Balance on 01.01.2024</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(27)</b>	<b>(349)</b>	<b>3 433</b>	<b>1 029 555</b>	<b>1 211 048</b>
Valuation of hedge instruments				27				27
Valuation of employee benefits					405			405
Profit/loss for 2024							(147 398)	(147 398)
<b>Total comprehensive income for 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>405</b>	<b>-</b>	<b>(147 398)</b>	<b>(146 966)</b>
Transfer to reserve capital of profit on disposal of equity instruments						(3 433)	3 433	-
Dividends paid							(90 290)	(90 290)
Other								-
<b>Balance on 31.12.2024</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>-</b>	<b>56</b>	<b>-</b>	<b>795 300</b>	<b>973 792</b>

  

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
<b>Balance on 01.01.2023</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>3 931</b>	<b>67</b>	<b>27 991</b>	<b>994 609</b>	<b>1 205 034</b>
Valuation of hedge instruments				(3 958)				(3 958)
Valuation of employee benefits					(416)			(416)
Valuation of financial assets through comprehensive income						(4 438)		(4 438)
Disposal of financial assets through comprehensive income						3 433		3 433
Profit/loss for 2023							(11 229)	(11 229)
<b>Total comprehensive income for 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 958)</b>	<b>(416)</b>	<b>(1 005)</b>	<b>(11 229)</b>	<b>(16 608)</b>
Merger with subsidiary, merger equity				-			174 473	174 473
Transfer to reserve capital of profit on disposal of equity instruments						(23 553)	23 553	-
Dividends paid							(151 851)	(151 851)
<b>Balance on 31.12.2023</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(27)</b>	<b>(349)</b>	<b>3 433</b>	<b>1 029 555</b>	<b>1 211 048</b>



## NOTES

to the financial statements for the period between 1 January and 31 December 2024

### 1. INTRODUCTION

#### COMPANY DETAILS

The head office of Boryszew Spółka Akcyjna is located in Warsaw.

The company is registered with the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register under KRS number 0000063824.

The Company was assigned statistical number REGON 750010992 and NIP 837-000-06-34.

The company is established for an indefinite period of time.

#### Classification of the Company on the listing market

Company's shares are listed on the main market of Warsaw Stock Exchange in the continuous trading system, chemical sector.

Company's business includes manufacturing, services and trade.

This report contains cumulative data.

The history of Boryszew S.A. ("Company", "Issuer") dates back to 1911, when the Belgian Society of the Sochaczew Rayon Factory was established. Following the II WW the factory was nationalised. In 1991, as a result of privatisation of the state-owned enterprise Boryszew ERG, a joint stock company Boryszew S.A. with 100% private capital was established.

The Company is listed on the Warsaw Stock Exchange since May 1996.

In 1999 Boryszew S.A., offering a wide range of chemicals (such as Borygo, a widely known coolant) gained a strategic investor, Mr Roman Krzysztof Karkosik.

The new shareholder initiated a dynamic growth of the company. Acquisitions of non-ferrous metals, automotive and steel manufacturing companies combined with their restructuring, mergers and organic growth in sales of Group's companies contributed to a significant improvement in the Group's results.

Boryszew Capital Group is one of the largest industrial groups in Poland, with production facilities on 4 continents, involved in automotive, metals and chemical industry.

The Capital Group employs approximately 7 300 people.

#### SUPERVISORY BOARD OF BORYSZEW S.A.

On 1 January 2024 the following persons were members of the the Supervisory Board of Boryszew S.A.:

Ms Małgorzata Waldowska	– Chairperson of the Supervisory Board.
Mr Mirosław Kutnik	– Vice Chairman of the Supervisory Board,
Mr Damian Pakulski	– Secretary of the Supervisory Board,
Mr Jarosław Antosik	– Member of the Supervisory Board,
Mr Janusz Siemienieć	– Member of the Supervisory Board.
Mr Wojciech Zymek	– Member of the Supervisory Board.

On 20 May 2024 the Ordinary General Meeting of Shareholders of the Company appointed the Supervisory Board for a new three-year term of office in the following composition:

Ms Małgorzata Waldowska	– Chairperson of the Supervisory Board.
Mr Mirosław Kutnik	– Vice Chairman of the Supervisory Board,
Mr Damian Pakulski	– Secretary of the Supervisory Board,
Mr Jarosław Antosik	– Member of the Supervisory Board,
Mr Janusz Siemienieć	– Member of the Supervisory Board.
Mr Wojciech Zymek	– Member of the Supervisory Board.

The Supervisory Board of the new term of office appointed the Audit Committee whose members are:

Mr Jarosław Antosik	- Chairman of the Audit Committee,
Mr Wojciech Zymek	- Member of the Audit Committee,
Mr Mirosław Kutnik	- Member of the Audit Committee.

No changes in the Supervisory Board occurred by the date of publication of the report.





## **Boryszew S.A.**

### **Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

#### **MANAGEMENT BOARD OF BORYSZEW S.A.**

On 1 January 2024, the following persons were members of the Management Board of Boryszew S.A.:

Mr Wojciech Kowalczyk	– President of the Management Board, General Director
Mr Łukasz Bubacz	– Member of the Board of Directors, Chief Investment Officer,
Mr Mikołaj Budzanowski	– Member of the Management Board, Business Development Officer

On 13 May 2024, the Supervisory Board appointed the Company's Management Board in its current composition for a new, three-year term of office (joint term of office), starting on the date of the Ordinary General Meeting approving the financial statements of the Company for 2023.

The following persons were appointed to the Management Board of the new term of office:

Mr Wojciech Kowalczyk as the President of the Management Board of Boryszew S.A., Chief Executive Officer,  
Mr Łukasz Bubacz as Member of the Management Board, Investment Director,  
Mr Mikołaj Budzanowski as Member of the Management Board, Development Director,

On 24 June 2024 the Supervisory Board of the Company, decided to appoint Mr Adam Holewa as Member of the Management Board, Automotive Segment Director, effective as of the same date.

On 31 December 2024 the Management Board of Boryszew S.A. had the following members:

Mr Wojciech Kowalczyk	– President of the Management Board, General Director
Mr Łukasz Bubacz	– Member of the Board of Directors, Chief Investment Officer,
Mr Mikołaj Budzanowski	– Member of the Management Board, Business Development Officer
Mr Adam Holewa	- Member of the Management Board, Automotive Segment Director

On 16 December 2024, Mr Mikołaj Budzanowski, Member of the Management Board, Development Director of the Company, handed in his resignation, effective 31 December 2024.

On the date of drafting this report, the composition of the Management Board is as follows:

Mr Wojciech Kowalczyk	– President of the Management Board, General Director
Mr Łukasz Bubacz	– Member of the Board of Directors, Chief Investment Officer,
Mr Adam Holewa	- Member of the Management Board, Automotive Segment Director

No changes in the Management Board of the Company occurred between until the date of publication of the financial statements.

#### **INTERNAL STRUCTURE**

**In 2024, Boryszew S.A. operated in five branches, preparing separate financial statements:**

Branch	Business segment
Headquarters	Other non-allocated
Elana Branch in Toruń	Chemical products
Energy Branch in Toruń	Other non-allocated
ERG Branch in Sochaczew	Chemical products
Maflow Branch in Tychy	Automotive



## **2. BASIS FOR REPORT PREPARATION**

### **FINANCIAL STATEMENTS**

Financial statements were drafted in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union (EU).

In addition to the presented financial statements, the Company drafted consolidated financial statements of Boryszew Capital Group, for which Boryszew S.A. is the parent company. The presented financial statements are separate financial statements and serve primarily statutory purposes.

Financial statements are presented in PLN. PLN is the functional and reporting currency. All values in the financial statements are presented in full thousands of PLN, unless stated otherwise.

The statements were prepared on a going concern basis. The Management Board confirms that no threat exists to the continuity of Company's operations.

This report was approved for publication by a resolution of the Management Board on 16 April 2025 and presents the situation of Boryszew S.A. pursuant to the legal requirements for the period between 1 January 2024 and 31 December 2024, including any events which occurred by the date of approval of this report.

The financial statements have been prepared under the historical cost concept except for certain non-current assets and financial instruments which are measured at either revalued amounts or fair value at the end of each reporting period in accordance with the accounting policy set out below.

Historical cost is determined on the basis of the fair value of the payments made. Fair value is the price that can be obtained by selling the asset or paid to transfer a liability in an arm's length transaction in the principal (or most advantageous) market as at the measurement date and under current market conditions, regardless of whether the price is directly observable or estimated using another valuation technique.

### **STATEMENT BY THE MANAGEMENT BOARD ON COMPLIANCE OF ACCOUNTING PRINCIPLES**

The Management Board for Boryszew S.A.: Wojciech Kowalczyk, Łukasz Bubacz, Adam Holewa represent that to the best of their knowledge the financial statement and comparative data have been compiled in accordance with the binding accounting principles and that the financial statements truly, reliably and clearly reflect the actual and financial condition as well as the financial result Boryszew S.A. The Management Board confirms that the report on the activities of Boryszew Capital Group presents a true picture of the development and accomplishments of the Group as well as its situation, including a description of fundamental risks and threats.

### **REPRESENTATION OF THE MANAGEMENT BOARD ON THE SELECTION OF FINANCIAL STATEMENTS**

The Management Board for Boryszew S.A. represents that BDO Spółka z ograniczoną odpowiedzialnością sp. k. based in Warsaw, which audited the financial statements for 2024, was selected in accordance with the provisions of law and that BDO Spółka z ograniczoną odpowiedzialnością sp. k. and its statutory auditors performing this audit met the conditions to issue an impartial and independent opinion on the audit of the financial statements in accordance with applicable regulations and professional standards.

The Supervisory Board of Boryszew S.A., acting under § 15 point 1 of the Articles of Association of Boryszew S.A. appointed, by the resolution No. 18, BDO Spółka z ograniczoną odpowiedzialnością sp. k. with registered office in Warsaw to:

- a) conduct review of separate interim financial statements of Boryszew S.A. and the interim consolidated financial statements of Boryszew Capital Group drafted in accordance with the International Financial Reporting Standards and regulations on public trading in securities for the periods of 6 months ended 30 June 2022, 30 June 2023 and 30 June 2024,
- b) conduct audit of separate annual financial statements of Boryszew S.A. and the annual consolidated financial statements of Boryszew Capital Group drafted in accordance with the International Financial Reporting Standards and regulations on public trading in securities for the periods ending on 31 December 2022 - 2024.

BDO Spółka z ograniczoną odpowiedzialnością sp. k. based in Warsaw is entered in the list of entities authorised to audit financial statements under the number 3 355, maintained by the National Council of Statutory Auditors.

The Supervisory Board chose the auditor pursuant to its powers stipulated in the Company's Articles of Association, recommendation of the Audit Committee and applicable legal provisions in force (pursuant to Art. 66 item 4 of the Accounting Act) as well as according to internal policies and procedures.

### **STATEMENT REGARDING THE REPORT ON NON-FINANCIAL DATA**

The Management Board for Boryszew S.A.: Wojciech Kowalczyk, Łukasz Bubacz, Adam Holewa declares that the Company has prepared the statement on non-financial information referred to in Art. 49b(1) of the Accounting Act as a separate part of the management report. The statement has been drafted both at the stand alone basis for Boryszew S.A. as well as consolidated basis for Boryszew Capital Group. Financial statements are available on Company's website - [www.boryszew.com](http://www.boryszew.com).



**Boryszew S.A.**  
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## **DIVIDEND**

### **Dividends paid**

On 20 May 2024 the Ordinary General Meeting of the Company passed a resolution to pay a dividend to shareholders (from supplementary capital, which, according to art. 348 § the commercial companies code may be allocated for distribution) in the amount of PLN 0.44 per share entitled to dividend, that is, in the total amount of PLN 90 290 200.00.

205 205 000 shares were entitled to the dividend. 34 795 000 treasury shares held by Boryszew S.A. were not entitled to the dividend.

The dividend date was scheduled for: 27 May 2024.

The dividend payment date was: 4 June 2024.

The dividend was paid in accordance with resolution No. 19 of the Ordinary General Meeting of Boryszew S.A.

### **Dividend policy of Boryszew S.A.**

On 9 May 2022 the Management Board of Boryszew S.A. adopted the Company's Dividend Policy.

According to the policy the Management Board intends to submit to the General Meeting the proposal of dividend payment equivalent to between 30% and maximum 70% of consolidated net profit of Boryszew Capital Group provided that the relation of net debt of Boryszew Capital Group to consolidated operating profit plus depreciation (EBITDA) at the end of the financial year, for which the profit will be distributed, will be below 3.5.

When recommending profit distributions, the Management Board of the Company will take into consideration the financial and liquidity position, existing and future liabilities (including potential restrictions under loan agreements) and an assessment of the Group's prospects in certain market and macroeconomic conditions.

The dividend policy will be applicable as of the fiscal year ending 31 December 2022.

The final decision about the amount of dividend paid will be made by the Ordinary General Meeting of Boryszew S.A.

### **Proposal of the Management Board for distribution of 2024 result**

The Company's Management Board recommends that the loss for 2024 of PLN 147 397 448.87 be covered from the Company's reserve capital.

## **ACCOUNTING PRINCIPLES**

Accounting principles (policy) of applied when drafting these separate financial statements for the period of 12 months ended on 31 December 2024 are consistent with those applied when drafting annual separate financial statements for the financial year ended on 31 December 2023.

### **Basis for the preparation of the financial statements**

These separate financial statements have been drafted in accordance with the historical cost principle, except for financial assets measured at fair value through profit or loss or other comprehensive income, assets measured at amortised cost, and financial liabilities measured at fair value through profit or loss.

The Company recognised the settlement of forward transactions concluded to hedge foreign exchange risk, the settled transactions relate to the hedging of net foreign exchange exposure. The level of hedging was determined using a forecast of net foreign currency exposure based on the budget of the Company. Exposure to foreign currency risk was determined based on forecast sales revenues in EUR as well as costs and outflows related to sales in EUR. The instruments (forward transactions) concluded by the Company are of a hedging nature for currency risk, transactions settled in 2024 were presented in operating activity as other operating income. The change in valuation of these forward transactions treated as hedging instruments is recognised in financial income/expenses until settled.

### **Changes resulting from changes in IFRS**

Applied are new or revised standards and interpretations effective for annual periods beginning on or after 1 January 2024:

- **Amendments to IAS 1 *Presentation of Financial Statements* – *Separation of liabilities into current and non-current and Separation of liabilities into current and non-current – deferral of effective date and Non-current liabilities containing covenants*.** The amendment to IAS 1 was published on 23 January 2020, subsequently modified in July 2020 and finally adopted on 31 October 2022.
- **Amendment to IAS 12 *Income Taxes: International tax reform - model principles of Pillar II (global minimum tax)*** The amendments give companies a temporary exemption from accounting for deferred taxes resulting from the Organisation for Economic Cooperation and Development's (OECD) international tax reform. Companies can apply the exemption immediately, but disclosure requirements are required for annual periods beginning on or after 1 January 2023. The amendment was published on 23 May 2023.

The Company, as the parent company of Boryszew Group, falls under Pillar II of the OECD Model Rules. The Pillar II regulations have been in effect in Poland since January 2025.



The Company applied the mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to income taxes under Pillar II, in accordance with amendments to IAS 12 issued in May 2023. The above standards and amendments have no impact on these financial statements.

In accordance with par. 4A of IAS 12, the Company does not recognise deferred tax assets and liabilities related to Pillar II income taxes and does not disclose information about these assets and liabilities.

On the date of this report, the Company is unable to reasonably estimate the total amount of the additional tax burden resulting from the implementation of Pillar II rules starting in 2025. The Company keeps monitoring the regulatory situation and conducting further assessments to determine the potential impact of the new regulations on its future tax liabilities, the entity responsible for preparing the reconciliation is the parent company, Boryszew S.A. Boryszew Group will benefit from a "safe harbor" based on CBCR reports for 2025 and 2026.

- **Amendments to IFRS 16 Leases:** Lease liability in sale and leaseback transaction published on 22 September 2022.  
The amendments require the seller-lessee to determine "lease payments" or "revised lease payments" in such a way that the seller-lessee recognises no gain or loss that relates to the right of use retained by the seller-lessee.
- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7: Financial instruments: Disclosure: Supplier finance agreements** published on 25 May 2023.  
The changes are aimed at increasing transparency on supplier finance arrangements and their impact on liabilities, cash flow and liquidity risk exposure. The amendments supplement requirements already included in IFRS and require entities to disclose additional information related to their contracts, including their impact on liquidity risk. The amendments are effective for annual periods beginning on or after 1 January 2024.

**New standards and interpretations and amendments to standards or interpretations that are not yet effective and have not been earlier applied.**

The Company did not chose to early implement, in these financial statements, published standards or interpretations before their effective date.

The following standards and interpretations have been issued by the International Accounting Standards Committee or the International Financial Reporting Interpretations Committee, but have not yet come into effect as at the balance sheet day:

- **IFRS 14 Regulatory deferral accounts** (published on 30 January 2014) – in accordance with the European Commission's decision, the approval process for the standard in its preliminary version will not be initiated before the standard in its final version is published - not approved by the EU as of the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2016.
- **Amendments to IFRS 10 and IAS 28 Sale or in-kind contribution of assets between an investor and its associated entities or joint venture** (published on 11 September 2014) – the work leading to the approval of these amendments are postponed indefinitely by the EU - the effective date has been postponed indefinitely by the IASB.
- **Amendments to IAS 21 The effects of changes in foreign exchange rates: Lack of Exchangeability** (published on 15 August 2023) - not approved by the EU until the date of approval of these financial statements – applicable for annual periods beginning on or after 1 January 2025.
- **IFRS 18 Presentation and Disclosures in Financial Statements** (published on 9 April 2024) – not approved by the EU until the date of approval of these financial statements – applicable for annual periods beginning on or after 1 January 2027.
- **IFRS 19 Subsidiaries without public accountability: Disclosure** (effective for annual periods beginning on or after 1 January 2027).  
IFRS 19 standard "Subsidiaries without public accountability: Disclosure" permits limited disclosures by subsidiaries when applying IFRS in their financial statements. IFRS 19 is optional for qualifying subsidiaries and specifies disclosure requirements for subsidiaries that choose to apply it. The new standard is effective for reporting periods beginning on or after 1 January 2027, with early adoption permitted.
- **Amendments to IFRS 9 and IFRS 7** Amendments to classification and measurement of financial instruments (effective for annual periods beginning on or after 1 January 2026).  
The amendments clarify the rules for classifying financial assets taking into account environmental, social, corporate governance (ESG) and similar characteristics associated with the asset. The amendments also apply to the settlement of liabilities through electronic payment systems - they clarify the date on which a financial asset or liability is derecognized. The amendments are effective for annual periods beginning on or after 1 January 2026.



- **Amendments to IFRS and IAS (Volume 11)** resulting from the annual review, issued 18 July 2024. The amendments are intended to clarify the wording used in the standards, in order to improve their readability, consistency and eliminate any ambiguities. The amendments introduced following of the abovementioned review involve **IAS 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** "Statement of cash flows" The changes will take effect on 1 January 2026.
- **Amendments to IFRS 9 and IFRS 7** Contracts referencing nature-dependent electricity published on 18 December 2024.  
The changes to the standards are intended to facilitate reporting financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Amendments include: clarification of the application of "own-use" requirements, permitting hedge accounting if these contracts are used as hedging instruments, and adding new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial results and cash flows.

### **RESTATEMENT OF COMPARABLE DATA AND CORRECTION OF ERRORS OF PREVIOUS YEARS**

The Company has not restated the comparatives in these Separate Financial Statements.

### **OPERATING HEDGING INSTRUMENTS**

The Company recognised the settlement of forward transactions concluded to hedge foreign exchange risk, the settled transactions relate to the hedging of net foreign exchange exposure. The level of hedging was determined using a forecast of net foreign currency exposure based on budgets. Exposure to foreign currency risk was determined based on forecast sales revenues in EUR as well as costs and outflows related to sales in EUR. The instruments (forward transactions) concluded by the Company are of a hedging nature for currency risk, transactions settled in 2024 were presented in operating activity as other operating income. The change in valuation of these forward transactions treated as hedging instruments is recognised in financial income/expenses until settled.

## **3. ACCOUNTING PRINCIPLES APPLIED**

The adopted accounting principles conform with the International Financial Reporting Standards within the scope of regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 concerning application of the International Financial Reporting Standards with subsequent amendments. In preparing these financial statements, the Company made no changes to any previously applied accounting principles.

### **Principles and methods of valuating assets and liabilities**

#### **Model based on purchase price or production cost plus revaluation**

The balance sheet value of an asset item is written down to the recoverable value only, if the retrievable value is lower than its balance sheet value. The above reduction is recognised as impairment write-off. This write-off is recognized immediately recognized in the income statement, unless such asset is recognized at revalued amount. Any impairment write-offs for restated asset item are considered as reduction of revaluation reserve.

#### **Revaluation model**

Upon initial recognition of the asset at cost, which fair value can be reliably estimated, such asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

#### **Fair value**

Fair value is the price that would be received for the disposal of an asset or transfer of a liability in a transaction conducted under normal conditions in the primary (or most favourable) market at the date of valuation in current market conditions (that is the exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

#### **Purchase price or production cost of an asset item**

Purchase cost or cost of manufacturing is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction. The purchase price covers the amount payable to the seller, without deductible: VAT and excise duty tax, and in case of import - increased by relevant charges and costs directly associated with the purchase and adaptation of the asset item to a condition suitable for use or introduction into trade, along with the costs of transport, loading, unloading, transport insurance, storage or introduction into trade, and decreased by discounts, allowances and other similar decreases or recovery.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of acquisition or production of such assets. The cost of an entity's own production of





an asset includes all layouts that may be directly attributable to creation, production and adaptation of asset for the use intended by the management.

### **Tangible fixed assets**

After the initial recognition at purchase price or production cost, the items of tangible fixed assets are measured by a valuation model based on purchase price or production cost less depreciation as well as accumulated revaluation for impairment loss.

Tangible fixed assets, the value of which has been determined as at the day of transition to IFRS, that is 01.01.2004 by fair value, after this date will be measured by the valuation model based on purchase price or production cost and the revaluation for impairment loss.

Tangible fixed assets, which are owned or jointly owned by the Company, purchased or produced in-house, under a finance lease and usable on the day of commissioning, with an expected use period longer than one year, used by the company for the purposes associated with business activity or let to use based on rental, tenancy or lease agreement, are subject to amortisation, if their initial value is equal to or exceeds PLN 3 000. Fixed assets with a unit initial value between PLN 3 000 and PLN 10 000 are generally subject to 100% depreciation in the month they are put into use. Fixed assets with a unit initial value between PLN 3 000 and PLN 10 000, used in the process of manufacturing finished goods for specific groups of customers and projects, may be entered in the fixed asset register and depreciated over their estimated useful lives to increase control over specific assets. Low-value fixed assets with a value below PLN 3 000 are recognised in the cost of consumption of materials in the period of putting them into use and are recorded in off-balance sheet records. The value, which is either a purchase price or cost of production of specific assets, reduced by the final value of this asset, should be amortised. The final value of the asset is the amount, which according to the forecast the company could currently obtain taking into consideration the age and state at the end of its life (after deducting the estimated selling costs). Amortisation begins in the month in which the asset is available for use. Amortisation of fixed assets is made on the basis of planned, systematic spread of the depreciable value over estimated life of the specific asset item. Amortisation ends in the month, in which the asset was classified as held for sale or in the month in which the asset is no longer disclosed, taking into consideration the earlier of these dates. Depreciation is recognised as an expense for the period, except when it is included in the value of another asset (such as self-produced fixed asset, development work, finished goods).

Depreciation rates applied for individual groups of tangible fixed assets:

Land	-	not depreciated
Buildings, premises, civil and water engineering structures		2 years - 40 years
Technical equipment and machines		2 years - 20 years
Means of transport		3 years - 10 years
Other fixed assets		2 years - 15 years

### **Investment outlays**

Fixed assets under construction are recognised at the price of purchase or cost of manufacturing less impairment write-offs. Until completion of construction and handing over for use they are recognised in individual groups of fixed assets and are not amortised until handed over for use. These outlays are subject to impairment reviews and write-offs.

### **Right-of-use assets and liabilities**

Under IFRS 16 "Leases," the Company assesses whether a contract is a lease or contains a lease at the beginning of a contract or when the contract changes.

Financial leasing agreements (till end of 2018), where the Company retains substantially all the risks and rewards of ownership of the leased item are recognised, as at the date of leasing commencement, at the lower of: fair value of leased asset or current value of minimum lease payments. Leasing fees are divided into financial costs and decrease of the liability balance against leasing (represented in the balance sheet as trade payables and other long term and short term liabilities) - so as to obtain a fixed interest rate on the outstanding liability amount.

If there is no certainty that the leaseholder will receive ownership before the end of the lease agreement, the activated tangible assets used under lease agreements are amortised throughout shorter of the two periods: estimated life of fixed asset or lease period.

If the lease agreement is so favourable that it is highly probable that after the lease agreement the asset will become leaseholder's property and will be used, then this asset is amortised over life.

### **Leases and rights of use as of 1 January 2019**

All leases are accounted for through the recognition of an asset under the right-of-use asset and a lease liability, except for:

- leases on low-value assets;
- lease agreements covering a lease term of 12 months or less.



The lease liability is initially measured at the present value of the lease payments outstanding at that date. Lease payments are discounted using the lease interest rate, if this rate can be easily determined. Otherwise, the Company, as lessee, applies the marginal interest rate. Variable lease payments are included in the valuation of the lease liability only if they are based on an index or rate. In such cases, the initial measurement of the lease liability assumes that the variable element will remain the same throughout the lease term. Other variable lease payments are charged to costs in the period to which they relate.

On initial recognition, the carrying amount of the lease liability also includes:

- the amounts expected to be paid under the guaranteed residual value;
- the exercise price of the call option granted to the company, as long as it is reasonably assured that the company will exercise the option;
- any penalties for termination of the lease if the lease term is estimated on the assumption that the termination option can be exercised.

The right-of-use assets are initially measured at the amount of the lease liability, less any lease incentives received, and increased by:

- lease payments made at or before inception of the lease;
- initial direct costs incurred; and
- an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset, to renovate the site where it was located, or to renovate the asset to the condition required by the terms of the lease.

After the initial valuation, lease liabilities increase as a result of interest on the unpaid balance, decrease as a result of lease payments made. The carrying amount of the liability is updated to reflect any reassessment or modification of the lease or to reflect updated substantially fixed lease payments. Right-of-use assets other than investment property are depreciated on a straight-line basis over the remaining lease term, or over the remaining economic life of the asset if, in rare cases, it is estimated to be shorter than the lease term.

For the right to use an asset being an investment property the subsequent valuation is at fair value, in other words the valuation model adopted by the Company for investment property valuation is applied.

In addition, the right to use an asset is tested for impairment and adjusted for impairment losses, if any, and adjusted for revaluation of the lease liability.

When the Company/Group revises its estimate of the term of any lease (because, for instance, it reassessed the probability of exercising the renewal or termination option), it adjusts the carrying amount of the lease liability to reflect the payments to be made up to the end of the revised lease term, which are discounted at the same discount rate that was applied at the inception of the lease. The carrying amount of the lease liability is changed in a similar manner when the variable component of future lease payments based on an index or interest rate is modified. In both cases, the carrying amount of the right-of-use asset is adjusted accordingly and the adjusted carrying amount is depreciated or restated at fair value over the remaining (modified) lease term.

If the Company renegotiates the terms of the lease agreement with the lessor, the accounting treatment depends on the modification made:

- if the modification involves an additional lease of one or more asset items for an amount commensurate with the unit price of the additional use rights acquired, the modification is accounted for as a separate lease in accordance with the above policy,
- in all other cases where renegotiations broaden the scope of the lease (either by extending its term or by adding one or more assets), the lease liability is remeasured at the discount rate on the date on which the modification becomes effective and the right-of-use asset is adjusted for the same amount,
- if renegotiations involve a reduction in the scope of the lease, then both the carrying amount of the lease liability and the carrying amount of the right-of-use asset are reduced in the same proportion to reflect partial or full termination of the lease and the resulting difference is recognised in profit or loss. The lease liability is then further adjusted to ensure that its carrying amount reflects the renegotiated payments over the renegotiated lease term, where the adjusted lease payments are discounted using the discount rate as at the date the change becomes effective. The right-of-use asset is adjusted by the same amount.

For agreements that both give the Company the right to use a specific asset and require the lessor to provide services to the Company, the Company has chosen to recognise the entire agreement as a lease - no amount of lease (contractual) fees are not assigned to, or separately accounted for, any services provided by the supplier under the agreement.

### **Leaseback**

A leaseback takes place when the Company (seller-lessee) transfers an asset to another entity (buyer-lessor) and leases that asset back. If the transfer of an asset meets the requirements of IFRS 15 for recognition as a sale of such



an asset, the seller-lessee identifies the asset under a leaseback in proportion to the former carrying amount of the right-of-use asset retained by the seller-lessee. Leaseback is one of the way of financing the Company.

### **Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical form, which is in entity's possession to use or to put into gratuitous use. Intangible assets purchased in a separate transaction are capitalised at purchase price or production cost, reduced by accumulated depreciation and accumulated revaluation write-offs. Intangible assets purchased in a business acquisition transaction are assumed at fair value as of the acquisition date.

Expenditure on an intangible asset initially recognised in the income statement are not recognised subsequently as the cost of the intangible asset.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying intangible assets are capitalised as part of the cost of acquisition or production of such assets. The amount of borrowing costs to be capitalised is determined in accordance with IAS 23 Borrowing costs.

Life of intangible assets is estimated and found to be limited or unlimited. Intangible assets with unlimited life are not amortised, neither are they subject to annual impairment evaluation. An example of intangible assets with unlimited life are concessions, licenses and purchased trademarks, which can be renewed without any time limit for a small fee and the company plans to renew them and it is expected that they will generate cash flow without any time restrictions. At the balance-sheet day, the company did not reveal such intangible assets.

Limited life assets are amortised over their useful life. Depreciation ends in the month in which the asset is classified as held for sale in accordance with IFRS 5 or in the month in which the asset ceases to be recognised, taking into consideration the earlier of these dates.

The economic useful life of an intangible asset is usually between 2 and 10 years, calculated as of the time the asset is ready for use, unless this is possible to prove longer period.

Depreciation rates applied for intangible fixed assets:

Patents, licenses, software	2 years - 10 years
Other intangible assets	2 years - 10 years

### **Investment property**

Investment property is initially valued according to its purchase price or construction cost.

Investment property held by the Company, as a lessee, in a form of an asset under the right of use, is recognised in accordance with IFRS 16 "Leases".

After the initial recognition, investment properties are valued by the company according to fair value and fixed differences of value, both increase and decrease are recognised directly in the income statement. Fair value of investment property is determined by an expert once every three years or more frequently in case of a significant change in the parameters used in the valuation. The fair value of the right to use an asset being an investment property is the sum of all (corresponding to market rates) expected lease payments (including those associated with recognised lease liabilities).

Transfers of individual real properties to or from investment properties should be made only in case of a change in the use of the property (commencement or termination of the company's use of the property, giving the property to a third party under an operating lease, completion of construction and adoption of real property).

If investment property is transferred to owner-occupied property or to inventory, the existing fair value is the initial cost.

When real estate is transferred from inventory to investment property, the effects of fair value measurement are recognised under other operating income or expenses.

Upon completion of the construction and adoption of the investment property in-house, the difference resulting from the fair value measurement is recognised in other operating income or expenses.

An investment property is removed from the books (eliminated from the statement of financial position) when it is disposed of or when it is permanently withdrawn from use and no future benefits are expected from its disposal. Gains or losses resulting from the divestment or disposal of an investment property are determined as the difference between the net proceeds from disposal and the carrying amount of the asset and are recognized in the income statement in the period in which the retirement or disposal occurs (unless otherwise required by IFRS 16 for sale and leasebacks).

### **Impairment loss for tangible and intangible fixed assets.**

As on each balance date, the Company reviews its tangible and intangible fixed assets in order to verify if premises exist that would suggest any loss of value of these assets. Should such premises be found, the retrievable value of an asset is estimated in order to determine a potential write-off. If a given asset does not generate any cash flows





which would be substantially independent from cash flows generated by other assets, the analysis is performed for the group of assets generating cash flows to which such asset belongs.

In the case of intangible assets with undefined usability period, the loss of value test is carried out every year and, additionally, if there are any premises that the loss of value could have occurred.

The retrievable value is the higher of the two following values: fair value less sales costs or usable value. The latter corresponds to the current value of the estimated future cash flows expected by the company from the assets, discounted at the discount rate which takes into account the current money value in time and the asset-specific risk.

If the retrievable value is lower than the balance sheet value of an asset (or a cash flow generating unit), the balance sheet value of the asset or unit is written-down to the retrievable value. The amount of impairment loss is immediately recognised as a cost for the period.

At each balance sheet date the entity carries out an assessment to determine whether or not any indications exist that the impairment loss recognised in previous periods for an asset no longer exists or has decreased. If such indications exist, the entity estimates the recoverable amount of the asset.

The carrying amount of an asset that has been increased as a result of the reversal of an impairment loss should not exceed the carrying amount that would have been determined (net of depreciation) if no impairment loss had been recognised for the asset at all in previous years.

Reversal of an asset impairment loss is recognised immediately under other operating income.

#### **Shares in associates and subsidiaries**

The Company recognises its shares in subsidiaries and affiliates under "Shares in subsidiaries and affiliates" at cost, or purchase price less any impairment losses.

Impairment is assessed by comparing the carrying value with the higher of fair value less costs of disposal and value in use.

Outflows of shares in subsidiaries, jointly controlled entities and associates are accounted for using the FIFO method. In the case of redemption or partial redemption of shares in subsidiaries, jointly controlled entities and associates, the redemption transaction is accounted for by the profit and loss in the statement of profit and loss.

Dividends from a subsidiary, joint venture or associate are recognised in separate financial statements when the entity's right to receive the dividend arises. In light of Art. 195 of the Commercial Companies Code, it is possible to pay dividend advances. Dividends and dividend advances are recognised in the statement of profit and loss in operating activities.

#### **Financial instruments and hedge accounting**

Financial instrument means every agreement which results in creation of a financial asset of one of the parties and a financial obligation or a capital instrument of the other party.

##### **Financial assets**

Financial investment is any asset in the form of cash, equity instrument issued by other entities as well as a contract (agreement) based right to receive financial assets or the right to exchange financial instruments with another entity under potentially favourable conditions.

Based on the timeliness criterion, they can be divided into:

- long-term,
- short-term

Where the period during which a financial asset is held is not apparent from the nature, features or the contract that gives rise to that asset, the person concluding the contract is responsible for determining the intended holding period. When the deadline for disposal of long-term financial assets becomes less than one year, these assets are reclassified to short-term investments.

The Company classifies financial assets into one of the following categories:

- financial assets measured at fair value through other comprehensive income,
- measured at amortised cost,
- financial assets measured at fair value through profit or loss
- financial hedging instruments.

The classification depends on the nature and purpose of financial assets and is determined on initial recognition.

A financial asset is measured at amortised cost if both of the following conditions are met:

- financial asset is held to generate contractual cash flows;



- the terms of the contract generate cash flows on specific dates that are repayment of the principal amount and interest

The following are recognised by the Company as financial assets at amortised cost:

- trade receivables
- loans granted
- bonds
- other receivables and deposits, cash and cash equivalents

Financial assets measured at amortised cost are measured at amortised cost using the effective interest rate method, adjusted for any write-offs due to expected credit losses.

A financial asset is measured at fair value through profit or loss if both of the following conditions are met:

- 1) the purpose is to keep it in order to obtain both contractual cash flows as well as to sell it;
- 2) the terms of the contract generate cash flows on specific dates that are repayment of the principal amount and interest

At the time of initial recognition, the Company recognises equity instruments - shares and interests in other entities - as financial instruments measured at fair value through other comprehensive income.

All financial instruments that were not classified as measured at amortised cost or measured at fair value through profit or loss are recognised as assets measured at fair value through total comprehensive income.

The Company classified as assets measured at fair value through profit or loss those derivatives for which hedge accounting is not applied as well as those hedging instruments that are measured through profit or loss in accordance with hedge accounting principles.

A company may irrevocably designate a financial asset as at fair value through profit or loss upon initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the related gains or losses on different basis.

Financial assets measured at fair value through profit or loss are initially recognised at fair value, and on the last day of the reporting period they are measured at fair value with gains/losses on revaluation recognised in the financial result.

The Company classifies financial liabilities into the following categories:

- measured at amortised cost,
- measurement at fair value through profit or loss,
- financial hedging instruments.

The Company classified trade liabilities, credits and loans received, bonds as well as reverse factoring liabilities as liabilities measured at amortised cost.

The Company classifies liabilities on account of derivatives to which hedge accounting is not applied as measured at fair value through profit or loss.

### **Financial asset impairment loss**

On 01.01.2018 the Company replaced its principles of recognition of credit losses based on incurred loss with, as per IFRS 9 Financial Instruments, the concept of expected credit loss resulting in recognition of impairment losses on assets from the moment of their initial recognition. Impairment requirements for financial assets relate in particular to financial assets

measured at amortised cost and measured at fair value through other comprehensive income.

The Company identified the following categories of financial assets where it verified the impact of calculation of expected credit losses on the financial statements in accordance with IFRS 9 Financial Instruments:

- trade receivables,
- loans granted

With respect to trade receivables, the Company estimated expected credit losses based on historical data on lost receivables and taking into consideration the insurance of trade receivables, covering 90% of their value.

In the case of loans granted, the Company estimates the expected credit losses based on historical flows as well as the degree of maturity and individual assessment of the debtor.

### **Derivative instruments**

As provided in section 7.2.21 of IFRS 9, the Company chose to continue to apply the requirements of IAS 39 to hedge accounting.

Derivative instruments are recognised at fair value on the day of conclusion of a contract, and then they are remeasured to fair value for each balance sheet day. The resulting gain or loss is immediately recognised in profit or loss unless a specific derivative has a hedging function. In such case the moment of recognition of a profit or loss depends on the nature of hedging relationship.



The Company defines certain derivatives as:

- fair value hedge of recognised assets or liabilities or probable future liabilities (fair value hedge);
- hedge of specific risk associated with recognised liabilities or highly probable planned transactions (cash flow hedge).

Fair value of derivative instruments treated as a hedge is classified as a component of fixed assets or long-term liabilities if the period remaining to maturity of the hedging relationship exceeds 12 months, or as a component of current assets if this period is shorter than 12 months.

Derivatives not designated as an effective hedging relationship are classified as current assets or liabilities.

#### **Embedded derivatives**

Derivatives embedded in other financial instruments or agreements, which are not instruments, are treated as separate derivatives if the character of the embedded instrument and the related risks are not closely associated with the nature of the primary agreement and the related risks and if the primary agreements are not measured according to the fair value, which alterations are recognised in the profit and loss account.

#### **Fair value hedge**

In the case of fair value hedging - gains and losses resulting from the revaluation of the fair value of the hedging instrument are recognised in the profit and loss account. The resulting gains and losses associated with the hedged risk adjust the carrying amount of the hedged item and are recognised in the income statement. Changes in the fair value of the hedged item and the valuation of the hedging instrument are recognised in either financial expenses or income, depending on the direction of the change.

#### **Hedge accounting**

The Company defines specific hedges of foreign exchange risk and market risk that cover derivatives, embedded derivatives and other instruments as fair value hedges, cash flows hedges. Hedges of foreign exchange risk and market risk in relation to probable future liabilities are accounted for as cash flow hedges.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item as well as the risk management objectives and strategy for the execution of the various hedging transactions. In addition, the Company documents the effectiveness with which the hedging instrument compensates for changes in the fair value or cash flows of the hedged item, both at the time of the relationship and on an ongoing basis thereafter.

#### **Cash flow hedge**

The effective portion of changes in the fair value of derivatives defined and classified as cash flow hedges is deferred to equity. Profit or loss related to the ineffective part is recognised immediately in the profit and loss account as a part of costs or revenues.

Amounts recognised in equity are recovered in the income statement in the period in which the hedged item is disclosed in the income profit and loss account. However, if a forecast hedged transaction results in the recognition of a non-financial asset or non-financial liability, the gains and losses previously recognised in equity are reclassified to the initial measurement of the cost of asset or liability.

The company discontinues the hedge accounting practice if a hedge instrument expires, is sold, terminated or executed or if it does not comply with the hedge accounting criteria. If this happens, the cumulative profits or loss on that hedge instrument recognised in equity remain as capital items until the hedged transaction is executed. If the hedged transaction is not executed, cumulative net result recognized in equity is immediately transferred to the income statement for relevant period.

#### **Inventories**

Acquired inventory items are recorded as follows:

- raw materials and basic materials are recorded at purchase prices, recognised at fixed inventory prices (standard costs), adjusted for deviations from purchase prices,
- other materials are recorded at acquisition prices not higher than their net realisable value,
- goods are recorded at acquisition prices not higher than their net realisable value,
- products and semi-finished products are recorded at manufacturing cost, set at the level of standard cost adjusted for value deviations calculated in the cost accounting process. Deviations from the registered prices during the reporting period are subject to reconciliation at the end of the period. The basis of settlement is the quantity/standard cost of inventory at the end of the period and the quantity/standard cost of inventory released (release for consumption, sale) in a month,
- other components acquired on stock markets are recognised at standard cost including only the stock market acquisition position adjusted for deviations bringing the stock to actual value.

Records of goods at retail outlets are kept at retail prices (including margin and applicable taxes).



### **Goods and materials**

They are valued at the purchase price not higher than their net realisable value.

The difference between the higher cost and lower net selling price is recognised as an inventory write-off. If it is not possible to determine the net selling price of an asset, the Company determines its fair value on the balance sheet date by other possible method

The company in the specifics of its production uses tooling (tools) for production machinery. This is tooling subject to resale to purchasers of products manufactured on the tooling based on a re-invoice - after the purchaser accepts the design of the product manufactured on it. The cost of this tooling is recorded in separated accounts until it is sold, and in the financial statements it is reported in inventory of raw materials.

Due to the fact that the purchase prices of materials and goods fluctuate throughout the fiscal year, issue of materials and goods is recorded according to "first in, first out" (FIFO) method.

### **Records of goods at retail outlets**

Goods - are subject to value records. Records are kept at retail selling prices and therefore include the trade margin and the output VAT. The VAT and margin are posted to the account "Deviations from record prices" and a reconciliation is made for deviations from record prices in the part concerning the margin of goods sold in proportion to goods sold and inventory, and in the part concerning VAT on the basis of cash register reports.

As of the balance sheet date, the valuation of inventory at retail prices and the determination of the amount of margin and VAT is carried out through a physical inventory and the calculation of average margin and VAT deviation ratios.

### **Products and work in progress**

Products are recognised at their cost of manufacture which covers the costs in direct connection with the product plus justified part of costs directly associated with the manufacture of the product.

On the balance-sheet day, the value of the products accounted for in the ledgers at fixed price is adjusted to the effective cost of their manufacture, not higher than the realisable market prices.

The effects of write-downs on the finished products and their reversal, refers to the cost of sales.

If the costs of manufacturing of identical products or products considered as identical due to similarity of nature and purpose, are different then the final value of these assets, depending on the method the Company chose to determine the issue value of particular kind of products, sale or use is measured:

- according to FIFO ("first in, first out") method
- according to average manufacturing costs set by weighted average for a given product.

Various methods of determining the issue in case of inventories with a different nature and purpose are allowed.

Items in the work in progress are measured at the direct manufacturing cost.

### **Inventory impairment write-offs**

The difference between higher purchase price and lower net selling price of materials and goods is written off to other operating expenses. If it is not possible to determine the net selling price of an asset, its fair value should be determined on the balance sheet date by other possible method

The effects of write-downs on the finished products and their reversal, refers to the cost of sales.

Usable waste, or assets that have lost their original use value in the course of operations, are disclosed in the books at net selling prices, and in the absence of such prices - at the value resulting from an estimate that takes into account their suitability for further use.

If it is expected that the selling price of the inventory will cover the purchase price or cost of production then no revaluation write-off is made.

The effects of impairment losses on work in progress (including manufacturing waste) and finished goods, as well as their reversal, are charged to cost of goods sold.

The effects of write-offs on materials and raw materials in stock are charged to other operating expenses (recognition of a write-off) or other operating income (reversal of a write-off).

### **Trade and other receivables**

Trade accounts receivable represent the amounts due from customers for products, goods, materials or services sold as part of Company's ordinary business operations. If the due date of trade receivables falls within one year (or within the ordinary cycle of business activity, if it is longer), trade receivables are classified as short-term and are presented as current assets.

**Other receivables** include amounts owed by customers for sales not related to the company's ordinary operations, prepaid expenses and advances paid by customers for future purchases. These primarily include receivables from the sale of fixed assets and intangible assets, from the sale of shares, profit sharing receivables and receivables state budget, excluding corporate tax receivables which form a separate line item in the statement of financial position and others. Other receivables are presented as current assets if they are due within 12 months or fixed assets if they are due within more than 12 months.



### **Cash and cash equivalents**

Cash is considered as cash in hand, on bank accounts and deposits payable on demand.

Cash outflows in foreign currencies are determined according to the FIFO method ("first in - first out").

Bank deposits, bonds, treasury and commercial bills with payment date of up to 3 months from the purchase date are considered by the Company as cash. Cash equivalents are recognised at adjusted cost using the effective interest rate method.

### **Provisions, contingent liabilities and contingent assets**

Provisions are liabilities with uncertain maturity date or of uncertain amount, which can be estimated.

The Company recognises provisions, if:

- legal or customary obligation resulting from past events exists
- outflow of resources is probable
- reliable estimate is possible

Provisions are measured at least at the balance sheet date in a reasonable, estimated value. The Company discounts a provision when the time value of money significantly affects the amount of such provision. The Company discounts a provision when the time value of money significantly affects the amount of such provision.

The financial effects of recognised provisions are included in other operating expenses or financial expenses, respectively, depending on the circumstances of future obligations. Provisions are settled (or reduced) when the liability for which the provision was earlier recognised arises. Provisions not used on the date of cessation or reduction of the risk for which they were recognised are included in other operating income or financial income.

Provisions for future salaries and wages (of management and employees) are made against payroll expenses (by cost type) in the period to which the salary relates.

**Contingent liabilities** - possible liability that arises from past events and whose existence will be confirmed only by occurrence or not of one or more uncertain future events beyond the Company's control or an existing liability, which is not recognised in the balance sheet, because disbursement of beneficial funds is unlikely or the amount of the liability cannot be reasonably estimated.

### **Contingent assets**

The company should not disclose contingent assets in its financial statements. The condition for recognition of an asset on the balance sheet is the receipt of future economic benefits with a probability of >95%.

### **Shareholders' equity**

Shareholders' equity is measured at least at the balance sheet date in the nominal value and is recognised in the ledgers according to their nature and rules set by law or the Company's statute or agreement. As per IAS 29 section 24 items of equity (except retained earnings and capital from revaluation of assets) were calculated at the date of transition to IFRS that is 01.01.2004 by applying a general price index from the dates the components were contributed or otherwise arose. The amount arising from the hyperinflation revaluation increased share capital and the issue premium.

The amount of the surplus paid for the shares, less the costs of issuing the shares incurred during company's formation or increase in share capital is reported in the statement of financial position under "Share premium." The remainder of the cost, which is the excess over agio, is included in financial expenses.

Own shares acquired for redemption are reported in the statement of financial position under "Own shares" and the difference between their purchase price and par value, together with acquisition costs, adjusts the supplementary or reserve capital established for this purpose.

Equity arising from the conversion of debt securities, liabilities and loans into shares is reported at their nominal value (of debt securities, liabilities and loans) including unamortised discounts, premiums, accrued but unpaid interest (which will not be paid) until the date of conversion into equity, unrealised exchange differences and capitalised issue costs.

### **Deferred income and government grants**

Accrued income is recognised on a prudent basis and includes, in particular, the equivalent of funds received or due from customers (mainly financial) for services to be provided in future reporting periods (as long as advances received for supplies and services are recognised in the statement of financial position under liabilities). Deferred income also includes government grants, including EU grants from European Union funds.

**Subsidies** are divided into:

- capital subsidies - for acquisition, financing of fixed tangible and intangible assets
- revenue/cost subsidies - for financing of expenses in a given area.





State subsidies including non-cash subsidies accounted for in their fair value are not recognized unless a reasonable certainty exists that the Company will comply with the subsidy-related conditions and will receive such subsidies. Revenue from cash subsidies are accounted for in the profit and loss account parallel to the associated subsidy expenses. Costs and subsidies amounts are recognised separately in the income statement. Recognition of government grants in the profit and loss at the time of receipt is permitted if no basis existed for allocating the grant to periods other than those in which it was received.

Revenue from capital grants is accounted for as deferred income in the "State subsidies" section and is settled in line with the associated depreciation of fixed or intangible assets.

Reimbursable government grants are recognised as a change in estimated value. Grant reimbursements to income are accounted for first with accruals recognised in connection with the grant, then with the result. Reimbursement of grants to assets is recognised as a reduction of the deferred income balance by the amount to be reimbursed.

## **Revenues**

### **Revenue from contracts with customers**

Revenues from sales of products and services and goods and materials are recognised in accordance with IFRS 15. Revenue recognition represents the transaction of transferring goods or services to a customer in an amount reflecting the value of the consideration the Company expects to receive in exchange for those goods or services. The primary criterion for revenue recognition is when the performance obligation is fulfilled, which takes place when control is transferred to the customer. Revenues from the sale of products, goods and materials are recognised by the Company, as a rule, at a specific point in time, consistent with the moment of fulfilment of the performance obligation, based on the terms and conditions established in the contract and all relevant facts and circumstances.

As per IFRS 15, revenue is recognised at the amount of remuneration that, as expected by the Company, is payable in exchange for the promised goods or services delivered to the customer, less any expected discounts, customer returns and similar deductions, and any applicable value added tax. The Company estimates the probability of bonuses or customers and provides for their value at the end of each reporting month as an adjustment of sales revenue. The agreed transaction prices do not include variable elements. The Company does not have contracts with benefits fulfilled over time and does not recognise assets or liabilities under the contracts. The company bears no significant costs of concluding contracts.

The Company provides a warranty for the products sold, which is an assurance to the customer that the product in question conforms to the specifications agreed by the parties. The company recognises such guarantees in accordance with IAS 37

Sales revenues are adjusted by the result of settlement of derivative instruments hedging future cash flows, in accordance with the general rule that the valuation of a derivative hedging instrument in the part being an effective hedge is recognised in the same item of the financial result, in which the valuation of the hedged item is recognised at the moment when the hedged item affects the financial result.

### **Interest, royalties and dividends**

Interest income is recognised on an ongoing basis as it accrues in accordance with the effective interest rate method. Dividends are recognised upon establishment of the rights of shareholders to receive them or when an advance payment of dividends is received.

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

### **Other operating revenues**

These are revenues indirectly related to the business, in particular:

- profit on disposal of property, plant and equipment and intangible assets,
- the excess of released provisions previously charged to other operating expenses over their recognition in the period,
- penalties and indemnification received,
- the excess of released provisions for materials and goods over their recognition in the period,
- the excess of released provisions for impairment losses on property, plant and equipment and intangible assets over their recognition in the period.

### **Financial revenues**

They primarily represent interest income and net foreign exchange gains on receivables and payables denominated in foreign currencies.

## **Costs**

Costs are probable reductions of economic benefits in the reporting period, of reliably specified value, in a form of reduction of value of assets, or increasing of value of liabilities or provisions which will lead to the reduction of equity or increase of its deficit in a manner other than withdrawal of funds by shareholders or owners. Costs are recognised in the income statement according to the matching principle. In order to ensure the principle of matching revenues and costs, assets or liabilities of relevant reporting period include prepaid expenses or accrued expenses that include costs or revenues in future periods and costs attributable to that reporting period that have not yet been incurred.



**Operating expenses** include direct and indirect costs of Company's operations by cost type. Operating expenses also include bank commissions and fees for maintaining a bank account. The revaluation of financial assets includes the net value of recognised and reversed impairment losses on assets over their release in the period.

**Other operating expenses**

These are indirect costs of Company's operations, including in particular:

- recognised provisions for litigation,
- donations made,
- accrued or paid penalties and damages,
- losses in tangible current assets or fixed assets,
- losses on disposal of property, plant and equipment and intangible assets,
- the excess of recognised provisions for materials and goods over their release in the period.

**Financial expenses** include, in particular, interest on borrowings and other sources of financing, including discounting of liabilities, changes in the amount of provisions resulting from approximation of the time of performance of liability (the so-called discount reversal effect) and net foreign exchange losses on receivables and liabilities denominated in foreign currencies. Finance costs also include the cost of commissions on borrowings plus cost of issuing debt securities, for the portion not subject to activation.

**Costs of external financing**

Costs of external financing include interest and other costs incurred by the entity in connection with borrowing of funds.

Costs of external financing include:

- interest on loans and borrowings
- amortisation of discount or bonus related to loans and borrowings
- amortisation of costs associated with obtaining borrowings and loans
- financial leasing and reverse factoring costs
- exchange rate differences associated with borrowings and loans in foreign currency, in the interest valuation part

Costs of external financing are recognised as costs of the period, in which they were incurred, excluding the costs of external financing, which can be directly assigned to the adjusted assets. Costs of external financing for the period of adjusting the asset increase the cost of production of fixed assets or real estate investments. Completion of capitalisation of financing costs takes place when all work has been substantially completed. If the funds from a loan for investment are periodically deposited, the interest earned on the deposit also affects the cost of the adjusted asset.

Exchange rate differences on foreign currency borrowings affect the initial value of a qualifying asset to the extent that they represent an adjustment to interest expense. The value of exchange rate differences adjusting the interest expense represents the difference between the interest expense on similar financing that the Company would have had in PLN and the expense incurred when financing in foreign currency.

**Employee benefits**

Employee benefits are all the benefits offered in exchange for employees' work. The working period should absorb the full cost of work.

**Bonus:**

The cost should be recognised in the period to which the work provided relates. Even if the final determination of the amount of the benefit and payment (such as annual bonus) occurs after the balance sheet date, the data of the estimated bonus are included in the period for which the bonus is determined.

**Holiday provision** – employees of the Company are entitled to holiday according to the Labour Code regulations. The costs of employees' holiday are recognised on accrual basis. Employee holiday liability is determined based on the difference between the actual status of employees' holiday usage and the status, which would result from use proportional to the passage of time.

**Retirement provision** – they result from the Labour Code regulations, collective labour agreement or in-company regulations. The estimation of the provision amount requires several premises:

- salary – indication of salary increase, bonuses and grading
- staff turnover
- risk of survival
- interest rates associated with discounting



**Boryszew S.A.**  
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

- the necessity for estimation for a large number of people

Retirement provisions are determined each year by an independent pensions actuary and the actuarial differences are included in the income statement in the Administration costs or Cost of Goods Sold. All the actuarial profits and losses relating to demographic changes and discount rate changes are recognised directly in other comprehensive income.

#### **Restructuring provision**

Restructuring provision is recognised when the Company is certain that the cash outflow will be needed and that its amount was reliably estimated. Provisions include, in particular, gratuities for dismissed employees. Restructuring provision is recognised only when the Company announced a detailed and formal restructuring plan to all interested parties.

#### **Impact of foreign exchange rate changes**

The functional and presentation currency of the Company is the Polish currency.

#### **Valuation as at transaction date**

Transactions in currency different than PLN are posted at the average exchange rate announced by the National Bank of Poland for the day preceding the transaction. For purchase or sale of the foreign currency in a bank, Group Companies use the exchange rates negotiated with the bank.

Non-monetary assets and liabilities are measured at fair value and denominated in foreign currency, are valued according to the average exchange rate set by the National Bank of Poland on the date of setting the fair value.

#### **Valuation as at balance sheet date**

As at the balance sheet date, foreign-currency assets and liabilities are converted at the average exchange rate of the National Bank of Poland (NBP) applicable on the balance sheet date.

Cash items - NBP average exchange rate as at the balance sheet date

Non-cash items at historical cost - at exchange rate as at the transaction date

Non-cash items in foreign currency at fair value - translated at the exchange rate effective as at the date of fair value determination.

#### **Disclosure of exchange rate differences**

Exchange rate differences arising from implementation or conversion of cash items are recognised in the profit and loss and are presented as surplus of positive/negative exchange rate differences.

If the non-monetary profits or losses are recognised in the profit and loss account then the associated exchange rates are also recognised in the same account.

If the profits and losses from non-monetary items are recognised directly in the comprehensive income, then the exchange rates associated with them are also recognised directly in the comprehensive income.

The selected financial data in the initial part of the report were presented in EUR according to § 91 para. 1 of the Minister of Finance Regulation of 19 February 2009 (Journal of Law No. 33, item 259 of 2009).

The exchange rate on the last day for balance sheet items and average exchange rate for the profit and loss account and cash flow statement were used for conversion.

	<b>average EUR exchange rate in the period</b>	<b>EURO exchange rate as at the last day of period</b>
01.01 - 31.12.2023	4.5284	4.3480
01.01 - 31.12.2024	4.3042	4.2730

#### **Income tax**

##### **Current corporate income tax**

Current tax liabilities and receivables due to current tax for the current period and previous periods are recognised at the amount of expected payments to the tax authorities (amount of return due from the tax authorities) at the tax rates and in accordance with tax regulations that were legally binding as at the balance sheet date.

##### **Deferred income tax**

The deferred part of income tax presented in the profit and loss account is the difference between the balance of deferred income tax provisions and assets as at the end and beginning of the reporting period, including the case when deferred income tax provisions and assets resulting from operations settled with the Company's equity are transferred to equity.





The Company recognises deferred income tax liabilities and deferred income tax assets as a result of temporary differences between the book value of assets and liabilities and their tax value and tax loss or tax exemption deductible from taxable income in the past.

Deferred tax liabilities and assets are reported as a net figure in the balance sheet. The value presented in the statement of financial position represents the excess deferred tax asset or liability. It is presented as a deferred tax asset or long-term deferred tax liability, respectively.

#### **Value added tax**

Revenues, costs, assets and liabilities are recognised after deducting the value added tax, except:

- when the value added tax paid on the purchase of assets or services is not recoverable from the tax authorities; then it is recognised respectively as a part of the purchase price of an asset or as a part of a cost item, and
- for receivables and liabilities, which are recognised inclusive of the value added tax.

The net amount of value added tax recoverable or payable to the tax authorities is recognised in the statement of financial position as part of receivables or payables.

#### **Special funds**

The contributions to the Company's Social Benefits Fund are calculated in accordance with the Act of 04.03.1994 on Company Social Benefits Fund. Assets and liabilities related to this fund are not recognized in the financial statements, because they are not controlled by the Company.

The Company's Fund for Rehabilitation of the Disabled is accounted for by Company in accordance with the Ordinance of the Minister of Labour and Social Policy of 31 December 1998 on the Company's Fund for Rehabilitation of the Disabled (Journal of Laws of 1999 No. 3, item 22) and internal rules drafted pursuant to this Ordinance. with funds raised under tax exemptions and fees; the fund is recognised in nominal value.

#### **Events after the balance sheet date and events of an exceptional nature**

Adjusting events after the balance sheet date- those that provide evidence of conditions that existed at the balance sheet date.

Non-adjusting events after the balance sheet date- those that are indicative of conditions that arose after the balance sheet date. If they are significant, the Company discloses them in the additional information, giving the nature of the event and its financial effect or stating that the determination of such an effect is impossible or unreliable.

Each event causing the going concern principle cannot be continued is the event causing adjustments in the accounting books and financial statements. An entity shall not prepare its financial statements on a going concern basis, if management determines after the balance sheet date either that it intends to liquidate the Company or to cease trading, or that it has no realistic alternative but to do so.

**An exceptional event** is a one-off economic event that took place in the Company during the reporting period and has an impact on the financial statements. When an event is considered by the Management Board to be material, information about it along with its impact on the financial statements is disclosed in the relevant notes

#### **Assets held for sale and discontinuation of operations**

The company recognised a non-current assets item (or group of items) as held for sale in the lower amount of its carrying value or fair value less selling costs. Asset item is considered as held for sale if decisions were made by the management and a potential customer is actively sought

**Discontinued operations** are a cash-generating component (or group of components) of the Company that can be separated organisationally or that has been disposed of or held for sale and:

- is a separate, important line of business,
- is part of a single, coordinated plan to divest a separate, important line of business of the entity or its geographic business area,
- or is a subsidiary acquired solely with the intention of resale.

If discontinued operations exist, the Company discloses:

- in the income statement, separately from continuing operations the net profit or loss (after tax) of discontinued operations,
- assets held for sale and liabilities related to discontinued operations in the statement of financial position,
- in the notes, revenues, expenses, fair value measurement expenses, income taxes and net income of discontinued operations, cash flows attributable to discontinued operations, individual assets and individual liabilities related to discontinued operations.

#### **Accounting principles for the preparation of financial statements in accordance with the Energy Act**

Refer to Note 38 of these annual separate financial statements for a description of the accounting policies for drafting the financial statements in accordance with the provisions of the Energy Law.



## **FINANCIAL STATEMENTS**

### **Statement of comprehensive income**

**The profit/loss on sales** is the difference between the sum of due revenues from the sale of products, services and goods, including rebates, discounts and other increases and decreases, excluding value added tax and the value of goods sold at purchase prices and manufacturing costs of products and services sold, and all sales and general and administrative costs incurred during the current period.

**Other income** include dividends received, redundant provisions redeemed, compensations received and reversals of impairment write-offs on assets and profits on the sales of non-current assets (fixed assets, intangible assets, investment properties and shares in subsidiaries)

**Other costs** - mainly created provisions, compensation penalties paid, revaluation write-offs of assets and losses on the sale of non-current assets (fixed assets, intangible assets, investment properties and shares in subsidiaries), subsidies to the capital of subsidiaries

**Financial revenues** - interest received, the result on the sales of receivables, profits on derivative instruments, profits on exchange rates and revaluation gains and sales of financial assets

**Cost of financing** - interest paid, loss on receivables sales, loss on derivatives, foreign exchange losses, loss on revaluation and sales of financial assets

**Income tax** - statutory encumbrances of profit/loss due to income tax (including deferred income tax provisions).

**Other income recognised directly in comprehensive income** - income from revaluation of assets available for sales reduced by tax and profits/losses on revaluation of employee benefit provisions

### **Statement of financial position**

In the statement of financial position, the Company recognizes the state of assets and liabilities as at the last day of the current and previous reporting period. The value of particular groups of assets recognized in the balance sheet assets results from their net book value adjusted by depreciation, the effects of revaluation and write-offs revaluing the value of assets due impairment loss. Financial assets and liabilities are recognized in the report as net amount if the Company has an unconditional right to the compensation of assets and liabilities of a given type and intends to settle them on a net basis or simultaneously spend a financial asset and settle a financial liability.

### **Other financial statements applicable to the Company**

- Statement of changes in equity
- Cash flow statement
- Additional information in the form of additional explanatory notes
- Declaration on non-financial information
- Report in accordance with the provisions of Article 44 of the Energy Law Act

**Statement of changes in equity** includes information about changes in individual components of equity for the current and previous reporting period.

**Statement of cash flows** is prepared by the Company using the indirect method. It includes all cash inflows and outflows from operating, investing and financing activities, excluding inflows and outflow resulting from the purchase or sale of cash, for the current and previous periods.

**Notes to the financial statement** contain significant data and explanations necessary to ensure that the financial statements present reliably and clearly the property and financial situation as well as the financial result and the yield of the Company.

### **Report on Company's activities**

Along with the semi-annual and annual financial statements, the Company prepares a report of the management board for the period. The management board report on the company's activities is not a part of the financial statement.

This report includes material information on the Company's property and financial condition, including an assessment of the achieved results and an indication of risk factors and a description of risks.



## **4. BASIC ACCOUNTING JUDGMENTS AND THE BASIS FOR ESTIMATING UNCERTAINTY**

### **Basic accounting judgments and the basis for estimating uncertainty**

#### **Estimates of the Management Board**

Preparation of financial statements in compliance with IFRS requires the Management Board to make professional judgements, estimates and assumptions that impact the adopted accounting principles and the presented value of assets, liabilities, revenues and costs. The estimates and the underlying assumptions are based on historical experience and other factors considered reasonable under given circumstances and the results of such estimates are the basis for professional judgement of the carrying value of assets and liabilities, which cannot be determined using other sources. Actual results may differ from the assumed estimated values. The estimates and the underlying assumptions are reviewed on an on-going basis. A change in estimated values is recognized in the period in which the verification occurred if it concerns that period only, or in the current period and future periods, if the change concerns both the current period and future periods.

The main accounting estimates and the assumptions adopted refer to:

- estimated useful life of the asset - the subject matter of the estimation is to determine the estimated useful life, which may be shortened or extended in use. The end value and amortisation/depreciation methods are verified by the Company once per fiscal year. The verification includes among others: economic useful life end value of asset expected method of consuming the economic benefits from an intangible asset expected physical wear and tear estimated on the basis of the present average useful life reflecting the speed of physical wear and tear and intensity of use etc. technical or market obsolescence legal and other limitations to the use of the asset expected use of the asset estimated under the expected production capacity or production size and other circumstances effecting the useful life of assets.
- Impairment losses- are made if there are any external or internal indications of no possible recovery of the carrying amount of the non-current assets. If the carrying amount assets exceeds the recoverable amount of the asset, the value of asset is lowered to the recoverable amount by the appropriate impairment and recognition of the costs in the income statement.
- allowances of current assets (inventories and receivables), for inventories the allowance is estimated on the basis of the difference between net realizable amount and expected amount of future cash-flows. On the other hand estimate of accounts receivable write-off is the difference between the carrying value of given asset item and the current value of future cash flows discounted at the effective interest rate.
- employee benefits and provisions for retirement benefits and similar- the current amount of benefits and provisions depend on many factors determined by actuarial methods. The assumptions adopted to establish the net amount (income) for the retirement benefit include the discount rate. Any and all changes of such assumptions shall affect the amount of the retirement liabilities. The Company determines relevant discount rate at the end of each year. It is the interest rate applied to determine the present value of the estimated future outflows of cash assessed as necessary to meet the liabilities.
- provisions for expected liabilities due to the business activities- they are established in the amount representing the best estimate of the expenditure required to settle the present obligation or substantiation of the future obligation at the end of the reporting period.



**Boryszew S.A.**

**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## 5. REVENUES FROM SALES

REVENUES FROM SALE BY DESTINATION MARKET	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Continuing operations</b>		
Domestic sales	888 594	890 628
Sales to EU countries	639 024	727 988
Sales to other European countries	62 171	84 047
Export outside Europe	79 580	112 623
<b>Total (revenues from continuing operations)</b>	<b>1 669 369</b>	<b>1 815 286</b>

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Germany	37%	33%
Sweden	11%	9%
Czech Republic	10%	10%
France	9%	10%
Belgium	9%	8%
Spain	5%	6%
Italy	5%	5%
The Netherlands	5%	8%
Slovakia	5%	6%

## 6. OPERATING SEGMENTS

Branch	Business segment
Headquarters	Other non-allocated
Elana Branch in Toruń	Chemical products
Energy Branch in Toruń	Other non-allocated
ERG Branch in Sochaczew	Chemical products
Maflow Branch in Tychy	Automotive

The applied principle is that each branch belongs fully to only one operating segment.



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**REVENUES AND RESULTS BY OPERATING SEGMENTS IN 2024 (data regarding continuing operations)**

	Chemical products	Automotive	Other non-allocated	Total	exclusions between segments	Total
<b>01.01.2024 - 31.12.2024</b>						
Revenues from sales	156 102	780 756	733 860	1 670 718	(1 349)	1 669 369
Segment costs of sales	127 412	687 894	705 033	1 520 339	(1 349)	1 518 990
<b>Result on sales within segment</b>	<b>28 690</b>	<b>92 862</b>	<b>28 827</b>	<b>150 379</b>	<b>-</b>	<b>150 379</b>
General, administrative and sales expenses	29 891	62 858	26 383	119 132	-	119 132
Other operating profit/loss	5 139	13 292	138 141	156 572	-	156 572
<b>Segment profit/loss</b>	<b>3 938</b>	<b>43 296</b>	<b>140 585</b>	<b>187 819</b>	<b>-</b>	<b>187 819</b>
Amortisation/depreciation	5 548	36 719	1 755	44 022	-	44 022
EBITDA *)	9 486	80 015	142 340	231 841	-	231 841
Segment assets	137 969	735 019	1 269 093	2 142 081	(196 977)	1 945 104
Segment liabilities	105 500	692 012	370 777	1 168 289	(196 977)	971 312

	Chemical products	Automotive	Other non-allocated	Total	exclusions between segments	Total
<b>01.01.2023 - 31.12.2023</b>						
Revenues from sales	224 420	894 859	697 870	1 817 149	(1 863)	1 815 286
Segment costs of sales	189 946	787 033	678 952	1 655 931	(1 863)	1 654 068
<b>Result on sales within segment</b>	<b>34 474</b>	<b>107 826</b>	<b>18 918</b>	<b>161 218</b>	<b>-</b>	<b>161 218</b>
General, administrative and sales expenses	38 238	66 040	23 746	128 024	-	128 024
Other operating profit/loss	7 208	(11 088)	96 193	92 313	-	92 313
<b>Segment profit/loss</b>	<b>3 444</b>	<b>30 698</b>	<b>91 365</b>	<b>125 507</b>	<b>-</b>	<b>125 507</b>
Amortisation/depreciation	5 600	35 217	1 639	42 456	-	42 456
EBITDA *)	9 044	65 915	93 004	167 963	-	167 963
Segment assets	187 151	796 387	1 336 691	2 320 229	(133 422)	2 186 807
Segment liabilities	109 859	700 866	298 456	1 109 181	(133 422)	975 759

\*) EBITDA = operating profit/loss plus depreciation and amortisation

Other activities not assigned to business segments are those of Energy branch and the Company's Head Office.



## 7. OPERATING EXPENSES

Costs of operating activities by type	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Amortisation/depreciation	44 022	42 456
Consumption of materials and energy	505 062	650 788
Third party services	116 594	124 128
Taxes and charges	8 006	7 793
<b>Costs of employee benefits, including:</b>	<b>255 009</b>	<b>252 112</b>
<i>costs of remuneration</i>	201 922	201 242
<i>costs of social insurance</i>	37 758	37 009
<i>other employee benefits</i>	15 329	13 861
Other expenses	6 796	8 084
Value of sold goods and materials	727 229	736 867
<b>Total expenses by type</b>	<b>1 662 718</b>	<b>1 822 228</b>
Movements in products	(24 117)	(39 460)
Capitalised costs by type, consumption for own needs	(479)	(676)
<b>Costs by type:</b>	<b>1 638 122</b>	<b>1 782 092</b>
Selling costs	(17 467)	(18 734)
General and administrative expenses	(101 665)	(109 290)
<b>Cost of sales</b>	<b>1 518 990</b>	<b>1 654 068</b>

## 8. OTHER OPERATING REVENUES

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Profit from sale of non-current assets	26 904	7 090
Valuation to fair value of investment properties	12 243	1 960
Reversal of write-offs on non-financial assets	1 387	5 467
Reversal of unnecessary provisions	-	22
Compensation and indemnification	276	9 418
Dividends and other income from capital investments (*)	142 478	95 053
Subsidies	945	1 100
Reversal of write-offs for trade and other receivables	19 777	2 447
Stock count surplus	8 739	5 352
Gains on hedging instruments	3 771	9 903
Other revenue	3 010	5 051
<b>Total</b>	<b>219 530</b>	<b>142 863</b>

(\*) In the current period, the Company received dividends from Boryszew Property in the amount of PLN 31.3 million, ZUO Konin in the amount of PLN 6.0 million, Alchemia in the amount of PLN 15 million, Polski Cynk in the amount of PLN 6 million, Walcownia Metali Dziedzice in the amount of PLN 35 million, NPA Skawina Spółka z o.o. in the amount of 49.1 million and respectively in 2023 from Boryszew Property in the amount of PLN 25.3 million, ZUO Konin in the amount of PLN 6.0 million, Alchemia in the amount of PLN 45 million, Boryszew Green Energy and Gas in the amount of PLN 1 million, Polski Cynk in the amount of PLN 17.7 million



## 9. OTHER OPERATING EXPENSES

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Other operating expenses</b>		
Loss on sale of fixed assets	21 541	3 850
Write-offs for non-financial assets	3 508	10 715
Write-offs for for trade and other receivables	20 323	15 397
Stock count shortage	11 130	8 136
Measurement of investment properties	2 820	-
Provision for OCCP	-	2 833
Donations	168	430
Other expenses	3 468	9 189
<b>Total</b>	<b>62 958</b>	<b>50 550</b>

## 10. FINANCIAL REVENUES

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest income, including:	58 748	59 053
Interests on loans	52 785	52 702
Interest on bonds	5 071	5 291
Other interest	892	1 060
Exchange rate differences	16 339	46 003
Other	98	3 747
<b>Total</b>	<b>75 185</b>	<b>108 803</b>

## 11. FINANCIAL EXPENSES

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest expense, including:	<b>45 410</b>	<b>50 881</b>
Interest on loans	16 827	15 204
Interest on factoring	9 397	4 978
Interests on loans	10 199	9 990
Interest on lease	5 761	4 928
Interest on other liabilities	3 226	15 781
Recognition of write-offs (*)	348 291	138 798
Other financial expenses, including:	20 568	68 102
Exchange rate differences	15 754	65 518
Loss on derivative financial instruments	3 784	-
Other	1 030	2 584
<b>Total</b>	<b>414 269</b>	<b>257 781</b>

(\*) See Note 18 financial assets for a detailed description.



## 12. INCOME TAX

Income tax	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Current tax	827	6 652
Deferred tax	(4 694)	(18 894)
<b>Total tax</b>	<b>(3 867)</b>	<b>(12 242)</b>

### 12.1. Current corporate income tax

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Gross profit (loss)</b>	<b>(151 265)</b>	<b>(23 471)</b>
Permanent differences	143 550	24 041
Temporary differences	17 301	46 138
<b>Income after permanent and temporary differences</b>	<b>9 586</b>	<b>46 708</b>
Deductions from the tax base (R&D relief)	(4 526)	(4 443)
Donations	(50)	-
<b>Income tax base</b>	<b>5 010</b>	<b>42 265</b>
<i>Tax rate</i>	<i>19%</i>	<i>19%</i>
Income tax for current year	952	8 030
<i>Effective tax rates</i>	<i>-1%</i>	<i>-34%</i>
Adjustment of tax of previous years	(125)	(1 378)
<b>Current income tax reported in the result</b>	<b>827</b>	<b>6 652</b>
Income on disposal of shares through comprehensive income		4 238
<b>Income tax reported in other comprehensive income</b>	<b>-</b>	<b>805</b>





## Boryszew S.A.

### Financial statements for the period between 1 January and 31 December 2024

(amounts expressed in PLN '000 unless specified otherwise)

#### 12.2. Deferred tax

	Movement in the period				
	Balance on 31.12.2023	Deferred tax in the income statement	Deferred tax in other comprehensive income	Other changes	Balance on 31.12.2024
<b>DEFERRED TAX ASSETS</b>					
Provisions for employee benefits other provisions	5 091	3 362	(94)	-	8 359
Impairments	58 292	15 687	-	-	73 979
Unpaid interest on loans and borrowings	945	(269)	-	-	676
Depreciation (difference between depreciation for tax and balance sheet purposes)	51 372	3 945	-	-	55 317
Right-of-use liabilities	10 525	592	-	15	11 132
Other	6 850	(548)	-	(1)	6 301
<b>Deferred tax asset</b>	<b>133 075</b>	<b>22 769</b>	<b>(94)</b>	<b>14</b>	<b>155 764</b>
<b>DEFERRED INCOME TAX PROVISION</b>					
Measurement of non-current assets	2 053	(132)	-	-	1 921
Unrealised currency exchange rate differences	5 457	(417)	-	-	5 040
Depreciation (difference between depreciation for tax and balance sheet purposes)	65 516	5 131	-	-	70 647
Unpaid interest on loans and borrowings	42 514	14 328	-	-	56 842
Other	3 533	(835)	5	-	2 703
<b>Deferred income tax provision</b>	<b>119 073</b>	<b>18 075</b>	<b>5</b>	<b>-</b>	<b>137 153</b>
Deferred tax asset	133 075	22 769	(94)	14	155 764
Deferred income tax provision	119 073	18 075	5	-	137 153
<b>Excess deferred tax asset</b>	<b>14 002</b>	<b>4 694</b>	<b>(99)</b>	<b>14</b>	<b>18 611</b>

	Movement in the period				
	Balance on 31.12.2022	Deferred tax in the income statement	Deferred tax in other comprehensive income	Other changes	Balance on 31.12.2023
<b>DEFERRED TAX ASSETS</b>					
Provisions for employee benefits other provisions	6 374	(801)	130	(612)	5 091
Impairments	33 932	25 338	-	(978)	58 292
Unpaid interest on loans and borrowings	2 085	(1 140)	-	-	945
Depreciation (difference between depreciation for tax and balance sheet purposes)	46 286	5 086	-	-	51 372
Right-of-use liabilities	5 379	5 146	-	-	10 525
Other	1 886	4 967	(3)	-	6 850
<b>Deferred tax asset</b>	<b>95 942</b>	<b>38 596</b>	<b>127</b>	<b>(1 590)</b>	<b>133 075</b>
<b>DEFERRED INCOME TAX PROVISION</b>					
Measurement of non-current assets	2 053	-	-	-	2 053
Unrealised currency exchange rate differences	6 879	(1 302)	-	(120)	5 457
Depreciation (difference between depreciation for tax and balance sheet purposes)	60 910	10 315	-	(5 709)	65 516
Unpaid interest on loans and borrowings	31 937	8 845	-	1 732	42 514
Other	3 929	1 844	(1 978)	(262)	3 533
<b>Deferred income tax provision</b>	<b>105 708</b>	<b>19 702</b>	<b>(1 978)</b>	<b>(4 359)</b>	<b>119 073</b>
Deferred tax asset	95 942	38 596	127	(1 590)	133 075
Deferred income tax provision	105 708	19 702	(1 978)	(4 359)	119 073
<b>Excess deferred tax asset</b>	<b>(9 766)</b>	<b>18 894</b>	<b>2 105</b>	<b>2 769</b>	<b>14 002</b>

The Company, as the parent company of Boryszew Group, falls under Pillar II of the OECD Model Rules.

**Boryszew S.A.****Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

The Pillar II regulations have been in effect in Poland since January 2025.

The Company applied the mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to income taxes under Pillar II, in accordance with amendments to IAS 12 issued in May 2023.

The above standards and amendments have no impact on these financial statements.

In accordance with par. 4A of IAS 12, the Company does not recognise deferred tax assets and liabilities related to Pillar II income taxes and does not disclose information about these assets and liabilities.

On the date of this report, the Company is unable to reasonably estimate the total amount of the additional tax burden resulting from the implementation of Pillar II rules starting in 2025. The Company keeps monitoring the regulatory situation and conducting further assessments to determine the potential impact of the new regulations on its future tax liabilities, the entity responsible for preparing the reconciliation is the parent company, Boryszew S.A. Boryszew Group will benefit from a "safe harbor" based on CBCR reports for 2025 and 2026.

**13. NON-CURRENT ASSETS**

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Tangible fixed assets (by type groups)</b>		
<b>Fixed assets by type:</b>	<b>148 105</b>	<b>160 796</b>
land	9 303	9 303
buildings, premises, civil and water engineering structures	36 802	42 219
technical equipment and machines	96 306	103 088
vehicles	1 769	2 113
other tangible fixed assets	3 925	4 073
<b>Advances for tangible fixed assets</b>	<b>966</b>	<b>4 578</b>
<b>Total property, plant and equipment</b>	<b>149 071</b>	<b>165 374</b>

Net fixed assets pledged as collateral for repayment of liabilities on 31.12.2024 amount to PLN 31 751 thousand and PLN 43 109 thousand in the comparable period, respectively.



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2024 - 31.12.2024	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	vehicles	Other tangible fixed assets	Total
<b>Gross value of fixed assets at the beginning of the period</b>	<b>9 303</b>	<b>85 285</b>	<b>291 092</b>	<b>6 589</b>	<b>17 573</b>	<b>409 842</b>
Increase due to acquisition	-	680	12 376	136	703	<b>13 895</b>
Fixed assets redeemed after lease end	-	-	12 666	-	28	<b>12 694</b>
Disposal	-	(5 968)	(4 135)	(989)	(90)	<b>(11 182)</b>
Tangible fixed assets under construction	-	308	(7 901)	(47)	276	<b>(7 364)</b>
Liquidation	-	-	(5 363)	(102)	(141)	<b>(5 606)</b>
Reclassification to assets held for sale	-	(474)	(1 458)	-	-	<b>(1 932)</b>
Other	-	(19)	17 632	-	51	<b>17 664</b>
<b>Gross value of fixed assets at the end of the period</b>	<b>9 303</b>	<b>79 812</b>	<b>314 909</b>	<b>5 587</b>	<b>18 400</b>	<b>428 011</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>-</b>	<b>39 855</b>	<b>176 641</b>	<b>4 216</b>	<b>13 459</b>	<b>234 171</b>
Planned depreciation of own fixed assets	-	2 696	20 160	382	1 070	<b>24 308</b>
Decrease due to disposal	-	(2 166)	(2 388)	(982)	-	<b>(5 536)</b>
Liquidation	-	(127)	(5 241)	(9)	(143)	<b>(5 520)</b>
Decrease due to reclassification to assets held for sale (-)	-	(440)	(319)	-	-	<b>(759)</b>
Other	-	(19)	17 723	-	51	<b>17 755</b>
<b>Accumulated depreciation at the end of the period</b>	<b>-</b>	<b>39 799</b>	<b>206 576</b>	<b>3 607</b>	<b>14 437</b>	<b>264 419</b>
<b>Impairment write-offs at the beginning of the period</b>	<b>-</b>	<b>3 211</b>	<b>11 363</b>	<b>260</b>	<b>41</b>	<b>14 875</b>
Write-off provision recognised in the profit/loss for the current period	-	-	735	-	-	<b>735</b>
Other	-	-	(71)	(49)	(3)	<b>(123)</b>
<b>Impairment write-offs at the end of the period</b>	<b>-</b>	<b>3 211</b>	<b>12 027</b>	<b>211</b>	<b>38</b>	<b>15 487</b>
<b>Net fixed assets as at the end of period</b>	<b>9 303</b>	<b>36 802</b>	<b>96 306</b>	<b>1 769</b>	<b>3 925</b>	<b>148 105</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2023 - 31.12.2023	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	vehicles	Other tangible fixed assets	Total
<b>Gross value of fixed assets at the beginning of the period</b>	<b>9 358</b>	<b>102 250</b>	<b>386 417</b>	<b>4 824</b>	<b>24 057</b>	<b>526 906</b>
Increase due to acquisition	-	807	11 741	2 259	902	<b>15 709</b>
Fixed assets redeemed after lease end	-	-	11 770	646	990	<b>13 406</b>
Merger with a subsidiary	-	-	373	-	-	<b>373</b>
Disposal	-	(167)	(3 435)	(1 294)	-	<b>(4 896)</b>
Tangible fixed assets under construction	-	(160)	(265)	(519)	(260)	<b>(1 204)</b>
Liquidation	-	-	(2 445)	(20)	(356)	<b>(2 821)</b>
Separation of branch	(55)	(17 445)	(101 233)	(619)	(7 760)	<b>(127 112)</b>
Other	-	-	(11 831)	1 312	-	<b>(10 519)</b>
<b>Gross value of fixed assets at the end of the period</b>	<b>9 303</b>	<b>85 285</b>	<b>291 092</b>	<b>6 589</b>	<b>17 573</b>	<b>409 842</b>
<b>Accumulated depreciation at the beginning of the period</b>	-	<b>42 158</b>	<b>201 949</b>	<b>3 505</b>	<b>17 536</b>	<b>265 148</b>
Planned depreciation of own fixed assets	-	2 815	16 676	607	1 250	<b>21 348</b>
Merger with a subsidiary	-	-	369	-	-	<b>369</b>
Decrease due to disposal	-	(40)	(875)	(1 155)	-	<b>(2 070)</b>
Liquidation	-	-	(2 430)	(20)	(228)	<b>(2 678)</b>
Separation of branch	-	(5 078)	(31 702)	(470)	(5 754)	<b>(43 004)</b>
Other	-	-	(7 346)	1 749	655	<b>(4 942)</b>
<b>Accumulated depreciation at the end of the period</b>	-	<b>39 855</b>	<b>176 641</b>	<b>4 216</b>	<b>13 459</b>	<b>234 171</b>
<b>Impairment write-offs at the beginning of the period</b>	-	<b>3 211</b>	<b>11 367</b>	<b>260</b>	<b>169</b>	<b>15 007</b>
Other	-	-	(4)	-	(128)	<b>(132)</b>
<b>Impairment write-offs at the end of the period</b>	-	<b>3 211</b>	<b>11 363</b>	<b>260</b>	<b>41</b>	<b>14 875</b>
<b>Net fixed assets as at the end of period</b>	<b>9 303</b>	<b>42 219</b>	<b>103 088</b>	<b>2 113</b>	<b>4 073</b>	<b>160 796</b>



## Boryszew S.A.

### Financial statements for the period between 1 January and 31 December 2024

(amounts expressed in PLN '000 unless specified otherwise)

Boryszew S.A. conducted an impairment test for cash-generating units ("CGUs"), which includes the assets of Maflow branch and ERG branch, by determining their recoverable value on 31 December 2024. The recoverable value of assets was determined using the discounted net cash flow method based on 2025 budget and plans for future years approved by the Management Board. The discount rate was determined based on the WACC, respectively: for Maflow branch at 9.99% for the forecast period and 8.12% for the residual period; for ERG branch at 10.98% for the forecast period and 9.08% for the residual period.

To determine the cost of equity, the CAPM valuation model was used and the unlevered beta value for auto manufacturer components (Auto Parts) per Aswath Damodaran of 0.79 and for chemicals (Chemical Diversified) of 0.88.

The test assumes a residual period growth rate of 2.5% equal to the NBP's long-term inflation target.

Sensitivity analyses were conducted:

Name of entity	Projection period	Residual value	Actual / nominal cash flow	Growth rate after the forecast period	WACC for the forecast period	WACC for the RV period	Result of the test	Sensitivity analysis 1 bps increase of WACC  Growth rate in the residual period + 1% p.p.	Sensitivity analysis  EBITDA down 5%
Boryszew ERG Branch	5 years	Yes	Nominal	2.50%	10.98%	9.08%	No write-off necessary	Write-off on assets PLN 1 357 thousand	Write-off on assets PLN 3 076 thousand
Maflow Division	5 years	Yes	Nominal	2.50%	9.99%	8.12%	No write-off necessary	No write-off necessary	No write-off necessary

As a result of the test, on 31 December 2024, the income value of the tested fixed assets is higher than their carrying value, therefore impairment charge was no longer necessary.

## 14. INVESTMENT PROPERTY

Investment real estate property at fair value	Balance on 31.12.2024	Balance on 31.12.2023
Investment property	11 180	21 702
<b>Change in investment properties</b>		
<b>Investment property at the beginning of the period</b>	<b>21 702</b>	<b>19 780</b>
Increase due to acquisitions	601	-
Valuation to fair value	9 403	1 960
Decreases due to sales	(20 526)	-
Reclassification to right-of-use assets and other	-	(38)
<b>Investment property at the end of the period</b>	<b>11 180</b>	<b>21 702</b>

  

	Balance on 31.12.2024	Balance on 31.12.2023
Income from disposal of real estate	20 442	-
Revenues from investment property (rental agreements)	921	847
Maintenance cost of investment property	62	59

Investment properties are used as collateral for loan repayments.



## 15. INTANGIBLE ASSETS

	Balance on 31.12.2024	Balance on 31.12.2023
R&D expenses	178	214
Patents, licenses, software	11 947	14 267
Other intangible assets	2	10
<b>Total</b>	<b>12 127</b>	<b>14 491</b>



**Boryszew S.A.**

**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## Intangible assets

in the period 01.01.2024 - 31.12.2024					
	R&D expenses	Patents, concessions, licence, software	Perpetual land usufruct right	Other intangible assets	Total
<b>Gross value at the beginning of the period</b>	<b>2 234</b>	<b>30 887</b>	-	<b>5 097</b>	<b>38 218</b>
Additions (purchase)	-	319	-	-	319
<b>Gross value of intangible assets at the end of the period</b>	<b>2 234</b>	<b>31 206</b>	-	<b>5 097</b>	<b>38 537</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>2 020</b>	<b>16 620</b>	-	<b>5 087</b>	<b>23 727</b>
Planned depreciation	36	2 639	-	3	2 678
Other	-	-	-	5	5
<b>Accumulated depreciation at the end of the period</b>	<b>2 056</b>	<b>19 259</b>	-	<b>5 095</b>	<b>26 410</b>
<b>Impairment write-offs at the beginning of the period</b>	-	-	-	-	-
<b>Impairment write-offs at the end of the period</b>	-	-	-	-	-
<b>Net value of intangible assets at the end of the period</b>	<b>178</b>	<b>11 947</b>	-	<b>2</b>	<b>12 127</b>



**Boryszew S.A.**  
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2023 - 31.12.2023	R&D expenses	Patents, concessions, licence, software	Other intangible assets	Total
<b>Gross value at the beginning of the period</b>	<b>33 397</b>	<b>31 812</b>	<b>7 504</b>	<b>72 713</b>
Additions (purchase)	-	432	-	<b>432</b>
Liquidation	-	(398)	-	<b>(398)</b>
Separation of branch	(31 163)	(1 604)	(246)	<b>(33 013)</b>
Other	-	645	(2 161)	<b>(1 516)</b>
<b>Gross value of intangible assets at the end of the period</b>	<b>2 234</b>	<b>30 887</b>	<b>5 097</b>	<b>38 218</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>18 068</b>	<b>15 088</b>	<b>7 330</b>	<b>40 486</b>
Planned depreciation	36	2 817	156	<b>3 009</b>
Separation of branch	(16 084)	(1 532)	(238)	<b>(17 854)</b>
Merger with a subsidiary	-	-	(2 161)	<b>(2 161)</b>
Other	-	247	-	<b>247</b>
<b>Accumulated depreciation at the end of the period</b>	<b>2 020</b>	<b>16 620</b>	<b>5 087</b>	<b>23 727</b>
<b>Impairment write-offs at the beginning of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Impairment write-offs at the end of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net value of intangible assets at the end of the period</b>	<b>214</b>	<b>14 267</b>	<b>10</b>	<b>14 491</b>



## 16. RIGHT-OF-USE ASSETS

Balance on 31.12.2024	Buildings and structures	Technical equipment and machines	Vehicles	Other tangible fixed assets	Land - SMA	The Lease Agreement	Total
<b>Gross value at the beginning of the period</b>	-	<b>71 923</b>	<b>4 868</b>	<b>79</b>	<b>13 099</b>	<b>92 215</b>	<b>182 184</b>
Acceptance for use under new lease agreements signed during the current year	-	1 688	2 607	-		451	<b>4 746</b>
Disposal					(960)		<b>(960)</b>
Reduction due to end of lease term	-	(29 955)	(192)	(79)		-	<b>(30 226)</b>
Other changes					7 420	4 347	<b>11 767</b>
<b>Gross value of fixed assets at the end of the period</b>	-	<b>43 656</b>	<b>7 283</b>	-	<b>19 559</b>	<b>97 013</b>	<b>167 511</b>
<b>Accumulated depreciation of leased fixed assets at the beginning of the period</b>	-	<b>22 596</b>	<b>1 577</b>	<b>50</b>	<b>802</b>	<b>42 018</b>	<b>67 043</b>
Planned depreciation of own fixed assets		4 063	1 488	-	164	11 292	<b>17 007</b>
Disposal					(28)		<b>(28)</b>
Reduction at the end of lease (-)		(17 289)	(93)	(50)		-	<b>(17 432)</b>
Other changes						14	<b>14</b>
Impact of exchange rate differences		-	-	-	(1)	-	<b>(1)</b>
<b>Accumulated depreciation at the end of the period</b>	-	<b>9 370</b>	<b>2 972</b>	-	<b>937</b>	<b>53 324</b>	<b>66 603</b>
<b>Impairment write-offs at the beginning of the period</b>	-	<b>735</b>	-	-	-	-	<b>735</b>
Reduction due to termination of lease		(735)	-	-		-	<b>(735)</b>
<b>Net value of leased fixed assets at the end of the period</b>	-	<b>34 286</b>	<b>4 311</b>	-	<b>18 622</b>	<b>43 689</b>	<b>100 908</b>



**Boryszew S.A.**  
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

<b>Balance on 31.12.2023</b>	<i>Buildings and structures</i>	<i>Technical equipment and machines</i>	<i>Vehicles</i>	<i>Other tangible fixed assets</i>	<i>Land - SMA</i>	<i>The Lease Agreement</i>	<i>Total</i>
<b>Value at the beginning of the period</b>	-	<b>99 250</b>	<b>4 892</b>	<b>1 069</b>	<b>16 744</b>	<b>67 796</b>	<b>189 751</b>
Transfer of leased fixed assets	-	-	-	-	831		<b>831</b>
Acceptance for use under new lease agreements signed during the current year	-	6 589	1 217	-		6 771	<b>14 577</b>
Disposal					(14)		<b>(14)</b>
Transfer from under leaseback	-	-	-	-		(10 553)	<b>(10 553)</b>
Reduction du to end of lease term	-	(11 770)	(1 048)	(990)		28 201	<b>14 393</b>
Separation of branch		(22 146)	(193)		(4 462)		<b>(26 801)</b>
<b>Gross value of fixed assets at the end of the period</b>	-	<b>71 923</b>	<b>4 868</b>	<b>79</b>	<b>13 099</b>	<b>92 215</b>	<b>182 184</b>
<b>Accumulated depreciation of leased fixed assets at the beginning of the period</b>	-	<b>23 991</b>	<b>1 294</b>	<b>694</b>	<b>951</b>	<b>36 746</b>	<b>63 676</b>
Planned depreciation of own fixed assets		6 225	1 082	16	187	10 589	<b>18 099</b>
Disposal					(2)		<b>(2)</b>
Reduction at the end of lease (-)		(3 404)	(765)	(660)		(5 317)	<b>(10 146)</b>
Separation of branch		(4 216)	(34)		(334)		<b>(4 584)</b>
<b>Accumulated depreciation at the end of the period</b>	-	<b>22 596</b>	<b>1 577</b>	<b>50</b>	<b>802</b>	<b>42 018</b>	<b>67 043</b>
<b>Impairment write-offs at the beginning of the period</b>	-	<b>735</b>	-	-	<b>59</b>	-	<b>794</b>
Separation of branch					(59)		<b>(59)</b>
<b>impairment write-offs at the end of the period</b>	-	<b>735</b>	-	-	-	-	<b>735</b>
<b>Net value of leased fixed assets at the end of the period</b>	-	<b>48 592</b>	<b>3 291</b>	<b>29</b>	<b>12 297</b>	<b>50 197</b>	<b>114 406</b>



**Boryszew S.A.**  
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## 17. SHARES IN SUBSIDIARIES

Company name	Balance on 01.01.2024				change			Balance on 31.12.2024			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	acquisition/other additions	sale/liquidation	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
<b>Subsidiaries</b>											
Elimer Sp. z o.o.	52.44	53	-	53				52.44	53	-	53
NPA Skawina Sp.z o.o.	100.00	80 313	-	80 313				100.00	80 313	-	80 313
Boryszew Green Energy&Gas Sp. z o.o. (formerly Elana Energetyka Sp. z o.o.)	100.00	1 500	1 500	-				100.00	1 500	1 500	-
BORYSZEW MAFLOW SPÓŁKA Z O.O. Maflow Plastics Poland Sp. z o. o. (formerly: Boryszew Tensho Poland Sp. z o.o.)	100.00	75	-	75				100.00	75	-	75
Boryszew Plastic RUS Sp. z o.o	100.00	8 509	7 919	590	1 050			100.00	9 559	7 919	1 640
HR Service Sp. z o.o.	10.90	2 242	2 242	-				10.90	2 242	2 242	-
Maflow Polska Sp. z o.o.	100.00	354	354	-				100.00	354	354	-
Maflow BRS s.r.l	100.00	46 334	43 190	3 144				100.00	46 334	43 190	3 144
Maflow Spain Automotive S.L.U	100.00	39	-	39				100.00	39	-	39
Maflow France Automotive S.A.	100.00	17 137	-	17 137				100.00	17 137	-	17 137
Maflow do Brasil Ltda,	100.00	3 951	3 951	-				100.00	3 951	3 951	-
Maflow India Private Ltd	79.00	108 053	96 249	11 804				79.00	108 053	96 249	11 804
MAFMEX S.DE R.L.DE C.V, (*) Boryszew Nieruchomości Sp. z o.o. (formerly Eastside Bis Sp. z o.o.)	100.00	30 482	-	30 482				100.00	30 482	-	30 482
Elana Ukraina Sp. z o.o.	-	47 749	32 872	14 877				-	47 749	32 872	14 877
0.009	58	-	58					0.009	58	-	58
90.00	338	338	-					90.00	338	338	-
100.00	82 578	2 237	80 341					100.00	82 578	2 237	80 341
100.00	100	-	100					100.00	100	-	100
59.97	57 000	-	57 000					59.97	57 000	-	57 000
100.00	46 900	-	46 900					100.00	46 900	-	46 900



**Boryszew S.A.**  
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Company name	Balance on 01.01.2024				change			Balance on 31.12.2024			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	acquisition/other additions	sale/liquidation	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
Boryszew Inwestycje Sp z o.o. (formerly Boryszew Holding Sp. z o.o.)	100.00	250	-	250				100.00	250	-	250
Boryszew Property Sp z o.o (formerly Eastside Capital Investments Sp. z o.o.)	100.00	125 462	-	125 462				100.00	125 462	-	125 462
Boryszew Assets Sp. z o.o. (formerly SPV Lakme Investment Sp. z o.o.)	89.30	2 844	-	2 844				89.30	2 844	-	2 844
Alchemia S.A.	100.00	385 636	1 581	384 055				100.00	385 636	1 581	384 055
		<b>1 047 957</b>	<b>192 433</b>	<b>855 524</b>	<b>1 050</b>	<b>-</b>	<b>-</b>		<b>1 049 007</b>	<b>192 433</b>	<b>856 574</b>

(\*) MAFMEX, S. de R. L. de C.V. - Boryszew S.A. holds 239 398 865.86 series B shares - without voting rights

Affiliated entities											
Zavod Mogiliev - Sp. z o.o. Belarus	30,00	1 091	1 091	-				30,00	1 091	1 091	-
"onesano" S.A.	42.50	31 090	-	31 090				42.50	31 090	-	31 090
AGICORP-BOR Ltd.	25.00	25	-	25				25.00	25	-	25
		<b>32 206</b>	<b>1 091</b>	<b>31 115</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>32 206</b>	<b>1 091</b>	<b>31 115</b>
<b>Shares in subsidiaries and associates</b>		<b>1 080 163</b>	<b>193 524</b>	<b>886 639</b>	<b>1 050</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 081 213</b>	<b>193 524</b>	<b>887 689</b>

Other entities											
<b>Shares in other entities, including:</b>		<b>23</b>		<b>23</b>	<b>23 814</b>				<b>23 837</b>	<b>-</b>	<b>23 837</b>
Repono		-	-	-	6 599				6 599	-	6 599
Innoenergy			-	-	17 215				17 215	-	17 215



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Company name	Balance on 01.01.2023				change			Balance on 31.12.2023			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	acquisition/other additions	sale/liquidation	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
<b>Subsidiaries</b>											
Elimer Sp. z o.o.	52.44	53	-	53				52.44	53	-	53
NPA Skawina Sp.z o.o.		5	-	5	80 308			100.00	80 313	-	80 313
Boryszew Green Energy&Gas Sp. z o.o. (formerly Elana Energetyka Sp. z o.o.)	100.00	1 500	1 500	-				100.00	1 500	1 500	-
BORYSZEW MAFLOW SPÓŁKA Z O.O. Maflow Plastics Poland Sp. z o. o. (formerly: Boryszew Tensho Poland Sp. z o.o.)	100.00	75	-	75				100.00	75	-	75
Boryszew Plastic RUS Sp. z o.o.	100.00	8 509	7 919	590				100.00	8 509	7 919	590
HR Service Sp. z o.o.	10.90	2 242	2 242	-				10.90	2 242	2 242	-
Maflow Polska Sp. z o.o.	100.00	354	354	-				100.00	354	354	-
Maflow BRS s.r.l	100.00	46 334	43 190	3 144				100.00	46 334	43 190	3 144
Maflow Spain Automotive S.L.U	100.00	39	-	39				100.00	39	-	39
Maflow France Automotive S.A.	100.00	6 080	-	6 080	11 057			100.00	17 137	-	17 137
Maflow do Brasil Ltda,	100.00	3 951	3 951	-				100.00	3 951	3 951	-
Maflow India Private Ltd	79.00	108 053	96 249	11 804				79.00	108 053	96 249	11 804
MAFMEX S.DE R.L.DE C.V, (*)	100.00	30 482	-	30 482				100.00	30 482	-	30 482
Boryszew Nieruchomości Sp. z o.o. (formerly Eastside Bis Sp. z o.o.)	-	47 749	32 872	14 877				-	47 749	32 872	14 877
Elana Ukraina Sp. z o.o.	0.009	58	-	58				0.009	58	-	58
Hutmen Sp. z o.o.	90.00	338	338	-				90.00	338	338	-
Walownia Metali Dziedzice S.A.	100.00	109 531	-	109 531		(109 531)			-	-	-
ZM SILESIA S.A.	28,70	17 229	-	17 229	65 349		2 237	100.00	82 578	2 237	80 341
Zakład Utylizacji Odpadów Sp. z o.o.,	100.00	100	-	100				100.00	100	-	100
Polski Cynk Sp. z o.o.	59.97	57 000	-	57 000				59.97	57 000	-	57 000
	100.00	46 900	-	46 900				100.00	46 900	-	46 900



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Company name	Balance on 01.01.2023				change			Balance on 31.12.2023			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	acquisition/other additions	sale/liquidation	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
Boryszew Inwestycje Sp z o.o. (formerly Boryszew Holding Sp. z o.o.)	100.00	250	-	250				100.00	250	-	250
Boryszew Property Sp z o.o (formerly Eastside Capital Investments Sp. z o.o.)	100.00	125 462	-	125 462				100.00	125 462	-	125 462
Boryszew Assets Sp. z o.o. (formerly SPV Lakme Investment Sp. z o.o.)	89.30	2 844	-	2 844				89.30	2 844	-	2 844
Alchemia S.A.	91.93	385 636	1 581	384 055				100.00	385 636	1 581	384 055
		<b>1 000 774</b>	<b>190 196</b>	<b>810 578</b>	<b>156 714</b>	<b>(109 531)</b>	<b>2 237</b>		<b>1 047 957</b>	<b>192 433</b>	<b>855 524</b>

(\*) MAFMEX, S. de R. L. de C.V. - Boryszew S.A. holds 239 398 865.86 series B shares - without voting rights

**Affiliated entities**

Zavod Mogiliev - Sp. z o.o. Belarus	30,00	1 091	1 091	-				30,00	1 091	1 091	-
"onesano" S.A. (*)	19,73	10 064	-	10 064	21 026			42.50	31 090	-	31 090
AGICORP-BOR Ltd.	-	-	-	-	25			25.00	25	-	25
		<b>11 155</b>	<b>1 091</b>	<b>10 064</b>	<b>21 051</b>	<b>-</b>	<b>-</b>		<b>32 206</b>	<b>1 091</b>	<b>31 115</b>
<b>Shares in subsidiaries and associates</b>		<b>1 011 929</b>	<b>191 287</b>	<b>820 642</b>	<b>177 765</b>	<b>(109 531)</b>	<b>2 237</b>	<b>-</b>	<b>1 080 163</b>	<b>193 524</b>	<b>886 639</b>

(\*) "onesano" S.A. As of 1.01.2023 reported as a residual entity, acquisition of significant influence occurred on 1.02.2023.

**Other entities**

<b>Shares in other entities</b>		<b>23</b>		<b>23</b>					<b>23</b>		<b>23</b>
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**Boryszew S.A.****Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

The Company conducted impairment tests of Boryszew S.A. engaged assets on 31.12.2024. The tests showed no need for additional write-downs. In addition, at year-end 2024, the assets in the following entities were tested for impairment:

- Alchemia S.A. (income-based approach),
- ZM Silesia S.A. (income-based approach),
- Walcownia Metali Dziedzice S.A. (income-based approach),
- MAFMEX S.DE R.L.DE C. V (income-based approach),
- Maflow Plastic Poland Sp. z o. o. (income-based approach),
- Maflow BRS s.r.l (income-based approach),
- Maflow Spain Automotive S.L.U (income approach),
- Maflow India Private Limited (income-based approach),
- Maflow Components Dalian Co. Ltd (income-based approach),
- Onesano S.A. (income-based approach).

The impairment tests of the assets involved using the asset-based approach were performed on a discounted cash flow basis consistent with the budgets approved by the Management Board. The discount rate was calculated based on a WACC between 7.72% and 17.47% for the forecast period as well as between 7.45% and 13.04% for the residual period. To determine the cost of equity, the CAPM valuation model and industry average beta value were used. The tests assumed growth rates over the residual period of 2% - 4%. Asset impairment test was conducted as at 31 December 2024 and based on five-year discounted forecasted cash flows. Cash flows were discounted in each test period by the weighted average cost of capital WACC determined individually for each tested entity. For tests prepared on the basis of forecasts in nominal terms, the increase in the value of flows after the forecast period was assumed to be equal to the long-term inflation target for the market.

Key climate factors considered in asset impairment testing:

- investment expenditure by all companies in which Boryszew S.A. holds shares are carried out in such a way that takes into account aspects of environmental protection and the strategy of the whole, which aims to reduce the level of CO2 emissions, which is expressed, among other things, in the modernisation of the machinery park with the use of modern technology, which is less energy-intensive, as well as investments in RES and the implementation of closed-loop,
- part of revenues of the Automotive segment includes revenue from the sale of components for electric vehicles, indicating the company's participation in the energy transition,
- concluded a long-term PPA,
- conformity with legal requirements for environmental protection.

## 18. FINANCIAL ASSETS

Financial assets	Balance on 31.12.2024	Balance on 31.12.2023
Loans granted	188 359	376 695
Shares in other entities (*)	23 837	23
	<b>212 196</b>	<b>376 718</b>
<i>long-term</i>	60 072	46 576
<i>short-term</i>	152 124	330 142

(\*) Including Innoenergy PLN 17 215 thousand and Repono PLN 6 599 thousand in the current period.



**Boryszew S.A.****Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Receivables from loans granted (with interest due) by borrowers	Balance on 31.12.2024	Balance on 31.12.2023
Boryszew Automotive Plastics Sp. z o.o.	51 471	35 785
Boryszew Kunststofftechnik Deutschland GmbH	-	171 900
Boryszew Deutschland GmbH	-	913
AKT Plastikarska Technologie Cechy spol.	13 827	14 074
Boryszew Plastic RUS Sp. z o.o., Russia	427	-
Maflow Plastic Poland Sp. z o.o. (formerly Boryszew Tensho Poland Sp. z o.o.)	58 808	57 489
Maflow France	-	19 835
MAFMEX S. de R.L. de C.V.	40 160	52 146
Maflow Polska Sp. z o.o.	500	500
Boryszew Commodities Sp. z o.o.	-	12 482
Boryszew Maflow Sp. z o.o.	20 150	11 564
ZM Silesia S.A.	3 016	3
HR Service Sp. z o.o.	-	4
<b>Total</b>	<b>188 359</b>	<b>376 695</b>

The above summary includes net receivables included in the balance sheet, including write-downs. Write-offs resulting from the estimation of credit losses were recognised based on analysis of historical data, the degree of overdue and individual assessment of debtors.

For loans, bonds and sureties, Company's debt ratings and Moody's data were used

Write-offs on loans are mostly recognised for loans granted to BAP Group companies.

Analysis of the level of debt on 31.12.2024 during the preparation of the report and audit of the current financial position of Boryszew Kunststofftechnik Deutschland GmbH showed that it was necessary to recognise an additional write-off on loans of these companies (the value of loans in the total remaining balance was written off).

write-offs on loans	Balance on 31.12.2024	Balance on 31.12.2023
ICOS GmbH	51 212	51 212
Boryszew Automotive Plastics Sp. z o. o.	428 251	379 617
Theysohn Kunststoff GmbH	39 074	39 074
Boryszew Kunststofftechnik Deutschland GmbH	197 052	7 907
Boryszew Kunststofftechnik Deutschland GmbH - Ymos branch	159	159
Boryszew Formenbau GmbH	18 602	17 435
Boryszew Deutschland GmbH	1 550	540
Boryszew Oberfachentechnik Deutschland GmbH	64 729	60 353
AKT Plastikarska Technologie Cechy spol.	2 051	1 081
Boryszew Plastic RUS Sp.z o. o., Russia	62 443	-
Maflow Plastic Poland Sp. z o. o. (formerly Boryszew Tensho Poland Sp. z o.o.)	10 851	6 570
MAFMEX S. de R.L. de C.V.	45 086	7 193
Maflow Brasil Ltda	23 000	23 000
Maflow Polska Sp. z o.o.	8 460	8 420
Boryszew Commodities Sp. z o. o.	-	18 917
Boryszew Maflow Sp. z o. o.	2 842	1 477
ZM Silesia S.A.	38	-
	<b>955 400</b>	<b>622 955</b>

The final verification of the debt level on 31.12.2024 did not reveal the need for additional write-downs beyond those indicated above.

Based on additional evaluation of the financial condition of borrowers and companies issuing bonds in 2024, write-offs were recognised for loans granted in the amount of PLN 332 445 thousand.


**Boryszew S.A.**
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Change in bonds purchased and loans granted between 01.01.2024 and 31.12.2024		
	bonds	borrowings
<b>Carrying amount - beginning of the period</b>	-	<b>376 695</b>
Decrease in assets-paid/redeemed during the year	-	(32 031)
Bonds/loans purchased/granted during the current year	-	62 761
Interest on bonds/loans recognised in P&L during the current year	5 071	52 785
Interest received	-	(1 246)
Write-offs recognised in P&L of the current year	(5 071)	(268 191)
Compensations and other non-monetary changes	-	427
Expected credit loss	-	(251)
Exchange differences recognised in current year P&L	-	(2 590)
<b>Carrying amount as at period end</b>	-	<b>188 359</b>

Change in bonds purchased and loans granted between 01.01.2023 and 31.12.2023		
	bonds	borrowings
<b>Carrying amount - beginning of the period</b>	<b>1 064</b>	<b>459 909</b>
Decrease in assets-paid/redeemed during the year	-	(66 795)
Bonds/loans purchased/granted during the current year	-	98 574
Interest on bonds/loans recognised in P&L during the current year	5 291	52 702
Interest received	-	(3 254)
Write-offs recognised in P&L of the current year	(6 291)	(132 507)
Compensations and other non-monetary changes	-	(77)
Exchange differences recognised in current year P&L	(64)	(31 857)
<b>Carrying amount as at period end</b>	-	<b>376 695</b>

**19. DERIVATIVE FINANCIAL INSTRUMENTS**

Assets	Balance on 31.12.2024	Balance on 31.12.2023
<b>Cash flows hedging instruments</b>	-	<b>3 777</b>
<i>Commodity swaps</i>	-	-
<i>Foreign exchange contracts</i>	-	3 777
<b>Fair value hedges</b>	-	-
<b>Instruments held for trading</b>	-	-
	-	<b>3 777</b>
<i>long-term part</i>	-	-
<i>short-term part</i>	-	3 777
<b>balance</b>	-	<b>3 777</b>



## 20. TRADE AND OTHER RECEIVABLES

Trade receivables and other receivable	Balance on 31.12.2024	Balance on 31.12.2023
Trade receivables from sale of products, goods and services	306 103	205 329
Budget receivables	8 267	13 172
Other debtors	54 750	128 990
<b>trade receivables and other receivables</b>	<b>369 120</b>	<b>347 491</b>
Short term prepayments	46 973	38 304
<b>Total</b>	<b>416 093</b>	<b>385 795</b>
long-term	65 347	119 100
short-term	350 746	266 695

Receivables in the amount of PLN 29 250 thousand are used as collateral for repayment of financial liabilities.

Short term prepayments	Balance on 31.12.2024	Balance on 31.12.2023
Prepayments	2 137	1 882
Prepayments - financial expenses	502	203
Fee settlements	22 419	17 037
Capitalised costs of new projects	21 915	19 182
<b>Total</b>	<b>46 973</b>	<b>38 304</b>
Long-term part	37 150	14 929
Short-term part	9 823	23 375

### Write-offs on trade receivables and expected credit loss

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Write-offs on trade receivables and expected credit loss at beginning of period</b>	<b>117 814</b>	<b>99 868</b>
<b>of which:</b>		
<i>write-offs on trade receivables</i>	96 787	86 442
<i>expected credit loss</i>	21 027	13 426
<b>movement in the period</b>	<b>(3 059)</b>	<b>17 946</b>
<i>write-offs on trade receivables</i>	(3 050)	10 345
- write-offs on overdue receivables	16 552	14 745
- inclusion of entities in consolidation	-	4 167
- reversal of write-off together with the receivable as irrecoverable/overdue	(2 042)	(2 381)
- exclusion of the branch	-	(3 535)
Write-offs derecognized from recovered receivables	-	(63)
Reversal of write-offs on overdue receivables	(17 459)	(2 246)
- impact of exchange rate differences	(101)	(342)
<i>expected credit loss</i>	(9)	7 601
<b>Write-offs on trade receivables and expected credit loss at period end</b>	<b>114 755</b>	<b>117 814</b>
<b>of which:</b>		
<i>write-offs on trade receivables</i>	93 737	96 787
<i>expected credit loss</i>	21 018	21 027



## Boryszew S.A.

### Financial statements for the period between 1 January and 31 December 2024

(amounts expressed in PLN '000 unless specified otherwise)

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Bad debt provision on other receivables</b>		
<b>Balance at period beginning</b>	<b>33 755</b>	<b>25 816</b>
Write-offs on overdue receivables	3 771	652
Reversal of write-offs on overdue receivables	(2 309)	-
Reclassification	-	7 287
<b>Write-downs at the end of the period</b>	<b>35 217</b>	<b>33 755</b>

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Aging of net trade receivables</b>		
<b>net receivables by payment terms</b>	<b>144 404</b>	<b>66 822</b>
up to 3 months	143 727	83 703
up to 6 months	3 210	3 661
up to 1 year	-	-
above 1 year	-	-
Provisions for credit risk	(2 533)	(20 542)
<b>outstanding receivables by payment date</b>	<b>161 699</b>	<b>138 507</b>
up to 3 months	43 603	40 545
up to 6 months	15 314	28 068
up to 1 year	35 011	37 407
above 1 year	86 256	32 972
Provisions for credit risk	(18 485)	(485)
<b>total trade receivables</b>	<b>306 103</b>	<b>205 329</b>

## 21. INVENTORIES

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Structure of inventories</b>		
Materials and raw materials	58 257	83 584
Work in progress	20 883	31 628
Finished products	37 934	55 254
Traded goods	2 344	2 255
Energy certificates	3 784	2 339
<b>Carrying value of inventories</b>	<b>123 202</b>	<b>175 060</b>

Inventories in the amount of PLN 104 474 thousand are used as collateral for repayment of financial liabilities.

### Revaluation write-offs for inventories at the beginning of the period

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Revaluation write-offs for inventories at the beginning of the period</b>	<b>13 889</b>	<b>17 067</b>
Increase of impairments in the period	3 508	2 708
Reversal of write-offs in the period	(1 387)	(5 467)
In-kind contribution of ZCP NPA branch	-	(419)
<b>Revaluation write-offs for inventories at the end of the period</b>	<b>16 010</b>	<b>13 889</b>



**Boryszew S.A.**  
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Creation of impairments for inventories results from comparing the carrying value of inventories with their recoverable value by use or sale. Write-downs are also created for stocks that fall due in accordance with the accounting policy. A write-down is charged to particular period's costs. Reversal of write-downs occurs during cessation of the cause for creation and it is credited to the particular period's incomes.

## 22. CASH

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Cash and cash equivalents</b>		
Cash in hand and at bank	12 396	24 811
including restricted cash	3 743	8 842
<b>Total</b>	<b>12 396</b>	<b>24 811</b>
Unused credits in current bank accounts	35 191	35 551

## 23. RESERVES

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 31.12.2024 and the date of submitting the report for publication:

Shareholders	Number of shares	% of capital	Number of votes	% of votes
<b>Roman Krzysztof Karkosik (*)</b>	<b>156 832 020</b>	<b>65.35%</b>	<b>156 832 020</b>	<b>65.35%</b>
including:				
Boryszew S.A. (**)	34 795 000	14.50%	34 795 000	14.50%
RKKK Investments Sp. z o.o.	119 998 000	49.99%	119 998 000	49.99%
<b>Unibax Spółka z o.o. (***)</b>	<b>36 879 055</b>	<b>15.37%</b>	<b>36 879 055</b>	<b>15.37%</b>
<b>Others</b>	<b>46 288 925</b>	<b>19.28%</b>	<b>46 288 925</b>	<b>19.28%</b>
<b>Total</b>	<b>240 000 000</b>	<b>100.00%</b>	<b>240 000 000</b>	<b>100.00%</b>

(\*) Mr Roman Krzysztof Karkosik with subsidiaries (as per notification of 1 October 2018).

(\*\*) As per the notification of Boryszew S.A. of 30 October 2020

(\*\*\*) Unibax Spółka z o.o. as per notification of 3 June 2022.

**Registered pledges established on shares and freezes on the account of Boryszew S.A. by Boryszew Capital Group member companies following concluded loan agreements**

**Registered pledge agreement**

Shareholder	Number of shares	% of share capital of Boryszew S.A.	Pledgee
Alchemia S.A.	3 200 000	1.33	Alior Bank S.A.

Pledge established under the registered pledge agreement on shares of Boryszew S.A. concluded on 5 February 2020.



**Stock incentive program for the Management Board of Boryszew S.A.**

On 27 May 2022, the Ordinary General Meeting of Boryszew S.A. decided to adopt a stock incentive program dedicated to the Company's Management Board (the "Incentive Program").

The Incentive Scheme covers fiscal years 2022-2025, namely the aforementioned fiscal years will be evaluated in terms of the criteria and objectives of the Incentive Scheme. Under the Incentive Scheme, rights to purchase a total of up to 4 000 000 (four million) own shares may be granted, however the President of the Management Board of the Company holding their position on the date of adoption of the Resolution, will be granted the right to acquire a total of 2 000 000 (two million) shares, as follows:

- a) acquisition of up to 50% (fifty percent) of the Own Shares under the Entitlements granted to a Eligible Person is related to the achievement of Market Objective I and may take place only following the achievement of Market Objective I;
- b) acquisition of up to 50% (fifty percent) of the Own Shares under the Entitlements granted to a Eligible Person is related to the achievement of Market Objective II and may take place only following the achievement of Market Objective II;

The criterion for the acquisition of shares is the achievement of the market target which is:

Market objective I - Company's share price calculated as the average of the closing prices on the Warsaw Stock Exchange over consecutive 7 (seven) trading days shall, by 31 December 2023, reach PLN 10.00;

Market objective II - Company's share price calculated as the average of the closing prices on the Warsaw Stock Exchange over consecutive 7 (seven) trading days shall, by 31 December 2025, reach PLN 20.00.

As of the date of publication of the report, no participation agreements in the program were concluded.


**Boryszew S.A.**
**Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Change in equity	Balance on 31.12.2024	Balance on 31.12.2023
<b>Number of shares as at the balance sheet date</b>	<b>240 000 000</b>	<b>240 000 000</b>
<i>number of own shares</i>	<i>34 795 000</i>	<i>34 795 000</i>
<i>number of shares entitled to dividend</i>	<i>205 205 000</i>	<i>205 205 000</i>
<b>Share capital as at the beginning of the year, including:</b>	<b>248 906</b>	<b>248 906</b>
<b>Share capital as at the end of the year</b>	<b>248 906</b>	<b>248 906</b>
<b>Share premium as at the beginning of the year</b>	<b>112 346</b>	<b>112 346</b>
<b>Balance as at the end</b>	<b>112 346</b>	<b>112 346</b>
<b>Own shares</b>		
<b>Balance as at the beginning of the year</b>	<b>(182 816)</b>	<b>(182 816)</b>
<b>Balance as at the end</b>	<b>(182 816)</b>	<b>(182 816)</b>
<b>Equity - hedge accounting</b>		
<b>Balance at period beginning</b>	<b>(27)</b>	<b>3 931</b>
Recognised profit/loss	33	(4 892)
Income tax	(6)	934
<b>Balance as at the end</b>	<b>-</b>	<b>(27)</b>
<b>Gains/losses on investments in equity instruments</b>		
<b>Balance at period beginning</b>	<b>3 433</b>	<b>27 991</b>
Valuation to fair value	-	(1 241)
Transfer to reserve capital of profit on disposal of equity instruments	(3 433)	(23 553)
Income tax	-	236
<b>Balance as at the end</b>	<b>-</b>	<b>3 433</b>
<b>Restatement of employee benefits</b>		
<b>Balance as at the beginning of the year</b>	<b>(349)</b>	<b>67</b>
Valuation of retirement benefit liabilities in the period	500	(546)
income tax	(95)	130
<b>Balance as at the end</b>	<b>56</b>	<b>(349)</b>
<b>Retained earnings</b>		
<b>Balance as at the beginning of the year</b>	<b>1 029 555</b>	<b>994 609</b>
Correction - implementation of IFRS 9		
Merger with subsidiary, merger equity	-	174 473
Transfer to reserve capital of profit on disposal of equity instruments	3 433	23 553
Dividends paid	(90 290)	(151 851)
Result of the current year	(147 398)	(11 229)
<b>Balance as at the end</b>	<b>795 300</b>	<b>1 029 555</b>
<b>Total equity</b>	<b>973 792</b>	<b>1 211 048</b>



**Boryszew S.A.****Financial statements for the period between 1 January and 31 December 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**Dividend**

On 20 May 2024 the Ordinary General Meeting of the Company passed a resolution to pay a dividend to shareholders (from supplementary capital, which, according to art. 348 § the commercial companies code may be allocated for distribution) in the amount of PLN 0.44 per share entitled to dividend, that is, in the total amount of PLN 90 290 200.00.

205 205 000 shares were entitled to the dividend. 34 795 000 treasury shares held by Boryszew S.A. were not entitled to the dividend.

The dividend date was scheduled for: 27 May 2024.

The dividend payment date was: 4 June 2024.

The dividend was paid in accordance with resolution No. 19 of the Ordinary General Meeting of Boryszew S.A.

**24. BANK LOANS, FACTORING, BORROWINGS AND BONDS**

External financing liabilities	Balance on 31.12.2024	Balance on 31.12.2023
Bank credits	262 332	278 183
Reverse factoring	57 083	51 535
Loans received	156 428	138 066
<b>Total loans, including:</b>	<b>475 843</b>	<b>467 784</b>
<i>long-term</i>	45 546	92 872
<i>short-term</i>	430 297	374 912

**24.1. Bank credits**

	Balance on 31.12.2024	Balance on 31.12.2023
Working capital loan, overdraft facility	262 332	278 183
<b>Total loans, including:</b>	<b>262 332</b>	<b>278 183</b>
<i>long-term</i>	34 182	91 100
<i>short-term</i>	228 150	187 083
unused lending limits	42 601	28 159

Interest expense is presented in Note 11.



## Boryszew S.A.

### Financial statements for the period between 1 January and 31 December 2024

(amounts expressed in PLN '000 unless specified otherwise)

#### Change in loans

	Balance on 31.12.2024	Balance on 31.12.2023
<b>nominal value of loans at the beginning of the year</b>	<b>278 183</b>	<b>381 445</b>
<b>adjustment of the opening balance for the separation of branch</b>	<b>-</b>	<b>(56 381)</b>
proceeds from new loans received	37 107	89 871
repayment of loans	(52 653)	(79 106)
repayment of interest	(17 748)	(14 220)
<b>total cash change</b>	<b>(33 294)</b>	<b>(3 455)</b>
<b>non-cash changes</b>		
impact of exchange rate differences	(306)	(6 111)
unpaid interest at the end of the period recognised in the balance sheet	16 827	15 204
other non-cash changes	922	(984)
<b>sum of non-cash changes</b>	<b>(34 092)</b>	<b>8 109</b>
<b>carrying amount of loans</b>	<b>262 332</b>	<b>329 718</b>
separation of factoring	-	(51 535)
	<b>262 332</b>	<b>278 183</b>

#### Currency structure of loan liabilities

balance on 31.12.2024 original currency (in '000)	balance on 31.12.2024 in PLN '000	% share in 2024	balance on 31.12.2023 original currency (in '000)	balance on 31.12.2023 in PLN '000	% share in 2023
115 187 PLN	115 187	43,9%	100 953 PLN	100 953	36,3%
34 436 EUR	147 145	56.1%	40 761 EUR	177 230	63.7%
<b>Total</b>	<b>262 332</b>			<b>278 183</b>	

#### Change in factoring with recourse

	Balance on 31.12.2024
<b>nominal value of factoring at the beginning of the year</b>	<b>51 535</b>
repayment of factoring liabilities	(217 150)
repayment of interest	(3 180)
<b>total cash change</b>	<b>(220 330)</b>
<b>non-cash changes</b>	
increases due to factoring	222 585
impact of exchange rate differences	(112)
accrued interest during the period	3 388
other non-cash changes	17
<b>sum of non-cash changes</b>	<b>225 878</b>
<b>carrying value of factoring</b>	<b>57 083</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**Loan balances on 31 December 2024 and 31 December 2023, respectively, and the change in loan balances between 1 January and 31 December 2024**

Loan details	Loan liabilities 31.12.2024	Loan liabilities 31.12.2023	Change	Loan repayment date as per agreement	interest rate (%)	Loan collateral
ALIOR	35 692	35 992	(300)	06.09.2025	WIBOR/EURIBOR + margin	BGK crisis guarantee fund guarantee, transfer of receivables, mortgage, pledge
BGK	73 270	56 132	17 138	30.06.2026	EURIBOR + margin	mortgage, pledge
BNP	16 384	20 218	(3 834)	31.07.2025	WIBOR + margin	mortgage, pledge, transfer of receivables
HSBC	16 190	20 450	(4 260)	31.12.2025	WIBOR/EURIBOR + margin	mortgage, pledge
PKO BP	80 197	95 656	(15 459)	31.12.2025	WIBOR/EURIBOR + margin	mortgage, pledge, transfer of receivables
PKO BP	40 594	47 828	(7 234)	31.12.2027	EURIBOR + margin	mortgage, transfer of receivables
PKO BP	5	1 907	(1 902)	31.12.2025	WIBOR + margin	mortgage, pledge, transfer of receivables
<b>Total</b>	<b>262 332</b>	<b>278 183</b>	<b>(15 851)</b>			

**Change in factoring between 1 January and 31 December 2024**

Factoring details	Factoring liability on 31.12.2024	Factoring liability on 31.12.2023	Change	Date of factoring repayment per agreement	interest rate %	Factoring collateral
BNP	20 913	20 724	189	unspecified	WIBOR/EURIBIR/SOFR + margin	blank promissory note with a promissory note agreement
BOŚ	19 988	5 244	14 744	18.12.2025	WIBOR/EURIBIR/SOFR + margin	BGK crisis guarantee fund guarantee
HSBC	16 182	15 614	568	29.01.2025	WIBOR/EURIBIR/SOFR + margin	OPE under CCP Art. 777
SANTANDER	-	9 953	(9 953)	-	WIBOR/EURIBIR/SOFR + margin	BGK crisis guarantee fund guarantee
<b>Total</b>	<b>57 083</b>	<b>51 535</b>	<b>5 548</b>			



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**Information on breach of material provisions of credit or loan agreements**

As at 31 December 2024 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

**24.2. Loan liabilities**

	Balance on 31.12.2024	Balance on 31.12.2023
Loans from related parties	154 906	136 294
Loans from other entities	1 522	1 772
<b>Total loans, including:</b>	<b>156 428</b>	<b>138 066</b>
long-term	11 364	1 772
short-term	145 064	136 294
<b>interest expenses on loans</b>		
interest cost included in the result	10 199	9 990
interest expense (fixed assets)	-	-
<b>total interest expenses</b>	<b>10 199</b>	<b>9 990</b>

**Statement of changes in loans received between 1 January and 31 December 2024**

Change in loans	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>nominal value of loans at the beginning of the year</b>	<b>138 066</b>	<b>323 207</b>
proceeds from new borrowings	54 752	197 296
repayment of loans	(33 635)	(149 154)
interest payment	(8 279)	(8 398)
<b>total cash change</b>	<b>12 838</b>	<b>39 744</b>
<b>non-cash changes</b>		
transfer of debt to another entity	-	(3 935)
compensations	(4 324)	(230 783)
impact of exchange rate differences	(351)	(89)
accrued interest during the period	10 199	9 990
other non-cash changes	-	(68)
<b>sum of non-cash changes</b>	<b>5 524</b>	<b>(224 885)</b>
<b>carrying amount of loans</b>	<b>156 428</b>	<b>138 066</b>

**Changes in bonds issued between 1 January and 31 December 2024**

No new bonds were issued in 2024.

**Conditions of credit agreements**

Agreements signed with banks impose on the Company legal and financial liabilities (covenants), used for such transactions as a standard, including, inter alia: maintaining financial ratios at a specified level (calculated at the consolidated level), the most frequent of which is the net debt to EBITDA ratio.



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## 25. LEASE LIABILITIES

	Balance on 31.12.2024	Balance on 31.12.2023
Liabilities under lease of fixed assets	26 325	35 269
Liability to SMA	18 960	12 534
Liability under lease agreements recognised as right-of-use assets	45 105	51 299
	<b>90 390</b>	<b>99 102</b>
Long-term lease	71 579	76 016
Short-term lease	18 811	23 086

### 25.1. Liabilities under lease of fixed assets

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Leasing liabilities</b>		
Long-term lease	18 692	24 619
Short-term lease	7 633	10 650
<b>Total lease liabilities</b>	<b>26 325</b>	<b>35 269</b>
Lease interest costs recognised in profit or loss of current period	2 393	2 892

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Change in the balance of lease liabilities</b>		
<b>Balance brought forward of lease liabilities</b>	<b>35 269</b>	<b>47 188</b>
new discounted lease liabilities	2 687	5 784
repayment of capital lease instalments	(11 195)	(13 901)
interest payment, which was included in the balance brought forward	(114)	(232)
Separation of branch	-	(2 243)
impact of exchange rate differences	(8)	(1 203)
compensations and other non-monetary changes	(314)	(124)
<b>Carrying value of lease liabilities</b>	<b>26 325</b>	<b>35 269</b>

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Undiscounted finance lease liabilities</b>		
non-discounted payment for 1 month under contract	952	1 608
from 2 to 3 months	1 739	2 116
from 4 to 6 months	2 804	3 150
from 7 to 12 months	3 873	5 760
between 1 year and 3 years	16 486	18 816
from 3 years to 5 years	3 894	7 535
over 5 years	-	-
<b>Total undiscounted lease payments until the end of the lease term</b>	<b>29 748</b>	<b>38 985</b>
future interest payments	(3 423)	(3 716)
<b>Balance sheet value of lease liabilities</b>	<b>26 325</b>	<b>35 269</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**25.2. Liability on perpetual usufruct of land for own use**

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Leasing liabilities</b>		
Long-term lease	13 924	9 758
Short-term lease	73	51
<b>Total lease liabilities</b>	<b>13 997</b>	<b>9 809</b>
Lease interest costs recognised in profit or loss of current period	282	283

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Change in the balance of lease liabilities</b>		
<b>Balance brought forward of lease liabilities</b>	9 809	10 017
introduction to the balance sheet under IFRS 16	-	1 922
new discounted lease liabilities	-	831
repayment of capital lease instalments	(51)	(49)
Derecognition due to sale	(279)	(10)
Revaluation of lease liabilities	4 518	(2 902)
<b>Carrying value of lease liabilities</b>	<b>13 997</b>	<b>9 809</b>

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Non-discounted liabilities due to SMA</b>		
annual fee	448	453
Instalments 1 year to 3 years	1 191	666
Instalments 3 years to 5 years	956	666
Instalments above 5 years - up to 10 years	2 390	1 667
Instalments above 10 years - up to 20 years	4 780	3 330
Instalments above 20 years	14 172	7 598
<b>Total undiscounted lease payments until the end of the lease term</b>	<b>23 937</b>	<b>14 380</b>
future interest payments	(9 940)	(4 571)
<b>Balance sheet value of lease liabilities</b>	<b>13 997</b>	<b>9 809</b>

**25.3. Liability under lease agreements recognised as right-of-use assets**

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Leasing liabilities</b>		
Long-term liabilities	34 169	38 914
Short-term liabilities	10 936	12 385
<b>Total lease liabilities</b>	<b>45 105</b>	<b>51 299</b>
Lease interest costs recognised in profit or loss of current period	2 967	1 635



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Change in the balance of lease liabilities	Balance on 31.12.2024	Balance on 31.12.2023
<b>Balance brought forward of lease liabilities</b>	<b>51 299</b>	33 078
new discounted lease liabilities	418	6 619
repayment of capital lease instalments	(10 536)	(12 886)
interest payment, which was included in the balance brought forward	(46)	(155)
unpaid interest at the end of the period recognised in the balance sheet	-	7
Revaluation of lease liabilities	4 346	25 297
impact of exchange rate differences	(376)	(661)
<b>Carrying value of lease liabilities</b>	<b>45 105</b>	<b>51 299</b>

Gross non-discounted finance lease liabilities	Balance on 31.12.2024	Balance on 31.12.2023
monthly undiscounted rent under the agreement	1 110	1 001
rent payable within 2 to 6 months	5 550	5 153
above 7 month and up to 12 months	6 592	6 232
between 1 year and 3 years	23 163	25 179
from 3 years to 5 years	12 704	18 123
over 5 years	2 051	4 063
<b>Total undiscounted lease payments until the end of the lease term</b>	<b>51 170</b>	<b>59 751</b>
future interest payments	(6 065)	(8 452)
<b>Balance sheet value of lease liabilities</b>	<b>45 105</b>	<b>51 299</b>

#### 25.4. Liability to SMA - investment property

	Balance on 31.12.2024	Balance on 31.12.2023
Long-term liabilities	4 794	2 725
Short-term liabilities	169	-
<b>Total liabilities</b>	<b>4 963</b>	<b>2 725</b>

Change in liabilities	Balance on 31.12.2024	Balance on 31.12.2023
<b>Liabilities - beginning of the year</b>	<b>2 725</b>	<b>1 922</b>
new liabilities	-	831
repayment of capital instalments	(9)	(28)
decrease in liabilities due to disposal of investment property	(663)	-
Revaluation of lease liabilities	2 910	-
<b>Carrying value of lease liabilities</b>	<b>4 963</b>	<b>2 725</b>





**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## 26. TRADE PAYABLES AND OTHER LIABILITIES

	Balance on 31.12.2024	Balance on 31.12.2023
Trade liabilities due to purchase of materials, services and goods	281 280	283 997
State treasury liabilities	23 749	21 097
Other liabilities	38 320	32 926
Payroll liabilities	11 566	12 393
<b>In total, including:</b>	<b>354 915</b>	<b>350 413</b>
<i>long-term liabilities</i>	<i>35 000</i>	<i>25 000</i>
<i>short-term liabilities</i>	<i>319 915</i>	<i>325 413</i>
 <i>Liabilities towards related parties</i>	 <i>107 389</i>	 <i>104 465</i>
<i>Liabilities towards unrelated parties</i>	<i>247 526</i>	<i>245 948</i>

Trade payables before maturity with maturity date:	Balance on 31.12.2024	Balance on 31.12.2023
	<b>188 000</b>	<b>162 969</b>
up to 3 months	187 531	162 801
up to 6 months	469	31
up to 1 year	-	-
above 1 year	-	137
<b>Overdue trade liabilities:</b>	<b>93 280</b>	<b>120 961</b>
up to 3 months	41 988	76 381
up to 6 months	22 478	32 834
up to 1 year	23 777	8 468
above 1 year	5 037	3 278
<b>Total trade liabilities:</b>	<b>281 280</b>	<b>283 930</b>

Other liabilities prior to the payment due date of specified maturity date:	Balance on 31.12.2024	Balance on 31.12.2023
<b>liabilities prior to the payment due date of specified maturity date:</b>	<b>-</b>	<b>67</b>
up to 3 months	-	67
up to 6 months	-	-
up to 1 year	-	-
above 1 year	-	-
<b>overdue trade liabilities:</b>	<b>-</b>	<b>-</b>
up to 3 months	-	-
up to 6 months	-	-
up to 1 year	-	-
above 1 year	-	-
<b>Total other liabilities</b>	<b>-</b>	<b>67</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## 27. EMPLOYEE BENEFIT PROVISIONS

Provision for employee benefits	Retirement severance pay	Disability severance pay	Death benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
<b>Balance on 01.01.2024</b>	<b>2 948</b>	<b>392</b>	<b>287</b>	<b>6 419</b>	<b>2 608</b>	<b>12 654</b>
<b>Movement:</b>	<b>(178)</b>	<b>(67)</b>	<b>(47)</b>	<b>(846)</b>	<b>(2 389)</b>	<b>(3 527)</b>
Interest expense	129	16	12	10	-	167
Current employment costs	276	54	14	(856)	(500)	(1 012)
Benefits paid	(228)	(15)	-	-	(1 889)	(2 132)
Actuarial gains and losses - demographic changes	(104)	(55)	(60)	-	-	(219)
Actuarial gains and losses - financial changes	(251)	(67)	(13)	-	-	(331)
<b>Balance on 31.12.2024</b>	<b>2 770</b>	<b>325</b>	<b>240</b>	<b>5 573</b>	<b>219</b>	<b>9 127</b>
<b>Change</b>	<b>(178)</b>	<b>(67)</b>	<b>(47)</b>	<b>(846)</b>	<b>(2 389)</b>	<b>(3 527)</b>
change recognised in P&L (- cost, + decrease in cost)	177	55	26	(846)	(2 389)	(2 977)
Change included in equity (gain+/lose-)	(355)	(122)	(73)	-	-	(550)
<i>long-term provisions</i>	2 720					
<i>short-term provisions</i>	6 407					

Provision for employee benefits	Retirement severance pay	Disability severance pay	Death benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
<b>Balance on 01.01.2023</b>	<b>2 246</b>	<b>441</b>	<b>472</b>	<b>6 748</b>	<b>4 966</b>	<b>14 873</b>
<b>Movement:</b>	<b>702</b>	<b>(49)</b>	<b>(185)</b>	<b>(329)</b>	<b>(2 358)</b>	<b>(2 219)</b>
Interest expense	121	16	14	-	-	151
Current employment costs	317	59	11	682	(167)	902
Benefits paid	(273)	(23)	(75)	-	(1 413)	(1 784)
Separation of NPA Skawina branch to NPA Skawina Sp. z o.o.	(192)	(97)	(192)	(1 011)	(778)	(2 270)
Actuarial gains and losses - demographic changes	139	(25)	9	-	-	123
Actuarial gains and losses - financial changes	590	21	48	-	-	659
<b>Balance on 31.12.2023</b>	<b>2 948</b>	<b>392</b>	<b>287</b>	<b>6 419</b>	<b>2 608</b>	<b>12 654</b>
<b>Change</b>	<b>702</b>	<b>(49)</b>	<b>(185)</b>	<b>(329)</b>	<b>(2 358)</b>	<b>(2 219)</b>
change recognised in P&L (- cost, + decrease in cost)	(27)	(45)	(242)	(329)	(2 358)	(3 001)
Change included in equity (gain+/lose-)	729	(4)	57	-	-	782
<i>long-term provisions</i>	3 094					
<i>short-term provisions</i>	9 560					

Calculations of provisions for employee benefits were carried out by an independent actuary and involved establishing current (discounted) value of retirement or similar benefit to which the employee became entitled as of the date of calculation, proportionally to the quotient of the employee's service period at the moment of calculation in relation to the service period at the date of payment of the benefit.

As at 31.12.2024 for the calculation of provisions for liabilities to employees, the following parameters and assumptions were adopted: the rate of mobility (rotation) of employees at the level of 1-12%, depending on age, the rate of return on investment at 5.9% and wage growth rate at 5.6% in 2024 and 2.7 in further years, depending on the region of employment.



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## 28. OTHER PROVISIONS

Movements in provisions	Balance on 01.01.2024	creation of provision	provisions used during the year	reversal of unnecessary provisions	Separation of division/merger of units	Balance on 31.12.2024
Provisions for liquidation of fixed assets	953	-	(67)	-	-	886
Provision for tax risks and fiscal claims	20 349	-	-	-	-	20 349
Provisions for warranty repairs, complaints	5 843	1 270	-	-	-	7 113
Provision for customer claims	4 284	45	(1 325)	(70)	-	2 934
Provisions for court proceedings	2 833	-	-	-	-	2 833
<b>Total</b>	<b>34 262</b>	<b>1 315</b>	<b>(1 392)</b>	<b>(70)</b>	<b>-</b>	<b>34 115</b>
<i>Long-term provisions</i>	31 916					32 601
<i>Short-term provisions</i>	2 346					1 514

Movements in provisions	Balance on 01.01.2023	creation of provision	provisions used during the year	reversal of unnecessary provisions	Separation of division/merger of units	Balance on 31.12.2023
Provisions for liquidation of fixed assets	4 679	953	-	-	(4 679)	953
Provision for tax risks and fiscal claims (*)	30 503	4 699	(34 917)	(285)	20 349	20 349
Provisions for warranty repairs, complaints	6 140	-	-	(297)	-	5 843
Provision for customer claims	4 232	152	(100)	-	-	4 284
Provisions for court proceedings	609	2 833	-	-	(609)	2 833
<b>Total</b>	<b>46 163</b>	<b>8 637</b>	<b>(35 017)</b>	<b>(582)</b>	<b>15 061</b>	<b>34 262</b>
<i>Long-term provisions</i>	14 050					31 916
<i>Short-term provisions</i>	32 113					2 346

(\*) utilisation relates to ERG Branch, increase in provision relates to Hutmen Sp. z o.o., which was merged with Boryszew S.A. in 2023.

## 29. OTHER LIABILITIES AND EQUITY

	Balance on 31.12.2024	Balance on 31.12.2023
Subsidies	2 774	3 276
Other (deferred revenues)	4 148	4 610
	<b>6 922</b>	<b>7 886</b>
<i>long-term</i>	5 176	6 085
<i>short-term</i>	1 746	1 801

The main projects that remain to be settled as at 31.12.2024:

Funding, reimbursement from the National Rehabilitation Fund (ERG branch) PLN 1 889 thousand.

Implementation of development investment projects from the NCRD fund (ERG division) PLN 851 thousand - development work on Nanoborygo.

Funding from the National Environmental Protection and Water Management Fund (ERG branch) PLN 34 thousand - construction of a treatment plant.



### 30. FINANCIAL INSTRUMENTS

#### Financial instruments list by balance sheet item and instrument category

##### Financial assets as at 31.12.2024

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Derivatives used for hedges	Carrying value
Listed shares	-	-	23 837	-	23 837
Trade receivables, factoring	302 186	3 917	-	-	306 103
Loans granted	188 359	-	-	-	188 359
Other debtors	-	55 250	-	-	55 250
Cash and cash equivalents	12 396	-	-	-	12 396
<b>Total</b>	<b>502 941</b>	<b>59 167</b>	<b>23 837</b>	<b>-</b>	<b>585 945</b>

##### Financial assets as at 31.12.2023

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Derivatives used for hedges	Carrying value
Trade receivables, factoring	200 830	4 499	-	-	205 329
Derivative financial instruments	-	-	-	3 777	3 777
Loans granted	376 695	-	-	-	376 695
Other debtors	-	128 990	-	-	128 990
Cash and cash equivalents	24 811	-	-	-	24 811
<b>Total</b>	<b>602 336</b>	<b>133 489</b>	<b>-</b>	<b>3 777</b>	<b>739 602</b>

##### Financial liabilities as at 31.12.2024

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	475 843	-	475 843
Lease liabilities	26 325	-	26 325
Right-of-use liabilities	64 065	-	64 065
Trade and other liabilities	281 600	-	281 600
<b>Total</b>	<b>847 833</b>	<b>-</b>	<b>847 833</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**Financial liabilities as at 31.12.2023**

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	467 784	-	467 784
Lease liabilities	35 269	-	35 269
Liabilities to SMA and due to right-of-use assets	63 833	-	63 833
Trade and other liabilities	289 864	-	289 864
<b>Total</b>	<b>856 750</b>	<b>-</b>	<b>856 750</b>

**31. BUSINESS RISKS**

The primary task in the financial risk management process was to identify, measure, monitor and mitigate the primary sources of risk, including but not limited to:

- credit risk.
- risk of changes in foreign exchange rates
- interest rate risk
- liquidity risk

**Credit risk**

Credit risk exists due to the balance of trade receivables, loans granted, bonds acquired, guarantees and sureties granted, cash and cash equivalents.

The Company manages credit risk by insuring receivables with Insurance Companies. Thus, the risk is limited by selling up to the limits established by these Insurance Companies. This rule applies to the Chemicals segment, and others (energy and gas trading).

In the Automotive segment, customers include established global automakers. In this case the credit POLICY on payment terms and limits is determined within the framework of general terms of cooperation.

The company also grants short- and long-term loans to subsidiaries or includes bonds issued by subsidiaries. In the case of uncertain repayment, the Company periodically makes write-downs updating the value of a loan or bond.

**Cumulative revaluation write-offs on receivables**

	Balance on 31.12.2024	Balance on 31.12.2023
<b>Impairment write-off for receivables</b>		
impairment write-offs on trade receivables	93 737	96 787
impairment write-offs on loans	955 400	622 955
impairment write-offs on bonds	66 230	61 159
expected credit loss on loans granted	-	511
expected credit loss on trade receivables	21 018	21 027
doubtful debt allowance on other receivables	35 217	33 755
<b>Total</b>	<b>1 171 602</b>	<b>836 194</b>

Write-offs on trade receivables are mostly recognised for receivables from subsidiaries (Maflow China, Mexico, Spain, Brazil and India) Write-offs on loans relate are mostly recognised for loans granted to BAP Group companies. For other receivables - these are write-offs on receivables from related companies (BAP group companies).

In order to estimate the expected loan losses, the Company has identified the following groups of customers:

- External customers for the automotive segment
- Customers for chemicals segment
- Affiliates of the Boryszew Capital Group.



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Expected credit losses for loans, bonds, guarantees were calculated based on the Moody's rating agency data.

### Interest rate risk

There is a risk that future cash flows related to a financial instrument will be subject to fluctuations due to changes in the interest rates. The Company's exposure to interest rate risk is mainly caused by the fact that the business operations are financed with the use of variable coupon interest debt. The profile of the interest rate risk in the Company is characterized by adverse impact of increased interest rates on the level of cost of interest.

Changes in interest rates affect the volume of future cash flows associated with assets and liabilities.

The Company has identified and monitors the interest rate risk, however, in the opinion of the Management Board the risk of interest rates changes does not constitute the main risk from the perspective of its influence on the volume of cash flows and on profit/loss.

### Sensitivity analysis

	Balance on 31.12.2024	Interest rate increase by 0.5 p.p.	Interest rate decrease by 0.5 p.p.
<b>Interest-bearing (variable %) financial assets</b>	<b>188 359</b>	<b>942</b>	<b>(942)</b>
Loans granted	188 359	942	(942)
<b>Interest-bearing (variable %) financial liabilities</b>	<b>502 168</b>	<b>(2 511)</b>	<b>2 511</b>
Loans	262 332	(1 312)	1 312
Factoring	57 083	(285)	285
Borrowings	156 428	(782)	782
Financial leasing of fixed assets	26 325	(132)	132
<b>Impact on future profit/loss before tax</b>		<b>(1 569)</b>	<b>1 569</b>
<b>Impact on future net profit/loss</b>		<b>(1 271)</b>	<b>1 271</b>

	Balance on 31.12.2023	Interest rate increase by 0.5 p.p.	Interest rate decrease by 0.5 p.p.
<b>Interest-bearing (variable %) financial assets</b>	<b>376 695</b>	<b>1 883</b>	<b>(1 883)</b>
Loans granted	376 695	1 883	(1 883)
other			
<b>Interest-bearing (variable %) financial liabilities</b>	<b>503 053</b>	<b>(2 515)</b>	<b>2 515</b>
Loans	329 718	(1 649)	1 649
Borrowings	138 066	(690)	690
Financial leasing of fixed assets	35 269	(176)	176
<b>Impact on future profit/loss before tax</b>		<b>(632)</b>	<b>632</b>
<b>Impact on future net profit/loss</b>		<b>(512)</b>	<b>512</b>

The table above illustrates sensitivity of the Company's profit/loss to changing rates of interest. The presented impact on the results refers to the time span of subsequent 12 months (assuming that the amount of interest-bearing assets and liabilities remains unchanged).

All significant items of the Company's interest debt and granted loans are based on variable interest rates (mainly: 1M WIBOR, 3M WIBOR, 1M EURIBOR, 3M EURIBOR). Therefore, the fair value of financial assets and liabilities is not exposed to changing rates of interest.

### Foreign exchange rate risk

Foreign exchange rate risk is primarily due to the fact that 46.8% of the Company's revenues is generated by export, with 42% of sales to European countries in EUR and 4.8% of sales to countries outside Europe in USD. The company



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

granted the Group entities with loans in EUR for their operating activities. Change (decrease) EUR exchange rate may have a significant impact on sales revenues and the cost of exchange rate differences for valuation of receivables. In 2024 the Company was not involved in currency option or any other derivative instruments of a speculative nature. The Company partially hedges foreign exchange risk by entering into short- and long-term foreign exchange hedging transactions. The Company does not rule out increasing the amount of foreign exchange contracts in the future.

**Analysis of sensitivity to risk of foreign exchange rates changes 2024**

Currency	Exchange rate as at 31.12.2024 (PLN)	5% exrate change (PLN)
EUR	4.2730	0.2137
USD	4.1012	0.2051

Receivables and liabilities in foreign currencies	Value in currency	effect of increase in exchange rate 5%	effect of decrease in exchange rate 5%
<b>Receivables and payables in EUR</b>			
trade and other receivables	26 086	5 575	(5 575)
borrowings	240 738	51 446	(51 446)
other liabilities	23 507	(5 023)	5 023
borrowings and loans	45 451	(9 713)	9 713
<b>Result</b>		<b>42 285</b>	<b>(42 285)</b>
<b>Receivables and payables in USD</b>			
trade receivables	18 093	3 711	(3 711)
trade liabilities	2 255	(463)	463
<b>Result</b>		<b>3 248</b>	<b>(3 248)</b>

**Analysis of sensitivity to risk of foreign exchange rates changes 2023**

Currency	Exchange rate as at 31.12.2023 (PLN)	5% exrate change (PLN)
EUR	4.3480	0.2174
USD	3.9350	0.1968





**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Receivables and liabilities in foreign currencies	Value in currency	effect of increase in exchange rate 5%	effect of decrease in exchange rate 5%
<b>Receivables and payables in EUR</b>			
trade and other receivables	41 113	8 938	(8 938)
borrowings	210 554	45 774	(45 774)
bonds	266	58	(58)
other liabilities	24 751	(5 381)	5 381
borrowings and loans	49 411	(10 742)	10 742
leasing	9 125	(1 984)	1 984
<b>Result</b>		<b>36 663</b>	<b>(36 663)</b>
<b>Receivables and payables in USD</b>			
trade receivables	14 029	2 761	(2 761)
other liabilities	2 278	(448)	448
loans, borrowings, leasing	674	(133)	133
<b>Result</b>		<b>2 180</b>	<b>(2 180)</b>

#### Capital management

The policy of the Management Board focuses on maintaining a solid capital standing in order to retain the trust of investors, lenders and the market and ensure future economic growth of the Company. Growth is the absolute priority for the Management Board and it is for this purpose that the Company first and foremost seeks to allocate funds, thus building long-term value for shareholders through payment of dividends, acquisitions and new projects.

Net debt to equity ratio	Balance on 31.12.2024	Balance on 31.12.2023
Loan, lease, borrowings debt	566 233	566 886
Cash and cash equivalents	(12 396)	(24 811)
<b>Net debt</b>	<b>553 837</b>	<b>542 075</b>
<b>Equity</b>	<b>973 792</b>	<b>1 211 048</b>
Net debt to equity	56.9%	44,8%

Debt ratio	Balance on 31.12.2024	Balance on 31.12.2023
Liabilities	971 312	975 759
Assets	1 945 104	2 186 807
Debt rate	49,9%	44,6%

#### Liquidity risk

Liquidity risk is a risk of lack of possibility to repay financial liabilities in their maturity dates by the Company. The company takes measures to ensure stable and effective financing of its operations, diversified in terms of financing from financial institutions. In managing liquidity, the company pays attention to effective working capital management and takes measures to optimise costs. Financial surpluses are used to pay off interest-bearing debt or effectively invest them in safe instruments.



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Liquidity ratios	Balance on 31.12.2024	Balance on 31.12.2023
current ratio	0.83	1.11
quick ratio	0.67	0.87
current ratio	0.02	0.03

**Plans for financing Boryszew S.A.**

As at 31.12.2024, net working capital shows a positive value of PLN 144 208 thousand.

In order to improve the Company's liquidity in 2024, actions were undertaken which will be continued in the next period and which include:

- inventory optimisation
- obtaining new financing (full factoring and reverse factoring),
- repayment of a portion of loans and borrowings.
- use of leases to finance operations as well as to finance and refinance capital expenditure.

The Company has no arrears in payments of its financial liabilities and interest.

Management Board believes that the current financial situation and the actions justify preparation of financial statements on the going concern basis and there is no need to change the valuation of assets and liabilities that would have been necessary if the Company was not able to its business in the same or similar scope.

**Analysis of contractual maturity dates of undiscounted cash flows due to financial liabilities as at 31.12.2024.**

	1-3 m-cy	4-6 months	7-12 months	1-3 lata	3-5 years	>5 years	Total	Carrying value
Bank loans maturities	4 550	5 831	217 769	34 182	-		262 332	<b>262 332</b>
Maturity dates of factoring	57 083						57 083	<b>57 083</b>
Maturities of borrowings	15 719	3 000	126 345	10 373	991		156 428	<b>156 428</b>
Maturities of leasing liabilities	2 691	2 804	3 873	16 486	3 894		29 748	<b>26 325</b>
Maturities of liabilities of leased rental services	1 110	5 550	6 592	23 163	12 704	2 051	51 170	<b>45 105</b>
Maturity of PMA fees	611			1 528	1 295	31 505	34 939	<b>18 960</b>
payment of trade liabilities and other items	280 811	469	-	-			281 280	<b>281 280</b>
<b>Total</b>	<b>362 575</b>	<b>17 654</b>	<b>354 579</b>	<b>85 732</b>	<b>18 884</b>	<b>33 556</b>	<b>872 980</b>	<b>847 513</b>

**Analysis of contractual maturity dates of undiscounted cash flows due to financial liabilities as at 31.12.2023.**

	1-3 m-cy	4-6 months	7-12 months	1-3 lata	3-5 years	>5 years	Total	Carrying value
Bank loans maturities	52 844	61 412	124 362	66 751	24 349		329 718	<b>329 718</b>
Maturities of borrowings	3 997	35 000	97 297	-	1 772		138 066	<b>138 066</b>
Maturities of leasing liabilities	3 724	3 150	5 760	18 816	7 535		38 985	<b>35 269</b>
Maturities of liabilities of leased rental services	1 001	5 153	6 232	25 179	18 123	4 063	59 751	<b>51 299</b>
Maturity of PMA fees	453			1 058	1 316	20 146	22 973	<b>12 534</b>
payment of trade liabilities and other items	283 829	31	-	-			283 860	<b>283 997</b>
<b>Total</b>	<b>345 848</b>	<b>104 746</b>	<b>233 651</b>	<b>111 804</b>	<b>53 095</b>	<b>24 209</b>	<b>873 353</b>	<b>850 883</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**Risk of volatility of legal regulations, in particular those governing Company's operations**

In addition, tax regulations in Poland are highly volatile. Any potential changes in the taxation of business activities, whether with respect to income tax, value added tax as well as other taxes, may adversely affect Company's operations and results.

The Group is also exposed to the risk associated with changes in the interpretation of tax law regulations issued by tax authorities, affecting its operating activity and financial results.

**The Company presents information on pending proceedings below.**

**OCCP**

- On 22 October 2020 the President of the Office of Competition and Consumer Protection initiated proceedings against Boryszew S.A. due to the company's excessive delays in meeting its cash obligations in the period June-August 2020. On 20 July 2023, the Company received a notice of completion of the evidence hearing in the case, along with the preliminary position of the President of the office, but not yet being a decision on the merits of the case.  
On 25 August 2023, the Company received a decision imposing a fine for late payment of monetary dues in the amount of PLN 2.83 million. As a result of the appeal, the President of the OCCP upheld the decision to impose fines, reducing however its amount to PLN 2.6 million, by decision of 16 December 2024. The penalty was paid by Boryszew S.A. in January 2025.  
The company filed a complaint against this decision of the President of the OCCP with the Regional Administrative Court.

**Boryszew S.A. (before merger with Hutmen Spółka z o.o.)**

- On 14 February 2018 Hutmen Sp. z o. o. (currently Boryszew S.A.) filed a cassation complaint against the judgment of the Provincial Administrative Court in Warsaw dismissing the company's complaint against the decision of the Director of the Tax Chamber in Warsaw concerning VAT settlement for November 2012. The subject of the dispute is the amount of PLN 548 thousand, which the Company paid and recognised in the result for 2018. On 8 March 2022, a hearing was held before the Supreme Administrative Court, which returned the case to the Provincial Administrative Court for re-examination. On 21 November 2022, the Provincial Administrative Court revoked the decision of the appeal body. The Director of the Fiscal Administration Chamber in Warsaw by the decision of 15 May 2023 repealed the decision of the 1st instance body in its entirety and referred the case for re-examination. As of the date of publication of the report, the tax proceedings had not been completed.
- On 3 April 2019, Hutmen Sp. z o. o. (currently Boryszew S.A.) received the decision issued on 26 March 2019 by the Head of the Lower Silesian Tax and Customs Office, which sets out company's VAT arrears for Q4 of 2014 at PLN 3.04 million plus interest on outstanding tax liability. As claimed by the Office, Hutmen Sp. z o. o. failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection bodies, Hutmen Sp. z o. o. appealed with the Tax Chamber against the decision of the Office. The appeal was recognised and the case was referred back to the Director of the Tax Administration Chamber in Wrocław for further consideration. On 16 November 2020, the company received a decision of the Head of the Lower Silesian Customs and Tax Office in Wrocław, determining again the outstanding VAT liability for Q4 '2014 in the amount of PLN 3.04 million plus interest on outstanding tax liability. On 29 June 2021, the Director of the Fiscal Administration Chamber in Wrocław repealed the decision of the 1st Instance Body in its entirety and referred the case for re-examination. On 16 November 2021, the Fiscal Administration Chamber issued a decision securing the amount of the tax liability. On 2 December 2021, a security deposit was placed in the Office's account. On 20 December 2021, the company again received a decision on the validity of the tax liability. On 3 January 2022, the company filed an appeal against the aforementioned decision. On 2 January 2023 the company received the decision of the Head of the Fiscal Administration Chamber in Wrocław of 27 December 2022, upholding the decision of the 1st instance body, determining overdue VAT liability of Hutmen for Oct-Dec 2014 in the amount of PLN 3.0 million, plus interest on outstanding tax liability. The company filed a complaint with the Provincial Administrative Court against the above decision.  
On 20 June 2024 the Provincial Administrative Court in Wrocław revoked the appealed decision and the preceding decision of the first instance authority. The ruling is not final. On 23 August 2024 the Director of the Fiscal Administration Chamber in Wrocław filed a cassation appeal with the Supreme Administrative Court.  
Until the date of publication of the report, the NSA had not scheduled a hearing date.
- On 10 September 2018 Hutmen Sp. z o. o. (currently Boryszew S.A.) received a decision of the Tax Administration Chamber in Wrocław of 4 September 2018, upholding the decision of the 1st instance body, determining the outstanding VAT liability of Hutmen for October and December 2012 in the amount of PLN 1.14 million plus interest on outstanding tax liabilities. As claimed by the Office, Hutmen failed to observe due diligence in verifying the tax reliability of some of its contractors, and as a consequence did not have the right to deduct input VAT. The claim amount was paid in September 2018 and recognised in the company's 2018 results.  
Due to its different assessment of the facts from that of the inspection bodies, the company filed a complaint against the decision of the Office to the Provincial Administrative Court in Wrocław. On 13 March 2019 the

Provincial Administrative Court issued a decision in favour of Hutmen. The judgement is final. On 3 September 2019 the Director of the Fiscal Administration Chamber in Wrocław repealed fully the decision of the 1st Instance Body in its entirety and referred the case for re-examination by that Body. On 11 December 2019 Hutmen received a refund of the entire amount of the tax in question together with interest. On 12 April 2021, the company received the decision issued on 8 April 2021 by the Head of Mazowiecki Tax and Customs Office, which again sets out company's outstanding VAT for October and December of 2012 at PLN 1.14 million plus interest on overdue tax liability. Hutmen appealed against the decision of the Fiscal Administration Chamber. On 7 October 2021 the company received a decision of the Director of the Fiscal Administration Chamber in Wrocław repealing the appealed decision and transferring the case for reconsideration by the 1st instance body. On 17 March 2025, in a letter 448000-CKK10-3.5001.62.2024.205, the Head of Mazowiecki Tax and Customs Office withdrew from issuing a decision imposing a VAT liability on Boryszew S.A. for October and December 2012.

The above decision finally ended the tax dispute.

- On 28 December 2020 Hutmen Sp. z o. o. (currently Boryszew S.A.) received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków of 16 December 2020 determining the outstanding VAT liability of company in the first half of 2015 in the amount of PLN 7.8 million plus interest on outstanding tax liability. As claimed by the Office, the company failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection bodies, Hutmen Sp. z o. o. appealed with the Fiscal Administration Chamber against the decision of the office. The Director of the Fiscal Administration Chamber in Wrocław repealed the decision of the 1st Instance Body in its entirety and referred the case for re-examination. On 14 October 2021, Hutmen received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków ("Decision") securing future VAT liabilities for the period January 2015 - June 2015. On 22 October 2021 a security deposit in the amount of PLN 11.7 million was established on the account of the Fiscal Office following the decision of 14 October 2021 on Hutmen's assets the state budget liabilities associated with pending customs and fiscal proceedings. On 23 December 2021, the Head of the Małopolska Customs and Fiscal Office in Kraków again issued a decision on the validity of the tax liability, which was appealed by the company. On 2 January 2023 the company received the decision of the Head of the Fiscal Administration Chamber in Wrocław of 28 December 2022 determining overdue VAT liability of Hutmen for H1 2015 in the amount of PLN 7.8 million, plus interest on outstanding tax liability. The company filed a complaint with the Provincial Administrative Court against the above decision. On 29 February 2024, the Provincial Administrative Court revoked the appealed decision and the preceding decision of the first instance authority. On 6 May 2024 the Head of the Fiscal Administration Chamber in Wrocław filed a cassation complaint. On 7 June 2024, the Company filed a response to the cassation complaint.

Until the date of publication of the report, the NSA had not scheduled a hearing date.

#### **Boryszew S.A. Branch Boryszew ERG**

- On 12 April 2021 the Company received a notification from the Head of Mazovian Tax and Customs Office in Warsaw on the initiation of VAT settlements audit for the period December 2015 - March 2016. On 3 August 2022, the Company received an Audit Result following the audit of tax books, in which the Head of Mazovian Tax and Customs Office in Warsaw stated that Boryszew ERG Branch had failed to exercise due diligence in documenting transactions, which was recognised by the Authority as irregularities in the settlement of the tax on goods and services. The Head of the Mazovian Customs and Fiscal Office in Warsaw questioned, in the Audit Result submitted to the Company, the right to apply 0% rate in intra-Community deliveries of goods to foreign entities and indicated that, given the facts, these deliveries should be taxed at 23% rate of the tax on goods and services in the period between December 2015 and March 2016 in the amount of PLN 9 817 220. According to the National Revenue Administration Boryszew S.A. also wrongfully deducted input VAT from invoices issued for the purchase of rapeseed oil, in the period December 2015 to March 2016, thereby overstating it by a total amount of PLN 12 435 798. The total amount of the overdue the tax for the above transactions was PLN 22 253 018 plus interest due. Despite the entitlement of Boryszew S.A. to correct the submitted declarations within 14 days of the date of delivery of the audit result, the Company challenged these findings in the tax proceedings. On 29 August 2022, the Company received a notice that the customs and tax audit had been transformed into a tax procedure. On 10 November 2023, the Company received a decision of the Head of the Mazovian Customs and Fiscal Office ("Office") in Warsaw, of 27 October 2023, determining the Company's outstanding VAT liability for the period December 2015 to March 2016 in the amount of PLN 23.03 million plus interest due for overdue tax. According to the position of the Office, the Company should not have reduced its output tax by the input tax shown on invoices issued by some contractors who were alleged to have been involved in a chain of transactions with the aim of effecting tax evasion. At the same time, the Office stated that Company had not acted with the so-called 'good faith', which would nevertheless help them maintain the right to deduct input tax despite the occurrence of tax irregularities at earlier stages of the disputed supplies. In addition, the Office questioned the Company's right to apply a 0% VAT rate to intra-Community supply of goods transactions, resulting in these transactions being subject to a 23% VAT.



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

For the tax risk arising from the aforementioned proceedings the Company recognised a provision in 2022 in the amount of PLN 30.3 million.

Given the different assessment of the above circumstances, the Company filed an appeal against the above decision of the Authority.

In order to stop further accrual of default interest, on 20 December 2023 the Company paid the principal amount of the liability, i.e. PLN 23.03 million, together with interest in the amount of PLN 18.96 million, to the account of the relevant tax office, resulting from the decision of the Head of the Mazovian Customs and Fiscal Office in Warsaw of 27 October 2023, while questioning the findings of the auditors.

As of the date of publication of the report, the Company had not received a decision from the appeals authority.

**Boryszew S.A. (cases concerning the former NPA Branch)**

- a lawsuit by SILKADA LTD, Cyprus for the payment of PLN 1.35 million (USD 0.33 million) with incidental receivables and the amount of PLN 5.01 million (USD 1.34 million) with incidental receivables (currently the amount of PLN 5.99 million or USD 1.46 million). The case concerns the collection of receivables under purchase agreements that the company then Nowoczesne Produkty Aluminiowe "Skawina" Sp. z o.o., whose legal successor is Boryszew S.A., concluded in 2009 with SH TRADE, s.r.o., Košice. It is essential to determine whether or not payment of receivables was satisfied, following transfers to the bank account of Komerční banka Bratislava, a.s. under the registered pledge of receivables. On 17 January 2024 the court of first instance dismissed the lawsuit. SILKADA LTD appealed timely the judgement of the Kosice City Court of 17 January 2024. SILKADA LTD assigned the aforementioned receivables to OSP real, s.r.o. In July 2024 the case file was forwarded the Kosice District Court. No hearing date has yet been determined.
- lawsuit by Boryszew S.A. for payment of PLN 5.99 million (USD 1.46 million) with incidental receivables from Komerční banka, a.s., for possible unjust enrichment, conducted in the Bratislava City Court, because it was the bank account of this bank that Nowoczesne Produkty Aluminiowe "Skawina" Sp. z o.o. made transfers to in 2010 and 2011. The proceedings relate to the payment of PLN 5.99 million (USD 1.46 million) with incidental receivables, i.e. the amount paid in 2011, as with regard to the 2010 transfers, the plaintiff Nikola Jankovicsová (or SILKADA LTD) did not present any legal arguments challenging these transfers. Along with the lawsuit, the company requested a stay of these proceedings pending the conclusion of the aforementioned proceedings in the Košice II District Court (now Košice City Court). A hearing date of the case has not been determined, nor has an order been issued to suspend the proceedings.

Both cases involve claims associated with collaboration with SH Trade s.r.o, based in Slovakia.

**Fair value**

Valuation techniques and basic inputs that are used for the measurement of fair value

Level 1	Listed shares	Shares listed on the Stock Exchange were valued based on the closing price on the date ending the reporting period.
Level 2	Derivative commodity financial instruments - commodity swaps	The fair value of commodity transactions is calculated based on the prices of contracts for the timely distribution of individual metals as at valuation date and the exchange rates. Data for the valuation obtained from Reuters.
	Derivative currency financial instruments - currency forwards	The fair value of the foreign currency term symmetrical transactions was determined based on the model for the valuation of forward contracts which uses NBP rates as at the valuation date and term interest rates for individual currencies.

In the reporting period as well as in the comparable period, no shift of instruments between level 1 and 2 occurred.

In the reporting period as well as in the comparable period, level 3 instruments were not reclassified to level 1 and 2.

**Fair value of financial assets and liabilities valued at fair value on the on-going basis**

	Fair value as at		Hierarchy of fair value
	Balance on 31.12.2024	Balance on 31.12.2023	
<b>Financial assets</b>			
Derivative financial instruments	-	3 777	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	-	-	Level 2

**Fair value of financial assets and liabilities of the Group not valued at fair value on the on-going basis (but fair value disclosures are required)**





**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

	Balance on 31.12.2024	Balance on 31.12.2023	of fair value
<b>Financial assets</b>			
Shares and stock	23 837	23	Level 3
Borrowings	188 359	376 695	Level 3
Trade and other receivables	361 353	334 319	Level 3
Cash and cash equivalents	12 396	24 811	Level 1
<b>Financial obligations</b>			
Credits, factoring, loans	475 843	467 784	Level 2
Trade and other liabilities	281 600	289 864	Level 3
Lease liabilities	26 325	35 269	Level 2
Right-of-use liabilities	64 065	63 833	Level 2

#### Climate and energy transition risks and issues

Boryszew S.A. consciously and responsibly participates in the energy transition and recognises the importance of both all issues related to climate change mitigation, climate change adaptation and climate risk management.

The Management Board identifies and evaluates climate-related risks on an ongoing basis as part of the strategic management, each time also identifying mitigations of individual risks.

Due to the industry of the Company and the type of its operations (chemical, heavy and automotive industries), its direct impact on the environment results primarily from energy consumption and emissions (including greenhouse gases) to the environment, consumption of water and other resources as well as raw materials and supplies (including those considered hazardous substances), pollution generated by its operations and the generated waste, with the greatest impact on the climate taking place due to the Group's own operations.

The Company considers the following factors and circumstances when assessing significant climate-related risks and opportunities (financial impact of its business):

1. Adapting to climate change - the Company does not have operations in areas directly exposed to climate change risks (except regions with significant water deficit), but as almost all of the Company's operations are concentrated in sectors with significant climate impacts, this risk has been identified in the Company's own operations, in the short and medium term, and the effect of realisation of this risk may be either the need to regulate existing or future environmental charges, or the need to incur additional investment or operating expenditure to meet environmental requirements and adapt operations to new or changed regulations or change the nature of operations of the Companies.
2. Climate change mitigation - the Company is an active participant in changes, as a provider of products and solutions critical to the transformation process. Important assumptions in the business strategy include reducing greenhouse gas emissions, including by improving energy efficiency, using renewable energy sources and implementing lower-emission technologies and products. The financial effect of the measures undertaken cannot be estimated for the balance sheet date and may involve additional capital expenditure on the one hand, and on the other hand may have a positive impact on reducing the cost of operations and financing in the future.

Sustainable business development, active participation in the energy transition and consistent reduction of emissions and improvement of Boryszew Group's energy efficiency have been included in the 2024 – 2028 strategy as an important aspect of business initiatives.

The Management Board of the Company believes that the Company's financial statements include all estimated provisions related to climate issues and disclose all probable investment intentions and commitments of the Group and planned expenditure related to climate issues.

#### Insurance of the Company's property and risks

Boryszew S.A. and subsidiaries had insurance policies for 2024 within the framework of general agreements concluded by the Parent Company with several insurance companies for the entire Boryszew Group.

The scope of these agreements covers the insurance of:

- Boryszew Group property
- profit lost due to potential risks,
- machine damage
- loss of profit due to damage to machinery and equipment
- electronic equipment



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

- business activity and property owners civil liability insurance
- tax risks,
- liability of members of corporate bodies.

Boryszew S.A. and its subsidiaries also signed, depending on the needs, insurance contracts for insurance such as transport cargo insurance, motor insurance, compulsory third party insurance for bookkeeping services and tax advisory services and insurance of trade receivables.

#### **THE IMPACT OF WAR IN UKRAINE ON THE SITUATION OF BORYSZEW S.A.**

The invasion of the Russian Federation in Ukraine, which began on 24 February 2022, and the resulting sanctions introduced by the EU and the US against the Russian Federation and Belarus are assessed by Boryszew S.A. as significant developments for the current macroeconomic situation in the country and the world.

At the same time, the ongoing talks between the US and Ukraine, the US and the Russian Federation, the European Union and Ukraine on the conditions for ending the war are an important part of Poland's current geopolitical environment. The outcome of these talks will be important both for Poland's security and the economic situation as well as the direction of industrial development and investment.

Poland's location as a neighboring country to Ukraine additionally affects the current situation in the country also due to direct economic contacts, the nature of which has changed due to the ongoing war.

The conflict and the current situation in Ukraine is affecting changes in the prices of raw materials, products and services; disrupting the supply chain and limiting the market for sales. A summary of the total impact of the war in Ukraine and its effects on the economy will only be possible over a longer time horizon, but after more than two years of conflict, it can be summarised that the violent behaviour of the markets after the outbreak of the conflict has been extinguished to some extent.

The initially unstable situation in the energy market has been calmed down, supplies from the Russian Federation have been replaced by other alternatives (new suppliers and increasing our own power generation capacity, which correlates with the EU's Green Deal policy). However, the effects of the surge in energy prices are being borne so far, as can be clearly seen in the higher level of inflation, which has exceeded the inflation targets of the central banks of the various European countries.

Due to the sanctions imposed, trade with the Russian Federation almost froze.

Spending on the defense industry has increased, and further increases are expected in this sector, which could also be an opportunity for the industry in the long term. This in particular becomes relevant in the context of the current geopolitical situation, the development of Europe's defense capabilities and the investment in Shield East.

In 2024 no disruptions to Boryszew S.A. operations occurred resulting from the war in Ukraine; the risks described above were mitigated by proactive measures at the operational level and decisions of the Management Board. In addition, by actively participating in Green Deal activities, as part of the Boryszew Capital Group, the Company participates in the energy transition, which will enable greater independence from the availability and price of energy resources, which, with an undoubtedly positive impact on the environment, will further decouple the Company from the negative impact of some of the risks described above.

Operations of Boryszew S.A. are diversified in terms of product range, customers and supply chain, to enable greater flexibility to the volatility of the global situation.

The Management Board believes that on the day of publication no risk exists of significant impact of the conflict on operating activity and going concern of Boryszew S.A. No adjustments have been made to reflect this in this report.

#### **IMPACT OF THE MACROECONOMIC ENVIRONMENT**

Poland's macroeconomic situation indirectly effects the Company's operations. Unfavourable economic developments such as high inflation and interest rates, volatility in the raw materials and materials market and foreign exchange rates, indirectly impact the consumer sentiment and investment preferences of businesses, which may contribute to changes in demand for the Company's contractors' products. The policies of the Monetary Policy Council, the National Bank of Poland and other financial supervisory institutions affect the ability to raise additional capital (the conditions for obtaining loans) and the amount of the cost of raising capital (the amount of interest and commissions). Significant changes in this area may increase the Company's costs.

Sales of the Company's products is strictly dependent on the demand for them, hence the economic situation in the industries in which the Company operates affects the possibility for Boryszew S.A. to generate revenues.

Our customers, wishing to maintain favourable financial results, are looking for additional opportunities to reduce costs, which in a way forces the Company to offer better and better products at very competitive prices. Any reduction in demand for the Company's products could negatively impact the possibility of generating a good financial result. Effective cost control and a secure liquidity position enable the Company to limit the impact of rising commodity prices while continuing its development activities.

In 2024 the Company consistently took measures to further improve operational efficiency, hence managed to partially mitigate the negative impact of the environment on the presented results.



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## **32. SIGNIFICANT EVENTS IN ISSUER'S ACTIVITY**

### **Implementation of Boryszew Group strategy for 2024 - 2028**

According to the resolution of the Supervisory Board of Boryszew S.A. of 17 April 2024 on approval of: "Business Strategy for Boryszew Group for 2024–2028" (Strategy), the Company adopted for implementation on the same date an updated development strategy until 2028, assuming, among other things:

1. creation of new business segments in energy storage and circular economy, including but not limited to:
  - a. construction of 5 MW and 50 MW energy storage facilities,
  - b. construction of installation for thermal transformation of waste: municipal and hazardous in Toruń,
  - c. construction of additional facility for thermal transformation of hazardous waste in Konin;
2. continued development of the most profitable products by expanding into new markets and diversifying end customer sectors, including but not limited to:
  - a. in the Automotive Segment: construction of new production capacity (China),
  - b. in the Metals Segment: doubling the production capacity of aluminum conductors and introducing higher value-added products by 2025 (NPA Skawina Spółka z o.o.) plus expanding production capacity of brass alloy products (WM Dziedzice S.A.);
3. maintaining a high year-on-year EBITDA growth rate in 2024-2028 and reaching an EBITDA level of app. PLN 590 million in 2028;
4. ensuring the required liquidity in Boryszew Capital Group through optimisation of resources used;
5. decommissioning low-margin assets in the Chemicals and Metals Segments;
6. utilising 100% net green electricity as of 2030.

According to the adopted Business Strategy for Boryszew Group for 2024 - 2028, the low-margin activities of the Chemistry and Metal Segment will be gradually extinguished. On the date of publication of the report, Alchemia SA has taken steps to terminate the operations of its branches: Kuźnia Batora (deleted from the National Court Register in June 2024), WRA and Rurexpol.

The adopted Strategy is currently being implemented. Due to macroeconomic conditions (including lower economic growth) and competition from the Far East, the Group's results are below plans. Currently the Company can see no threats to the implementation of the Strategy in the assumed time horizon until 2028.

### **Material change in market conditions at BAP Group**

The deteriorating performance of BKD contracts (decline in volumes) over the course of 2024 led to a significant decline in sales at this company; in addition, new orders from major customers were reduced. An additional factor negatively affecting the situation of BKD involves high fixed costs in particular for salaries, energy and raw materials. Given the inability to achieve the minimum satisfactory profitability of the business and the potential of achieving self-financing of the business by BKD in a reasonable time perspective, the Management Board of BKD decided to file a bankruptcy petition with the competent court. The proposal is for ordinary bankruptcy, in accordance with German bankruptcy law.

BKD holds 100% of shares in Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration, Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration, and 89.11% of shares in Boryszew Plastic Rus.

Following the BKD bankruptcy petition, the Management Board of Boryszew S.A. decided to disclose a write-off in the separate financial statements on loans granted to BKD and other receivables from the period 2011 to 2024 in the total amount of PLN 256.5 million.

*Information on other important events was provided in the form of current reports of the Company, which are available at: [www.boryszew.com.pl](http://www.boryszew.com.pl).*

## **33. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

### **Bankruptcy of subsidiary**

Following the BKD bankruptcy petition, the Management Board of Boryszew S.A. decided to disclose a write-off in the separate financial statements on loans granted to BKD and other receivables from the period 2011 to 2024 in the total amount of PLN 256.5 million.





**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

### 34. CONTINGENT LIABILITIES

	Balance on 31.12.2024	Balance on 31.12.2023
Sureties for the repayment of loans and other liabilities by associated companies	509 758	479 821
<b>Total</b>	<b>509 758</b>	<b>479 821</b>

Contingent items	Balance on 31.12.2024	Balance on 31.12.2023	change
<b>Contingent liabilities</b>	<b>509 758</b>	<b>479 821</b>	<b>29 937</b>
<b>resulting from granted guarantees, sureties and other liabilities</b>	<b>509 758</b>	<b>479 821</b>	<b>29 937</b>
- guarantees and sureties associated with performance of contracts	133 538	144 980	(11 442)
- guarantees and sureties in favour of financial institutions	376 220	334 841	41 379

**Increases / decreases in the period of 12 months ended on 31.12.2024,  
of which:**

**Additions**

- Increase due to valuation of sureties	1 092
- Increase in surety amount	149 482

**Reductions**

- Reduction due to valuation of sureties	(1 738)
- Decrease in the amount of existing sureties due to expiration, reduction	(118 899)

The increase in the value of granted sureties is mainly due to the launch of further tranches of investment loan at BNP Paribas S.A. for Mafmex S. de R.L. de C.V. (PLN 9.17 million), due to increase of the guarantee issued for Mafmex S. de R.L. de C.V. to secure liabilities towards Innova (PLN 2.93 million), granting of a new guarantee to HSBC Continental Europe Italy for a loan granted to Maflow BRS s.r.l. (PLN 21.37 million), granting of a new guarantee to Trafigura II PTE. LTD to secure trade liabilities of NPA Skawina Spółka z o.o. (PLN 4.27 million), granting a new promissory note surety for Bank Millennium to secure the reverse factoring of NPA Skawina Sp. z o.o. (PLN 15.25 million), granting a new promissory note surety for PEKAO Leasing Sp. z o.o. to secure the reverse factoring of Boryszew Assets Sp. z o.o. (PLN 6.21 million), granting a new surety to Alior Bank for liabilities of ZM Silesia S.A. (PLN 5.00 million), due to an increase of surety in favour of Huta Cynku "Miasteczko Śląskie" S.A. to secure trade liabilities of ZM Silesia S.A. (PLN 5.00 million), due to an increase of surety in favour of Glencore International AG to secure trade liabilities of ZM Silesia S.A. (PLN 17.06 million), granting a guarantee to Investitionsbank des Landes Brandenburg for the grant awarded to Boryszew Oberflächentechnik Deutschland GmbH (PLN 21.42 million), granting a guarantee to BGK under a working capital loan (PLN 8.55 million) and an investment loan (PLN 17.46 million) to secure liabilities of Maflow Components (Dalian) Co. Ltd, as well as increase in the value of the guaranteed full factoring to Coface Poland Factoring Sp. z o.o. for ZM Silesia S.A. (PLN 14.74 million).

The decrease in the amount of existing sureties is mainly due to expiry or reduction of guarantees granted for liabilities of NPA Skawina Spółka z o.o. (PLN 78.21 million), expiry of the guarantee granted to Glencore International AG for ZM Silesia S.A. under a guarantee line with HSBC (PLN 6.52 million), expiry of the guarantee granted to Borealis AG (PLN 4.35 million) for commercial liabilities of: Maflow Plastics Poland Sp. z o.o., Boryszew Kunststofftechnik Deutschland GmbH and AKT Plastikarska Technologie Czechy Spol. s.r.o, expiry of the guarantee granted to BGK for Boryszew Oberflächentechnik Deutschland GmbH following full repayment of loan liability (PLN 5.16 million), reduction of liabilities under a promissory note surety issued to Coface Poland Factoring Sp. z o.o. to secure reverse factoring for Alchemia Sp. z o.o. (PLN 4.23 million), and reduction of liabilities under the guarantee issued to Intensa Bank for Maflow BRS s.r.l. (PLN 5.60 million).



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**Status of current sureties as at 31.12.2024**

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	Expiry date of guarantee
<b>Maflow Plastics Poland Sp. z o.o.</b>	Guarantee granted to HSBC Continental Europe Branch in Poland	2 753	31.01.2026
	Endorsement of lease agreement for mLeasing	13	10.01.2025
	Endorsement of lease agreement for mLeasing	7	10.01.2025
	Endorsement of lease agreement for mLeasing	31	15.02.2025
	Endorsement of lease agreement for mLeasing	24	15.02.2025
	Guarantee granted to HSBC Factoring (France)	1 318	31.12.2033
1) Maflow Plastics Poland Sp. z o.o. 2) Boryszew Kunststofftechnik Deutschland GmbH 3) AKT Plastikarska Technologie Czechy Spol. S.R.O.	Guarantee granted to Basell Sales & Marketing Company B.V.	8 546	31.12.2024
<b>Boryszew Kunststofftechnik Deutschland GmbH</b>	Guarantee granted to Elix Polymers S.L.	1 624	31.12.2024
	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee Line at HSBC)	3 205	31.12.2024
<b>Maflow BRS s.r.l.</b>	Guarantee granted to Intesa Bank	10 323	30.11.2026
	Guarantee granted to HSBC Continental Europe Italy	21 365	05.02.2034
<b>Boryszew Oberflächentechnik Deutschland GmbH</b>	Guarantee granted to Investitionsbank des Landes Brandenburg	21 417	16.01.2026
<b>MAFMEX S. de R.L. de C.V.</b>	Maflow's performance bond for AB Volvo	21 365	term of the agreement
	Maflow's rent payment bond to Innova Dintel	12 225	30.06.2030
	BMW AG performance bond	25 638	contract performance period +15 years
	Guarantee granted to BNP Paribas S.A.	64 744	30.06.2031
	Guarantee granted to HSBC Mexico S.A.	20 506	22.11.2032
<b>ZM Silesia S.A.</b>	Surety granted to PKO BP S.A.	9 800	31.08.2027
	Endorsement for Coface Poland Factoring	35 739	indefinite validity
	Lease surety for Volkswagen Financial Services Polska	31	indefinite validity
	Lease surety for Volkswagen Financial Services Polska	10	31.05.2025
	Surety granted to Bank Millennium	14 000	28.05.2027
	Surety granted to Huta Cynku	15 000	31.03.2025
	Guarantee granted to Glencore International AG	19 229	30.03.2025
	Surety granted to Alior Bank	5 000	04.08.2028
<b>Maflow Components (Dalian) Co. Ltd.</b>	Guarantee granted to HSBC Bank (China) Company Limited	16 863	18.01.2025
	BMW AG performance bond	25 638	contract performance period +15 years
	Guarantee provided to Bank Gospodarstwa Krajowego	17 456	30.06.2030
	Guarantee provided to Bank Gospodarstwa Krajowego	8 546	27.03.2026



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	Expiry date of guarantee
<b>Boryszew Maflow Sp. z o.o.</b>	Guarantee provided to BNP Paribas	63 316	30.06.2031
	Guarantee provided to BNP Paribas	16 237	28.06.2026
<b>NPA Sp. z o.o.</b>	Endorsement for Coface Poland Factoring	10 275	indefinite validity
	Guarantee granted to Trafigura II PTE. LTD.	4 273	30.01.2025
	Endorsement for Millennium	15 253	indefinite validity
<b>Alchemia S.A.</b>	Endorsement for Coface Poland Factoring	10 712	indefinite validity
<b>Boryszew Assets Spółka z o.o.</b>	Endorsement of lease agreement for PEKAO Leasing Sp. z o.o.	6 208	15.08.2029
<b>Major Sp. z o.o.</b>	Guarantee provided to Major Sp. z o.o. (under a guarantee line with HSBC)	1 068	30.06.2025
<b>Total guarantees and sureties granted by Boryszew S.A.</b>		<b>509 758</b>	

**Status of current sureties as at 31.12.2023**

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	Expiry date of guarantee
<b>Boryszew Oberflächentechnik Deutschland GmbH</b>	Guarantee granted to Bank Gospodarstwa Krajowego	5 160	31.12.2028 full repayment 14.03.2024
	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee line at HSBC)	1 957	31.03.2024
<b>Boryszew Plastic RUS Sp. z o.o.</b>	Payment guarantee granted to Engel Austria	828	25.02.2024
<b>Maflow Plastics Poland Sp. z o.o.</b>	Guarantee granted to HSBC Bank Polska S.A.	4 583	31.01.2026
	Endorsement of lease agreement for mLeasing	272	15.12.2024
	Endorsement of lease agreements for mLeasing	135	15.12.2024
	Endorsement of lease agreements for mLeasing	263	15.12.2024
	Endorsement of lease agreement for mLeasing	135	15.12.2024
	Endorsement of lease agreements for mLeasing	135	15.02.2025
	Endorsement of lease agreements for mLeasing	206	15.02.2025
	Guarantee granted to HSBC Continental Europe (Spółka Akcyjna) Branch in Poland	4 753	31.12.2033
1) Maflow Plastics Poland Sp. z o.o. 2) Boryszew Kunststofftechnik Deutschland GmbH 3) AKT Plastikarska Technologie Czechy Spol. S.R.O.	Guarantee granted to Borealis AG for commercial liabilities	4 348	31.12.2023



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	Expiry date of guarantee
1) Maflow Plastic Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) AKT Plastikarska Technologie Czechy Spol. S.R.O.	Guarantee granted to Basell Sales & Marketing Company B.V.	8 696	31.12.2023
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Elix Polymers S.L.	1 652	31.12.2023
	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee line at HSBC)	4 348	31.03.2024
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	15 921	30.11.2026
MAFMEX S. de R.L. de C.V.	Maflow's performance bond for AB Volvo	21 740	term of the agreement
	Maflow's rent payment bond to Innova Dintel	9 300	01.01.2030
	BMW AG performance bond	26 088	contract period + 15 years
	Guarantee granted to BNP Paribas S.A.	55 570	30.06.2031
	Guarantee granted to HSBC Mexico S.A.	19 675	22.11.2032
ZM Silesia S.A.	Surety granted to PKO BP S.A.	9 800	31.08.2027
	Endorsement for Coface Poland Factoring Sp. z o.o.	20 997	indefinite validity
	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	46	15.09.2026
	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	33	31.05.2024
	Surety granted to Bank Millennium S.A.	15 000	28.05.2027
	Surety granted to Huta Cynku	10 000	31.03.2025
	Guarantee granted to Glencore International AG	2 174	30.04.2024
	(under the Guarantee Line at HSBC)	6 522	30.04.2024
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	16 602	18.01.2025
	BMW AG performance bond	26 088	contract period + 15 years
Boryszew Maflow Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	66 842	30.06.2031
	Guarantee granted to BNP Paribas S.A.	16 522	28.06.2026
NPA Sp. z o.o.	Guarantee granted to Glencore International AG	9 838	16.02.2024
	Guarantee granted to Mechem S.A.	9 838	28.02.2024
	Guarantee granted to Trafigura PTE. LTD.	8 696	28.02.2024
	Endorsement for Coface Poland Factoring Sp. z o.o.	13 223	indefinite validity
	Surety granted to mBank S.A.	28 000	indefinite validity
	Endorsement Credit Agricole Bank Polska S.A.	6 522	indefinite validity
	Promissory note surety to Sopockie Towarzystwo Ubezpieczeń Ergo Hestia S.A.	12 367	20.09.2024



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	Expiry date of guarantee
Alchemia S.A.	Endorsement for Coface Poland Factoring Sp. z o.o.	14 946	indefinite validity
<b>Total guarantees and sureties granted by Boryszew S.A.</b>		<b>479 821</b>	

The Company has estimated the credit risk associated with the guarantees, and on 31.12.2024 recognised a provision for a possible claim (expected credit loss) in the amount of PLN 2 809 thousand.

### 35. TRANSACTIONS WITH AFFILIATED ENTITIES AND BENEFITS FOR KEY PERSONNEL

Transactions between related parties are mainly include commercial transactions concluded between companies of the Capital Group and personally related entities with regard to sale or purchase of traded goods and products of typical, conventional nature for the Company's operations. The below presented information on transactions in securities and loans within Boryszew Capital Group were concluded on the basis of standard liquidity management mechanisms at the Group used for balancing of funds for the purpose of financing the operations of individual Group companies.

#### Transactions with affiliated entities

	Subsidiaries	Associates	Personally related entities
<b>in the period 01.01.2024 - 31.12.2024</b>			
Revenues from sales (of products, services, goods)	272 563	-	5 297
Interest income	58 540	-	34
Dividends received and due	142 478	-	-
Purchases (of materials, goods, services)	99 740	-	1 350
Interest expense	13 885	-	-
<b>balance on 31.12.2024</b>			
Trade receivables	165 600	-	427
Loans granted	188 359	-	-
Other receivables (advances, deposits)	29 668	-	-
Lease liabilities	22 049	-	-
Trade liabilities	69 452	-	131
Loans received	154 906	-	-
Other liabilities (advances, deposits)	2 806	-	-

	Subsidiaries	Associates	Personally related entities
<b>in the period 01.01.2023 - 31.12.2023</b>			
Revenues from sales (of products, services, goods)	444 359	-	8 101
Interest income	57 328	-	1 328
Dividends received and due	95 053	-	-
Purchases (of materials, goods, services)	130 296	-	60
Interest expense	11 483	-	-
<b>balance on 31.12.2023</b>			
Trade receivables	123 086	-	1 395
Loans granted	376 695	-	-
Other receivables (advances, deposits)	104 171	-	-
Lease liabilities	27 336	-	-



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Trade liabilities	74 949	-	83
Loans received	136 294	-	-
Other liabilities (advances, deposits)	1 218	-	-

Commercial transactions between subsidiaries regarding the sale or purchase of goods and services are concluded on market conditions.

<b>Remuneration of Management Board and Supervisory Board</b>	<b>01.01.2024 - 31.12.2024</b>	<b>01.01.2023 - 31.12.2023</b>
Remuneration of the Management Board for the Parent Company	4 757	3 735
Remuneration for the Supervisory Board of the Parent Company	532	515

Members of the Management Board and the Supervisory Board were not granted any loans or paid no advances

### 36. REMUNERATION OF THE AUDITOR

According to the Agreement, the amount of remuneration for audit services for 2024 of the key auditor is as follows:

<b>Activity</b>	<b>Net amount</b>
Remuneration for the review of separate financial statements as at 30.06.2024.	PLN 79 094
Remuneration for the review of consolidated financial statements as at 30.06.2024.	PLN 91 270
Remuneration for the audit of separate financial statements as at 31.12.2024.	PLN 174 898
Remuneration for the audit of the consolidated financial statements on 31.12.2024, including the assessment of conformity of the annual consolidated financial statements for 2023 in the European Single Electronic Format (ESEF/XBRL format)	PLN 217 172
<b>Total</b>	<b>PLN 562 434</b>

#### Remuneration for non-research services

Evaluation of the report on remuneration of Boryszew Management Board and Supervisory Board for 2024	PLN 14 482
<b>Total</b>	<b>PLN 14 482</b>

Auditor's fees for audit services to subsidiaries:

#### Audit activities

Attestation service for Group sustainability reporting	PLN 166 500
<b>Total</b>	<b>PLN 166 500</b>

<b>Total</b>	<b>PLN 743 416</b>
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The auditor was selected by the Supervisory Board in accordance with the Company's Articles of Association. The Group had used the services of the aforesaid auditor with respect to audit and review of financial statements pertaining to years 2018 – 2021, another contract has been concluded for 2022-2024



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## 37. EMPLOYMENT

	Balance on 31.12.2024	Balance on 31.12.2023
Blue-collar workers	1 861	2 235
White-collar workers	509	507
<b>Total</b>	<b>2 370</b>	<b>2 742</b>

## 38. THE REPORT DRAFTED AS PER ART. 44 OF THE ENERGY LAW ACT FINANCIAL STATEMENT

Financial statements are presented in PLN. PLN is the functional and reporting currency. All values in the financial statements are presented in full thousands of PLN, unless stated otherwise.

### 1. Statement by the Management Board on compliance of accounting principles

The Management Board for Boryszew S.A.: Wojciech Kowalczyk, Łukasz Bubacz, Adam Holewa declare that to the best of their knowledge the financial statement prepared according to the provisions of Art. 44 of the Power Law Act and comparable data have been prepared in compliance with valid accounting principles and that the statement reflects in real, reliable and clear manner the property and financial situation as well as financial result of Boryszew S.A. The Management Board confirms that the report on activity of Boryszew S.A. contains the true picture of development and achievements as well as its situation including the description of basic threats and risks.

### 2. Accounting principles applied

The report was prepared based on the separate financial statements presented by Boryszew SA, prepared in accordance with International Financial Reporting Standards in the scope determined by Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards with amendments. In preparing these financial statements, the Company made no changes to any previously applied accounting principles.

The statement of comprehensive income was prepared in accordance with Article 44 section 1 of the Energy Law Act. The Company keeps accounting records in a way that allows a separate calculation of variable costs and revenues for individual types of activities. If fixed costs relate to several types of activity, they are assigned according to the percentage share of sales revenues from a given activity in the total sales revenues referred to in the energy law.

Bearing in mind that it is also required to divide items of the statement of financial position, the same accounting principles apply to the balance sheet items.

The structure of the prepared financial statements is based on the following general classification:

- **licensed operations regulated by Energy Law** - gainful activity consisting in the sales and distribution of electricity and gas fuels
- **other activity** - activities in the following segments: automotive, chemical products, aluminium products (in the comparable period), holding operations

In the licensed activity, the following have been specified:

- **Electricity with segments:**  
Distribution list  
Turnover
- **Gas fuels with segments:**  
Distribution list  
Rotation

### Statement of comprehensive income

#### 2.1. Licensed operations regulated by Energy Law

Total revenues from the distribution and trading of electricity and gas fuels have been determined by the use of a direct method and they result from invoices issued for the sale and distribution of electricity and gas fuels.





**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

Variable costs for the electricity and gas fuels trading segment are directly related to invoices for the purchase of electricity and gas purchased for resale.

Fixed costs are the result of the cost allocation related to the maintenance of infrastructure for the distribution of electricity and gas fuels as well as the management and sales costs. Management and sales costs assigned to licensed activities are allocated to individual segments according to the percentage share of sales revenues for individual segments in the total sales revenues referred to in the energy law.

## **2.2. Other activities (other than regulated by the Energy Law)**

The items of revenues and costs on other activities constitute all revenues and costs of Boryszew SA not assigned to activities covered by the Energy Law, i.e. operating in the following segments: automotive, chemical products, aluminium products, holding activities.

Total comprehensive income from other operations in 2024 is (151 975) and (20 460) in 2023, respectively.

The items shown in the Total column comprise the sum of individual items of the licensed activity described in paragraph 2.1, covered by Energy Law, and activities not covered by the Energy Law described in item 2.2.

## **Statement of financial position**

### **2.3. Licensed operations regulated by Energy Law**

#### **Distribution and trading in electricity**

Property, plant and equipment for the distribution business are the sum of the carrying value of property, plant and equipment as at 31 December 2024 allocated to electricity distribution in the financial and accounting system. This is mainly the infrastructure used for the transmission of electricity. Fixed assets are not used in the trading segment, and were not separated for this part of the statement.

Intangible assets include software appropriated based on the percentage share of revenues from electricity distribution/trading in total revenue.

Trade and other receivables for the distribution and trade in electricity business are actual amounts resulting from sales invoices issued and not paid as at 31 December 2024.

The Company does not recognise any inventories for distribution and trade in electricity.

Equity for distribution and trading activities represents only the net profit for 2013 - 2024 resulting from the statement of comprehensive income for relevant segment of activities. Other equity items were shown as operations outside of the scope of energy law.

Long-term liabilities include provisions for employee benefits of employees in the electricity distribution segment. Trade and other liabilities are outstanding suppliers' invoices for electricity purchase and distribution as well as the surplus of output VAT over input VAT and also excise tax liabilities. Liabilities do not include the portion of liabilities that relates to purchase for own needs.

#### **Distribution and trade in gaseous fuels**

Property, plant and equipment for the distribution business are the sum of the carrying value of property, plant and equipment as at 31 December 2024 allocated to gaseous fuels distribution in the financial and accounting system. This is mainly infrastructure used for gas transmission. Fixed assets are not used in the trading segment, and were not separated for this part of the statement.

Intangible assets include software appropriated based on the percentage share of revenues from gas distribution/trading in total revenue.

Trade and other receivables for the distribution and trade in gas business are actual amounts resulting from sales invoices issued and not paid as at 31 December 2024. The Company does not recognise any inventories for distribution and trade in gas.

Equity capital (fund) for distribution and trading activities is only the net profit for 2013-2024 resulting from the statement of comprehensive income for the given segment of activity. Other equity items were shown as operations outside of the scope of energy law.

Short-term trade and other liabilities are outstanding suppliers' invoices for gas purchase and distribution as well as excise tax liabilities. Liabilities do not include the portion of liabilities that relates to purchase of gas for own needs.

## **2.4. Activities other than regulated by the Energy Law**

Balance sheet items from activities other than regulated by the Energy Law are all items resulting from the financial statement of Boryszew S.A. and associated with activities in the following segments: Automotive, Chemicals, Other.





**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**2.5. Total**

The items shown in the Total column are the sum of relevant items of the licensed activity regulated by the Energy Law, and activities in the following segments: Automotive, Chemicals, Other.

**Statement of comprehensive income for the period between 01.01.2024 and 31.12.2024.**

	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	<b>Total activity under the Energy Law</b>	<i>Other business</i>	<b>Total</b>
Revenues from sales	29 711	320 980	7 440	368 701	726 832	942 537	1 669 369
Cost of sales	29 397	311 709	7 047	360 064	708 217	810 773	1 518 990
<b>Profit on sale</b>	<b>314</b>	<b>9 271</b>	<b>393</b>	<b>8 637</b>	<b>18 615</b>	<b>131 764</b>	<b>150 379</b>
Selling and management costs	234	2 524	87	2 942	5 787	113 345	119 132
Other operating profit/loss	18	135	3	(7 453)	(7 297)	163 869	156 572
Financial revenues	0	4	-	4	8	75 177	75 185
Financial expenses	0	2	-	2	4	414 265	414 269
<b>Profit (loss) before income tax</b>	<b>98</b>	<b>6 884</b>	<b>309</b>	<b>(1 756)</b>	<b>5 535</b>	<b>(156 800)</b>	<b>(151 265)</b>
Income tax	19	1 176	101	(770)	526	(4 393)	(3 867)
<b>Net profit/loss</b>	<b>79</b>	<b>5 708</b>	<b>208</b>	<b>(986)</b>	<b>5 009</b>	<b>(152 407)</b>	<b>(147 398)</b>
Other income recognised in equity	-	-	-	-	-	432	432
<b>Total comprehensive income</b>	<b>79</b>	<b>5 708</b>	<b>208</b>	<b>(986)</b>	<b>5 009</b>	<b>(151 975)</b>	<b>(146 966)</b>

**Statement of comprehensive income for the period between 01.01.2023 and 31.12.2023.**

	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	<b>Total activity under the Energy Law</b>	<i>Other business</i>	<b>Total</b>
Revenues from sales	18 263	356 878	5 229	311 864	692 234	1 123 052	1 815 286
Cost of sales	17 921	352 426	6 445	305 484	682 276	971 792	1 654 068
<b>Profit on sale</b>	<b>342</b>	<b>4 452</b>	<b>(1 216)</b>	<b>6 380</b>	<b>9 958</b>	<b>151 260</b>	<b>161 218</b>
Selling and management costs	97	1 884	296	2 277	4 554	123 470	128 024
Other operating profit/loss	29	555	6	480	1 070	91 243	92 313
Financial revenues	3	56	1	48	108	108 695	108 803
Financial expenses	0	4	-	4	8	257 773	257 781
<b>Profit (loss) before income tax</b>	<b>277</b>	<b>3 175</b>	<b>(1 505)</b>	<b>4 627</b>	<b>6 574</b>	<b>(30 045)</b>	<b>(23 471)</b>
Income tax	72	1 400	15	1 235	2 722	(14 964)	(12 242)
<b>Net profit/loss</b>	<b>205</b>	<b>1 775</b>	<b>(1 520)</b>	<b>3 392</b>	<b>3 852</b>	<b>(15 081)</b>	<b>(11 229)</b>
Other income recognised in equity	-	-	-	-	-	(5 379)	(5 379)
<b>Total comprehensive income</b>	<b>205</b>	<b>1 775</b>	<b>(1 520)</b>	<b>3 392</b>	<b>3 852</b>	<b>(20 460)</b>	<b>(16 608)</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**Statement of financial position as at 31.12.2024**

<b>ASSETS</b>	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	<b>Total activity under the Energy Law</b>	<i>Other business</i>	<b>Total</b>
<b>Non-current assets</b>							
Non-current assets	25	268	64	304	661	171 717	172 378
Intangible assets	-	-	-	-	-	-	-
Other non-current assets	5	55	3	1 072	1 135	1 131 492	1 132 627
<b>Total fixed assets</b>	<b>30</b>	<b>323</b>	<b>67</b>	<b>1 376</b>	<b>1 796</b>	<b>1 303 209</b>	<b>1 305 005</b>
<b>Current assets</b>							
Trade receivables and other receivables	4 638	54 656	715	83 821	143 830	206 916	350 746
Other assets	113	1 220	20	5 104	6 457	281 723	288 180
<b>Total current assets</b>	<b>4 751</b>	<b>55 876</b>	<b>735</b>	<b>88 925</b>	<b>150 287</b>	<b>488 639</b>	<b>638 926</b>
Assets classified as held for sale					-	1 173	1 173
<b>Total assets</b>	<b>4 781</b>	<b>56 199</b>	<b>802</b>	<b>90 301</b>	<b>152 083</b>	<b>1 793 021</b>	<b>1 945 104</b>

<b>LIABILITIES AND EQUITY</b>	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	<b>Total activity under the Energy Law</b>	<i>Other business</i>	<b>Total</b>
<b>Equity</b>							
Share capital	-	-	-	-	-	248 906	248 906
Retained earnings and other equity	-	-	-	-	-	871 852	871 852
Total comprehensive income	79	5 708	208	(986)	5 009	(151 975)	(146 966)
<b>Total equity</b>	<b>79</b>	<b>5 708</b>	<b>208</b>	<b>(986)</b>	<b>5 009</b>	<b>968 783</b>	<b>973 792</b>
<b>Long-term liabilities</b>	-	-	-	-	-	192 622	192 622
<b>Short-term liabilities</b>							
Trade payables and other liabilities	1 737	45 929	880	91 098	139 644	632 639	772 283
Employee benefit provisions	8	89	13	102	212	6 195	6 407
<b>Total short-term liabilities</b>	<b>1 745</b>	<b>46 018</b>	<b>893</b>	<b>91 200</b>	<b>139 856</b>	<b>638 834</b>	<b>778 690</b>
<b>Total liabilities</b>	<b>1 745</b>	<b>46 018</b>	<b>893</b>	<b>91 200</b>	<b>139 856</b>	<b>831 456</b>	<b>971 312</b>
<b>Total equity and liabilities</b>	<b>1 824</b>	<b>51 726</b>	<b>1 101</b>	<b>90 214</b>	<b>144 865</b>	<b>1 800 239</b>	<b>1 945 104</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

**Statement of financial position as at 31.12.2023**

<b>ASSETS</b>	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	<b>Total activity under the Energy Law</b>	<i>Other business</i>	<b>Total</b>
<b>Non-current assets</b>							
Non-current assets	18	359	58	310	745	200 822	201 567
Intangible assets	-	-	-	-	-	-	-
Other non-current assets	3	62	1	54	120	1 180 603	1 180 723
<b>Total fixed assets</b>	<b>21</b>	<b>421</b>	<b>59</b>	<b>364</b>	<b>865</b>	<b>1 381 425</b>	<b>1 382 290</b>
<b>Current assets</b>							
Trade receivables and other receivables	2 927	42 748	410	70 725	116 810	149 885	266 695
Other assets	106	2 056	22	4 048	6 232	531 590	537 822
<b>Total current assets</b>	<b>3 033</b>	<b>44 804</b>	<b>432</b>	<b>74 773</b>	<b>123 042</b>	<b>681 475</b>	<b>804 517</b>
Assets classified as held for sale	-	-	-	-	-	-	-
<b>Total assets</b>	<b>3 054</b>	<b>45 225</b>	<b>491</b>	<b>75 137</b>	<b>123 907</b>	<b>2 062 900</b>	<b>2 186 807</b>

<b>LIABILITIES AND EQUITY</b>	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	<b>Total activity under the Energy Law</b>	<i>Other business</i>	<b>Total</b>
<b>Equity</b>							
Share capital	-	-	-	-	-	248 906	248 906
Retained earnings and other equity	-	-	-	-	-	978 750	978 750
Total comprehensive income	205	1 775	(1 520)	3 392	3 852	(20 460)	(16 608)
<b>Total equity</b>	<b>205</b>	<b>1 775</b>	<b>(1 520)</b>	<b>3 392</b>	<b>3 852</b>	<b>1 207 196</b>	<b>1 211 048</b>
<b>Long-term liabilities</b>	-	-	-	-	-	234 983	234 983
<b>Short-term liabilities</b>							
Trade payables and other liabilities	1 710	49 118	696	66 527	118 051	619 067	737 118
Employee benefit provisions	2	36	9	31	78	3 580	3 658
<b>Total short-term liabilities</b>	<b>1 712</b>	<b>49 154</b>	<b>705</b>	<b>66 558</b>	<b>118 129</b>	<b>622 647</b>	<b>740 776</b>
<b>Total liabilities</b>	<b>1 712</b>	<b>49 154</b>	<b>705</b>	<b>66 558</b>	<b>118 129</b>	<b>857 630</b>	<b>975 759</b>
<b>Total equity and liabilities</b>	<b>1 917</b>	<b>50 929</b>	<b>(815)</b>	<b>69 950</b>	<b>121 981</b>	<b>2 064 826</b>	<b>2 186 807</b>



**Boryszew S.A.**  
**Financial statements**  
**FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024**

(amounts expressed in PLN '000 unless specified otherwise)

## NOTES

### 3. Basic details of the Company

#### BORYSZEW SPÓŁKA AKCYJNA (JOINT STOCK COMPANY)

Concessionaire number: DKN 807

Concession type: DEE, OEE, DPG, OPG

**Activities covered by the energy law are carried out in the following branches:**

Boryszew S.A. branches:	2024	2023
Energy Branch in Toruń	DPG, OPG, OEE, DEE	DPG, OPG, OEE,
ERG Branch in Sochaczew	DEE, OEE	DEE, OEE

This report contains cumulative data.

## 39. APPROVAL OF THE FINANCIAL STATEMENTS

This report was approved for publication by a resolution of the Management Board on 16 April 2025, including any events which occurred by the date of approval of this report for publication.

The report will be submitted for approval by the Supervisory Board and the General Meeting of Shareholders, which, in accordance with Polish law, may reject the report and request changes to be made.

### SIGNATURES:

Wojciech Kowalczyk - President of the Management Board

Łukasz Bubacz – Member of the Management Board

Adam Holewa - Member of the Management Board

Radosław Szorc - Chief Financial Officer

Agata Kęszczyk-Grabowska - Chief Accountant