



Boryszew S.A.

**REPORT OF THE MANAGEMENT BOARD ON ACTIVITIES OF BORYSZEW CAPITAL
GROUP FOR THE FINANCIAL YEAR 2024**

(incorporating disclosure requirements for the Report of the Management Board on the operations of the Parent
Company in the above mentioned period)

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17 April 2025*

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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 in 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.

COMPANY'S HISTORY

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 manufacturing companies in the same industry combined with restructuring, mergers as well as organic growth of sales in Group's companies contributed to significant improvement of 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 7 600 people.

2. PREPARATION OF THE REPORT

This report on the activity of Boryszew S.A. and Boryszew Capital Group in 2024, an integral part of the consolidated financial statements of Boryszew S.A. for 2024, was approved for publication by the resolution of the Management Board of Boryszew S.A. on 16 April 2025 and presents the situation of Boryszew S.A. and Boryszew Capital Group in accordance with legal requirements for the period between 1 January 2024 and 31 December 2024, including any events which occurred by the date of preparation of this report for publication. A significant part of the information contained herein was presented in more detail in the Company's current announcements which are available at Company's website www.boryszew.com.pl, which also contains a great deal of other information on the Company and the Capital Group.

This report contains information the scope of which is specified in § 70 and § 71 of the Regulation of the Minister of Finance of 29 March 2018 on current and interim information to be submitted by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent (Regulation).

Under § 71(8) of the Regulation, this report includes disclosures of information required for the report on the Issuer's activities referred to in § 70 section 1 item 4 of the Regulation, and thus the Issuer did not prepare a separate report on the activities of the Parent Company.

Part of this report is the sustainability report referred to in Art. 63p (et seq.) of the accounting act of 29 September 1994.

The consolidated annual financial statements of Boryszew Capital Group and the separate annual financial statements of Boryszew S.A. were prepared in accordance with the International Financial Reporting Standards as approved by the European Union.

The report is available on the Company's website - www.boryszew.com.pl from 17 April 2025.

3. ORGANIZATIONAL STRUCTURE

BORYSZEW S.A.

Boryszew S.A. is the Parent entity of Boryszew Capital Group. The Group features both domestic and foreign subsidiaries and affiliates. As the Parent company, it performs management and supervisory functions with regard to other companies of the Capital Group.

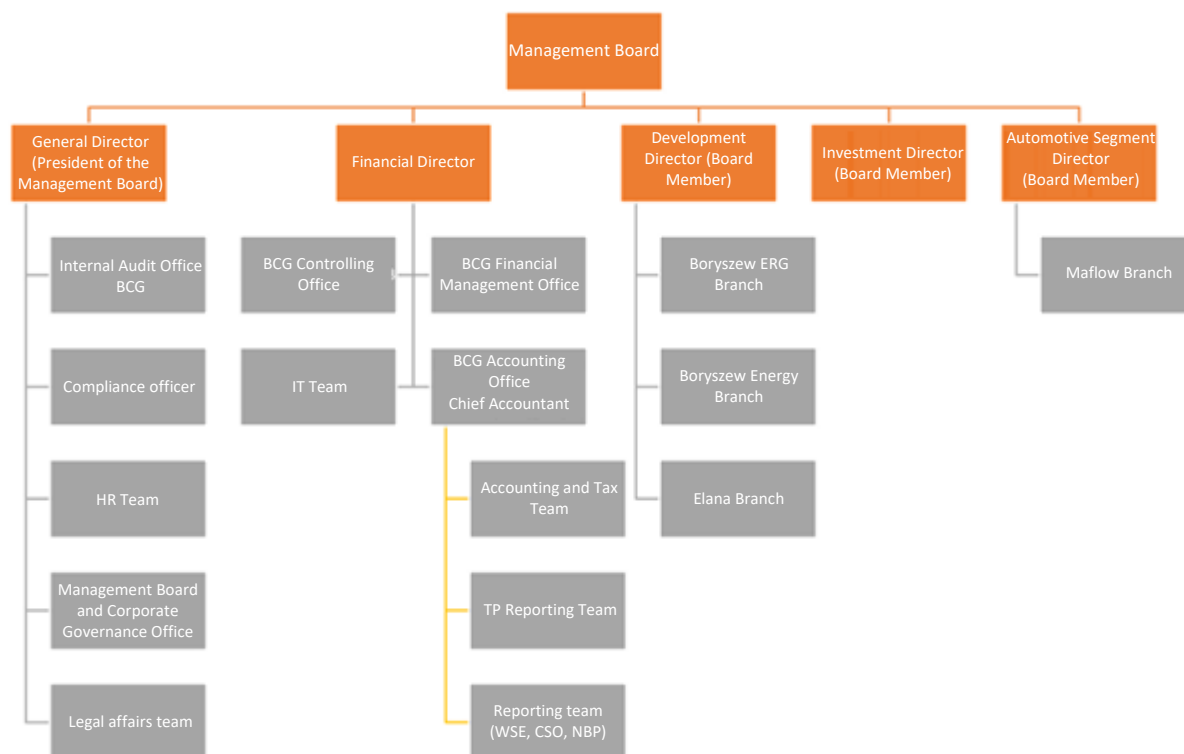
The core business of the Head Office in Warsaw is management of the Capital Group, and its objective is to increase the Company's goodwill in the long run.

In 2024 Boryszew S.A. carries out its activity through the following units:

- Maflow Branch in Tychy – manufacturer of tubes for the automotive industry, including mainly air-conditioning tubes, power steering systems and various rubber components. The Branch's assets, constituting the largest productive assets of Maflow Group, were purchased on 10 August 2010.
- Elana Branch in Toruń – manufacturer of polyester fibre and plastics for a wide range of applications. The main products include staples and silicon spheres. Elana Branch was established by merger of Boryszew S.A. and Elana S.A., which took place on 28 January 2005.
- Boryszew ERG Branch in Sochaczew – manufacturer of chemical and construction products. Company's flagship product in "Borygo" coolant,
- Boryszew Energy Branch in Toruń – involved in sales of energy utilities (electricity, gas) for the companies of Boryszew Capital Group and external customers.

The Management Board of Boryszew S.A. chose to suspend organisational changes in the Company, involving shutdown of the operating activity and launch of liquidation of the Elana Branch based in Toruń, which is part of the assets of the Chemical Segment (as announced by the Company in earlier periodic reports).

SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW S.A. (WITH RESPONSIBILITIES OF INDIVIDUAL MEMBERS OF THE MANAGEMENT BOARD) AS AT 31 DECEMBER 2024



STRUCTURE OF BORYSZEW GROUP

Boryszew Capital Group is one of the largest private industrial groups in Poland. In 2005 Boryszew SA seized control of Impexmetal S.A., a company listed at the Warsaw Stock Exchange, a parent company of manufacturing enterprises involved in non-ferrous metals and bearing industry. Group's operations are based on three business segments: Metals, Automotive, and Chemicals.

Development of Boryszew Group

1. In 2010, the Company seized control of the Maflow Group, one of the largest manufacturers of air-conditioning tubes, power steering systems and active suspension systems for automotive industry. It was then that the automotive sector became the key segment of the Group's activity.
2. In the years 2011-2012, the Company continued its development strategy through acquisitions of automotive companies. In July 2011, the Company signed takeover agreements in respect of two German capital groups (AKT/ICOS – Theysohn) in the plastics processing sector, and in March 2012 share acquisition agreement for shares of YMOS Group, leading European producer of plastic, galvanized and chromium-plated components for the automotive industry.
3. Continuing to invest in the automotive segment, in June 2014 Boryszew S.A. assumed control over Tensho Poland Corporation Sp. z o.o. based in Ostaszewo (currently: Maflow Plastics Poland Spółka z o.o.), a manufacturer of high-quality plastic products.
4. In 2019, Boryszew Group assumed control over Alchemia Capital Group and the following Alchemia Group companies: Alchemia S.A., Huta Bankowa Spółka z o.o. and Laboratoria Badań Batory Spółka z o.o.
5. In November 2020, Boryszew S.A. acquired from Impexmetal S.A. shares in Impexmetal Group companies. On 6 November 2020 Boryszew S.A. sold Impexmetal S.A. to a third party (Gänges AB).
6. The following companies were sold to third-party investors in 2021: Elana PET Spółka z o.o., based in Toruń and FŁT Polska Spółka z o.o., based in Warsaw, together with FŁT's holdings in subsidiaries.
7. In 2022 Boryszew S.A. sold Nylonbor Spółka z o.o., based in Sochaczew, to a 3rd party investor.
8. In January 2023, NPA Skawina Spółka z o.o. (until 31 December 2022 operating in the structure of Boryszew S.A. Modern Aluminum Products Skawina Branch) launched its operations.
9. In 2022 - 2023, Boryszew S.A. acquired a total of 28 000 000 shares of "onesano" S.A. (formerly: Skotan S.A.), representing approximately 42.50% of the share capital of this Company.
10. The Company did not acquire or dispose of significant equity interests in 2024.

BUSINESS SEGMENTS OF THE CAPITAL GROUP BUSINESS (ON 31.12.2024)

Boryszew Capital Group operates in three industry segments.

OPERATING SEGMENTS

Automotive	Boryszew S.A. Maflow branch in Tychy, Maflow Spain Automotive S.L., Maflow France Automotive S.A.S., Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Boryszew Automotive Mexico S.DE R.L.DE C.V., MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., ICOS GmbH in bankruptcy under self-administration, Theysohn Kunststoff GmbH in bankruptcy under self-administration, Theysohn Formenbau GmbH in bankruptcy under self-administration, Boryszew Kunststofftechnik Deutschland GmbH, AKT plastikářská technologie Čechy, spol. s r.o., Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration, Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration, Boryszew Plastic Rus Ltd., Maflow Plastics Poland Sp. z o.o., Boryszew Deutschland GmbH w likwidacji., Boryszew HR Service Sp. z o.o., Boryszew Maflow Sp. z o.o.
Metals	WM Dziedzice S.A., ZM Silesia S.A., Baterpol S.A., Polski Cynk Sp. z o.o., NPA Skawina Sp. z o.o., Baterpol Recycler Sp. z o.o., Metal Zinc Sp. z o.o., Alchemia S.A., Huta Bankowa Sp. z o.o., Laboratoria Badań Batory Sp. z o.o., Zakład Utylizacji Odpadów Sp. z o.o., RAPZ Sp. z o.o.,
Chemical products	Boryszew S.A. Oddział Elana, Boryszew S.A. Oddział Boryszew ERG, Elimer Sp. z o.o.

Other companies not assigned to segments are: Boryszew S.A. – Head Office, Boryszew S.A. Boryszew Energy branch, Boryszew Green Energy & Gas Sp. z o.o., Boryszew Inwestycje Sp. z o.o., Boryszew Nieruchomości Sp. z o.o., Boryszew Assets Sp. z o.o., Boryszew Property Sp. z o.o., "onesano" S.A.

AS AT 31 DECEMBER 2024 THE FOLLOWING COMPANIES WERE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS:

Company name	Registered office	share of the parent in share capital (%)	subsidiary of:	Business segment
<i>Head Offices</i>	Warsaw			Unallocated
<i>Elana Branch</i>	Toruń			Chemical products
<i>Boryszew Energy Branch</i>	Toruń			Unallocated
<i>Maflow Branch</i>	Tychy			Automotive
<i>Boryszew ERG Branch</i>	Sochaczew			Chemical products
Elimer Sp. z o.o.	Sochaczew	52.44	Boryszew S.A.	Chemical products
NPA Skawina Sp. z o.o.	Skawina	100.00	Boryszew S.A.	Metals
Boryszew Green Energy & Gas Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Unallocated
Boryszew Maflow Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Automotive
Maflow Polska Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Automotive
Maflow BRS s.r.l	Italy	100.00	Boryszew S.A.	Automotive
Maflow Spain Automotive S.L.	Spain	100.00	Boryszew S.A.	Automotive
Maflow France Automotive SAS.	France	100.00	Boryszew S.A.	Automotive
Maflow do Brasil Ltda	Brazil	100.00	Boryszew S.A. (79%) Maflow Polska Sp. z o.o. (21%),	Automotive
Maflow Components (Dalian) Co. Ltd.	China	100.00	Maflow Polska Sp. z o.o. Boryszew S.A. 99.99% Maflow Polska Sp. z o.o. 0.01%	Automotive
Maflow India Private Limited	India	100.00	Maflow Spain Automotive S.L. (3.34%), Maflow Polska Sp. z o.o. (96.66%) (*)	Automotive
MAFMEX S.DE R.L.DE C. V (*)	Mexico	100.00	Maflow Spain Automotive S.L. (90.00%), Maflow Polska Sp. z o.o. (10.00%)	Automotive
Boryszew Automotive Mexico S.DE R.L.DE C. V	Mexico	100.00	Maflow Polska Sp. z o.o.	Automotive
Boryszew Automotive Plastics Sp. z o.o.	Tychy	100.00	Boryszew S.A.	Automotive
Boryszew HR Service Sp. z o.o.	Toruń	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
ICOS GmbH in bankruptcy under self-administration	Germany	100.00	ICOS GmbH in bankruptcy under self-administration	Automotive
Theysohn Kunststoff GmbH in bankruptcy under self-administration	Germany	100.00	ICOS GmbH in bankruptcy under self-administration	Automotive
Theysohn Formenbau GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Kunststofftechnik Deutschland GmbH	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Deutschland GmbH in liquidation	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive

Company name	Registered office	share of the parent in share capital (%)	subsidiary of:	Business segment
AKT Plastikářská Technologie Čechy, spol. s.r.o.	Czech Republic	100.00	Boryszew Automotive Plastics Sp. z o.o. Boryszew S.A. (10.9%). Boryszew Kunststofftechnik Deutschland GmbH (89.1%)	Automotive
Boryszew Plastic RUS Sp. z o.o.	Russia	100.00	Kunststofftechnik Deutschland GmbH (89.1%)	Automotive
Maflow Plastics Poland Sp. z o.o.	Ostaszewo	100.00	Boryszew S.A.	Automotive
Boryszew Inwestycje Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Metals
Boryszew Assets Sp. o.o.	Warsaw	100.00	Boryszew S.A.	Unallocated
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	100.00	Boryszew S.A.	Metals
ZM SILESIA S.A.	Katowice	100.00	Boryszew S.A.	Metals
Baterpol S.A.	Katowice	100.00	Polski Cynk Sp. z o.o.	Metals
Alchemia S.A.	Warsaw	100.00	Boryszew S.A.	Metals
Huta Bankowa Sp. z o.o.	Dąbrowa Górnicza	100.00	Alchemia S.A.	Metals
Laboratoria Badań Batory Sp. z o.o.	Chorzów	100.00	Alchemia S.A.	Metals
Polski Cynk Sp. z o.o.	Oława	100.00	Boryszew S.A.	Metals
Boryszew Property Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Unallocated
Baterpol Recycler Sp. z o.o.	Oława	100.00	Polski Cynk Sp. z o.o.	Metals
Metal Zinc Sp. z o.o.	Katowice	100.00	ZM SILESIA S.A.	Metals
Boryszew Nieruchomości Sp. z o.o.,	Warsaw	100.00	Boryszew Property Sp. z o.o.	Unallocated
Zakład Utylizacji Odpadów Sp. z o.o.,	Konin	59.97	Boryszew S.A.	Metals
RAPZ Sp. z o.o. (**)	Dąbrowa Górnicza	42.67	Huta Bankowa Sp. z o.o.	Metals
"onesano" S.A. (***)	Chorzów	42.50	Boryszew S.A.	Unallocated
AGICORP-BOR Sp. z o.o. (****)	Oświęcim	25.00	Boryszew S.A.	Unallocated

(*) MAFMEX S.DE R.L.DE C. V, in which Maflow Spain Automotive S.L. holds 3.34%, 1 share worth 100 MXN 100 votes; Maflow Polska Sp. z o.o. – 96.66%, 1 share worth 2 900 MXN 2 900 votes; Boryszew S.A. – 239 398 865.86 series B shares - without voting rights.

(**) RAPZ Sp. z o.o., in which the parent company holds a 42.67% equity interest, is valued in these consolidated financial statements using the equity method.

(***) "onesano" S.A., in which the parent company holds a 42.50% equity interest, is valued in these consolidated financial statements using the equity method.

(****) AGICORP-BOR Sp. z o.o. has not commenced operations.

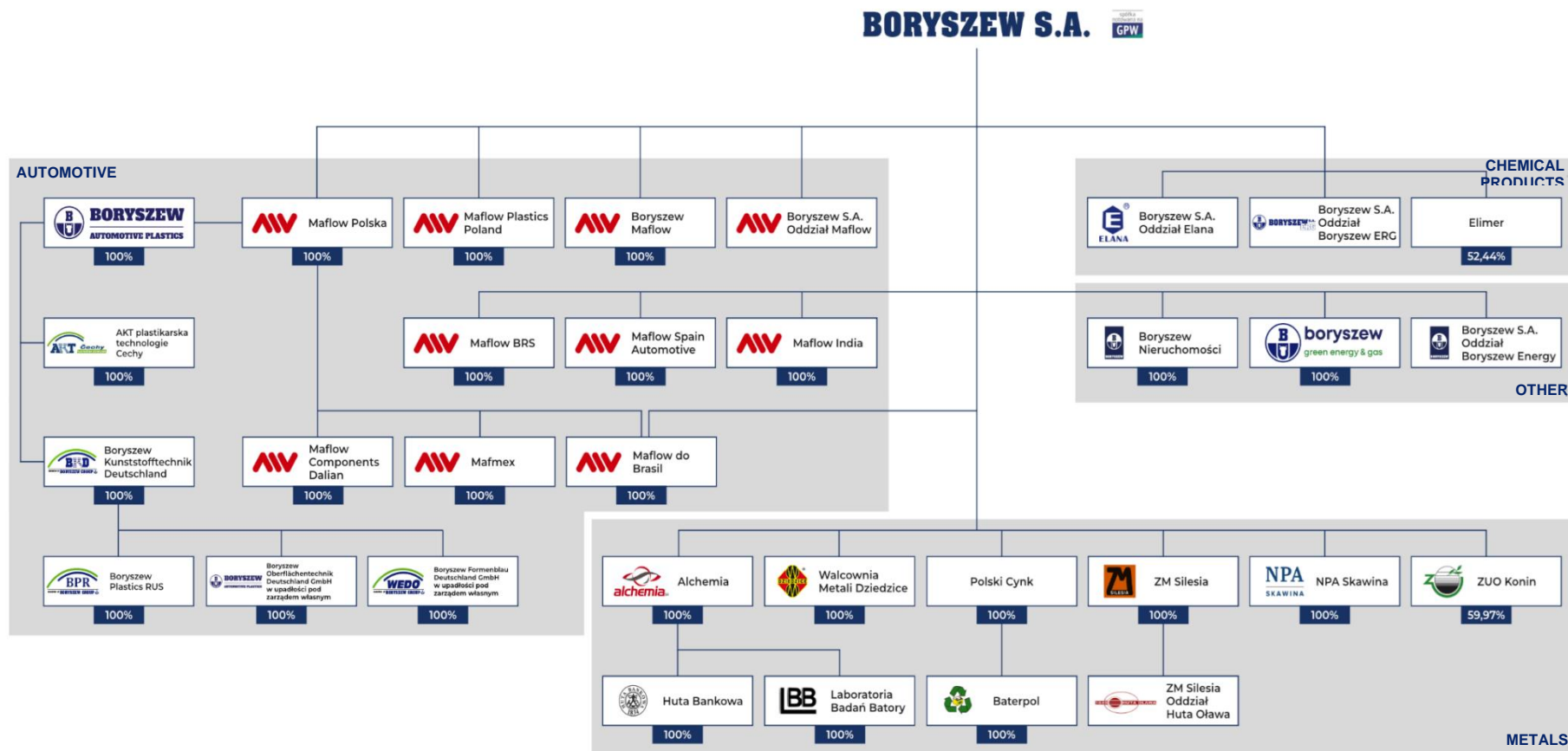
COMPANIES THAT WERE NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Registered office	share of the parent company in capital (%)	share in votes (%)	Core activity
Elana Ukraina Sp. z o.o.	Ukraine	90	90	dormant company
Brasco Inc	the US	100	100	dormant company
Zavod po pererabotke vtorichnykh resursov "Vostochny" Sp. z o. o.	Belarus	30	30	trade, production of secondary raw materials

For practical reasons they were excluded from the consolidation and the applied simplification is not material to the total consolidated financial statements and the assessment of the financial standing of the Group (pursuant to articles 29 and 30 of Framework for the Preparation and Presentation of Financial Statements.

Apart from the above-mentioned companies, the Issuer has no other significant equity investments.

SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW GROUP WITH AGGREGATE HOLDINGS IN INDIVIDUAL ENTITIES AS AT 31.12.2024



4. INFORMATION ON THE ISSUER'S ORGANIZATIONAL OR CAPITAL RELATIONS WITH OTHER ENTITIES AND SPECIFICATION OF ITS MAIN DOMESTIC AND OVERSEAS INVESTMENTS, IN PARTICULAR IN SECURITIES, FINANCIAL INSTRUMENTS, INTANGIBLE ASSETS AND REAL ESTATE, INCLUDING CAPITAL INVESTMENTS OUTSIDE THE GROUP OF RELATED ENTITIES AND DESCRIPTION OF THEIR FINANCING METHODS

CAPITAL INVESTMENTS

The list of shares and stocks held by Boryszew Capital Group companies is presented in point 3 of these financial statements.

Purchase of KIC INNOENERGY S.E. shares.

On 12 June 2024 the Management Board of Boryszew S.A. signed an Investment Agreement ("Agreement") with KIC INNOENERGY S.E. for the purchase of 139 861 shares of KIC INNOENERGY S.E., representing 0.37% of the share capital, for EUR 4 000 024.60. According to the Agreement, the price was paid on 10 October 2024.

Purchase of shares in Repono AB

The Management Board of Boryszew S.A. decided on an equity investment in shares of Repono AB. Repono is a European energy storage operator based in Sweden. According to its investment plans, Repono intends to be an operator of energy storage systems (ESS) with a target capacity of 100 GWh in Europe. Purchase of shares in Repono by Boryszew is related to Boryszew Group's plans to develop its activities in the energy sector and is an important element of the company's active green transformation. On the balance sheet date, Boryszew holds 6.6% shares of Repono AB.

LOANS GRANTED

Information on loans granted by other entities of the Capital Group is presented in point 13 of the report.

REAL ESTATE TRANSACTIONS

Maflow France Automotive S.A.S based in Chartres (France)

On 26 February 2024 Maflow France Automotive S.A.S, a subsidiary, based in Chartres, concluded with the city of Chartres (Purchaser), a final sale agreement for a developed land located in Chartres, av. Gustave Eiffel No. 2, surface area 10 hectares, for a price of PLN 45.15 million (EUR 10.5 million). The property was released on the same day. The sale price was paid in March 2024.

Boryszew S.A.

On 27 March 2024 the Company signed a conditional agreement with its subsidiary Zakład Utylizacji Odpadów Spółka z o.o. for the sale of an undeveloped land located in Konin, surface area app. 1.7 hectares, for a net price of PLN 3.5 million. The agreement was conditional on the municipality of Konin not exercising its statutory pre-emptive right. The transfer agreement was concluded on 10 April 2024.

On 14 June 2024 Boryszew Nieruchomości Spółka z o.o. paid Boryszew S.A. the second tranche in the amount of PLN 10 million, according to the preliminary agreement for the acquisition of real estate located in Toruń at M. Skłodowska-Curie street No. 73, for the net price of PLN 50 million (a part of the price in the amount of PLN 25 million was paid in 2023). The transfer agreement will be signed by 31 December 2025.

On 17 December 2024 Boryszew Nieruchomości Spółka z o.o. acquired real estate in the Konin district from Boryszew S.A. for a total net amount of PLN 12.9 million. On 28 January 2025 further plots were acquired for a net amount of 0.8 million.

In 2024 Boryszew ERG branch of Boryszew S.A. in Sochaczew sold real estate located in Sochaczew, total surface area of 1.3357 hectares, for a total of PLN 7.6 million.

Boryszew Nieruchomości Spółka z o.o.

On 26 February 2024, Boryszew Nieruchomości Spółka z o.o. signed a preliminary agreement to sell the investment property located in Warsaw at Grzybowska 61, for the amount of PLN 6.3 million net, with the date of the final agreement until 30 November 2024. The final agreement was concluded on 6 November 2024.

On 14 June 2024 the company received the remainder of the price in the amount of PLN 37 million from the sale of an office property located in Warsaw at Foksal street No. 6, for a net price of PLN 72.1 million (the agreement was concluded with an individual personally related to the Issuer on 13 June 2023).

On 28 June 2024 Boryszew Nieruchomości Spółka z o.o. signed a final agreement for the sale of an investment property located in Toruń on Chrzanowskiego street, for a net amount of app. PLN 8.7 million.

In 2024 Boryszew Nieruchomości Spółka z o.o. sold real estate located in Toruń, total surface area off 9.5288 hectares, for a total of PLN 15.3 million.

NPA Skawina Spółka z o.o.

In 2024, NPA Skawina Spółka z o.o. acquired the right of perpetual usufruct of a developed real estate located in Skawina, surface area 0.2796 hectare, together with the ownership of a building – a hall, located on it, being a separate object of ownership from the land, for a net price of PLN 4.7 million.

In 2024 and until the date of publication of the report Boryszew S.A. acquired no other significant real estate.

Boryszew Capital Group holds no other significant investments in securities, financial instruments, intangible assets or real estate outside Boryszew Capital Group, except for those disclosed in the report.

5. SIGNIFICANT EVENTS

BORYSZEW S.A.

Adoption of the Strategy of Boryszew Capital Group 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 municipal and hazardous waste 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 alloy products (WM Działoszyn 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.

Given the remote time perspective and the possibility of occurrence of a number of external factors as well as unpredictability of risk factors resulting from the above, the above presented figures cannot be considered as forecasts for the strategy validity period, but only as an estimation of expected levels of revenues in relevant business areas that Boryszew Capital Group will strive to achieve.

The new Strategy is a response to the rapidly changing market environment and the challenges of the energy transition. The strategy extends the time horizon of the outlined strategic goals indicated in the document "Business Strategy for Boryszew Group for 2022-2026" adopted by the Company in May 2022, and the dynamics of reaching the goals, so formally the Strategy replaces the aforementioned document of 17 May 2022.

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.

Completions of the programme for buy-back of treasury shares of Boryszew S.A.

On 25 June 2024, due to the expiry of the period for which it was adopted, the share buy-back program, adopted by resolution No. 22 of the Ordinary General Meeting of Shareholders of 25 June 2019 terminated.

As a result of the implementation of resolution No. 22 of the Ordinary General Meeting of Boryszew S.A., on 30 October 2020 the Company purchased a total of 13 346 169 shares of Boryszew S.A. with a nominal value of PLN 1.00 each, at an average price of PLN 2.69, i.e. for a total amount of PLN 35 901 194.61 in block transactions on the WSE.

The acquired shares account for 5.56% of the share capital and correspond to 13 346 169 votes at the General Meeting, i.e. 5.56% of the total number of votes.

Under the resolution referred to above the shares acquired under the buyback program are held for redemption.

Boryszew Capital Group

Signing of a new restructuring agreement with a key client of BAP Group

On 14 March 2024 Issuer's subsidiaries of the automotive segment received a signed agreement ("Agreement") with an important client of Boryszew Capital Group Automotive Plastics ("Client").

The agreement is for the Client to support the restructuring of the following companies between 2024 and 2026: Boryszew Kunststofftechnik Deutschland GmbH, Maflow Plastics Poland Spółka z o.o. and AKT Plastikářská Technologie Čechy spol. S.r.o. ("BAP Companies"). According to the Agreement, during the restructuring period, i.e. until the end of 2026, the client will contribute to the costs associated with the restructuring through an agreed price increase on the BAP Companies products.

The Issuer believes that the conclusion of the Agreement will have a significantly positive impact on the results of BAP Companies and Boryszew Capital Group and will enable BAP Companies to achieve a positive operating result on the EBITDA level during the Agreement period.

The agreement became effective as of 1 January 2024 and the condition for the BAP Companies to receive support is timely implementation of restructuring measures in accordance with a plan.

The basic assumption of the Agreement was that BAP Companies and the Client act jointly and severally. The restructuring process will give BAP Companies operational stability and will improve their market position.

Material change in market conditions at BAP Group

The deteriorating performance of Boryszew Kunststofftechnik Deutschland GmbH (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 Sp. z o.o.

Following Boryszew Kunststofftechnik Deutschland GmbH 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.

Conclusion of an investment loan agreement with Bank Gospodarstwa Krajowego

On 27 March 2024 Boryszew S.A. and Maflow Components (Dalian) Co. Ltd ("Maflow China") entered into an investment and working capital loan agreement with Bank Gospodarstwa Krajowego ("BGK") with a total value of €8.5 million, of which €6.5 million is an investment loan and €2 million is a working capital loan. Maflow China plans to use the funds raised from BGK to expand its facilities in China in connection with the development of rubber hoses for electric, hybrid and conventional vehicles.

Group's investment is part of its strategy to actively participate in the energy transition as a supplier of components for electromobility development. The financing was insured by the Export Credit Insurance Corporation ("ECI").

Estimation of costs associated with the liquidation of Alchemia S.A. WRA branch

Following the decision of Alchemia S.A., a subsidiary to start the process of liquidation of Walcownia Rur Andrzej Branch in Zawadzkie and when preparing the consolidated financial statement of Boryszew Capital Group for the first half of 2024, Alchemia S.A., based in Warsaw, estimated the costs associated with the process of liquidation of Walcownia Rur Andrzej Branch in Zawadzkie at PLN 25 million. At the end of 2024, PLN 13.5 million was used and a 5.3 million write-off on fixed assets was released (reduced).

Estimation of costs associated with the liquidation of Alchemia S.A. Rurexpol branch

Following the decision of Alchemia S.A., a subsidiary of 4 November 2024 to start the process of liquidation of Rurexpol branch in Częstochowa and when preparing the consolidated financial statement of Boryszew Capital Group for Q4 '2024, Alchemia S.A., based in Warsaw, estimated the costs associated with the process of liquidation of Rurexpol branch in Częstochowa at PLN 15.5 million.

Implementation of the Group's development investments

ZAKŁAD UTYLIZACJI ODPADÓW SPÓŁKA Z O.O.

Given the increasing demand for hazardous waste management in recent years, the Management Board of Zakład Utylizacji Odpadów Spółka z o.o. (ZUO) decided in 2021 to build an additional line for thermal treatment of hazardous waste featuring a capacity of 12 000 Mg/year. The installation is scheduled to be commissioned in 2027. Implementation of the additional hazardous waste thermal treatment line will improve the environment through controlled and safe thermal management of hazardous waste. It will also improve the competitive position of the company, impact its business performance in subsequent years of operation, and contribute to a significant increase in its valuation. The line can be scaled out to use the resulting waste heat for generation of heat and electricity.

On the date of publication of the report, ZUO is in the process of obtaining the required decisions and permits necessary to start the investment.

Commissioning of the plant under construction is expected in 2027-2028, depending on the pace at which the necessary construction permits are received.

Boryszew Nieruchomości Spółka z o.o.

On 20 October 2023, Boryszew Nieruchomości Sp. z o.o. signed an agreement with the National Fund for Environmental Protection and Water Management on a funding for an investment involving the construction in Toruń of an installation for thermal transformation of municipal waste with energy recovery.

Funding will be provided in the form of a loan (PLN 63.95 million) and a non-refundable grant (PLN 63.95 million).

Basic assumptions of the installation:

1. Total construction cost: PLN 166 million,
2. The capacity of the processing line in the new plant will be sufficient to process more than 23 000 tonnes of waste per year. The installation will be constructed as a combined heat and power plant, generating electricity and heat through the thermal conversion of high-calorie fraction of municipal waste (pre-RDF/RDF fuels). It will generate electricity and heat in high-efficiency cogeneration with a total capacity of more than 7 MW.
3. The planned (average annual) gross CHP electrical capacity will be 0.59 MWe, and CHP heat capacity will be 6.88 MWt. The surplus electricity will be sold to the local distribution network, while the heat will feed the public district heating networks: on the site of ELANA Industrial Park and the municipal district heating network of the city of Toruń.
4. The plant will be constructed based on proven grate furnace technology with a water (or steam) boiler featuring an efficient flue gas cleaning system, with the necessary infrastructure.

The company fulfilled the condition necessary for the continuation of the subsidy agreement with the National Fund for Environmental Protection and Water Management, obtaining a decision on the environmental conditions of the planned subsidised investment. The Company is currently in the process of obtaining permits that to launch the construction process, with the goal of commissioning the plant in 2027.

Boryszew Inwestycje Spółka z o.o.

Boryszew Inwestycje Sp. z o.o. commenced works on projects for the construction of electricity storage facilities in locations belonging to Boryszew Capital Group (Sochaczew, Toruń and Skawina). The scope of activities includes, in particular, the submission of applications for grid connection conditions for different projects and the development of feasibility studies, decisions and certifications for these projects.

On the date of publication of the report, Boryszew Inwestycje is in the process of obtaining the required decisions and permits, as well as conditions for connection to the power grid of relevant DSO, necessary to launch the investment.

NPA Skawina Spółka z o.o.

The company is in the process of implementing a project to increase processing capacity in converting semi-finished aluminum wire rod and aluminum alloys into high-margin products in order to increase its presence in strategic European markets. The project involves the expansion of the production area and the installation of additional equipment (including a twisting machine, a drawing machine, a rewinding machine) to convert the basic product (aluminum wire rod) into a higher value-added product (aluminum cables). After the investment, NPA Skawina will increase production capacity by 2028, reaching an additional production volume of some 6 000 tonnes per year. The additional line at NPA Skawina assumes a higher level of digitisation by about 10-15% compared to the Company's already operational line

WM Dziedzice SA

The company launched works (the contract was signed on 29 December 2023) on the project: "EG BRASS DW® (extra grade brass for drinking water) – a new assortment group of brass extruded and drawn products with increased resistance to dezincification dedicated to drinking water installations" subsidised by the EU. The estimated value of the project is PLN 36.5 million, the planned value of funding is PLN 18.8 million.

Events after the balance sheet date

ZM SILESIA S.A.

Information on one-time accounting events affecting the consolidated financial statements for 2024

Following the completion on 20 January 2025 of the review of the status of tax proceedings at ZM SILESIA S.A., based in Katowice ("ZMS"), carried out for the purpose of the process of preparing the Issuer's consolidated financial statements and annual report for 2024, the company reassessed the risks associated with these audits.

The reasoning in the written justifications of the judgments of administrative courts concerning ZMS tax proceedings for 2013-2014 and for the first half of 2015, indicating the high probability of the statute of limitations for ZMS tax liabilities and the instrumental use of the institution of suspension of the statute of limitations following the initiation of criminal and fiscal proceedings, justifies the Company's position that the probability of a negative outcome for ZMS in these proceedings is low. At this point it is also important that the concurrent dispute regarding the statute of limitations on VAT liabilities for 2012 has already been finally resolved in favour of ZMS.

In the Issuer's opinion, continuing to maintain provisions for ongoing ZMS tax proceedings, in view of the low probability of a negative outcome for ZMS in the above-mentioned audits, would not fully reflect the Issuer's current assessment of the impact of these audits on the Issuer's situation. Consequently, this could mislead shareholders about the real impact of audits in which favourable judgments were issued for ZMS by courts of first instance on

the Group's consolidated financial results and asset. Accordingly, as a result of the updated assessment, the Issuer chose to dissolve and recognise in the Group's profit or loss all provisions established for these audits.

MAFMEX S. de R.L.

Recognition of impairment losses on loans to a subsidiary in the separate financial statements for 2024

On 8 April 2025 the Management Board of Boryszew S.A. chose to recognise a write-off on loans granted to MAFMEX S. de R.L., an indirect subsidiary located in Mexico (MAFMEX), in the amount of PLN 33.2 million. The above event is of an accounting nature and recognition of the write-off had no impact on the company's liquidity position. The value of the write-off was charged to the separate financial results presented in the Issuer's 2024 financial statements. Due to the intragroup nature of the aforementioned loans, the write-off has no impact on the consolidated results for 2024.

Information on other important events was provided in the form of current reports of the Company, which are available at: www.boryszew.com.pl.

6. CORE BUSINESS, MARKETS, SOURCES OF SUPPLIES AND COMPETITION

BORYSZEW S.A.

In 2024, as per IFRS 8, the following three business segments were defined in the Company:

- Automotive,
- Chemical products,
- Other non-allocated

The applied principle is that each entity belongs to only one operating segment. Described below are the most significant segments of Boryszew S.A. in terms of business activity, sales, markets, competition and sources of supplies as well as particularly key parameters.

Automotive

- Business

This segment includes Boryszew S.A. Maflow Branch, the largest entity of the Maflow Group, operating three production facilities:

- Facility in Tychy - Maflow Group's largest plant. Involved in manufacture of aluminium air-conditioning tubes,
- Chelmek 1 facility, which manufactures aluminium air-conditioning tubes and components (endings) for steel and aluminium air-conditioning tubes,
- Chelmek 2 facility, which manufactures preformed rubber for air-conditioning tubes and other tubes for transmission of liquids and gases,
- Production facility in Toruń, similar to the production facility in Tychy, in manufacture of aluminium air-conditioning tubes and installation of steel air-conditioning tubes. This facility is the only installation in the Group that manufactures air conditioning tubes using R744 (CO₂) refrigerant,

- Sales and Markets

The table below is a summary of information on the sale of products, goods and services of major business units with the Automotive Segment in 2024 – 2023:

Entity	Assortment	Value [PLN '000]	
		2024	2023
Boryszew Maflow Branch	Air-conditioning tubes and other*	780 756	894 859
Total - Automotive Segment		780 756	894 859

(*) other products refer mainly to power-steering tubes, rubber tubes, brake tubes and active suspension tubes.

2024 ended with lower sales revenues for the Automotive Segment mainly due to the failure to meet the sales target for electric cars in the market.

Main directions of sales in the Segment for 2024 – 2023 are shown in the following table:

Sales structure [%]	2024	2023
Domestic	7%	6%
Germany	30%	24%
Sweden	9%	7%
France	7%	8%
Belgium	7%	6%
United Kingdom + Northern Ireland	6%	7%
Czech Republic	6%	6%
Italy	4%	3%
Spain	4%	5%
The Netherlands	4%	7%
Slovakia	4%	4%
Hungary	3%	3%
Mexico	2%	2%
China	2%	3%
Other	6%	8%
Export as % of total sales	93%	94%

Maflow Branch generated its revenue mainly on export sales. Exports in 2024 accounted for 93% of total sales, slightly down from 94% in 2023. Only the sales structure changed slightly. Germany continued to be the largest market in 2024, accounting for 30% of sales, up 6 p.p. from 2023. Sweden (9% vs. 7%), Belgium (7% vs. 6%) and Italy (4% vs. 3%) also saw significant increases in share.

- Market share

The estimated share of Maflow Group on the global market remained on the last year's level of around 7%. The share of production in Western European markets remained at 25%, more or less the level of 2023.

The VW Group continues to be the most prominent customer for the Maflow Group. Significant customers with less sales volume are: VCC, BMW i Renault.

- Competition

Direct competitors in the automotive industry, in which the Company operates, include such corporations as *Contitech*, *Eaton/ Xandor*, *TI Automotive*, *Daytech*, *Hutchinson*, *Parker*, *Hanon*, *SAAA*, *Tenglong*. Some of these companies are multinational corporations where production of air-conditioning tubes is neither the only nor primary business. Maflow Branch operates on the basis of contracts of several years' duration concluded with the world's leading car manufacturers.

- Sources of supplies

The Automotive Segment mainly imports its supplies. The largest purchase items are aluminum tubes and blocks, sensors, rubber hoses.

- Particularly key parameters for the Segment
 - currency exchange rates (EUR, USD),
 - energy prices and prices of other utilities,
 - unstable geopolitical situation,
 - prices and availability of materials and raw materials,
 - delivery cost,
 - profitability of acquired contracts,
 - operational efficiency of the Segment production plants,
 - the automotive industry market situation (detailed description in the financial analysis section).
 - labour costs,
 - inflation levels,
 - stable supply chains (no disruption to logistics processes or restrictions on international trade).

Chemical products segment

- Business

The Chemicals Segment includes the following branches: Elana and Boryszew ERG.

The entities of the Chemicals Segment operate in several sectors:

- staples, continuous filaments – used mainly in textile, automotive, furniture and clothing industries,
- chemical (including: plasticizers, stabilizers, grease used for production of plastics),
- automotive (including: engine coolants, brake fluids, installation fluids, de-icing fluids),
- construction (including: wall siding, doors, coffers),
- packaging (including: Styrofoam moulds, polyethylene drums),
- hand and surface disinfection fluids.

- Sales and Markets

The table below is a summary of information on the sale of products, goods and services of major business units with the Chemicals Segment in 2024 – 2023.

Entity	Assortment	Quantity [T]		Value [PLN '000]	
		2024	2023	2024	2023
Boryszew Elana Branch	Elana (staples, elball)	8 646	9 541	46 163	59 995
	Goods and materials	493	725	1 348	1 359
	Artec	0	182	-	166
	Other services (processing)			2 094	2 238
	Total	9 139	10 448	49 605	63 758
Boryszew Branch RG	Chemicals	4 166	8 930	33 243	71 726
	Automotive and de-icing fluids	7 605	9 045	34 440	45 216
	Construction materials			18 551	19 590
	Packaging			8 117	10 892
	Other (including disinfectant)			12 146	13 239
	Total	11 771	17 975	106 497	160 663
Exclusions between branches				-1 349	-1 863
Chemical Segment total		20 910	28 423	154 753	222 558

For the Chemical Segment 2024 ended with lower volume and value sales for almost all products. The largest decline was recorded in the chemical products of Boryszew ERG Branch.

Main directions of sales in the Segment for 2024 – 2023 are shown in the following table:

Sales structure [%]	2024	2023
Domestic	70%	63%
Czech Republic	11%	7%
Germany	5%	10%
Ukraine	4%	7%
Other	10%	13%
Export as % of total sales	30%	37%

The domestic market is the main market for the Chemicals Segment companies, generating 70% of the business (export sales up by 7 p.p. versus 2023).

- Market share

The market share in the Chemicals Segment should be analysed by product ranges mainly due to their diverse applications and customer groups.

Assortment	Market share % in domestic market
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Automotive products:

Coolants	33%
Installation fluids	45%
De-icing fluids	30%

Chemical market:

depending on the range	approximately 3%
Construction (wall siding and headliner)	30%
Packaging (depending on the range)	3-10%

The largest market for chopped fibre is industrial applications, accounting for 47% of total fibre consumption. The second largest market in terms of consumption is furniture manufacturing (33%) and interior design, accounting for 20% of total fibre demand.

Companies of the Chemicals Segment are minor suppliers on the European market.

- Competition

Competitors on the filaments includes:

- *Silon* (Czech Republic): in markets throughout Europe mainly for more qualified fibres for technical and hygienic purposes. Manufacturer of only regenerated fibers in wool assortments.
- *Maerkische Faser* (Germany): in markets throughout Europe mainly for more qualified fibres for technical and hygienic purposes. Manufacturer of virgin and regenerated fibres in cotton and wool assortments.
- *Green Fiber* (Romania): in markets throughout Europe for fibres for furniture and the automotive industry for products with lower quality requirements. Manufacturer of only regenerated fibres in wool and cotton assortments.
- Turkish manufacturers: operation throughout Europe; in fibres for furniture and filling purposes. Manufacturers of only regenerated fibres in wool assortments.
- Far Eastern manufacturers – *Huvis*, *Far Eastern Textile*, *Toray*, *Taekwang*, *Nan Ya* - South Korea, Taiwan: operations throughout Europe; technical nonwovens, furniture and fillings. Manufacturers of virgin fibres in cotton and wool assortments.

Competitors on the automotive market include:

- *Orlen Oil*, *Parys*, *Autoland* - automotive fluids,
- *GLI Therm*, *Bio-Chem*, *Aspol* - installation fluids,
- *UAB Esspo*, *UAB AIR STEGA* - de-icing fluids.

Competition for auxiliary products in plastics processing: *ZA Kędzierzyn*, *Perstorp*, *DEZA* and Eastern market - primarily Korean plasticiser manufacturers, with integrated production.

Competitors on the building materials market are: *Gamrat S.A.*, *VOX*, *Kaczmarek*, *Budmat*, *Cellfast*, *Asko*.

Competitors on the packaging market are: *Knauf Industries*, *HSV*, *Yetico*, *Arpack*, *Shaumaplast*, *Hirsch*.

- Raw materials

Main raw materials for Chemicals Segment include:

- octyl and ethyl alcohol (production of chemicals),
- ethylene and propylene glycol (automotive production),
- potassium formate,
- PET flakes (fibre production),

Other non-allocated

- Business

The Other non-allocated segment includes:

- The Head Office in Warsaw – its activity includes management of the Capital Group (several dozen companies, both domestic and overseas), and its objective is to increase the goodwill of the Company and of the Group in the long run. The Company generates revenues from sale and services, dividend and interest on granted loans and acquired bonds.
- Boryszew S.A. Boryszew Energy branch involved in natural gas and electricity trade,

BORYSZEW CAPITAL GROUP

MAIN ENTITIES OF BORYSZEW GROUP BY OPERATING SEGMENTS

Boryszew Capital Group is one of Poland's largest capital groups. It includes several dozen entities with their registered offices located on four continents, which operate primarily in the following sectors: automotive, metal-forming and chemicals. As per IFRS 8, the following four operating segments have been identified:

- Automotive,
- Metals,
- Chemical products,
- Other non-allocated

The applied principle is that each entity belongs to only one operating segment. Described below are segments of Boryszew Capital Group in terms of business activity, sales, markets, competition and sources of supplies.

AUTOMOTIVE SEGMENT

The Automotive Segment within the Boryszew Capital Group includes: Maflow Group and Boryszew Automotive Plastics Group (20 subsidiaries), controlled by Boryszew S.A. Maflow Branch in Tychy acting as the Headquarters for both Groups.

- Business

Maflow Group is one of the largest manufacturers of air conditioning tubes and other applications for transportation of liquids and gases in cars and vans. One of the departments of the Group is the rubber department which specializes in the manufacture of flexible rubber connections for fluid and gas transport in every car circuit.

The primary sales product of Boryszew Automotive Plastics Group in the automotive industry are plastic components for automobile equipment. Meanwhile in the non-automotive industry the Group's products include battery housings, folding boxes, cable winding drums, hinge systems for washers and dryers, window and door fittings or transport boxes.

Each of the companies, Maflow Group and Boryszew Automotive Plastics Group, features individual local structure to run the business and appropriately specified range of responsibilities and duties resulting from the hierarchical subordination, creating, in liaison with the Groups' Headquarters, a co-operating, organisationally interdependent as well as managed and operating Maflow Group and Boryszew Automotive Plastics Group.

Groups' Headquarters supervises the companies of the automotive segment of Boryszew Capital Group:

1. Maflow Spain Automotive S.L.
2. Maflow France Automotive S.A.S
3. Maflow BRS S.r.l
4. Maflow Polska sp. z o. o.
5. Boryszew Maflow sp. z o. o.
6. Maflow India Private Limited
7. Maflow do Brazil Ltda.
8. Maflow Components (Dalian) Co. Ltd.
9. MAFMEX S. de R.L. de C.V.
10. Boryszew Automotive Mexico S. de R.L. de C.V.
11. Maflow Plastics Poland Sp. z o. o.
12. Boryszew Automotive Plastics Sp. z o.o.
13. Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy
14. ICOS GmbH in bankruptcy under self-administration
15. AKT plastikárská technologie Cechy, spol. s r.o.
16. Theysohn Formenbau GmbH in bankruptcy under self-administration
17. Theysohn Kunststoff GmbH in bankruptcy under self-administration
18. Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration
19. Boryszew Plastic Rus Sp. z o.o.
20. Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration

Following a specific analysis of the activities of different Maflow Group companies, as well as the markets in which they operate, the situation is as follows:

- Boryszew Maflow Branch – see the section on Boryszew S.A.,
- Maflow Spain Automotive S.L. - operating in Spain, manufacturing for the European markets, mainly Spain and Portugal. The main customer is the VW Group, buying air conditioning hoses.
- Maflow do Brazil Ltda - with registered office in Brazil, a partner to the VW Group operating on the same territory where Maflow do Brazil Ltda sells air conditioning ducts. In addition, the facility in Brazil is a manufacturing site for air brake hoses for Scania in Brazil;
- Maflow Components Dalian Co. Ltd – based in China, manufacturing air conditioning hoses for passenger cars and rubber hoses for air conditioning and power steering installations. Currently, the company is involved in projects for Volvo and BMW, however, the overall share of Maflow Group in the market of Chinese air conditioning ducts for passenger cars is insignificant and the Group has no share in the market for trucks;

- Maflow India Private Limited – operating in India, manufacturing air conditioning ducts for VW and Renault India;
- MEFMEX S. de R. L. de C.V. – based in Mexico, in the reporting period manufactured air conditioning ducts for Volkswagen, Audi and Navistar.

The BAP Group covers entities involved in series production of high quality plastic parts for the automotive sector, used in vehicle interior and exterior, including galvanized and varnished plastic parts and injection moulds for the production of these elements. In the reported period the bankruptcy process under self-administration continued in ICOS, TKS and TFB. In addition, it was decided to start the bankruptcy under self-administration process in another two German Companies, i.e. BOD and BFD. After the balance sheet date, a decision was also made to cease operations in Boryszew Kunststofftechnik Deutschland GmbH (BKD), an indirect subsidiary of Boryszew S.A.

Following an analysis of the activities and markets of different Boryszew Automotive Plastics Group companies, the situation is as follows:

- AKT plastikárská technologie Cechy, spol. s r.o. – based in the Czech Republic, manufacturing for the Czech, with customers including Skoda and also for the German market where the main customers of the company are Daimler, Audi and VW;
- Boryszew Plastic Rus Ltd – based in Russia, due to the conflict in Ukraine and sanctions imposed on Russia, halted its core business for the automotive industry.
- Maflow Plastics Poland sp. z o.o. – operating in Poland in Ostaszewo, mainly for local VW production facilities located in Poznań and Września and Toyota facility in Wałbrzych. In Europe the customers of the company include mainly VW Sachsen, Hannover and Wolfsburg, as well as a Toyota plant in France.
- Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration based in Germany and manufacturing mainly for such customers as: IAC, PSA or Rehau.
- Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy and the Idar Oberstein plant are suppliers mainly to the German market (VW, Audi), and to a lesser extent to the Slovak market (Faurecia), or the Czech market (Antolino Group) as well as the Polish market (VW Poznań).

• Sales and Markets

Car sales are up in 2024 compared to the previous year. According to ACEA (European Automobile Manufacturers' Association) the passenger car market in Europe (UE, EFTA i UK) increased by 0.9% compared to the same period of last year. The main customer for the Automotive segment – Volkswagen Group - recorded an increase in car sales on the European Market of 2.5% in 2024.

The following table presents the initial results of registration of new cars in the territory of the European Union and EFTA states.

	JANUARY - DECEMBER				
	% share		Quantity		% change
	2024	2023	2024	2023	24/23
Volkswagen Group	26.3%	25.9%	3 407 242	3 324 705	2.5%
Stellantis	15.2%	16.6%	1 969 594	2 128 625	-7.5%
Renault Group	9.9%	9.7%	1 282 453	1 242 293	3.2%
Hyundai Group	8.2%	8.6%	1 063 517	1 106 467	-3.9%
BMW Group	7.1%	7.1%	923 202	913 955	1.0%
Toyota Group	7.8%	6.9%	1 006 073	888 770	13.2%
Mercedes-Benz	5.4%	5.5%	696 907	710 433	-1.9%
Ford	3.3%	4.0%	426 307	518 371	-17.8%
Tesla	2.5%	2.9%	327 034	366 326	-10.7%
Nissan	2.4%	2.3%	307 276	293 476	4.7%
Volvo Cars	2.9%	2.2%	369 689	287 150	28.7%
Suzuki	1.6%	1.5%	203 132	187 344	8.4%
Mazda	1.3%	1.4%	172 347	182 532	-5.6%
Jaguar Land Rover Group	1.2%	1.1%	150 657	145 490	3.6%
Land Rover	1.0%	0.9%	128 086	120 588	6.2%

Jaguar	0.2%	0.2%	22 571	24 902	-9.4%
Honda	0.6%	0.5%	74 682	60 606	23.2%
Mitsubishi	0.5%	0.3%	60 873	42 823	42.2%

Source: Reports - ACEA: NEW CAR REGISTRATIONS BY MANUFACTURER 2025 EU+EFTA+UK (data pertaining to 2024);

ACEA: NEW CAR REGISTRATIONS BY MANUFACTURER 2024 EU+EFTA+UK (data pertaining to 2023).

An important parameter with an impact on the dynamics and results of Boryszew Capital Group is the global and European level of car sales (the Automotive segment accounts for some 31% of Boryszew Group's turnover).

Revenues from the sale of the Automotive segment in 2024 - 2023 are presented in the table below:

Entity		Assortment	Value [PLN '000]	
			2024	2023
BAP Group (Plastics)				
Boryszew Kunststofftechnik Deutschland GmbH	Plastic components		168 321	209 257
Theysohn Kunststoff GmbH	Plastic components		0	933
AKT Plastikarska Technologie Cechy spol.sr.o	Plastic components		122 604	142 853
Boryszew Kunststofftechnik Deutschland GmbH - Ymos division	ZnAl components		69 160	94 105
Boryszew Oberflächentechnik Deutschland GmbH	Plastic components		74 256	77 766
Theysohn Formenbau GmbH	Injection moulds production		2 199	23
Boryszew Formenbau GmbH	Injection moulds production		13 304	15 577
ICOS GmbH	Holding company		409	666
Boryszew Plastic RUS	Plastic components		17 192	7 412
Maflow Plastics Poland Sp. z o. o.	Plastic components		81 866	72 429
Boryszew Automotive Plastics Sp. z o.o.	Shared service company		0	4 797
Boryszew HR Service Sp. z o.o.,	Outsourcing of employees		14 080	10 780
Total for BAP Group (Plastics)			563 391	636 598
Grupa Maflow				
BORYSZEW S.A. MAFLOW BRANCH	Air-conditioning tubes and other*		780 756	894 859
Maflow BRS S.r.l	Rubber tubes		145 270	177 042
Maflow France Automotive S.A.S.	Air-conditioning tubes and other*		344	1 605
Maflow Spain Automotive S.L.	Air-conditioning tubes and other*		74 174	72 473
Maflow do Brasil Ltda	Air-conditioning tubes and other*		54 486	50 888
Maflow Components (Dalian) Co. Ltd.	Air-conditioning tubes and other*		38 617	54 348
Mafmex S. de. R.L. de C.V.	Air-conditioning tubes and other*		94 250	89 899
Maflow India Private Limited	Air-conditioning tubes and other*		17 058	21 043
Boryszew Maflow sp. z o. o.	Air-conditioning tubes and other*		8 840	0
Total for Maflow Group			1 213 795	1 362 157
Consolidation adjustments			-209 322	-249 883
Total - Automotive Segment			1 567 864	1 748 872

(*) other products are mainly power-steering tubes, rubber tubes, brake tubes and active suspension tubes.

In 2024 the Automotive Segment reduced its sales revenue by more than 10%, but some companies in the Segment reported slight increases in revenue. The largest increases in revenue were recorded in Maflow Group companies based in Mexico and Brazil, as well as Maflow Plastics Poland Sp. z o.o.

The main sales destinations for in the Automotive Segment for the period 2024 - 2023 are presented in the table below:

Sales structure [%]	2024	2023
Domestic	9%	9%
Germany	29%	27%
Czech Republic	9%	9%
Spain	7%	7%
Brazil	5%	4%
Mexico	5%	4%
France	4%	4%
Sweden	4%	3%
United Kingdom + Northern Ireland	3%	4%
China	3%	4%
Belgium	3%	3%
Other	19%	21%
Export as % of total sales	91%	91%

In terms of sales, almost entire sales volume of Maflow Group is exported. Some small quantities of Maflow Group products are also sold in Poland and the customers include VW Poznań and Września, FCA Poland. The main market for the Automotive Segment remains European Union countries, with about 29% of products sold to the German market.

- Market share

In 2024, Maflow Group's share in the global market remained constant at 7%. In terms of Western European markets, the shares of Maflow Group in production remained at a similar level as in 2023, i.e. 24-25%.

VW Group remains the biggest customer for Maflow Group products. Important customers, but with lower sales volumes, are: BMW, VCC and Renault. Maflow Group maintains its third position on the European market just after ContiTech and Hutchinson. Maflow Group products are invariably supplied to NAFTA markets, owing to MAFMEX S. de R. L. de C.V., located in Mexico. The Group also plans to increase its market share on NAFTA & BRICS markets.

Boryszew Automotive Plastics Group acts as a Tier 1 and Tier 2 supplier, and its portfolio includes plastic components for the interior and exterior of vehicles.

- Competition

Direct competitors of Maflow Group include such corporations as *Contitech*, *Eaton/Xandor*, *TI Automotive*, *Daytech*, *Hutchinson*, *Parker*, *Hanon*, *SAAA*, *Tenglong*. Some of these companies are multinational corporations where production of air-conditioning tubes is neither the only nor primary business.

Maflow Group operates on the basis of contracts of several years' duration concluded with the world's leading car manufacturers.

Competitors for BAP Group include: *Plastic Omnium*, *FORVIA (formerly Faurecia and Hella)*, *Magna International*, *Lear*, *Adient*, *Grupo Antolin*. These are global corporations for which the production of car parts made of plastics is neither the sole nor primary activity. These companies are integrators of complete products used in automotive industry, the s called Tier 1.

- Sources of supplies

For the purpose of production of air-conditioning tubes, companies of Maflow Group purchase mainly such raw materials as: rubber compounds, aluminium tubes and aluminium blocks, sensors, rubber hoses.

Companies of BAP Group purchase pure raw materials and mixes based on polypropylene, ABS, polycarbonate, polyamides etc. Suppliers of the aforesaid raw materials are global chemical corporations or manufacturers of zinc alloys.

- Particularly key parameters for the Segment

- energy prices and prices of other utilities,
- unstable geopolitical situation,
- prices and availability of materials and raw materials,

- delivery cost,
- profitability of acquired contracts,
- operational efficiency of the Segment production plants,
- situation on the automotive market
- labour costs,
- inflation levels,
- FX rates
- stable supply chains (no disruption to logistics processes or restrictions on international trade).

The anticipated development of Maflow Group will be driven by the pursuing a new three-year strategy, which includes the implementation of new strategic goals. These efforts will include special optimisation, process and production programs to improve the efficiency of utility consumption at the plants. In addition, the Group will focus on innovative projects and the acquisition of new projects that will support the growth of Maflow Group market share and also contribute to the achievement of ESG goals.

In attracting new customers, the Group's priority will be the markets of Asia and the Americas, where significant growth is planned – an eightfold increase is anticipated in Asia, and a fivefold increase in the Americas. In the European market the Group plans to maintain a stable share of 25%. A key element in the implementation of this strategy is the development of a rubber hose plant in China to capitalise on the potential of the market there, particularly for fluid transfer in automobiles, given the huge volume of production and sales.

The Group is also planning further growth in the NAFTA and BRICS markets, aiming to increase its share in these regions. In improving the offer, the production of hoses for R744 refrigerant will be of particular importance, providing a competitive advantage due to years of experience in the production of such components.

In addition, efforts are underway to diversify the customer and product portfolio in order to minimise the risks associated with focusing on certain market segments. In purchasing the Group plans to reduce operating costs and develop cooperation with alternative suppliers, including those located in India.

In environmental protection, the Company is also focused on reducing the emissivity of refrigerants in rubber hoses produced by Maflow Italy, which is one of its key sustainability development activities.

METAL SEGMENT

The Metals Segment comprises: Aluminium, Brass, Zinc and Lead, Steel, and Trade and Other.

ALUMINIUM

- Business

The Aluminum business includes NPA Skawina (hereinafter NPA Skawina, NPA).

Main products of the Aluminium business include:

- aluminium and alloys wire rods, an input product for manufacturing of wires, power cables,
- non-wire rods, which are used in steel-forming as deoxidizers,
- naked aluminium wire and power conductors/cables.

The Group's aluminium products are primarily used in the automotive industry, construction industry, electrical engineering and production of packaging materials.

- Sales and Markets

Volume sales and sales revenues of the Aluminum business in 2024 - 2023 are shown in the table below:

Entity	Assortment	Quantity [T]		Value [PLN '000]	
		2024	2023	2024	2023
NPA Skawina					
	Wire rods	36 649	32 981	498 170	482 119
	Non-wire rods	2 046	1 903	28 621	27 358
	Alloy rods	4 359	3 870	65 487	66 178
	Wires and cables	9 918	9 729	163 817	172 675
	Class V aluminum conductors	608	480	12 195	10 543
	Extruded products	1 428	3 256	22 632	54 567
Total for the Aluminium business		56 072	53 183	808 664	828 533

In 2024 NPA Skawina operated in less favourable market conditions, facing rising aluminum prices and exchange rate volatility, including a decline of the dollar. On the other hand, lower gas and energy prices compared to 2023, as well as increased volume sales, were favourable factors. Higher production volumes contributed to lower unit manufacturing costs, which had a positive impact on profitability.

Main directions of sales in the Segment for 2024 - 2023 are shown in the following table:

Sales structure [%]	2024	2023
Domestic	39%	38%
Czech Republic	21%	18%
Italy	10%	8%
Germany	7%	9%
Sweden	3%	3%
The Netherlands	2%	3%
Luxembourg	2%	2%
Slovakia	2%	3%
Switzerland	1%	2%
Bosnia and Herzegovina	0%	3%
Other	13%	12%
Export as % of total sales	61%	62%

In 2024, the share of exports was 61%. In the structure of export sales, the largest changes took place in sales to the Czech Republic – up 3%, Italy – up 2%, Germany – down 2%.

- **Market share**

NPA Skawina share of aluminium wire rod and non-conductor wire rod in the domestic market was 34% in 2024. The remainder of wire rod sales were imported; mainly from Mozambique – 20% of the market (Midal), Romania – 15% (Alro), the United Arab Emirates – 14% (Ducab), Bahrain – 14% (Midal), the Russian Federation – 13% (Rusal), Malaysia – 9% (Press Metal), Egypt – 5% (Egyptalum), other suppliers accounted for 10% of imports.

Overhead conductors on the domestic market outside NPA Skawina are manufactured by FPE Będzin and Eltrim. NPA Skawina sells its products mainly on the European market. NPA products are rated highly in terms of quality. The main customers are cable and wire manufacturers as well as power grid operators.

- **Competition**

The largest competitors of NPA Skawina include:

- in rolled products: Alcoa Island, Alro Vimetco Romania, Ducab ZEA, Egyptalum Egypt, Hydro Aluminium Norway, Inotal Hungary, Lamifil Belgium, Midal Mozambique/Bahrain, Press Metal Malaysia, Rusal Russia, Trimet France.
- in processed products: FPE Będzin, Fux of Hungary, Lumpi of Austria, Heneken (Slovakia), WDI of Germany, Trefinasa of Spain, Midal Cable of Bahrain, De Angeli Prodotti, and manufacturers from Turkey, China and India.

- **Raw materials and sources of supplies**

The basic raw materials for production at NPA Skawina include aluminium pig sows and blocks, as well as aluminium scraps, which are imported (pure metal, alloys) or purchased at home (scraps).

- **Particularly key parameters for the Segment**

- the amount of trade bonus that affects revenues and results,
- the amount of subsidies for the main raw material (aluminium), scrap price level, which affect production costs.
- development of competition in aluminum wire rod production from: Malaysia, Mozambique, and India,
- instability of electricity and gas prices in Europe,
- unstable macroeconomic conditions in the foreign exchange market.

BRASS

- Business

In Brass business, the Boryszew Group has one producer: WM Działdów S.A.

The key products in the Segment are:

- brass alloy tubes and multi-component alloys for power industry (including condenser), shipbuilding industry and heat engineering,
- brass alloy rods and wires – for construction, electronics and electrical engineering industries.

The most important markets are the construction, electronics, electrical engineering and metallurgy industries.

- Sales and Markets

The sales volumes and revenues from sales of the Brass business in 2024 and 2023 are presented in the table below:

Entity	Assortment	Quantity [T]		Value [PLN '000]	
		2024	2023	2024	2023
WM Działdów					
	Drawn brass bars	10 554	10 698	224 522	253 587
	Extruded brass bars	5 518	6 751	98 760	140 740
	Drawn brass tubes	1 360	1 156	29 192	27 225
	Extruded brass tubes	1 354	1 362	29 007	32 803
	Condenser tubes	1 230	1 367	57 686	69 034
	Other	223	262	17 275	22 574
Total for Brass business		20 239	21 596	456 441	545 963

The second year in a row the Company has been observing a weak economy for manufactured products, which had a direct impact on sales volumes and the negotiating position in terms of the margins earned. The decrease in sales by volume was 6%, the decrease in sales revenue was about 16% compared to 2023. An increase in the minimum wage and inflationary pressures pushed up labour costs by about 5% despite a y/y decline in employment of about 3%.

Sales in 2024 totaled 20 239 tonnes. The year-on-year decline in sales of 1 357 tonnes is mainly linked to a significantly weaker market for the company's products. The largest drop in sales was in extruded brass bars.

The main sales destinations in the Brass business in 2024 – 2023 are presented in the table below:

Sales structure [%]	2024	2023
Domestic	39%	40%
Germany	22%	24%
United Kingdom + Northern Ireland	7%	7%
Czech Republic	7%	7%
U.S.A.	6%	3%
Slovakia	5%	7%
Italy	3%	4%
Canada	2%	1%
Denmark	2%	2%
Finland	2%	1%
Other	5%	4%
Export as % of total sales	61%	60%

The largest customers for products in the Brass business in 2024 included European Union countries, such as: Germany – 22%; Czech Republic – 7%; Slovakia – 5%, the domestic market accounted for nearly 39% of total sales. From outside the European Union, the largest sales were made to the UK 7% and the US 6%

- **Market share**

The market share in the Brass business should be analysed by product ranges mainly due to their diverse applications and customer groups.

European Market:

Assortment	shares in %
Brass bars and pipes	1-1.5%

Domestic market:

Assortment	shares in
Brass bars and pipes	44%

The lower sales volume was the result of unfavourable demand trends in the global market due to the continuation of economic stagnation.

- **Competition**

The following multinational corporations are examples of strong overseas competitors in the Brass business:

- HME – formed after the acquisition of the rod portion of KME by the Hajliang concern. It has manufacturing facilities in Italy, Germany and France,
- Wieland AG – a German company with 9 production facilities worldwide, involved in production of non-ferrous metal products.
- Diehl – Germany's third-largest manufacturer of high-quality brass bars and pipes, headquartered in Röthenbach; production units are located at 13 locations in Europe, Asia, South America and the US.
- Eredi Gnutti S.p.A., Carlo Gnutti, Almag, Metalurgica San Marco - Italian companies, based in Brescia. They produce brass bars and rolled products in the form of strips.
- Nordic Brass - a manufacturer of brass bars based in Gusum, Sweden; the products offered are made from recycled material (great concern for the environment).
- Garay - a Spanish company, main competitor for lock bars and profiles.

Domestic competitors include:

- Wholesalers: Złomrex (Cognor Group), Profmetkol Sp. z o.o., KME Metale Sp. z o.o., Metall Expres Sp. z o.o., Metkom Sp. z o.o

- **Raw materials and sources of supplies**

The main raw materials in the Brass business include: copper and brass scraps and copper cathodes. These raw materials are purchased mainly on the domestic market and are supplemented with imported supplies.

- **Particularly key parameters for the Brass business:**

- level of copper and zinc prices, due to the existence of alternative materials for plumbing copper pipes, used in the construction industry,
- repair policy in the energy sector, the main customer of condenser tubes.
- economic situation in Poland and in the world,
- foreign exchange rate trends, in particular the EUR and USD exchange rates,
- limited and unstable supply of scrap raw materials,
- competition from large non-ferrous metal product groups in Europe,
- replacing copper alloy products with cheaper products (plastics) when copper prices are high.

ZINC AND LEAD BUSINESS

- **Business**

Zinc and Lead business includes manufacturers: Baterpol S.A., ZM Silesia S.A. and two other non-manufacturing units: Polski Cynk Sp. z o.o. and Baterpol Recycler Sp. z o.o.

Each of the manufacturing companies operates on different product markets. Baterpol S.A. deals in recycling of batteries and lead processing while ZM Silesia S.A. deals in zinc and lead processing.

The basic products from this segment include:

- refined and alloyed lead – mainly used in batteries production,
- zinc and zinc-and-titanium sheets for roof coverings and flashing,
- zinc and zinc-and-aluminium wire used in cold spray coating,
- zinc anodes used in electroplating,

- casting alloys for metal-forming,
- zinc oxides – used in tyre manufacturing, pharmaceutical production and animal feed production,
- lead oxides – used in batteries.

The products of this segment are used mainly for manufacturing of batteries, in construction industry, rubber industry, electroplating and metal-forming.

- Sales and Markets

The sales volumes and revenues from sales of the Zinc and Lead Segment in 2024 and 2023 are presented in the table below:

Entity		Assortment	Quantity [T]		Value [PLN '000]	
			2024	2023	2024	2023
Baterpol						
	Lead and alloys		32 847	33 452	349 295	388 030
	Polypropylene, sodium sulfate		6 735	6 674	6 206	9 898
	By-products		0	2 658	0	30 895
	Other				689	5171
Total			39 582	42 784	356 190	433 994
ZM Silesia (Katowice)						
	Metal sheets		6 671	5 329	97 187	84 216
	Anodes		1 416	1 552	19 885	23 179
	Wire		1 663	1 323	27 575	24 001
	Other				3 064	2 839
Total			9 750	8 204	147 710	134 235
ZM Silesia (Oława Branch)						
	Zinc white		9 878	9 347	112 474	125 734
	Lead tetroxide		4 092	2 205	43 284	28 990
Total			13 970	11 552	155 758	154 724
Total Zinc and Lead			63 302	62 540	659 658	722 953

2024 ended for the Zinc and Lead business with slightly higher sales volume of 1.2%, or 0.8 thousand tonnes more than in 2023.

As a result of intensified sales activities in 2024 at ZM SILESIA, the value of y/y sales increased by some 5%. In addition, more effective cost control procedures and sales price revision contributed to increased margins. Sales in 2024 amounted to 23.7 thousand tonnes. Y/y sales growth is about 20%, indicating stabilisation of sales and gradual recovery of markets.

The main sales destinations in the Zinc and Lead business in 2024 – 2023 are presented in the table below:

Sales structure [%]	2024	2023
Domestic	49%	46%
Czech Republic	18%	18%
Germany	15%	15%
Luxembourg	6%	6%
Austria	4%	4%
France	3%	3%
Italy	1%	1%
Switzerland	0%	3%
Other	4%	4%
Export as % of total sales	51%	54%

In 2024 the share of sales in the domestic market increased by 3%, while the share of exports decreased by 3%. Sales volumes in 2024 remained at the same level.

- Market share

The market share in the Zinc and Lead business should be analysed by product ranges mainly due to their diverse applications and customer groups.

European Market:

Assortment	shares in %
Lead oxides	11%
Zinc wire	4%
Zinc oxides	9%
Zinc anodes	3%
Zinc-titanium sheets	5%

Domestic market:

Assortment	shares in %
Lead oxides	67%
Galvanised wire	55%
Zinc oxides	49%
Zinc anodes	60%
Zinc-titanium sheets	55%

- Competition

Foreign competitors in the zinc-titanium sheets and strips market include six of the most prominent companies - *RheinZink, VM Zinc, elZinoc, NedZink, Zintek and IEQSA*.

In the zinc oxide market, the main competitors are: *EverZinc, Zincol Ossidi, Silox, Brueggeman*.

- Raw materials and sources of supplies

The Zinc and Lead business procures mainly battery scraps, zinc and lead. The above mentioned raw materials are purchased mostly in Poland.

- Key parameters of Zinc and Lead business

- gas and electricity prices,
- price level and availability of battery scrap,
- LME quotation levels for zinc and lead, which significantly determine the demand and competitiveness of the products manufactured by the Company,
- demand of the automotive and construction industry, two main customers of the Zinc and Lead business.
- unstable macroeconomic conditions in the foreign exchange market – strengthening of PLN
- economic slowdown, including in Poland and Germany, manifesting itself in declining orders and price pressures,
- competition from large non-ferrous metal product groups in Europe,

STEEL BUSINESS

- Business

This business includes: Alchemia S.A, Huta Bankowa Sp. z o.o. and Laboratoria Badań Batory Sp. z o.o.

In 2024, the Management Board of Alchemia S.A. decided to liquidate the following branches: Walcownia Rur Andrzej branch in Zawadzkie (05.2024), Rurexpol branch in Częstochowa (11.2024), Kuźnia Batory branch in Chorzów (12.2023). This was mainly due to the situation of the industry and the inability of these units to achieve positive profitability in the future without significant capital expenditures.

The key products in the Segment are:

- steel pipes and ingots,
- long rolled products,
- forged-rolled rings and rims,
- forged products,
- steel processing services,

- Sales and Markets

The most important markets for the Steel business products are oil, gas, chemical, power, construction, infrastructure, machinery and general engineering sectors.

Revenues from the sale of the Steel business in 2024 - 2023 are presented in the table below:

Entity	Assortment	Value [PLN '000]	
		2024	2023
Alchemia S.A.	Steel pipes and ingots,	459 297	657 926
	Semi-finished steel products	57 368	157 401
	Forged products and steel processing	3 293	30 648
	Other	15 336	20 331
	Total	535 294	866 306
Huta Bankowa	Long products	259 921	386 424
	Forged and rolled products	102 269	115 353
	Other	8 526	11 383
	Total	370 716	513 160
Laboratorium Badań Batory	Services	7 986	6 751
	Total	7 986	6 751
Consolidation adjustments		-70 009	-171 556
Total for Steel business		843 987	1 214 661

Lower result on product sales in the Steel business in 2024 was influenced by the global situation in the steel market, in particular, the development of prices for basic production raw materials and the development of energy and gas prices in Europe. One of the most important factors affecting the result of operations was the deterioration of the competitive position of manufacturers in Europe in the face of cheaper inflows of many products and semi-finished products. This has significantly distorted prices (downward pressure on lower demand) with persistently high manufacturing costs (including utilities) disproportionate to non-European competitors further burdened by CO2 or other environmental charges. In addition, the liquidation of branches producing pipes in Częstochowa and Zawadzkie had a considerable impact on the results. The impact of these liquidations also affected the financial result following write-offs and recognition of liquidation reserves.

- Competition

Competitions for the Steel business should be analysed per the target market. The main competitors are players from Europe and China.

The Group's largest competitor in this business is Interpipe (Ukraine). Other major competitors include:

- Productos Tubulares/Tubos Reunidos (Spain)
- Dalmine Tenaris (including in Italy, Romania)
- Moravia (Czech Republic)
- Liberty (Czech Republic)
- Chomutov (Czech Republic)
- Rustavi (Georgia)
- BMZ (Belarus)
- Mittala Group (including in Romania).

- Raw materials and sources of supplies

Alchemia Group companies source materials necessary for production mainly on the domestic market. Supplies include materials (mainly steel semi-finished products), finished products (such as spare parts). Alchemia Group also works with companies that provide services to its subsidiaries, in particular repair or transport services.

TRADE AND OTHER BUSINESS

- Business

The Trade and Other business within the Metals Segment included the following companies in 2024: Zakład Utylizacji Odpadów Sp. z o.o., Metal Zinc Sp. z o.o.

CHEMICAL PRODUCTS SEGMENT

- Business

The Chemicals Segment includes the following entities: Boryszew S.A. Oddział Elana, Boryszew S.A. Oddział Boryszew ERG, Elimer Sp. z o.o.

The entities of the Chemicals Segment operate in the following sectors:

- PET flakes used as a raw material in chemical, textile and packaging industries,
- staple fibres, elball - used mainly in the textile, furniture and apparel industry, chemical industry (including plasticizers, stabilizers, grease used for production of plastics),
- automotive (including: engine coolants, brake fluids, installation fluids, de-icing fluids),
- construction (including: wall siding, doors, coffers),
- packaging (including: Styrofoam moulds, polyethylene drums),
- car cosmetics.

- Sales and Markets

Sales volume and sales revenues of the Chemistry Segment in 2024 - 2023 are presented in the table below:

Entity	Assortment	Quantity [T]		Value [PLN '000]	
		2024	2023	2024	2023
Boryszew Elana Branch					
	Elana (staples, elball)	8 646	9 541	46 163	59 995
	Goods and materials	493	725	1 348	1 359
	Artec		182		166
	Other services (processing)			2 094	2 238
	Total	9 139	10 448	49 605	63 758
Boryszew Branch RG					
	Chemicals	4 166	8 930	33 243	71 726
	Automotive and de-icing fluids	7 605	9 045	34 440	45 216
	Construction materials			18 551	19 590
	Packaging			8 117	10 892
	Other (including disinfectant)			12 146	13 239
	Total	11 771	17 975	106 497	160 663
Elimer Sp. z o. o.					
	Services			4 073	3 631
	Total	0	0	4 073	3 631
Consolidation adjustments				-2 488	-2 621
Chemical Segment total		20 910	28 423	157 687	225 430

2024 ended for the Chemicals Segment with lower sales volume and value for all products. The largest decline was recorded in the chemical products of Boryszew ERG Branch. Aggressive pricing by Asian chemical manufacturers led to a drop in market prices, resulting in lower sales.

The main sales directions in the Chemicals Segment in years 2024 – 2023 are presented in the table below:

Sales structure [%]	2024	2023
Domestic	70%	63%
Czech Republic	11%	7%
Germany	5%	10%
Ukraine	4%	7%
Other	10%	13%
Export as % of total sales	30%	37%

The domestic market remained the main market for the Chemicals Segment companies, generating 70% of the business. Its share increased by 7% versus 2023. As for exports, the Czech and German markets continue to be the main customers for products of the Chemistry Segment.

- Market share

The market share in the Chemicals Segment should be analysed by product ranges mainly due to their diverse applications and customer groups.

The share of the most important product groups on the domestic market in 2024 was as follows:

- products for the automotive industry – cooling liquids approximately 33%, installation liquids approximately 45%, defrosting agents approximately 30%
- chemical products market (auxiliary products for processing) – depending upon product range, app. 3%,
- construction industry – siding and counter ceiling – 30%.
- packaging - depending on the assortment from 3% - 10%.

Companies of the Chemicals Segment are minor suppliers on the European market.

- Competition

Competitors on the filaments includes:

- *Silon* (Czech Republic): in markets throughout Europe mainly for more qualified fibres for technical and hygienic purposes. Manufacturer of only regenerated fibres in wool assortments.
- *Maerkische Faser* (Germany): in markets throughout Europe mainly for more qualified fibres for technical and hygienic purposes. Manufacturer of virgin and regenerated fibres in cotton and wool assortments.
- *Green Fiber* (Romania): in markets throughout Europe for fibres for furniture and the automotive industry for products with lower quality requirements. Manufacturer of only regenerated fibres in wool and cotton assortments.
- Turkish manufacturers: operation throughout Europe; in fibres for furniture and filling purposes. Manufacturers of only regenerated fibres in wool assortments.
- Far Eastern manufacturers – *Huvis*, *Far Eastern Textile*, *Toray*, *Taekwang*, *Nan Ya* - South Korea, Taiwan: operations throughout Europe; technical nonwovens, furniture and fillings. Manufacturers of virgin fibres in cotton and wool assortments.

Competitors on the automotive market include:

- *Orlen Oil*, *Parys*, *Autoland* - automotive fluids,
- *GLI Therm*, *Bio-Chem*, *Aspol* - installation fluids,
- *UAB Esspo*, *UAB AIR STEGA* - de-icing fluids.

Competition for auxiliary products in plastics processing: *ZA Kędzierzyn*, *Perstorp*, *DEZA* and Eastern market - primarily Korean plasticiser manufacturers, with integrated production.

Competitors on the building materials market are: *Gamrat S.A.*, *VOX*, *Kaczmarek*, *Budmat*, *Cellfast*, *Asko*.

Competitors on the packaging market are: *Knauf Industries*, *HSV*, *Yetico*, *Arpack*, *Shaumaplast*, *Hirsch*.

- Raw materials

Main raw materials for Chemicals Segment include:

- octyl and ethyl alcohol (production of chemicals),
- ethylene and propylene glycol (automotive production),
- potassium formate,
- PET flakes (fibre production),

OTHER NON-ALLOCATED

- Business

Boryszew S.A. - Head Office, Boryszew S.A. Boryszew Energy branch, Boryszew Green Energy & Gas Sp. z o.o. Boryszew Real Estate Sp. z o.o. Boryszew Property Sp. z o.o. Boryszew Inwestycje Sp. z o.o. Boryszew Assets Sp. z o.o.

Boryszew S.A. - Head Office, based in Warsaw, manages the Capital Group (several dozen companies, both domestic and overseas) and its objective is to increase the value of the Company and of the Group in the long run. The Head Office earns income mainly from dividends and interest on loans and bonds.

Other entities are mainly involved in sale of gas and electrical energy (Boryszew S.A. Energy Branch and Boryszew Green Energy & Gas Sp. z o.o.), rental of office and warehouse space and land (Boryszew Nieruchomości Sp. z o.o.).

ANALYSIS OF MARKET SITUATION IN 2024

ECONOMIC SITUATION

Structure of revenues by segments, PLN '000

	2024		2023	
Chemical products	157 687	3%	225 430	4%
Automotive	1 567 864	31%	1 748 872	31%
Metals	2 825 884	55%	3 356 059	59%
Other *	564 571	11%	358 644	6%
TOTAL	5 116 006	100%	5 689 005	100%

Geographical structure of revenues, PLN '000

	2024		2023	
Poland	2 009 413	39%	2 015 379	35%
Germany	915 134	18%	1 121 879	20%
Other EU countries	1 707 607	34%	1 977 247	35%
Other *	483 852	9%	574 500	10%
TOTAL	5 116 006	100%	5 689 005	100%

* this item also includes consolidation exclusions between segments

Key determinants:

Market sentiment - PMI and GDP:

Since more than 90,5% of revenues at Boryszew Capital Group is generated in Europe, then the overall economic situation within the European Union (mainly in Germany) is critical for Group's performance.

2024 was a year of economic stagnation in the European Union, with moderate GDP growth, falling inflation and a more stable labour market. Investment in the energy transition was a key driver of growth, but challenges related to geopolitics, debt and economic inequality among member countries persisted. In the coming years the European Union will face challenges in further developing the green economy and internal integration, especially in the face of global uncertainties.

In Poland the past year brought moderate economic growth with a decline in inflation and stabilisation in the labour market, both of which provide grounds for moderate optimism. The average annual inflation rate in 2024 was 3.6%, down significantly from 11.4% in 2023. Despite some challenges, such as the necessary structural reforms, geopolitical uncertainty, restrictive monetary policy, and the need for further energy and digital transformation, the outlook for the future remains positive, especially with the expected recovery in investment and stabilisation in the labour market.

The average values of the PMI index, which determines the level of activity in industry in the Euro zone, Poland and Germany were at a significantly lower level then in the same period of the previous year.

PMI	2024	2023
EU	45.9	44.9
Poland	47.4	46.2
Germany	43.0	42.6

In Poland, the PMI reading was at a higher level than last year – although still below the 50-point “crisis” level, i.e. 47.4 points (with the reading of 46.2 points in 2023). Compared to other European countries, Poland looks relatively well, with a PMI similar to or higher than many Eurozone countries. Poland's industrial sector was experiencing difficulties in 2024, with the PMI remaining below 50 points throughout the year. However, the gradual improvement in the index in the second half of the year may have suggested a possible recovery in the coming months. The effect of the recovery can be seen in February 2025 when Poland's manufacturing PMI rose to 50.6 points for the first time since April 2022, indicating a gradual improvement in conditions in the industrial sector.

Forecast of GDP growth for Poland	2025	2026
NBP	3.7%	2.9%
World Bank	3.4%	3.2%
European Commission	3.6%	3.1%

According to World Bank forecasts, Polish economy will grow by 3.4% in 2025. Importantly, earlier World Bank forecasts of October 2024 predicted higher GDP growth for Poland (3.7%), but the latest figures indicate a slightly lower growth rate in the coming years.

Compared to other European countries, Poland stands out for its higher growth rate. In the Eurozone, for example, GDP growth is expected to be only 1.0% in 2025. The largest economies of EU, such as Germany, France and Italy, are forecasting even lower levels of economic growth. For Germany, the expected growth is only 0.3% in 2025 and 1.1% in 2026. Importantly, a large part of our exports - which are one of the driving forces of the Polish economy - are directed to Western Europe. The downturn in Germany, France or other eurozone countries will, with some delay, have an impact on the situation of Polish companies. Despite lower growth forecasts, Poland will continue to be one of the growth leaders in the European Union, which gives it a strong negotiating position on issues related to EU policy, regional development or fiscal and monetary policies.

The European Commission forecasts that Poland's GDP growth will reach 3.6% in 2025, driven mainly by private consumption and investment, including public investment funded by the EU. Growth will slow to 3.1% in 2026, due to weakening consumption and investment. In addition, inflation is expected to continue to decline after the increase in 2025 associated with the unfreezing of energy prices.

The National Bank of Poland, in its latest forecast in March 2025, estimates that after projected domestic GDP growth in 2024 at close to 3%, growth is expected to accelerate to 3.7% in 2025. A factor that will significantly support economic growth is the significant inflow of EU funds, especially under the 2021-2027 financial perspective and the implementation of the National Recovery Plan. These funding sources have the potential to stimulate public investment and support infrastructure sector transformation and digitisation. Nevertheless, in the medium term, as the effect of the strong inflow of EU funds expires, a slowdown in economic growth is expected, which may have a significant impact on the dynamics of national GDP in the second half of this decade.

Market sentiments - sales of cars:

Another important parameter affecting the dynamics and performance of the Group is car sales (the Automotive segment accounts for 30.6% of Group's turnover). According to ACEA data, the passenger car market in Europe in 2024 saw a slight increase of 0.9% versus 2023.

Electric cars remained the third most popular option for buyers in 2024, another year in row. Their market share in 2024 was 13.6%. Internal combustion engine cars maintained their first place with a 33.3% share, while hybrid cars strengthened their second position with a 30.9% market share.

Type of vehicle:	Market share in 2024
Internal combustion	33.3%
Hybrid	30.9%
Electric	13.6%
Diesel	11.9%
Rechargeable hybrids	7.1%
Other	3.1%
Total	100.0%

The main customer of the Automotive Segment, Volkswagen Group, recorded a 2.5% increase in car sales in the European market (year-on-year) and continues to be one of the market leaders for car manufacturers in Europe (EU, EFTA and UK).

2024 in the European automotive sector was a year full of challenges, but also opportunities and intense transformations, where electromobility played a dominant role. The increase in electric car registrations, the expansion of production including the launch of new models, developing charging infrastructure, development of the aftermarket as well as new environmental regulations accelerated the market transformation. Against this backdrop, the European automotive industry gained ground in the global race for dominance in the electric car market, but also had to face non-European competition.

In 2024 the automotive industry in Europe also sought to become more sustainable, with an emphasis on recycling materials, reducing the carbon footprint and reducing the environmental impact of production. Automakers focused on greener materials, such as aluminium, composites, and better energy efficiency in manufacturing processes.

In conclusion, the automotive sector in Poland faces major challenges, but is not doomed to crisis. Policy decisions on industry support, further electrification, the development of technologies that integrate urban infrastructure with transportation, intensifying competition from Chinese manufacturers, and the global economic climate will be key. Uncertainty is heightened by announcements of new tariffs on car imports to the US.

Market sentiment - basic products of the Metals segment and prices of basic raw materials:

Since nearly 55,2% of Boryszew Capital Group's sales is in the metals industry segment, Group's performance is exposed to fluctuations in average prices of metals quoted on the London Metal Exchange (LME). The hedge policy for metal price and exchange rates, followed by the Group, has a significant effect on risk reduction. However, the level of income and working capital still remain sensitive to the volatility of these commodity prices.

The situation on the market of one of the basic products of this Segment - aluminium wire rod and aluminium alloys - is very good. Wire rod is used in production of wires, cables and wires. In particular the segment of overhead conductors and wires records a continuous increase in demand of several percent. NPA Skawina Sp. z o.o. is the only manufacturer of the aforementioned products in Poland. The outlook in the coming years will be favourable for the company, as, in line with current EU's directions on energy policy changes and electromobility, demand for all products in NPA Skawina portfolio is expected to increase significantly.

In the reporting period the average prices of basic metals increased, with the exception of lead, the price of which fell by 3.0% compared to the same period last year. The largest increases were recorded in the average prices of copper 7.8%, aluminum 7.4% and zinc 4.8%.

Metal prices expressed in PLN that recorded increases were copper 2.3% and aluminum 1.9%, while zinc 0.5% and lead 8.0% recorded decreases.

2024 was a difficult period for the segment, featuring declines in key areas and significant challenges such as declining orders, financial problems and debt (the metal sector topped the list of the most indebted industries), and the crisis in the steel industry - the steel industry struggled with serious issues, including steel mill closures, lack of investment and rising production costs. These factors led to business suspensions and mass layoffs, which affected the stability of the sector. Increased imports of steel products from Ukraine and other non-European countries intensified competition in the domestic market and further burdened Polish steel producers. In 2024, in order to improve the competitiveness of its products, the European Union introduced the CBAM mechanism to adjust the price of products imported from outside the EU taking into account CO2 emissions in third countries. Since CBAM transition period will last till the end of 2025, it will take some time to see the effects of this solution. In conclusion, 2024 was a challenging year for the Polish metals sector, struggling with numerous challenges that affected its condition and development prospects. It also brought some signs of recovery in the Polish steel market, especially when it comes to production. However, continuing challenges, such as weak demand in the EU and past financial losses for manufacturers, make it necessary to further strengthen the industry and adapt to changing market conditions. 2025 forecasts for the industry are moderately optimistic, admittedly, pointing to a gradual rebound, but also to a number of challenges. The market is expected to recover gradually (mainly the metal industry may benefit from a recovery in the automotive sector), but manufacturers will face high energy costs, decarbonisation and import competition (especially from Asian countries). Increasing demand for steel in Europe, public investment, the development of electromobility and new technologies such as digitisation and automation could be key growth drivers.

Market sentiments - significant currency pairs

Due to the fact that transactions are mainly closed in foreign currencies, the impact of foreign exchange rates is of great importance. The level of euro and U.S. dollar rates affects the Group's revenues.

The factor stabilising the achieved results are transactions hedging the purchase prices of aluminium, zinc and copper, as well as, in part, the natural hedging, which is the quoting of products based on current quotations of raw materials. The level of currency rates is important for the Group, due to the predominance of processing margins which are denominated in this currency.

In the period under review the dollar strengthened against PLN by about 5.1%, which had an impact on quotations of basic metals expressed in PLN, and the average quotation of the euro to PLN were lower by 5.0%. In 2024, the EUR/USD exchange rate was 1.08, same level as in 2023.

Detailed data on the development of the above-mentioned key parameters (average annual quotations of basic metals and exchange rates) are presented in the table below:

	2024	2023	% change
Aluminium [USD]	2 419	2 252	7.4%
Copper [USD]	9 144	8 483	7.8%
Zinc [USD]	2 777	2 649	4.8%
Lead [USD]	2 072	2 137	(3.0%)
	2024	2023	% change
EUR/PLN	4.30	4.53	(5.0%)
USD/PLN	3.99	4.20	(5.1%)
EUR/USD	1.08	1.08	0.0%
	2024	2023	% change
Aluminium [PLN]	9 640	9 459	1.9%
Copper [PLN]	36 442	35 639	2.3%
Zinc [PLN]	11 069	11 129	(0.5%)
Lead [PLN]	8 260	8 978	(8.0%)

Source: Daily listings of LME, NBP

In 2024 exchange rates were heavily influenced by the monetary policy decisions of major central banks, geopolitical tensions, economic developments in different parts of the world and fluctuations in commodity prices. The U.S. dollar (USD) and the euro (EUR) appreciated as a result of high interest rates, positive economic conditions in the U.S. and stabilisation in Europe. In contrast, other currencies were more susceptible to fluctuations, depending on local crises and global market changes.

VOLUME OF SALES

Boryszew Capital Group recorded a decrease in sales volumes against the previous year in all Segments.

in thousand tonnes	2024	2023	change
Volume of sales, including:	324.9	358.5	(33.6)
Metals Segment	299.6	325.7	(26.1)
Chemicals segment	25.3	32.8	(7.5)

Almost all of the Group's companies recorded a decline in sales volumes in 2024. The decrease is mainly due to lower sales volume of the Metals Segment, compared to the previous year (by 26.0 thousand tonnes), which is primarily the result of the decrease in sales in the Steel business, mainly as a consequence of liquidation of pipe manufacturing branches of Alchemia S.A. in Częstochowa and Zawadzkie.

The Chemicals Segment also recorded a decrease, amounting to 22.9% (7.5 thousand tonnes).

BORYSZEW S.A.

ANALYSIS OF SELECTED ITEMS OF INCOME STATEMENT

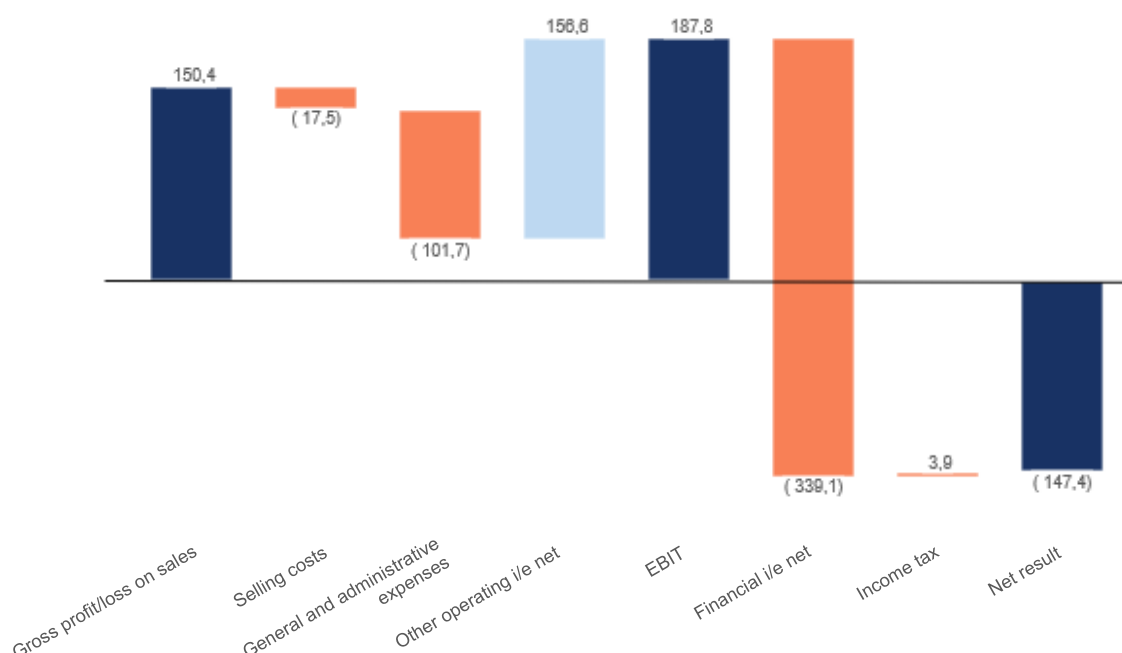
Selected items of the income statement of Boryszew S.A. for 2024, as compared to 2023, are presented in the table below:

in PLN million	2024	2023	change
Revenues from sales	1 669.4	1 815.3	(145.9)
Gross profit on sales	150.4	161.2	(10.8)
Profit on sales	31.2	33.2	(2.0)
EBITDA ¹⁾	231.8	168.0	63.8
Operating profit	187.8	125.5	62.3
Gross profit	(151.3)	(23.5)	(127.8)
Total net profit	(147.4)	(11.2)	(136.2)

¹⁾ Operating profit (loss) + depreciation, respectively

The following chart presents the impact of individual components of the income statement on the net result for 2024.

Income statement of Boryszew S.A. for 2024 [PLN million]



SALES REVENUES BY SEGMENTS

in PLN million	2024	2023	change
Revenues from sales, including:	1 669.4	1 815.3	(145.9)
Automotive Segment	780.8	894.9	(114.1)
Chemicals segment	156.1	224.4	(68.3)
Other	732.5	696.0	36.5
Export as % of total sales	47%	51%	-4%

In 2024 sales revenues amounted to PLN 1 669.5 million, down 8.0%

The decline in revenues at Boryszew S.A. was influenced by:

- the largest decrease was recorded in the Mafrow branch due to the strengthening of PLN (most sales are denominated in EUR) and lower sales volumes.
- declines in sales volumes in the Chemistry Segment (Elana branch and Boryszew ERG branch).

OPERATING RESULTS

The gross result in 2024 dropped by PLN 10.8 million to PLN 150.4 million.

Average gross margin on sales went up from 8.9% in 2023 to 9.0% today.

Costs of sales were lower by PLN 1.2 million, or by 6.8% against the same period of the previous year.

General and administrative expenses fell by PLN 7.6 million.

The balance of other operating income/expenses amounted to PLN 156.5 million and was by PLN 64.3 million higher as compared to previous year. The aforementioned increase was mainly due to dividends received.

EBITDA for major operating segments was as follows:

in PLN million	2024	2023	change
EBITDA, including:	231.8	168.0	63.8
Automotive Segment	80.0	65.9	14.1
Chemicals segment	9.5	9.1	0.4
Other	142.3	93.0	49.3

The change in EBITDA in 2024 compared to last year by segment was:

- the consequence of dividends received in the Other segment,
- due to higher result in the Automotive Segment - owing to a growing share of new projects,
- due to slightly higher results in the Chemicals Segment - where the situation did not change significantly.

FINANCIAL REVENUES AND COSTS, NET RESULT

The balance of financial income and expenses amounted to PLN (-339.0) million and was lower than last year by PLN 190.1 million. This result is mainly the effect of a write-off on loans granted and other receivables to BKD from the period 2011 to 2024 in the total amount of PLN 256.5 million.

Net income from continuing operations in 2024 amounted to PLN -147.4 million, down by PLN 136.2 million from the same period last year.

BORYSZEW CAPITAL GROUP

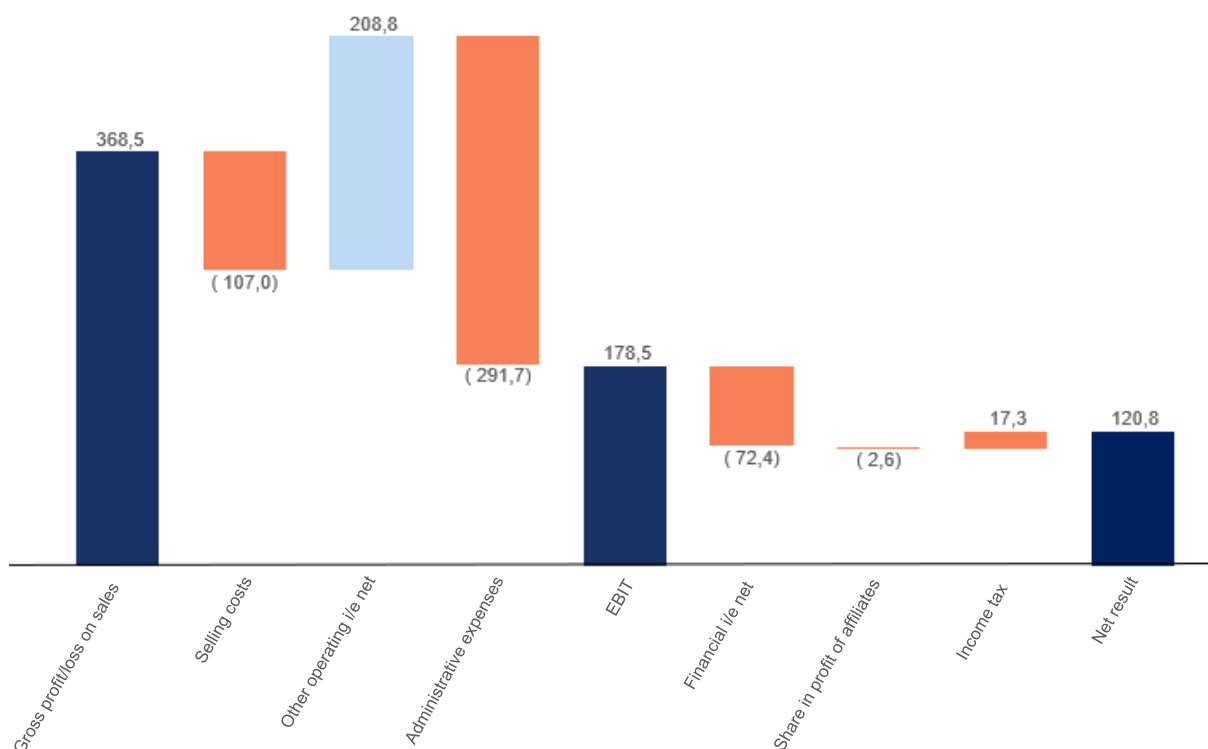
Selected items of the income statement of Boryszew Capital Group for 2024, as compared to 2023, are presented in the table below:

ANALYSIS OF SELECTED ITEMS OF INCOME STATEMENT

in PLN million	2024	2023	change
Revenues from sales	5 116.0	5 689.0	(573.0)
Gross profit on sales	368.5	498.4	(129.9)
Profit on sales	(30.3)	83.2	(113.5)
EBITDA	337.2	336.0	1.2
EBITDA (without one-off events)	248.8	380.3	(131.5)
Operating profit	178.5	177.1	1.4
Gross profit	103.5	134.5	(31.0)
Net profit on continuing operations	120.8	117.5	3.3
Net profit on discontinued operations	-	12.4	(12.4)
Total net profit	120.8	129.9	(9.1)

The following chart presents the impact of individual components of the income statement on the consolidated net result for 2024.

Profit and loss account of Boryszew CG, 2024 [PLN]



SALES REVENUES BY SEGMENTS

in PLN million	2024	2023	change
Revenues from sales, including:	5 116.0	5 689.0	(573.0)
Automotive Segment	1 567.9	1 748.9	(181.0)
Metals Segment	2 825.9	3 356.1	(530.2)
Chemicals segment	157.6	225.4	(67.8)
Other *	564.6	358.6	206.0

* including consolidation adjustments

Sales revenues in 2024 decreased by 10.1% to PLN 5 116.0 million. Only the Other segment recorded growth (up 57.4%). The largest declines were seen in the Chemicals Segment (down 30.1%) and the Metals Segment (down 15.8%). The decrease in revenues in the Automotive Segment was due to the strengthening of PLN and lower sales volumes.

The decline in the Metals Segment is mainly due to a drop in demand for products in both the domestic and overseas markets. The construction sector, which is a major customer for steel and aluminium products, was in a slump (a lot of companies declared insolvency). Alchemia CG recorded the largest decrease in revenues as a result of strong price competition with lower demand and as a result of the liquidation of some branches (as described earlier), which led to lower production and sales volumes.

The decline in the Chemistry Segment is mainly due to a drop in sales at Boryszew ERG branch of the Chemistry Division and de-icing fluids. The lack of production of the Chemistry Division significantly contributed to the decline in turnover and profits at Boryszew ERG branch.

The increase in revenues of companies in the Other Segment was mainly influenced by the Boryszew Energy branch and Boryszew Green Energy&Gas Sp. z o.o. following the inflow of new customers.

ACHIEVED FINANCIAL RESULTS

The gross result in 2024 dropped by PLN 129.9 million to PLN 368.5 million. The costs of sales as well as general and administrative expenses dropped by PLN 16.4 million in total against the previous year. The balance of other operating income/expenses was 208.8 million, up by 114.9 million from 2023.

OPERATING RESULT

- Consolidates figures:

In 2024, EBITDA excluding non-recurring events on continuing operations amounted to PLN 248.8 million, compared to PLN 380.3 million in 2023. In relevant operating segments, the EBITDA result was as follows:

in PLN million	2024	2023	change
EBITDA (excluding non-recurring events), including:	248.8	380.3	(131.5)
Automotive Segment	70.8	120.9	(50.1)
Metals Segment	123.4	216.4	(93.0)
Chemicals segment	9.6	8.9	0.7
Other *	45.0	34.1	10.9

in PLN million	2024	2023	change
EBITDA, including:	337.2	336.0	1.2
Automotive Segment	70.8	76.6	(5.8)
Metals Segment	211.8	216.4	(4.6)
Chemicals segment	9.6	8.9	0.7
Other *	45.0	34.1	10.9

* including consolidation adjustments

- Automotive Segment

The Automotive segment recorded a decline in sales in 2024, with EBITDA declining compared to the previous year. The decline in EBITDA is the result of poorer performance of the segment's overseas companies, particularly those of the BAP Group.

- Metals Segment

The segment recorded a significant decline in performance in 2024 compared to 2023 (excluding one-time events). In 2024 one-time events were recorded: in Alchemia Group, total amount of (-) PLN 34.8 million (provisions for the liquidation of branches) and the release of provisions for ongoing tax audits of PLN 123.3 million.

A decrease in EBITDA was seen in almost all entities in this Segment. The main factor contributing to lower EBITDA results were unfavourable market conditions (strong price competition with lower demand).

Alchemia CG recorded the largest decline. The result of Alchemia CG in 2024 was affected by the market situation in the steel industry (competition from Ukrainian and non-European producers) and the liquidation of Group's branches, which led to lower production volumes and thus an increase in unit fixed cost.

Only ZUO recorded an increase in EBITDA where the main factor in the increase was the inflow of more waste for disposal in 2024, with a reduction in the cost of waste generation, which contributed to the increase in EBITDA.

- Chemicals segment

The Chemicals segment recorded a slight increase in EBITDA compared to last year. The higher EBITDA generated in 2024 was mainly due to the sale of non-operating assets.

- Other non-allocated

Other operations of the Group recorded higher EBITDA than in the previous year. The main reason for this increase were contracts the Boryszew Energy branch signed with large entities.

FINANCIAL REVENUES AND COSTS, NET RESULT

The balance of income/operating expenses amounted to PLN (72.4) million and it was PLN 32.1 million lower as compared to the same period of the previous year.

Net income from continuing operations amounted to PLN 120.8 million, up by PLN 3.3 million against the 2023 result.

7. DESCRIPTION OF ASSETS, EQUITY AND LIABILITIES STRUCTURE

BORYSZEW S.A.

ANALYSIS OF SELECTED BALANCE SHEET ITEMS

Selected items of Boryszew S.A. separate balance sheet are presented in the table below:

in PLN million	2024	2023
Non-current assets	1 305.0	1 382.3
including:		
tangible assets	149.1	165.4
investment property	11.2	21.7
intangible assets	12.1	14.5
right-of-use assets	100.9	114.4
shares in related parties	887.7	886.6
financial assets	60.1	46.6
other	83.9	133.1
Current assets	640.1	804.5
including:		
inventory	123.2	175.1
trade receivables and other receivable	350.7	266.7
cash and cash equivalents	12.4	24.8
other	153.8	337.9
Total assets	1 945.1	2 186.8
Equity	973.8	1 211.0
Total liabilities	971.3	975.8
including:		
Long-term liabilities, including:	192.6	235.0
financial obligations	64.2	117.5
Short-term liabilities, including:	778.7	740.8
trade liabilities	278.3	281.9
financial obligations	380.8	385.6
Balance sheet total	1 945.1	2 186.8

The decrease in assets was mainly due to the write-off on receivables from BKD resulting from loans and other receivables in the amount of PLN 253.8 million.

The decrease in long-term liabilities was mainly due to:

- 53.3 million - decrease in long-term financial liabilities, loans and credits.

ANALYSIS OF WORKING CAPITAL

in PLN million	2024	2023	change
Working capital (PLN million)	144.2	93.0	51.2
Inventory turnover (in days)	26.9	35.2	(8.3)
Receivables turnover (in days)	74.5	48.9	25.6
Liabilities turnover ratio in days	69.9	65.4	4.5
Working capital turnover (in days)	31.5	18.7	12.8

Working capital = inventories + trade and other receivables - short-term trade and other payables as of the end of the period

Turnover ratios are calculated based on revenues

Working capital at the end of 2024 amounted to PLN 144.2 million and increased by PLN 51.2 million compared to the balance at the end of 2023, mainly due to an increase in receivables from subsidiaries in the Automotive segment.

ANALYSIS OF INTEREST BEARING DEBT

The main ratios of interest liabilities in Boryszew S.A. are presented in the table below:

in PLN million	2024	2023
Interest liabilities, including:	502.1	503.1
Long-term interest liabilities	64.2	117.5
including: bonds	-	-
including: loans, borrowings, leases	64.2	117.5
Short-term interest liabilities	437.9	385.6
including: bonds	-	-
including: credits, loans, leasing, factoring	437.9	385.6
Cash and cash equivalents	12.4	24.8
Interest payable to related parties	154.9	136.3
Net debt	334.8	342.0
LTM EBITDA	231.8	168.0
Net debt/EBITDA	1.4	2.0
Value of gross (total) debt to assets*	17.8%	16.8%

Interest-bearing liabilities = long-term liabilities + short-term liabilities (from loans, credits, leases, factoring)

Net debt = interest liabilities – cash and cash equivalents - loans granted to Capital Group companies (Boryszew S.A. is provides funds to subsidiaries)

The interest debt of Boryszew S.A. (less cash and cash equivalents and liabilities to related entities) as at the end of 2024 amounted to PLN 334.8 million and was lower by PLN 7.2 million than at the end of 2023.

The gross (total) debt to assets ratio was 17.8% at the end of 2024 compared to 16.8% at the end of 2023.

ANALYSIS OF LIQUIDITY

Liquidity ratios are presented in the table below:

in PLN million	2024	2023
Current ratio	0.8	1.1
Quick ratio	0.7	0.9

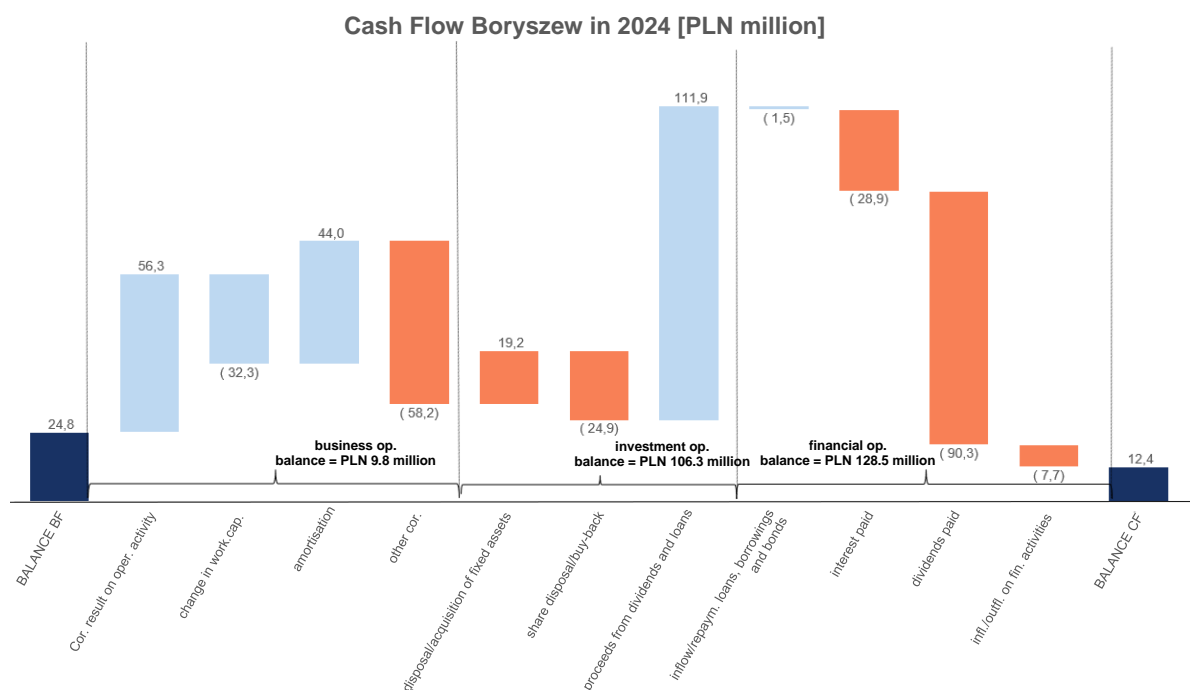
Current ratio = current assets / short-term liabilities

Quick ratio = (current assets – inventories) / short-term liabilities

In 2024, the current ratio and quick ratio were at a lower level compared to 2023. The company pays its obligations on time.

ANALYSIS OF SELECTED ITEMS OF CASH FLOW AND CAPITAL EXPENDITURE

The main items of separate statement of cash flows for Boryszew S.A. in 2024 are presented in the chart below:



The above graph shows main factors that determined the cash flows of Boryszew in 2024.

in PLN million	2024	2023
Net cash flow from operating activities	9.8	102.8
Net cash flow from investment activities	106.3	49.5
Net cash flow from financial activities	(128.5)	(147.3)
Total net cash flows	(12.4)	5.0

As in the previous year, investments in fixed assets occurred mainly in Maflow branch (modernisation and automation).

BORYSZEW CAPITAL GROUP

Selected items of the consolidated balance sheet of Boryszew Capital Group are presented in the table below: in PLN million			2024	2023
Non-current assets			1 933.4	1 966.0
including:				
tangible assets			1 310.0	1 329.5
investment property			148.1	178.6
intangible assets			39.1	38.3
right-of-use assets			245.9	294.3
shares and stocks			26.3	28.9
financial assets			36.1	0.1
other			127.9	96.3
Current assets			1 647.4	1 787.0
including:				
inventory			749.4	886.1
trade receivables and other receivable			672.2	633.4
cash and cash equivalents			208.7	219.3
other			17.1	48.2
Assets held for sale			52.7	5.3
Equity			1 621.8	1 656.9
Total liabilities			2 011.8	2 101.6
including:				
Long-term liabilities			587.4	676.5
Short-term liabilities			1 424.4	1 425.1
Balance sheet total			3 633.6	3 758.5

ANALYSIS OF INTEREST BEARING DEBT

in PLN million	2024	2023
Interest liabilities, including:	821.8	726.4
Long-term interest liabilities	235.0	285.9
including: bonds	-	-
including: loans, borrowings, leases	235.0	285.9
Short-term interest liabilities	586.7	440.5
including: bonds	-	-
including: credits, loans, leasing, factoring	586.7	440.5
Cash and cash equivalents	208.7	219.3
Net debt	613.1	507.1
EBITDA	337.3	336.0
EBITDA (without one-off events)	248.9	380.3
Net debt/EBITDA	1.8	1.5
Net debt/EBITDA (excluding one-off events)	2.5	1.3
Value of gross (total) debt to assets*	22.6%	19.3%

Interest-bearing liabilities = long-term liabilities + short-term liabilities (from loans, credits, leases, factoring)

Net debt = interest liabilities – cash and cash equivalents - loans granted to Capital Group companies (Boryszew S.A. is provides funds to subsidiaries)

Relative debt, as measured by the ratio of net debt to EBITDA (excluding non-recurring events), was 2.5 and decreased against the previous year.

At the end of 2024 the gross (total) debt-to-assets ratio was 22.6%, compared to 19.3% at the end of 2023.

The net interest debt of the Capital Group, less cash and cash equivalents, as at the end of 2024 amounted to PLN 1 149.1 million and was higher by PLN 106.0 million than at the end of 2023.

ANALYSIS OF WORKING CAPITAL

in PLN million	2024	2023
Working capital (PLN million)	687.6	752.6
Inventory turnover (in days)	53	57
Receivables turnover (in days)	46	38
Liabilities turnover ratio in days	50	47
Working capital turnover (in days)	49	48

Working capital = inventory + trade receivables - trade liabilities.

*Turnover ratios calculated based on revenues, i.e. the level of inventories at the end of the period/revenues from sale * 365 days.*

Demand for working capital as at the end of 2024 amounted to 687.6 million PLN and dropped as compared to the end of 2023 by PLN 65.0 million.

The actual level of working capital in Boryszew Capital Group, computed as a turnover ratio (calculated based on revenues) expressed in days was 49 days.

ANALYSIS OF LIQUIDITY

Liquidity ratios are presented in the table below: in PLN million	2024	2023
Current ratio	1.3	1.5
Quick ratio	0.7	0.8

Current ratio = current assets / short-term liabilities

Quick ratio = (current assets – inventories) / short-term liabilities

The current and quick liquidity ratios at the end of 2024 reached levels lower than in 2023.

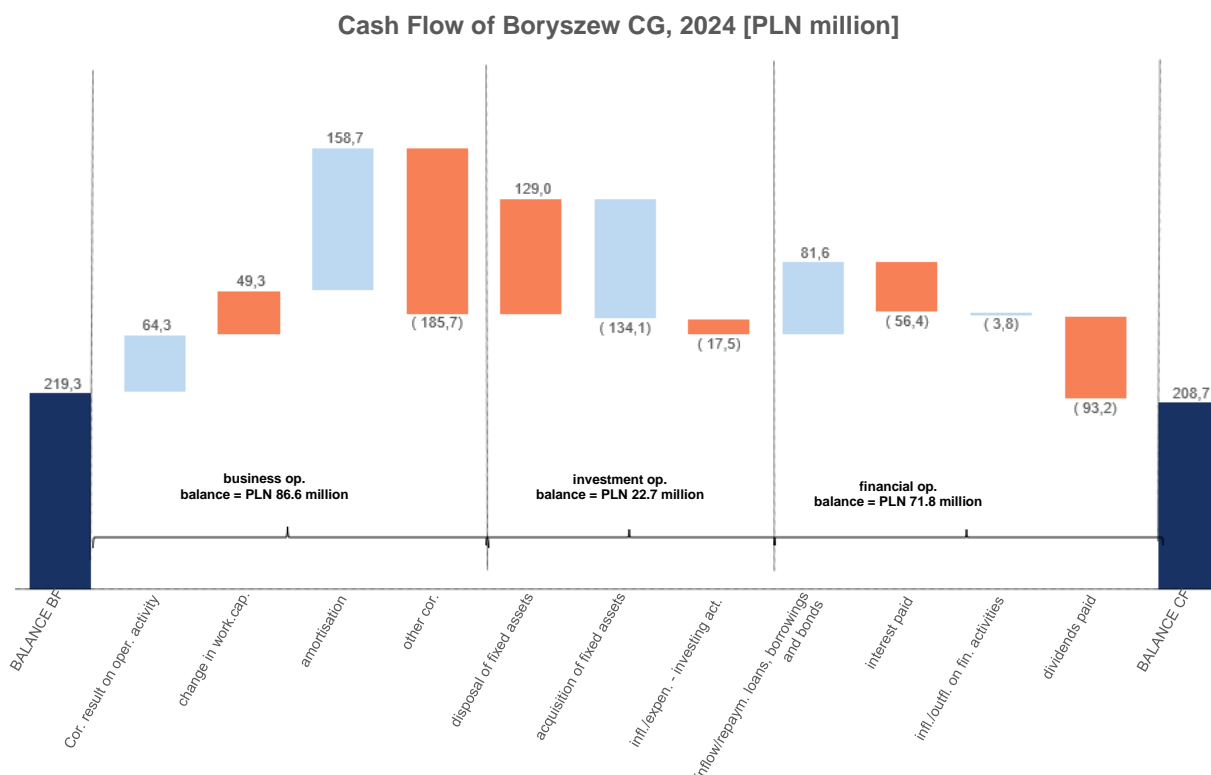
The above ratios confirm that the Group has sufficient financial liquidity to pay current and future liabilities.

ANALYSIS OF SELECTED ITEMS OF CASH FLOW AND CAPITAL EXPENDITURE

The main items of the consolidated cash flow statement of the Boryszew Capital Group in 2024 compared to last year are presented in the table below:

in PLN million	2024	2023
Net cash flow from operating activities	86.6	418.8
Net cash flow from investment activities	(22.7)	(59.2)
Net cash flow from financial activities	(71.8)	(300.8)
Total net cash flows	(7.9)	58.8

The following chart presents the main factors shaping the cash flow of Boryszew Capital Group in 2024:



During the period under review, the Group had full liquidity and demonstrated its full ability to meet obligations, both trade and financial liabilities.

In 2024 the Group generated positive cash flows from operations and investing activity, which were allocated mainly to service debt (payment of loans and borrowings, payment of interest) and investments.

The Group has the financial capacity to implement development plans and the ability to carry out planned investments

The total value of investment expenditure in 2024 amounted to PLN 134.2 million. The table below presents the division of investment expenditure into segments:

in PLN million	2024
CAPEX, including:	134.2
Automotive Segment	49.5
Metals Segment	79.2
Chemicals segment	1.3
Other Operations Segment	4.2

The largest investments in fixed assets in 2024 were made by companies in the Metals Segment.

Metals, NPA Skawina - PLN 35.3 million (increase in production capacity: modernisation of the shop floor, purchase of machinery), Walcownia Metali Dziedzice S.A - PLN 13.2 million (new technology for production of semi-finished extruded bars), Zakład Utylizacji Odpadów - PLN 10.6 million (increase in operating space and space for further expansion of infrastructure).

Automotive: Maflo China - PLN 15.3 million (new rubber hose factory).

8. DESCRIPTION OF SIGNIFICANT OFF-BALANCE SHEET ITEMS

Guarantees and sureties on 31 December 2024

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of surety [PLN '000]	Expiry date of surety
MAFMEX S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	21 365	term of the agreement
	Mafmex's rent payment bond to Innova Dintel	12 225	30.06.2030
	BMW AG performance bond	25 638	contract performance period +15 years
Maflow Components (Dalian) Co. Ltd.	BMW AG performance bond	25 638	contract performance period +15 years
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Investitionsbank des Landes Brandenburg	21 417	16.01.2026
Total:		106 283	

Guarantees and sureties on 31 December 2023

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of surety [PLN '000]	Expiry date of surety
MAFMEX S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	21 740	term of the agreement
	Mafmex's rent payment bond to Innova Dintel	9 300	01.01.2030
	BMW AG performance bond	26 088	contract period + 15 years
Maflow Components (Dalian) Co. Ltd.	BMW AG performance bond	26 088	contract period + 15 years
Total		83 216	

9. NOTES ON THE SEASONALITY OF THE COMPANY'S BUSINESS IN THE REPORTED PERIOD

Boryszew S.A.

Boryszew S.A. is exposed to seasonality only in a limited extent.

In the Automotive segment seasonality affects holiday months as well as December, when production of cars falls considerably, causing also a fall in component orders.

In the segment of Chemical products seasonality affects a certain range of products manufactured by Boryszew ERG, Branch of Boryszew S.A. in Sochaczew. This range includes cooling fluids for the automotive segment (with peak demand in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak demand in the fourth and first quarter). PWC siding and EPS decorative components follow the seasonality of the construction industry, showing peak demand in second and third quarter.

No specific seasonality is observed for other products of Boryszew S.A. It is important to note that the Christmas period in December is usually the time of scheduled shut-downs at our customers, hence sales also decline.

Boryszew Capital Group

Boryszew Capital Group is exposed to the phenomenon of seasonality to a limited extent.

In the Automotive segment seasonality affects holiday months as well as December, when production of cars falls considerably, causing also a fall in component orders.

In the Metal Segment, seasonality affects the range of products sold for the construction sector, which include:

- brass condenser pipes used for district heating, manufactured by WM Dziedzice S.A.,
- zinc-titanium roofing sheets and zinc wire manufactured by ZM SILESIA S.A.

The peak in sales of these products for the construction sector is recorded the second and third quarter, which is predominantly influenced by weather conditions, suitable for construction works, as well as the economic situation in the construction industry.

Other products of this segment are not exposed to seasonality.

In the segment of Chemical products seasonality affects a certain range of products manufactured by Boryszew ERG, Branch of Boryszew S.A. in Sochaczew. This range includes cooling fluids for the automotive segment (with peak sales in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak sales in the fourth and first quarter).

No specific seasonality is observed for other products of the Capital Group.

10. SIGNIFICANT AGREEMENTS AND CONTRACTS

Companies of Boryszew Capital Group conduct their business on the basis of several cooperation agreements, one-off, yearly or multi-year trade contracts concluded with raw material suppliers and with customers for the manufactured products. These are usually traditional transactions covering purchase (domestic or overseas) of raw materials and materials for production and sale of manufactured products on the domestic and foreign market.

In 2024 the following entities account for more than 10% of sales revenue generated by Boryszew S.A.:

Company	Date of the agreement	Subject matter of the agreement	Contract value in 2024	Share [%]	Relations with the issuer
VW Group	multi-year contracts	deliveries of air conditioning ducts	PLN 200.9 million	12.03%	none

In 2024 the following entities account for more than 10% of sales revenue generated Boryszew Capital Group:

Company	Date of the agreement	Subject matter of the agreement	Contract value in 2024	Share [%]	Relations with the issuer
VW Group	multi-year contracts	delivery of air-conditioning tubes and plastic parts for cars	PLN 780.3 million	15.25%	none

The value of purchase or sale contracts from other contractors of the Company or the Capital Group in 2024 remained below 10% of revenues from sales of Boryszew S.A. or Boryszew Capital Group respectively.

Other important agreements in Boryszew S.A.

BORYSZEW S.A. BORYSZEW ENERGY BRANCH

Date of the agreement	Subject matter of the agreement	Estimated value of the contract in 2024
multi-year contracts	purchase of electricity	PLN 117.6 million
multi-year contracts	sales of electricity and natural gas	PLN 113.8 million

SIGNIFICANT CONTRACTS IN GROUP COMPANIES

(criterion: contract value exceeding 2% of sales revenues of Boryszew Capital Group)

MAFLOW GROUP

Date of the agreement	Subject matter of the agreement	Estimated value of the contract in 2024
multi-year contracts	sale of parts to automotive	PLN 122.4 million

ZM SILESIA S.A.

Date of the agreement	Subject matter of the agreement	Estimated value of the contract in 2024
January/February 2024	delivery of raw materials	PLN 144.9 million

NPA SKAWINA SPÓŁKA Z O.O.

Date of the agreement	Subject matter of the agreement	Estimated value of the contract in 2024
periodic orders	purchase of raw materials	PLN 172.2 million

ALCHEMIA GROUP

Date of the agreement	Subject matter of the agreement	Estimated value of the contract in 2024
Multi-year contract	purchase of raw materials	PLN 208.7 million

INSURANCE CONTRACTS

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:

1. Boryszew Group property
2. profit lost due to all risks
3. machine damage
4. loss of profit due to damage to machinery and equipment
5. electronic equipment
6. business activity and property owners civil liability insurance
7. tax risks,
8. liability of members of the governing bodies of a limited liability or joint stock company.

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.

11. SIGNIFICANT CAPITAL INVESTMENTS AND CHANGES IN THE STRUCTURE

Boryszew Automotive Plastics Group

Merger of Boryszew Automotive Plastics Sp. z o.o. with Boryszew Commodities Sp. z o.o. and Boryszew Components Sp. z o.o.

On 21 March 2024, the District Court of Katowice - Wschód in Katowice, 8th Commercial Division of the National Court Register, registered the merger of Boryszew Automotive Plastics Sp. z o.o. (Acquiring Company) with Boryszew Commodities Sp. z o.o. (Acquired Company 1) and Boryszew Components Poland Sp. z o.o. (Acquired Company 2).

Filing bankruptcy petitions with the courts

On 22 April 2024 the Management Boards of indirect subsidiaries of Boryszew S.A: Boryszew Oberflächentechnik Deutschland GmbH and Boryszew Formenbau Deutschland GmbH filed for declaration of bankruptcy of these companies with relevant competent courts.

The aforementioned decision results from the deteriorating situation in obtaining new orders from major customers as well as the lower-than-expected performance of current contracts, which caused major decrease of sales. An additional factor negatively affecting the situation of the aforementioned entities involves high fixed costs in particular for salaries, energy and raw materials. These circumstances, as per relevant assessment, prevent achieving the minimum satisfactory profitability of the business and self-financing of the business by the companies mentioned above in a reasonable time perspective.

On 2 July 2024, Boryszew S.A. received letters from the Neuruppin District Court of 1 July 2024, on the opening on the same date of bankruptcy proceedings against Boryszew Oberflächentechnik Deutschland GmbH and Boryszew Formenbau Deutschland GmbH, under self-administration, in accordance with German bankruptcy law.

Alchemia S.A.

Start of the process of liquidation of Walcownia Rur Andrzej Branch in Zawadzkie

On 20 May 2024, the Management Board of Alchemia S.A. decided to start the process of liquidation of Alchemia Spółka Akcyjna branch Walcownia Rur Andrzej in Zawadzkie ("WRA"). Production and sales at the Branch ended in September 2024. Administrative support, maintenance of energy infrastructure, and maintenance of other machinery and equipment are still in progress. Work is currently underway to prepare the sale of the post-production assets and real estate of the branch.

Art of the process of liquidation of Rurexpol Branch in Częstochowa

On 4 November 2024, the Management Board of Alchemia S.A. decided to start the process of liquidation of Alchemia Spółka Akcyjna branch Rurexpol in Zawadzkie ("Branch"). The production process of the Branch, due to its liquidation, was terminated on 28 February 2025. Work is currently underway to prepare the sale of the post-production assets and real estate of the branch.

Deletion of Kuźnia Batory Branch in Chorzów from the National Court Register

On 30 June 2024 the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, having reviewed the application of Alchemia S.A., decided to delete Kuźnia Batory in Chorzów, a branch of Alchemia S.A., from the National Court Register.

Maflow Plastics Poland Sp. z o.o.

Registration of an increase in the share capital of Maflow Plastics Poland Sp. z o.o.

On 5 July 2024 the District Court in Toruń, 7th Commercial Division of the National Court Register made an entry in the Register of Entrepreneurs of an increase in the share capital of Maflow Plastics Poland Sp. z o.o. from PLN 85 000 000.00 to PLN 86 050 000.00, i.e. by the amount of PLN 1 050 000.00, through creation of 2 100 new shares with a value of PLN 500.00 each. On the publication date of the report the share capital of Maflow Plastics Poland Sp. z o.o. amounts to PLN 86 050 000.00 and is divided into 172 100 shares. Boryszew S.A. is the sole shareholder of the company.

12. RESEARCH AND DEVELOPMENT

Companies of the Capital Group carry out research and development works in order to advance the technologies employed.

BORYSZEW ERG BRANCH OF BORYSZEW S.A. IN SOCHACZEW

In 2024 Boryszew ERG branch in Sochaczew:

- introduced nanofluids - new coolants and battery coolants for electric cars,
- developed formulations of seven products for automatic car washes,
- removed boron compounds from coolant and plumbing fluid formulations.

Maflow Group

2024 saw efforts to prepare technological and product solutions associated with the potential implementation of the PFAS Directive in the European market, dedicated to new product applications for R744 (CO₂) refrigerant for electric cars and applications dedicated to R290 (Propane) refrigerant.

Maflow China undertook numerous R&D activities in preparation for the launch of rubber hose production at the new Rubber Plant. The most important R&D activities and achievements in 2024 included:

- finalising the mix formulation for a new large mixer for current projects,
- finalising process specifications, production, DV testing of a cable sample for one of its key customers,

- developing a new PET yarn for hoses, with the aim of attracting new customers. Developing a new family of HARBIN rubber hoses to further increase efficiency and reduce costs,
- developing a new polymer to reduce costs during the development of a new family of cables at Maflow Components (Dalian),
- developing a new mandrill material, currently in the testing phase, as well as research and testing on other raw materials for future replacement.

Implementation of high-productivity automated induction brazing technology at Maflow do Brazil Ltda.

NPA Skawina Spółka z o.o.

Primary research and development activities at NPA Skawina Sp. z o.o. are focused on four key areas of the company's production activities.

- The first one in the Rolling Mill Department and includes work associated with the optimisation and customisation of metallurgical processes and the processing of primary and secondary aluminum. In detail, research and development activities included studies in the development of technologies for continuous casting and rolling of aluminum alloys to adapt them to specific customer requirements.
- The second area of R&D work is the Wire Department, in particular aluminium and alloy class II cable conductors and overhead power cables. Research and development work includes drawing and twisting processes for round and profile wires, as well as forming sector strands in twisting processes.
- The third area of R&D work also involves the Wire Department, but focuses on class V cable conductors dedicated to the automotive industry. Research and development work here includes micro wire drawing and twisting processes, as well as the formation of round strands through the twisting process.
- The fourth area of research and development is the Extruded Products Department, which manufactures products using the Conform (continuous extrusion) method. In particular, this department produces class I aluminium cable conductors and flat bars. A newly developed area of activity is research into the processing of recycled aluminium 1xxx series. This issue is particularly important given the growing importance in Europe of the closed-loop economy and the environmental aspect in terms of the amount of CO₂ emissions per product (carbon footprint).

External support in R&D, in the field of materials research or product testing, is provided by scientific institutions such as: Stanisław Staszic Academy of Mining and Metallurgy in Krakow, Łukasiewicz Research Network-Nonferrous Metals Institute, the Central Mining Institute in Katowice, and Łukasiewicz Technological Institute Research Network in Krakow.

WM Dziedzice S.A.

In Q4 '2023, an agreement was signed with the National Center for Research and Development, for implementation of the project under the "European Funds for Modern Economy" program, FENG.01.01 SMART path. The project was based on the Company's operating principles, the primary goal of which is to satisfy customer demands, increase innovation, reduce production costs and reduce environmental impact. The project (R&D module) involves semi-finished products in the form of extruded and drawn bars made of new grades of brass with improved resistance to dezincification, using 100% of available secondary raw materials that guarantee above-standard resistance to dezincification, good machinability and susceptibility to plastic processing, while meeting the requirements of document 4MSI for drinking water installations. The project was designated "*EG BRASS DW® (extra grade brass for drinking water)*" - a new assortment group of brass extruded and drawn products with increased resistance to dezincification dedicated to drinking water installations". Currently, for the production of relevant group of alloys, Pb is used at a level of max 3% in relation to the total amount of other elements included in its composition. The project will develop new technology that will ultimately reduce Pb content to 1.7%. The new semi-finished product manufacturing technology developed under R&D will reduce the product's susceptibility to selective corrosion to less than 100 µm depth, which will directly affect the life cycle of the final product. The Faculty of Non-ferrous Metals at the AGH University of Science and Technology in Krakow was selected as the subcontracting unit to handle part of the research and compile the report.

All R&D work is initiated by customer needs, adaptation to new requirements or feedback from suppliers and end users of products. In addition to these activities, internal development work is carried out to improve the process and adapt it to the changing and evolving current needs of customers.

ZM SILESIA S.A.

In 2024 ZM SILESIA S.A. focused its R&D activities on optimising processes, implementing modern energy and emissions management technologies, and modernizing IT systems. The company is successfully pursuing its long-term goals of energy efficiency, process digitisation and production decarbonisation, which is part of its sustainable development strategy.

The commissioning of a new-generation lead mines roasting furnace at Huta Olawa branch in 2024 and the installation of a modern mill for grinding the product will ensure that the chemical and physical parameters of the resulting finished product are strictly controlled.

Alchemia S.A.

In 2024, as in 2023, investment tasks were carried out in all Branches of the Company, mainly aimed at optimising the production process in terms of technology and quality of manufactured products.

Walcownia Rur Batory branch in Chorzów launched in 2024 works on the design and implementation of the modernisation of the grip gantry crane No. 32 in Hall III. The branch also initiated measures to reduce noise emissions from the tube rolling mill to an acceptable minimum. To this end, a concept was developed for upgrading the acoustic chamber around the pipe cutting saw with movable acoustic tunnels at the entrance and exit of the pipe conveying system to reduce the emission of noise through the process openings. In addition the branch assesses the possibility of replacing the existing roof louvers along the 72m length with acoustic silencers, which will reduce noise emissions to the environment. A preliminary concept has also been developed for upgrading the disc furnace to reduce gas consumption and CO₂ emissions.

In 2024, Stalownia Batory branch conducted research and development activities and implemented solutions in production practice, i.e.:

- the reconstruction and modernisation of the processing system for vacuum treatment of steel at the VAD by using an efficient vacuum generation system using modern vacuum pumps was completed; the second half of 2024 was implementation of modernized system of the VAD unit in the steel production process,
- the branch continued cooperation with a manufacturer of ceramic high-temperature refractory materials for the lining of ceramic electric arc furnace and ceramic materials for installation in casting ladles in the bottom, metal and slag zones. A number of industrial trials and tests were conducted both in terms of grade and format optimisation of ceramic materials and in terms of the application of dedicated solutions in the process of installing ceramic products in metallurgical equipment,
- trials and tests continued on the application of different types of casting backfill varying in chemical composition and manufacturer, which could be used in the process of siphoning steel casting for ingot moulds,
- the branch launched studies with a view to expand the product range with a new ingot format. Based on programs that involve the finite element method, a series of computer simulations of the casting and rolling processes of the new ingot format were performed. Based on the simulations, it proceeded to initiate activities for industrial testing.

In 2023 Alchemia S.A. and Huta Bankowa Sp. z o.o. received funding from the National Environmental Protection and Water Management Fund under the government program "Aid to energy-intensive industries related to natural gas and electricity prices in 2023." According to the requirements of the regulations, in order for the subsidy to be maintained, the companies are required to invest 30% of the above amount in an energy efficiency improvement project. Accordingly, investments are planned for 2024-2026 in accordance with the "Plan for Reducing the energy intensity of the enterprise", which was submitted to the National Environmental Protection and Water Management Fund together with the reconciliation of the aid received.

Huta Bankowa Spółka z o.o.

In its measures involving energy management areas, the company initiated the process of implementing the ISO 50001 Energy Management System. Certification of the system is planned for the third quarter of 2025.

When it comes to measures aimed at reducing energy intensity, the company plans to complete the task of installing photovoltaic panels on the roofs of production buildings. The resulting energy will be used internally by the Company, thus reducing the amount of energy currently purchased on the market. This will be stage I of works. Further stages that involve the construction of photovoltaic installations using the construction infrastructure of Huta Bankowa, are planned for the next few years. In March 2024 the Company obtained a Type III Environmental Product Declaration (EPD) ITB number 609/2024 for the production of long and forged-rolled steel products.

Other entities of the Group did not implement significant projects within the scope of research and development.

13. TRANSACTIONS WITH AFFILIATED ENTITIES

Transactions between subsidiaries mainly include commercial transactions concluded between companies of the Capital Group with regard to sale or purchase of traded goods and products of typical, conventional nature for the Group's operations.

Also, standard liquidity management measures at the level of the Capital Group involved cash loan agreements between Group's companies. These transactions were intra-group in nature and are excluded from the process of consolidation of financial statements.

Loans granted by Boryszew S.A.

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. s.r.o.	13 827	14 074
Boryszew Plastic RUS Sp. z o.o., Russia	427	-

Maflow Plastic Poland Sp. z o.o.	58 808	57 489
Maflow France Automotive SAS	-	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
Boryszew HR Service Sp. z o.o.	-	4
Total	188 359	376 695

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 December 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).

The final verification of the debt level on 31 December 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.

Other non-commercial transactions concluded between related parties (outside Boryszew Capital Group)

No other non-commercial transactions between related parties (outside Boryszew Group) were recorded in 2024.

14. LOANS AND BORROWINGS

Boryszew S.A.

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	Movement between periods	Date of loan repayment as per the 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
<i>Total</i>	<i>262 332</i>	<i>278 183</i>	<i>(15 851)</i>			

Boryszew Capital Group

Change in the balance of loans in between 1 January and 31 December 2024

Loan details	Loan liabilities 31.12.2024	Loan liabilities 31.12.2023	Movement between periods
ALIOR	71 115	50 929	20 186
BANCA BPER	966	3 144	(2 178)
BANCA INTENSA SANPAOLO	10 456	15 992	(5 536)
BANK POPULAR	4 710	8 518	(3 808)
BBVA	1 205	-	1 205
BGK	99 133	61 293	37 840
BNP	163 916	162 441	1 475
CAIXA	196	361	(165)
CREDIT AGRICOLE	36 355	2 044	34 311
ČSOB	472	1 800	(1 328)
HSBC	77 281	60 458	16 823
ING	3 868	8 400	(4 532)
LIBERBANK	2 243	957	1 286
MILLENIUM	7 549	25 995	(18 446)
PEKAO	6 342	4 011	2 331
PKO BP	159 847	165 644	(5 797)
UNICREDIT	7 444	12 727	(5 283)
Total Boryszew Capital Group	653 098	584 714	68 384

Interest rates on loans are based on a variable rate.

All loans are secured. Loan collaterals include:

- investment real estate
- tangible fixed assets
- stocks: Boryszew S.A. (in subsidiaries)
- inventories,
- receivables from customers,
- bills of exchange;
- assignment of rights under insurance policies,
- guarantees issued by Capital Group companies.
- loan repayment guarantees from Bank Gospodarstwa Krajowego programs,

LOANS RECEIVED BY BORYSZEW S.A. IN 2024

A summary of liabilities under loans is presented in the financial statements of Boryszew S.A. for 2024 in Note 24.2.

Termination of credits or loans

None occurred.

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 other than those described below for which corrective action has not been taken.

Due to the current market situation in the European Union, the financial covenants in the loan agreements of the Group companies listed below have not been met:

- ZM SILESIA S.A. - net debt/EBITDA ratio,
- Bank Steelworks Ltd. debt service coverage ratio (DSCR).
- Walcownia Metali Dziedzice S.A. (WMD) - net debt/EBITDA ratio, the level of inventory and the level of accounts receivable.

At the moment of publication, the aforementioned Companies anticipate no consequences following the non-fulfillment of loan agreements.

The Management Board of the parent company believes that the failure to meet the covenants in the loan agreements described above has no impact on the liquidity of the companies in which these events occurred. Liabilities under these contracts are presented as short-term loans in the financial statements.

LOANS GRANTED BY BORYSZEW S.A. IN 2024

The summary of claims due to loans granted is presented in the Financial Statement of Boryszew S.A. for 2024 in Note 18.

15. GUARANTEES AND SURETIES

Guarantees and sureties granted by Boryszew S.A. as at 31 December 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
Maflow Plastics Poland Sp. z o.o.	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
Boryszew Kunststofftechnik Deutschland GmbH	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
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	10 323	30.11.2026
	Guarantee granted to HSBC Continental Europe Italy	21 365	05.02.2034
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Investitionsbank des Landes Brandenburg	21 417	16.01.2026
MAFMEX S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	21 365	term of the agreement
	Mafmex'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
ZM Silesia S.A.	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

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
	Surety granted to Alior Bank	5 000	04.08.2028
Maflow Components (Dalian) Co. Ltd.	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 Maflow Sp. z o.o.	Guarantee provided to BNP Paribas	63 316	30.06.2031
	Guarantee provided to BNP Paribas	16 237	28.06.2026
NPA Sp. z o.o.	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
Alchemia S.A.	Endorsement for Coface Poland Factoring	10 712	indefinite validity
Boryszew Assets Spółka z o.o.	Endorsement of lease agreement for PEKAO Leasing Sp. z o.o.	6 208	15.08.2029
Major Sp. z o.o.	Guarantee provided to Major Sp. z o.o. (under a guarantee line with HSBC)	1 068	30.06.2025
Total guarantees and sureties granted by Boryszew S.A.		509 758	

Significant sureties granted by Boryszew Capital Group companies

Boryszew Capital Group companies did not grant or receive any significant sureties or guarantees other than those described above and related to their core operations (in particular guarantees related to the performance of contracts).

16. OWN SHARES

In 2024 Boryszew S.A. did not purchase own shares.

On 31 December 2024 and the publication date of the Financial Statements Boryszew S.A. holds directly and indirectly through subsidiaries shares of Boryszew S.A.:

- Boryszew S.A. - 34 795 000 treasury shares, representing 34 795 000 votes at the General Meeting, which accounts for approximately 14.498 % share in the share capital and total number of votes at the General Meeting of Boryszew S.A.,
- Alchemia S.A. - 3 200 000 shares of Boryszew S.A., representing 3 200 000 votes at the General Meeting, which accounts for approximately 1.333 % share in the share capital and total number of votes at the General Meeting of Alchemia S.A.,
- Polski Cynek Sp. z o.o. - 5.000 shares of Boryszew S.A., representing 5 000 votes at the General Meeting, accounting for 0.002% of share capital and the total number of votes at the General Meeting of Boryszew S.A.

17. ISSUES OF SECURITIES

ISSUES OF BONDS

In 2024 and until the publication date of the report, Boryszew S.A. issued no debt securities.

BONDS OF BORYSZEW S.A.

On the date of publication of the Financial Statements Boryszew S.A. has no liabilities under bond issue.

EQUITY SECURITIES

In 2024 and until the date of publication of the report, the Company issued no equity securities.

18. DIVIDEND PAID OR DECLARED

Coverage of net loss for 2024

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.

Coverage of net loss for 2023

On 20 May 2024 Ordinary General Meeting of Boryszew S.A. decided in its Resolution No. 17 to cover the net loss for 2023 in the amount of PLN 11 227 299.43 less the profit on disposal of financial assets through comprehensive income in the amount of PLN 3 433 061.74 from the Company's capital reserve of PLN 7 794 237.69.

Dividend distribution

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.

Part of the dividend paid by Boryszew S. A. remained in the Group, the value of the dividend paid outside the Group amounted to PLN 89.148 thousand.

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

19. FINANCIAL RESULT FORECAST

In 2024 the Management Board of Boryszew S.A. published no forecasts of the financial result for the current year.

20. PRINCIPLES OF MANAGEMENT OF FINANCIAL RESOURCES

BORYSZEW S.A.

Boryszew S.A. follows an active policy of financial resources management. The organisational structure of financial departments at divisions is closely adapted to the specific nature of individual entities within the Group. In order to effectively manage financial resources, the Company prepares short-term and long-term cash flow forecasts, through which it controls inflows and outflows.

Boryszew S.A. and its branches service interest debt, both in terms of principal amount and interest repayments. The company and each of its branches monitor receivables overdue and undertake to shorten the receivables payment deadlines and extend repayment deadlines.

Boryszew Capital Group

Boryszew Group follows an active policy of financial resources management. The organizational structure of the financial divisions of the Group companies is tailored to the specifics of each company. The Group pursues a strategy of continuous improvement of its financing structure, it works with several Polish and overseas banks, but it also works with other financial and insurance institutions to optimise costs in terms of financing the operational activity. The Group uses a wide range of banking and insurance products to efficiently manage cash. Group's entities show no arrears in servicing their interest debt, both in terms of principal amounts as well as interest. Companies monitor the working capital cycle on an on-going basis as well as aim to reduce the collection period of receivables and at the same time to extend the terms for repayment of liabilities of the Company, pursue an active policy of managing financial risks as well as the volatility of raw material prices. Group companies have a hedging policy in place, both in terms of currency and, in the case of metal segment companies, commodity.

21. ASSESSMENT OF POSSIBILITIES OF IMPLEMENTATION OF THE INTENDED INVESTMENTS

The companies of the Capital Group finance their investments from own resources or foreign resources (loans, advances and leasing). Prior to implementation, each investment is assessed by the statutory bodies of the Companies and by the Investment Committee and in case of investments of considerable value – by the Management Board and Supervisory Board of Boryszew S.A.

Investment activities in Boryszew Group can be divided into two kinds:

- 1) activities of holding companies include acquisitions or disposal of assets,
- 2) as part of its investment activities:
 - replacement investments to maintain the ability of fixed assets to service ongoing contracts and the ability of assets to ensure that the economic life of fixed assets is maximised.

- development investments to introduce a new product or increase production capacity. If new contracts are concluded (such as a successful tender for long-term deliveries of components to car manufacturers), investments are implemented to enable these contracts to generate maximum return while at the same time maintaining superior quality of products and security of deliveries.

Financing of capital expenditure in Boryszew Group provides financing with the term and parameters as close to the economic life of the production assets as possible.

22. FACTORS AND UNUSUAL EVENTS AFFECTING THE RESULT

BORYSZEW S.A.

Major one-off factors and unusual events having a significant impact on the results of 2024 should include:

- continued downward trend in European demand (one could speak of an economic crisis), including a slowdown in the German economy,
- influx of cheap products from Asia,
- continued high levels of inflation and interest rates,
- slower pace of car electrification and strong competition from China,
- crisis in the European automotive industry,
- supply chain problems associated with, among other things, the requirements of EU energy policy and armed conflicts in the world,
- the prospect of new trade deals with the US, including the announcement of tariffs by the new US administration,
- cost of the energy transition.

BORYSZEW CAPITAL GROUP

Major one-off factors and unusual events having a significant impact on the results of 2024 should include:

- continued downward trend in European demand (one could speak of an economic crisis), including a slowdown in the German economy,
- influx of cheap products from Asia,
- continued high levels of inflation and interest rates,
- slower pace of car electrification and strong competition from China,
- crisis in the European automotive industry,
- supply chain problems associated with, among other things, the requirements of EU energy policy and armed conflicts in the world,
- the prospect of new trade deals with the US, including the announcement of tariffs by the new US administration,
- cost of the energy transition.

23. INFORMATION ON THE ADOPTED DEVELOPMENT STRATEGY OF THE EMITTER AND EMITTER'S CAPITAL GROUP AND THE ACTIONS TAKEN TO IMPLEMENT THE STRATEGY IN THE REPORTING PERIOD, INCLUDING A DESCRIPTION OF THE PROSPECTS FOR DEVELOPMENT OF EMITTER'S BUSINESS IN THE COMING YEAR

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.

MAFLOW GROUP/BORYSZEW AUTOMOTIVE PLASTICS GROUP

Implementation of strategy and development directions of Maflow Group and Boryszew Automotive Plastics Group

In 2024 Maflow Group and Boryszew Automotive Plastics Group (BAP) have consistently pursued strategic objectives, focusing on automation, digitalisation and increasing the operational efficiency of production facilities. A key objective of the activities was to limit the impact of labour cost increases on the profitability of industrial operations and to increase the competitiveness of the product offering in a rapidly changing market environment.

In both Groups active acquisition of new projects remains an important element of development, particularly in cooperation with leading electric vehicle manufacturers and brands developing vehicles with alternative propulsion systems. Competence is also being developed in modern components for media transfer systems dedicated to new generations of vehicles. The Group's growth strategy is to simultaneously stabilise its market position in Europe and dynamically increase its presence and operational involvement in key growth regions such as China, India and Brazil. The goal is to maximise the contribution of these markets to the Group's financial performance in the medium and long term.

Boryszew Automotive Plastics Group continued implementation of key milestones of the restructuring plan, with a particular focus on optimising production costs and resource utilisation. Technological and organisational solutions are being introduced to increase innovation and plant efficiency. The product development strategy is currently under implementation in the part regarding expansion of the offer and transfer of technology within the Group to increase the utilisation of existing engineering and manufacturing capabilities.

Maflow Group is focused on developing high-volume projects and maintaining high quality and operational indicators. The key investment direction was automation and robotisation of processes, including the implementation of laser welding technology, modernisation of machinery and development of automated vision control systems. Another important aspect was the work on new material solutions, including the use of recycled materials, which is part of a broader sustainability strategy. Productivity improvement and cost optimisation are key areas of activity at all Maflow Group plants. In particular, reorganisation and automation measures are being implemented at the Silao (Mexico) plant to support efficiency improvement. At the same time, similar initiatives are under implementation in other locations, including Europe and Asia, where standardisation of processes, better use of resources and integration of operational management systems are underway.

Maflow Group is implementing its strategy in all regions in a balanced and sustainable manner, adapting development directions to local market conditions, while maintaining consistent technological, quality and financial goals. This attitude helps respond effectively to global trends in the automotive sector and strengthen the Group's position in key markets.

Both Maflow Group and BAP Group are consistently developing competencies in research and development, enhancing the ability to implement innovative technological and product solutions. Synergies within Boryszew Group and close cooperation with global OEMs and Tier 1 manufacturers are optimistic signs for further development and strengthening of the competitive position of both Groups in the automotive sector.

NPA SKAWINA SPÓŁKA Z O.O.

NPA Skawina Spółka z o.o. plans to continuously increase production capacity in finished products for end customers. To this end, the Company launch investments in 2023 with the aim to increase capacity in different production departments. The main objective of these investments is to process the company's own wire rod (semi-finished product) into finished products, to increase the importance of a closed-loop economy, and to increase the security of supply of component parts - steel cores used in overhead wires. The basis for these measures is the growing demand for overhead wires driven by the expansion and modernisation of transmission and distribution infrastructure planned for the coming years in Poland, Germany and the Netherlands or other countries.

In addition, the following factors can be considered favourable for the planned operations of the company:

- global growth in electricity consumption,
- development of cross-border connections (such as Baltic Ring, PL-UA connection),
- development of photovoltaic and offshore farms and transfer of generated energy inland (for instance Poland, Germany),
- changing the raw material structure by closing conventional power plants and building new generation capacity (for instance nuclear power plant in Slovakia, planned power plants in Poland),
- modernisation of overhead lines to increase transmission capacity, restoration and reduction of line losses (reconstruction of 220kV to 400kV lines - PSE, CEPS, SEPS, TenneT),
- replacement of old lines due to end of service life.

All of the above-mentioned factors result in an increase in demand for cable conductors and power cables as well as the materials used to manufacture them.

WM DZIEDZICE S.A.

The action plan for 2025 - 2029 of the Company in the form of its budget was based on an increase in sales volume similar to the planned increase in production capacity, including due to ongoing and commercialised projects subsidized by EU funds – "BRASS CAST&DRAW® Tech - Innovative technology for manufacturing products of copper alloys featuring a new standard of geometric quality intended for material removal machining on high-speed cutting machines" and "H-tech ($\alpha+\beta$) Brass - New generation of super-precision drawn products from biphasic brass for applications in highly advanced processing technologies" and "EG BRASS DW® (extra grade brass for drinking-water) - a new assortment group of brass extruded and drawn products with increased resistance to dezincification dedicated to drinking water installations".

The forecast increase in sales volume for 2025 compared to 2024 is about 5.2 thousand tonnes. It is estimated that the planned sales of about 25.4 thousand tonnes and the consistent implementation of the assumed tasks will improve the net result

Main assumptions of the developed long-term plan of the company for years 2025 – 2029:

- increase in production capacity and sales volume in the 2029 target year by approx. 36.2 tonnes/year,
- increase in net profit

ZM SILESIA S.A.

The Company's roadmap in the form of a budget for 2025 - 2029 was drafted mainly based on the increase in sales volume resulting from the planned expansion and modernisation of the zinc white and lead tetroxide facilities. The forecast increase in sales volume for 2025 compared to 2024 is about 7.1 thousand tonnes (by 30%).

It is estimated that the planned sales of 30 thousand tonnes and consistent implementation of assumed tasks will stabilise the net result in 2025, and improve it in subsequent years.

Main assumptions of the developed long-term plan of the company for years 2025 – 2029:

- increase in sales volume in the 2029 target year by approx. 45.9 tonnes/year,
- net profit growth.

ALCHEMIA S.A./ALCHEMIA CAPITAL GROUP

The operating strategy of Alchemia S.A. is consistent with that of the Alchemia Group. All measures are aimed at strengthening the market position of Alchemia Group as the only domestic manufacturer of seamless pipes and railway rims as well as other specialist steel products.

The aim of the business is to use the increased scale of operations to improve profitability while taking advantage of the synergy effects and to increase sales of products with added value, mainly for the energy and OCTG industries as well as for the engineering industry.

Alchemia Capital Group member companies intend to continue and expand their offer in production of seamless pipes, rods and head shapes, forged-rolled rings, railway and tram rims and forging-grade products, using their assets:

- a large and diversified base of regular customers who are leaders in their industries,
- staff experienced in steel processing technology,
- high potential for modernisation and development,

The key challenge and objective for Alchemia Capital Group is to search for and implement modern and effective processes and process solutions, and consequently to increase its competitiveness and the level of innovation of the offered products.

The main focus of the Capital Group's research projects will be processes to reduce energy consumption of the technologies used and obtain technologically advanced, innovative products with better utility properties, as well as direction in which the products should be developed.

In cooperation with domestic and foreign scientific and research institutions and based on the knowledge and experience of our process staff, Alchemia Capital Group intends to conduct research programs and implement modernization projects.

Huta Bankowa Spółka z o.o.

In 2024 the company received decisions from NCRD on the formal completion of 2 research and development projects that were carried out under the Smart Growth Operational Program 2014-2020:S1. Project No. 0143/16 "Designed rolling of large size long bars with non furnace treatment - a new technology for the production of quality long rolled bars made of alloy steel with designed properties for the engineering industry"

2. Project No. 0208/17: "Automated line for quality control and examination of for rings and rims with intelligent system for identification and measurement of internal defects using the PA method, form measurements by means of 3D measurement heads and the SMART-HARD mechanical properties measurement station"

Thus, for both projects - in accordance with the Grant Agreement - the sustainability period started and will last 5 years. During the sustainability period, the Company is required to submit periodic (annual) reports on the performance of the result indicators, and at certain dates (up to 3 years after the end of the project) to submit a Report on the implementation of project results and a Report on the dissemination of project results;

In its measures involving energy management areas, the company initiated the process of implementing the ISO 50001 Energy Management System. Certification of the system is planned for the third quarter of 2025.

When it comes to measures aimed at reducing energy intensity, the company plans to complete the task of installing photovoltaic panels on the roofs of production buildings. The resulting energy will be used internally by the Company, thus reducing the amount of energy currently purchased on the market. This will be stage I of works. Further stages that involve the construction of photovoltaic installations using the construction infrastructure of Huta Bankowa, are planned for the next few years.

ZAKŁAD UTYLIZACJI ODPADÓW SPÓŁKA Z O.O.

Given the increasing demand for hazardous waste management in recent years, the Management Board of Zakład Utylizacji Odpadów Spółka z o.o. decided in 2021 to build an additional line for thermal treatment of hazardous waste featuring a capacity of 12 000 Mg/year.

The installation is scheduled to be commissioned in 2027.

Implementation of the additional hazardous waste thermal treatment line will improve the environment through controlled and safe thermal management of hazardous waste. It will also improve the competitive position of the company, impact its business performance in subsequent years of operation, and contribute to a significant increase in its valuation. The line can be scaled out to use the resulting waste heat for generation of heat and electricity. Commissioning of the plant under construction is planned for 2027 - 2028, depending on the pace at which the necessary construction permits are received.

BORYSZEW INWESTYCJE SPÓŁKA Z O.O.

Boryszew Inwestycje Sp. z o.o. commenced works on projects for the construction of electricity storage facilities in locations belonging to Boryszew Capital Group (Sochaczew, Toruń and Skawina). The scope of activities includes, in particular, the submission of applications for grid connection conditions for different projects and the development of feasibility studies, decisions and certifications for these projects.

OTHER COMPANIES OF BORYSZEW CAPITAL GROUP

Other Capital Group companies do not plan any significant development investments, except for modernisation of the existing production capacities.

24. DESCRIPTION OF SIGNIFICANT RISK FACTORS AND HAZARDS

The activity of Boryszew Group generates exposure to market risk (including interest rate risk, currency risk and risk of change in prices of raw materials and products), credit risk, liquidity risk and risk of volatility of legal regulations.

The fundamental task in the financial risk management process was identification, measurement, monitoring and limitation of primary sources of risk, which include:

- market risks, including, but not limited to:
 - foreign exchange rate risk (change in the exchange rate of PLN to other currencies),
 - interest rate risk (increase in interest rates),
 - risk of change in prices of primary raw materials and products,
- risks associated with the stability of debt and financial flows:
 - liquidity risk,
 - credit risk.
- risk of volatility of legal regulations

Capital management, liquidity risk and credit risk

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/Group. Growth is the absolute priority for the Management Board and it is for this purpose that the Group first and foremost seeks to allocate funds, thus building long-term value for shareholders through acquisitions and new projects. The Management Board strives to ensure the proper proportion of stable financing with equity of undertaken projects. Credit risk is understood as the risk of a counterparty failing to fulfil their contractual obligations, thus exposing the lender to financial loss.

From the perspective of Boryszew and Boryszew Group, credit risk is associated with:

- trade receivables from business partners,
- loans granted,
- guarantees and sureties granted,
- cash and bank deposits.

Boryszew Group is exposed to credit risk associated with credit-worthiness of customers being parties to transactions of sale of products and traded goods. The risk is limited by application of internal procedures for setting credit limits of customers and managing trade receivables. Companies monitor the working capital cycle on an on-going basis as well as aim to reduce the collection period of receivables and at the same time to extend the terms for repayment of liabilities. The security level of the Company's trade receivables is significantly improved by cooperation with Insurance Companies, the use of different types of collateral, the use of services of credit bureau and law firms.

Credit risk associated with cash on banks accounts and bank deposits is low since Boryszew Group enters into transactions with reputable banks having high ratings and stable market standing.

Liquidity risk

Boryszew Group is exposed to liquidity risk due to high proportion of short-term third party financing (overdraft facilities and working capital facilities) in the Group's financing structure. Currently, the Group has access to external financing and extends existing credit limits for further periods.

Foreign exchange rate change risk

Currency risk is an inevitable element of a business activity denominated in foreign currencies. The sources of currency risk to which companies of Boryszew Group were exposed in 2023 included: transactions of raw materials purchase, transactions of product sales, loans and borrowings incurred and cash denominated in foreign currencies. Adverse changes in exchange rates may lead to decrease in the financial results of Boryszew Group.

Market risk - metal prices and currency exchange rates

The main risks arising from the specific activities of the Group are risks associated with the price of metals on the London Metal Exchange (LME) as well as currency exchange rate changes.

Description of exposure

The exposure that has so far been identified at Boryszew Group defines, as a rule, two types of risks:

- risk of changes in metal prices, steel,
- risk of changes in foreign exchange rates

Metals in case of which price changes have an impact on Group's results include: copper, aluminium, lead, zinc. The risk of changes in metal prices occurs at the operating level, whereas the risk of changes in foreign exchange rates occurs at the strategic /fundamental/ as well as operating level.

Operational risk in terms metal prices was identified at: NPA Skawina Sp. z o.o., Baterpol S.A., Walcowania Metali Dziedzice S.A., ZM Silesia S.A., Alchemia S.A., Huta Bankowa Sp. z o.o., and it is associated with future revenues and cash flows that have already been contracted, in other words - with securing the fair value of the contract.

Strategic risk involving currencies is associated with throughput bonus (USD/PLN and EUR/PLN) This risk exists in case of: NPA Skawina Spółka z o.o., Baterpol S.A., Walcowania Metali Dziedzice S.A., ZM SILESIA S.A., Alchemia S.A., Huta Bankowa Sp. z o.o. In case of currency operational risk, the risk source is mainly the operating metal, so to obtain the full effect of hedging it is also necessary to determine the currency exposure. In addition, some operational risk exists from the time the fixed price for sale or purchase is determined (e.g. sales invoice issue) until the moment of making or receiving the payment.

Strategic and operational risk in individual companies is closely related to their business activities. In case of metal the companies determine the so-called net exposure i.e. the sale based on the LME listed prices is set-off by cost items, which are also based on the same base, the difference is the net exposure that is hedged. In case of operational risk, it arises mainly as a result of the mismatch between bases for purchase of raw materials and sales of products. Strategic exposure to currencies associated with the achieved output bonus is calculated by multiplying the output bonus by the sales of finished products.

Due to the fact that companies of Boryszew Group are mainly financed by debt with variable interest coupon, these companies are exposed to changes in interest rates. The profile of the interest rate risk in Companies is characterized by adverse impact of increased interest rates on the level of cost of interest. Due to lower impact of interest rates on costs and revenues of the Companies, the risk of changes in interest rates does not constitute the basic risk from the point of view of its effect on the volume of companies' cash flows. This risk, similarly to metal, steel price risk and exchange rate risk is subject to an on-going monitoring.

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 exposure group companies to interest rate risk is mainly caused by the fact that the business operations are financed with the use of variable interest debt. The profile of the interest rate risk in group companies shows an adverse impact of increased interest rates on the level of cost of interest.

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

The Group 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.

Refer to the Consolidated Financial Statements, Note 34 for detailed description of the aforementioned business risks.

OTHER RISKS IDENTIFIED BY BORYSZEW CAPITAL GROUP

Climate risks and issues.

Boryszew Group considers all issues associated with both climate change adaptation and climate risk management to be important. 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

Boryszew Group operations and the type of these operations (heavy and automotive industries), its direct impact on the environment results primarily from energy consumption and emissions to the environment, with the greatest impact on the climate taking place due to the Group's own operations.

During the reporting period, a double materiality assessment was conducted from the Group's point of view, including aspects of financial materiality. In accordance with ESRS principles and requirements, the following significant climate-related risks and opportunities were identified:

1. Adaptation to climate change - Boryszew Group does not have operations in areas directly exposed to climate change risks (except regions with significant water deficit), but as almost all of the Group's operations are concentrated in sectors with significant climate impacts, this risk has been identified in the Group's own operations, in the short and medium term, with a negative impact. In the long term, due to the alignment and implementation of the objectives of the European Union's economic strategy, this impact will be low positive.
2. Climate change mitigation - the Group 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, hence the Group identified the impact in its own operations as positive throughout the time horizon.
3. Energy - some companies Boryszew Group are highly energy intensive (steel processing and non-ferrous metals). Utilities that are extensively used in production processes include natural gas and electricity. The Group actively participates in activities leading to the preservation of stability in the national electric power system (NPS) through "Demand Side Response" services. This is particularly important in cases of difficult balancing situations or peak electricity demand hours. In the long and medium term, the impact in own operations was identified as negative, while with the development and stabilisation of electricity grids, including through own offering and investments, this impact will be positive.

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.

These issues are described in detail in paragraph 37 of this report: Sustainable Development Reporting.

Personnel rotation risk

The main identified hazards related to HR issues in the Boryszew Group companies are: problem with acquisition of qualified staff, migration of qualified staff and increasing demands as regards remuneration. In order to counteract these phenomena, it is crucial to provide the employees with stable forms of employment with a satisfactory level of remuneration. The Boryszew Group identifies also the need to ensure safe work environment, minimising the risk of injuries and accidents. Limitation of this category of risk is achieved through a series of activities, both of preventive nature (e.g. ensuring an adequate level of training) as well as follow-up activities (analysis of incidents and correction of procedures).

Risk associated with the use of environment (including excessive environment contamination and lack of energy efficiency)

Another area is responsible use of the environment, ensuring energy-efficient production as well as maintenance of the legally admissible level of pollution and waste emission. The Group regularly monitors the consumption of energy supplied in the form of electric power and gas. Water consumption as well as generated waste are analysed in the same degree. Special attention is given to the opportunities related to recycling in the scope of metal scrap plastic waste processing.

Process changes and product innovations

In order to reduce the negative impact on the environment, the Group introduces also product innovations (e.g. lighter aluminium elements, new alloys of non-ferrous metals, waste management) resulting in indirectly reduced consumption of energy among the end recipients. Focus on the aforementioned risks aims at maintaining reputation in the eyes of key business partners, thus ensuring the continuity and repetitiveness of production orders. A simultaneous goal is to maintain the good reputation of Group's enterprises which are perceived as attractive employment places by present and potential employees.

Risk of significant industrial failure

The Capital Group Companies identify the risks related to the possibility of an industrial failure resulting in stoppage or limitation of production in their facilities. In order to reduce the related risks, the company perform periodical inspections of the technical condition of machines and devices used and if needed, their repair and overhaul.

Risks associated with increased competition

In the light of continuously growing competition, the most important factor that could have a significant effect on development and revenues earned by the companies of the Capital Group, is the ability to obtain current and acquire

new customers. The Capital Group Companies operate on the competitive metal, automobile and chemicals markets which forces conducting a price and quality competitive business. The Group improves its competitiveness through extension of its product offer, timeliness of supplies and decrease of costs which, in consequence, translate into the price of offered products.

Risk of change in law and their interpretation

A threat for the operation of the Companies of the Capital Group are changing legal regulations and interpretations. Frequent amendments, inconsistency and lack of interpretations of the legal regulations in particular the tax law, entail a significant risk related to the legal surrounding in which the Companies of the Capital Group conduct their activities. When combined with the relatively long period of prescription of tax liabilities and immediate enforceability of decisions issued by tax authorities, estimation of tax risk is particularly difficult. The Companies of the Capital Group have contractor reliability verification procedures in place, also in terms of clearance of tax liabilities.

Risk associated with vendor dependency

The Companies of the Capital Group follow a policy of supplier diversification to remain independent from a single supplier which allows to obtain competitive prices for the purchased raw materials.

Risks associated with customer dependency

The Companies of the Capital Group operate on a broad, both domestic and international, market of products offered by them. The Companies of the Capital Group make all effort to eliminate risk of dependency on the main recipients, entering in cooperating with multiple customers. In selection of recipients, the companies of the Capital Group mainly consider the reliability of a potential recipient.

25. FACTORS WHICH WILL INFLUENCE THE ISSUER'S FINANCIAL PERFORMANCE IN 2025

External factors that will affect the consolidated results of subsequent quarters include:

- availability and cost of energy carriers,
- prices of crude oil and, as a consequence, prices of organic chemicals derivatives - plastics and components for the production of plastic parts for cars in injection moulding technology,
- costs of adapting production processes to the environmental requirements of the European Union,
- cost of the energy transition, update of Poland's Energy Policy, legislation associated with the Green Deal (including the introduction of the Omnibus simplification package),
- market uncertainty in the face of geopolitical tensions as well as existing and potential armed conflicts,
- conditions for ending the armed conflict between the Russian Federation and Ukraine,
- the prospect of new trade deals with the U.S. (following the election of Donald Trump as U.S. president), including the announcement of new tariffs,
- increases in existing tariffs and the introduction of new trade tariffs between key world economies,
- global economic situation, especially in key industries and markets,
- monetary policy of the National Bank of Poland, affecting changes in interest rates,
- higher economic protectionism in international trade, resulting in restrictions to access markets,
- insufficient level of business investment, which limits growth potential,
- PLN exchange rate against foreign currencies (affects the margin earned in PLN due to the significant share of export sales),
- volatility of tax laws and other regulations,
- changes in consumer sentiment that alter demand for durable goods,
- unfavorable demographic structure and low level of unemployment,
- level of use of funds from the National Recovery Plan,
- completion of negotiations for a free trade agreement between the European Union and the Mercosur Southern Common Market,
- reduced public spending (except for defense spending).

Internal factors significant for the performance in future periods include the following:

- the effect of obtaining new contracts in the Automotive Segment,
- adapting production processes to the requirements of energy transition,
- implementation of investments in upgrading production technologies and in fixed assets necessary for new contracts,
- level of employee turnover.

Conclusion

In Q4 '2024, Poland's GDP growth was observed to reach 3.2% y/y. In 2025, GDP growth is expected to accelerate to 3.7%. GDP growth is also expected to be stable in the coming years.

Unemployment in Poland remains low, while a slight decline in employment has been observed.

Gross expenditure on fixed assets in Q4 '2024 increased by 1.3% y/y, higher than expected in the previous forecast. However, the dynamics remain very low, presumably due to the transition period between EU financial perspectives.

In 2025 the level of investment should be significantly higher (as a result of access to cheaper financing and a strong increase in the inflow of EU funds).

An important factor for Poland's economic situation is foreign demand, which will be limited in the coming periods due to the moderate recovery in the eurozone, particularly the stagnant German economy. In 2024 the price level of most commodities (including: oil, coal and natural gas) was clearly below the record levels of 2022-2023.

CPI inflation is expected to rise at the end of 2025 and remain at elevated levels until the second quarter of 2026. Key factors influencing this trend include regulatory actions on prices of energy carriers, elevated levels of core inflation (including through an increase in tobacco excise taxes) and a decline in food price dynamics. On the other hand, from the third quarter of 2026 to the fourth quarter of 2027, significant factors will be the weakening wage growth rate, low demand pressure, limited increase in import prices and expected reductions in energy commodity prices on global markets.

Any forecasts should be treated as one of many possible scenarios, not as predictions presented with full conviction. The Management Board of Boryszew S.A. keeps a close look at market trends in the industry and will make decisions on an ongoing basis related to operations on markets of interest to the Group and cooperation with key counterparties, which will be reported in relevant reports.

IMPACT OF WAR IN UKRAINE ON SITUATION OF BORYSZEW CAPITAL GROUP

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 Capital Group 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 three 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 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.

2024 saw no disruptions to the Group's operations resulting from the war in Ukraine; the risks described above were mitigated by the proactive actions of Group companies and relevant decisions of the Management Board. In addition, by active participation in Green Deal activities, the Group seeks to guide companies through the energy transition, which will allow for greater independence from the availability and price of energy resources, which, with an undoubtedly positive impact on the environment, will further decouple the Group from the negative impact of some of the risks described above.

At the same time, importantly, the Group's asset is its diversification, both in terms of geography (production plants are located on different continents) as well as product range and customers and supply chain. With this structure, the Group has greater flexibility in responding to the volatility of the global situation.

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

Situation in Maflow/BAP Group

With regard to Maflow Group as well as Boryszew Automotive Plastics Group, the external factors, to a large extent influencing the activity and the possibility of development of both Groups include: the general situation on the automotive market and unfavourable macroeconomic conditions, in particular, high level of inflation and, consequently, high labour costs, rising costs of materials and raw materials and availability of employees.

The current situation of Maflow Group is also significantly affected by the postponed launch of production for a key customer in the electric car industry.

For Boryszew Automotive Plastics Group, restructuring processes are still underway, the difficult situation of the BAP Companies is compounded by increased costs of energy, raw materials and production materials, as well as constantly rising labour costs.

Despite the restructuring agreement for 2024 - 2026, concluded in March 2024 with a key customer of BAP, concerning: Boryszew Kunststofftechnik Deutschland GmbH, Maflow Plastics Poland Spółka z o.o. and AKT plastikářská technologie Čechy, spol. S.r.o., for BKD it was not possible to achieve the minimum profitability assumed in the restructuring plan for its business and the prospects of achieving self-financing of its business within a reasonable period of time. Hence the Management Board of BKD decided to file a bankruptcy petition with the competent court.

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 Sp. z o.o.

Both Groups introduced a number of measures in 2024 to prevent existing difficulties, mainly due to the unfriendly macroeconomic situation.

The Management Board of Boryszew keeps a close look at market trends in the industry and will make decisions concerning the operation on the automotive market also considering the relations with key contractors and their possible engagement in reducing the negative impact of the above mentioned factors for further participants in the supply chain; such decisions will be communicated in relevant reports.

26. EMPLOYMENT

EMPLOYMENT AT BORYSZEW S.A

	Balance on 31.12.2024	Balance on 31.12.2023
Employment structure (in full-time equivalents)		
Blue-collar workers	1 861	2 235
White-collar workers	509	507
Total	2 370	2 742

EMPLOYMENT AT BORYSZEW CAPITAL GROUP

	Balance on 31.12.2024	Balance on 31.12.2023
Employment structure (in full-time equivalents)		
Blue-collar workers	5 725	6 831
White-collar workers	1 555	1 723
Total	7 280	8 554

27. CHANGES IN FUNDAMENTAL PRINCIPLES OF MANAGING THE ENTERPRISE OF THE COMPANY AND OF ITS CAPITAL GROUP

In 2024, no other significant changes occurred in the basic principles of management of the Issuer enterprise and its Capital Group.

28. AGREEMENTS CONCLUDED BETWEEN THE COMPANY AND ITS OFFICERS, PROVIDING FOR COMPENSATION IN THE EVENT OF RESIGNATION OR DISMISSAL OF SUCH PERSONS FROM THE POSITIONS HELD WITHOUT CAUSE, OR WHERE SUCH DISMISSAL IS CAUSED BY MERGER OR TAKEOVER.

According to the managerial contract, in case of contract termination before the end of the Management Board term of office as a result of dismissal from the Management Board, the Management Board member is entitled to a severance pay equivalent to 3 times monthly remuneration.

The Management Board member is not entitled to the severance pay if their dismissal from the Management Board resulted from a material breach of the duties on the position held or of applicable laws, or in the event of their resignation from the Management Board or if their dismissal is due to a merger by acquisition.

29. REMUNERATION OF MANAGEMENT BOARD AND SUPERVISORY BOARD

Gross remuneration of the Management Board of the Parent Company (in PLN '000)

2024	Paid in 2024	Potentially due for 2024*
<u>Wojciech Kowalczyk - President of the Management Board</u>	<u>2 312.86</u>	<u>1 608.06</u>
including:		
fixed remuneration	1 608.06	0
variable remuneration	700.00	1 608.06
other/ additional benefits	4.80	0
<u>Mikołaj Budzanowski – Member of the Management Board</u>	<u>1 155.41</u>	<u>425.32</u>
including:		
fixed remuneration	850.61	0
variable remuneration	300.00	425.312
other/ additional benefits	4.80	0
<u>Łukasz Bubacz – Member of the Management Board</u>	<u>971.16</u>	<u>348.92</u>
including:		
fixed remuneration	697.84	0
variable remuneration	200.00	348.92
other/ additional benefits	73.32	0
<u>Adam Holewa - Member of the Management Board</u>	<u>438.73</u>	<u>218.17</u>
including:		
fixed remuneration	436.33	0
variable remuneration	0	218.17
other/ additional benefits	2.40	0.00
<u>Total</u>	<u>4 878.17</u>	<u>2 600.46</u>

* remuneration potentially payable includes the variable remuneration payable for serving as a Member of the Management Board in 2024.

The Supervisory Board may grant to the Management Board members additional variable remuneration in the form of an annual bonus. The variable remuneration depends on the performance of the Capital Group or the Company and the achievement of quantitative and qualitative management objectives assigned to each members of the Management Board or the entire Management Board.

Gross remuneration of the Members of the Supervisory Board for the Parent Company (in PLN '000)

	2024
Małgorzata Waldowska - Chairperson of the Supervisory Board	121.80
Mirosław Kutnik - Vice Chairperson of the Supervisory Board -	108.00
Damian Pakulski - Secretary of the Supervisory Board -	72.00
Jarosław Antosik – Member of the Supervisory Board -	85.26
Janusz Siemienieć - Member of the Supervisory Board -	72.00
Wojciech Zymek - Member of the Supervisory Board	73.08
Total	532.140

Gross remuneration for members of subsidiaries' bodies (in PLN '000)
Members of the Supervisory Board
TOTAL: 646.94
Parent Company

including:

Małgorzata Iwanejko	241.27
Miroslaw Kutnik	64.00
Damian Pakulski	96.83
Janusz Siemienieć	64.00
Wojciech Zymek	180.84

Members of the Management Board
TOTAL: 287.94
Parent Company

including:

Łukasz Bubacz	264.65
Adam Holewa*	23.29

*Mr Adam Holewa also received in 2024 remuneration for the function of Member of the Management Board of Boryszew Kunststofftechnik Deutschland GmbH in the amount of EUR 4 000.00, converted at the average exchange rate of EUR on 31 December 2024.

The company has no obligations arising from pensions and similar benefits for former managers, supervisors or liabilities incurred in connection with these pensions.

30. COMPANY'S SHARES AND SHARES IN SUBSIDIARY ENTITIES HELD BY MEMBERS OF GOVERNING AND SUPERVISORY BODIES

List of the number of shares in Boryszew S.A. or rights to them held by the Management Board and Supervisory Board of the Company on 31 December 2024 and on the publication date of this report.

Management Board of Boryszew S.A.	On 31.12.2024 [number of shares]	Nominal value of shares [PLN]	Changes in ownership [acquisition/disposal]	On the date of report publication	Nominal value of shares [PLN]
Wojciech Kowalczyk	30 000	30 000	-	30 000	30 000

Supervisory Board of Boryszew S.A.	On 31.12.2024 [number of shares]	Nominal value of shares [PLN]	Changes in ownership [acquisition/disposal]	On the date of report publication	Nominal value of shares [PLN]
Małgorzata Iwanejko	30 000	30 000	-	30 000	30 000

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:

- 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;
- 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.

Shares in Entities affiliated with the Issuer, held by the Management Board and the Supervisory Board members as at 31 December 2024 and as at the date of drafting this report.

On 31 December 2024 and on the day of submitting the report for publication the managing and supervising persons hold no shares of affiliated entities.

31. INFORMATION ON AGREEMENTS OF WHICH THE COMPANY IS AWARE AND UNDER WHICH FUTURE CHANGES MAY OCCUR IN THE PROPORTIONS OF SHARES HELD BY THE EXISTING SHAREHOLDERS AND BONDHOLDERS

Registered pledges on shares of Boryszew S.A. concluded by Boryszew Capital Group member companies following concluded loan agreements

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.

The pledge was established on the basis of the Agreement on a registered pledge on shares of Boryszew S.A. concluded on 5 February 2020 and will expire in the event of full repayment of secured receivables.

The Company has no information on other such agreements.

32. INFORMATION ON THE SYSTEM OF CONTROLLING EMPLOYEE SHARES

In the reporting period concerned, the Company did not offer employee stock programmes.

33. AGREEMENT WITH INDEPENDENT STATUTORY AUDITOR

On 25 July 2022 the Management Board of Boryszew S.A. signed an Agreement on audit services for 2022 - 2024 with BDO Spółka z o.o. sp. k.

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

Activity	Net amount
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 2024 in the European Single Electronic Format (ESEF/XBRL format)	PLN 217 172
Total	PLN 562 434
Remuneration for non-research services	
Evaluation of the report on remuneration of Boryszew Management Board and Supervisory Board for 2024	PLN 14 482
Total	PLN 576 916
Audit activities	
Attestation service for Group sustainability reporting	PLN 166 500
Total	PLN 743 416

The auditor was selected by the Supervisory Board of Boryszew S.A. in accordance with the Company's Articles of Association. The Group had used the services of that auditor for audit and review of financial statements pertaining to years 2018 – 2021, the current agreement covers years 2022-2024.

34. LITIGATION UNDERWAY

Boryszew S.A. and Boryszew Capital Group Companies, as at the date of this report, were not a party to any significant proceedings concerning liabilities or receivables, pending before a court, a competent arbitration authority or a public administration authority.

Tax proceedings in the Capital Group companies

The Group operates in sectors which, due to their specific nature, are particularly exposed to VAT fraud by dishonest contractors. Group companies are subject to various stages of inspection and audit proceedings on the correctness of VAT settlements. Given the above, the Parent Company has taken steps to recognise the risks that could be estimated and are related to the ongoing proceedings.

ZM SILESIA S.A.

- On 12 March 2018, ZM SILESIA S.A. received a decision of the Head of the Customs and Tax Office (Office) in Opole dated 28 February 2018, determining the outstanding VAT liability for 2012 in the amount of PLN 28.6 million plus interest on tax arrears in the amount of PLN 16.0 million. According to the position of the Office, ZM SILESIA S.A. failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget. As a result, ZM SILESIA S.A. should not have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office. On 26 April 2021 the company received the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 determining overdue VAT liability of ZM SILESIA S.A. for 2012 in the amount of PLN 28.6 million, plus interest on outstanding tax liability. To secure tax liabilities for 2012, compulsory mortgages were established on part of the Company's land properties. On 29 April 2021 ZM SILESIA received a notice from the Head of the 2nd Fiscal Office in Katowice on the freezing of ZM SILESIA's bank accounts as a security of claims associated with the execution of the Decision On 7 May 2021, the Company's attorney filed a complaint against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 requesting that the decision be revoked in its entirety, claiming that the tax liabilities for the period between January and November 2012 had become time-barred and requesting that the Court suspend the execution of the decision appealed against. On 6 August 2021 the Company received a decision of the Provincial Administrative Court in Gliwice of 26 July 2021 on suspending the execution of the decision of the Head of the Fiscal Administration Chamber on determining VAT liability for 2012. On 8 September 2021, the Provincial Administrative Court notified on the scheduled hearing in the case on the complaint of ZM SILESIA SA against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021.

On 27 October 2021 the Provincial Administrative Court issued a judgment revoking in its entirety the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021. The reason why the Provincial Administrative Court revoked the decision challenged by ZM SILESIA was, primarily, the deficiencies of the tax authority involving the lack of a proper justification of the circumstances and legal grounds for a possible suspension of the statute of limitations for tax liabilities for 2012. Given the crucial importance of the issue of the statute of limitations for the possibility and admissibility of proceedings concerning the assessment of tax liabilities, the court found that the examination and resolution of the remaining disputed issues was premature. The judgment is now final.

On 28 March 2022 ZM SILESIA S.A. received a decision of 25 March 2022 from the Director of the Fiscal Administration Chamber in Katowice, which revoked in its entirety the decision of the Head of the Customs and Tax Office in Opole of 28 February 2018 determining the outstanding VAT liability for relevant months of 2012 and referred the case for reconsideration by this body.

The Head of the Fiscal Administration Chamber in Katowice, being bound by the assessments and recommendations of the Provincial Administrative Court in Gliwice in the final judgment of 27 October 2021 (case file I SA/GI 791/21), pointed out that it was necessary to re-examine and justify the position of the first instance authority with respect to the tax liability statute of limitations and the circumstances which could possibly extend the statute of limitations, as the previous position of the first instance authority in this respect turned out to be incorrect or incomplete. On 1 June 2022, the tax authority of the first instance - the Customs and Fiscal Office in Opole - reopened audit proceedings in the aforementioned case, which was completed with issuing a tax decision on 29 December 2022 for individual months of 2012 in the unchanged amount of PLN 28.6 million.

On 16 January 2023, the Company's Attorney filed an appeal against the decision concerned with the Head of the Fiscal Administration Chamber in Katowice. On 30 March 2023, the Director of the Fiscal Administration Chamber in Katowice declared a lack of jurisdiction to consider the appeals and forwarded them, according to jurisdiction, to the Director of the Fiscal Administration Chamber in Warsaw. On 15 June 2023, the Director of the Fiscal Administration Chamber in Warsaw sent the Company's appeals again to the Director of the Fiscal Administration Chamber in Katowice for handling according to jurisdiction. Ultimately, the existing competency dispute was

resolved by the Head of the National Tax Administration. In a letter dated 20 December 2023, ZM SILESIA SA was advised that the Director of the Tax Administration Chamber in Warsaw is competent to hear the appeal.

In a decision of 25 June 2024, the Director of the Fiscal Administration Chamber in Warsaw, revoked in its entirety the decision of the Head of the Customs and Tax Office in Opole of 29 December 2022 (ref. 388000-CKK-1.4100.10.202074) determining the outstanding VAT liability for relevant months of 2012 and discontinued the proceedings due to the statute of limitations on tax liabilities.

The above decision finally ends the tax dispute.

- On 24 September 2020 ZM SILESIA S.A. received the decision of the Head of the Małopolska Customs and Fiscal Office determining the overdue VAT tax liability for 2013 and 2014 in the amount of PLN 97.3 million plus interest on outstanding tax liability. According to the position of the Office, ZM SILESIA S.A. failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget. As a result, ZM SILESIA S.A. should not have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. Due to its different assessment of the facts from that of the inspection bodies, on 8 October 2020 the company filed an appeal against this decision with the Head of the Fiscal Administration Chamber in Katowice. On 25 November 2021 the company received a decision of the Head of the Fiscal Administration Chamber in Katowice upholding the decision of the authority of first instance. Given the different assessment of the facts, ZM SILESIA lodged a complaint with the Provincial Administrative Court against the above decision.

On 13 December 2021 ZM SILESIA received executive titles from the Head of the Tax Office in Katowice concerning the enforcement of outstanding tax liabilities resulting from the above decision. At the same time ZM SILESIA was notified of the freeze of bank accounts.

On 23 December 2021, ZM SILESIA filed objections to the enforcement proceedings concerning all enforcement titles. The filing of the charges suspended the enforcement proceedings ex officio. At the same time ZM SILESIA received information that the freeze of bank accounts has been released.

On 10 February 2022, ZM SILESIA received the decision of the Provincial Administrative Court in Gliwice of 31 January 2022, according to which the Provincial Administrative Court decided to suspend the execution of the decision of the Director of the Fiscal Administration Chamber in Katowice of 17 November 2021 on VAT for the period from January 2013 to December 2014. The Provincial Administrative Court held that ZM SILESIA had convincingly substantiated that, in the case of tax liabilities for 2013 - 2014, no prerequisites existed justifying the suspension of the execution of the appealed decision of the tax authority based on Art. 61 § 3 of the Act of 30 August 2021 - Law on proceedings before administrative courts. In the judgment of 27 April 2022, the Provincial Administrative Court in Gliwice revoked in its entirety the decision of the Director of the Fiscal Administration Chamber in Katowice of 17 November 2021 on the tax on goods and services for the period between January 2013 and December 2014, and granted the applicant company reimbursement of the costs of the proceedings. On 29 July 2022 the Company received a ruling with a statement that the ruling of the Provincial Administrative Court in Gliwice became final as of 30 June 2022.

On 9 November 2022 the Company again received a decision from the Director of the Fiscal Administration Chamber in Katowice of 26 October 2022, upholding the appealed decision of the first-instance authority.

On 28 November 2022 the Company's Attorney filed a complaint with the Provincial Administrative Court in Gliwice.

On 10 January 2023, the Provincial Administrative Court in Gliwice issued a decision to suspend implementation of the contested decision of the Director of the Fiscal Administration Chamber in Katowice.

On 20 June 2023 the Provincial Administrative Court in Gliwice issued a judgment revoking in its entirety the decision of the Director of the Fiscal Administration Chamber in Katowice of 26 October 2022 and the preceding decision of the Head of the Małopolska Customs and Fiscal Office in Kraków of 24 September 2020 on the tax on goods and services for the period between January 2013 and December 2014, and also discontinued the tax proceedings in entirety, finding that the statute of limitations had expired for all tax liabilities covered by the proceedings concerned.

The court questioned the correctness and effectiveness of the tax authorities' efforts to possibly suspend or interrupt the course of the disputed tax liabilities. The court pointed out, among other things, that the initiation, just before the expiry of the statute of limitations for the earliest tax obligations, of criminal tax proceedings, in which no one was charged, and which ultimately ended in dismissal due to the lack of a criminal act, was instrumental and aimed only at suspending the course of tax obligations, and not at realistically achieving the goals of criminal tax proceedings. Since the statute of limitations on tax liabilities automatically renders further tax proceedings groundless, the Court decided to discontinue the proceedings, since it would be pointless for the tax authorities to review the case again.

On 10 July 2023, the Company received a ruling from the Provincial Administrative Court in Gliwice of 20 June 2023, along with a substantiation. The ruling is not final, the parties have filed cassation complaints with the Supreme Administrative Court, which has not yet determined a hearing date.

- On 19 April 2022, ZM SILESIA S.A. received a decision from the Head of the Małopolska Customs and Fiscal Office (Office) in Kraków of 6 April 2022 determining the outstanding VAT liability of ZM SILESIA S.A. (ZM SILESIA) for the first half of 2015 in the amount of PLN 34.9 million, plus interest due for outstanding tax liability. As argued by the Office, ZM SILESIA 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 ZM SILESIA had not acted with the so-called 'good faith', which would help them maintain the right to deduct input tax despite the occurrence of tax irregularities at earlier stages of the disputed supplies. Due to different assessment of the above circumstances, on 29 April 2022 the Company filed an appeal against the Decision of the Head of Małopolska Customs and Fiscal Office. In a decision of 27 December 2023, the

Head of Małopolska Customs and Fiscal Office in Krakow upheld the decision, against which ZM SILESIA SA filed an appeal. Having disagreed with the above ruling, the Company filed a complaint of 26 January 2024 with the Provincial Administrative Court in Krakow. Given that the decision of the second instance authority was final on 31 January 2024, and on 21 February 2024, the Company received enforcement titles used in the enforcement of receivables together with notices of seizure of receivables from bank accounts. The Company immediately filed objections to the enforcement proceedings and motions to rescind enforcement actions. As of 12 February 2024 the first and 1 March 2024 the second, enforcement actions in the form of seizures of receivables from bank accounts were rescinded by the Head of the Second Tax Office in Katowice.

On 26 June 2024 the Provincial Administrative Court in Krakow issued a judgment revoking in its entirety the appealed decision of the Head of the Małopolskie Customs and Fiscal Office in Krakow of 27 December 2023 on the tax on goods and services for the period between January 2015 and June 2015. The court accepted the plea that the tax liability was time-barred.

The judgment is not final, as a cassation appeal has been filed with the Supreme 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.

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.

BATERPOL S.A.

On 3 October 2016, a VAT tax inspection by the Head of the First Silesian Tax Office in Sosnowiec began in Baterpol S.A. The inspection was concluded with a protocol of 26 October 2018, on the basis of which the Company recognised a provision in the results for 2018. Following the aforementioned tax inspection, on 20 March 2019, the Head of the First Silesian Tax Office in Sosnowiec initiated VAT proceedings for the period December 2013 to

December 2015. On 17 January 2023, the decision issued in the case of 4 January 2023, determining the amount of tax liability for the months of March to October 2014, December 2014, January to March 2015, May 2015 and June 2015, and determining the amount to be paid under Art. 108(1) of the VAT Act for the months of April to August 2014, October 2014, December 2014, January to March 2015 and June 2015, was delivered. The procedure involving the remaining issues was discontinued. The company made a payment of PLN 3.3 million to the tax authority, following the decision, at the same time releasing the provision for this purpose in full. The Company's attorney filed an appeal against the decision to the extent where it determines the Company's tax liabilities and the amount to be paid under VAT Act Art. 108(1) On 29 November 2023 the higher-instance authority (Head of the Fiscal Administration Chamber in Katowice) issued a decision upholding the decision of the first-instance authority in the appealed part. A complaint was filed with the Provincial Administrative Court against the decision in January 2024. The hearing in the case was held on 3 October 2024, and by the judgment of the aforementioned Court the appealed decision was revoked.

In November 2024 the parties filed a cassation appeal with the Supreme Administrative Court (no hearing date has yet been determined on the date of this note).

Other pending VAT tax proceedings:

- On 12 March 2019 the Head of the Lower Silesian Tax Office in Wrocław sent Baterpol Recycler Sp. z o.o. a notice of initiation of an investigation by the Regional Prosecutor's Office in Katowice, on 1 April 2016, into a tax offence suspending the period of limitation of company's tax liabilities for the period between January 2014 and June 2015.
- On 3 August 2023, the Head of the Tax Office in Olawa forwarded a notice to Baterpol Recycler Sp. z o.o. that, due to the initiation of proceedings in a fiscal offence case, on 15 February 2023 the statute of limitations for VAT liabilities for the period between 1 October 2013 and 30 September 2016 was suspended.

Due to the fact that there is a risk of instituting new controls that might potentially result in issuing decisions determining tax liabilities of these companies, the Management Board of the Parent Company analysed documentation relevant for the ongoing procedures and estimated risks by classifying them according to the likelihood of emergence:

- a. probable risk (high risk) - a high probability of negative tax consequences (negative consequences are more probable to occur than not),
- b. possible risk (medium risk) - risk of negative tax consequences, however, their occurrence or not is not equally probable,
- c. potential risk (low risk) - some risk of negative tax consequences, but this risk is less probable than probable.

The Group recognised provisions for tax risks following pending proceedings, taking into consideration the probability of an unfavourable outcome of the proceedings.

As estimated by the Management Board, the amount of this provision was recognised up to the possible outflow of resources from the Group, with the maximum being the net value of assets of relevant subsidiary and sureties granted to it.

In the case of an unfavourable scenario of the pending court proceedings in tax matters, as described above, the subsidiary will likely go bankrupt, and then the outflow of resources from the Group will be up to the value of relevant subsidiary's net assets lost as a result of bankruptcy and the equivalent of the sureties granted to that subsidiary.

The balance of provisions for all tax risks in the consolidated financial statement of Boryszew S.A. on the balance sheet date ended on 31 December 2024 is PLN 22 020 thousand (high risk). Furthermore, the Group recognises contingent liabilities in the amount of PLN 171 954 thousand (medium or low risk).

The Management Board of Boryszew S.A. estimated the provisions considering the probability of cash outflow from the Group and chose leave such provisions out in cases where the probability of cash outflow is low.

The Management Board of Boryszew S.A. cannot exclude that in the event of new circumstances, the estimation of risks described above may change.

Other important proceedings in companies of Boryszew S.A. Capital Group

- Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration (BOD) received a decision from the investment bank Investitionsbank des Landes Brandenburg (ILB) revoking the decision received in 2015 on the support of an investment involving the construction of a new production plant, due to failure to meet the condition of maintaining the investment's sustainability period, set for the period until 16 January 2026 (due to the filing of a bankruptcy petition). The amount of funding received was EUR 4 176 thousand (PLN 17 844 thousand). In March 2025 BOD filed an appeal against this decision with the German administrative court.
In 2025 Boryszew S.A. granted a surety for BOD's obligations to ILB under the grant up to the amount of EUR 5.1 million for the life of the project, i.e. originally until 12 February 2021. Due to the extension of the project life to 16 January 2026 by agreement between BOD and ILB, a risk exists of interpretation that the period of the surety granted by Boryszew S.A. has been extended to 16 January 2026. The company believes that the probability of realisation of the guarantee is low; therefore, Boryszew S.A. recognised this risk as a contingent liability in the books.

- 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.
- The Economic Crime Department of the Regional Police Headquarters in Krakow is conducting pre-trial proceedings for an act under PC Art. 286 and others, supervised by the Regional Prosecutor's Office in Krakow file ref. RP 1 Ds 9.2018 upon notification of Boryszew S.A. against Tacon Sp. z o.o. to enforce the amount of PLN 2.2 million and Q 77 s.r.o. to enforce the amount of EUR 1.9 million (PLN 8.12 million), filed on 17 January 2018. The case is pending.
- Boryszew S.A. (cases concerning the former NPA Branch):
 - a lawsuit by SILKADA LTD, Cyprus for the payment of USD 0.33 million (PLN 1.35 million) with incidental receivables and the amount of USD 1.34 million (PLN 5.50 million) with incidental receivables (currently the amount of USD 1.46 million (PLN 5.99 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 USD 1.46 million (PLN 5.99 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 USD 1.46 million (PLN 5.99 million) with incidental receivables, i.e. the amount paid in 2011, as with regard to the 2010 transfers, the plaintiff Nikola Jankovicová (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.

35. SPONSORING AND CHARITY ACTIVITIES

The sponsoring activity of Boryszew S.A. and the Capital Group is primarily focused on promoting the image of the Company and Boryszew Capital Group. The activities carried out are aimed at supporting cultural events, including exhibitions, concerts and festivals, primarily on the local level, at the operation locations of the Group and its members.

The Group supported medical facilities through donations and helps local communities with charitable activities (Szlachetna Paczka project, subsidising meals for malnourished children in the Polish Humanitarian Action's Pajacyk program, and others).

The 2024 Companies also made donations, both in cash and in-kind, for the cleanup of the September 2024 floods.

The Group companies also support institutions hosting conferences on the Boryszew Capital Group activity area.

Expenses*) incurred by Boryszew Capital Group in 2023 - 2024

- 2023 – PLN 1 583.0 thousand
- 2024 – PLN 1 090.7 thousand

*) in-kind and cash expenditure that can be estimated

36. REMUNERATION POLICY

Boryszew Capital Group

The remuneration policies at Boryszew Capital Group are aimed at increasing the human capital management efficiency through effective employee engagement, supporting the implementation of the assumed strategic and business objectives and increasing the competitive advantage of the Boryszew Capital Group.

The remuneration rules are implemented by defining a remuneration and incentive system for employees, including defining the goals the Capital Group sets in the area of remuneration and financial and non-financial incentives to persons covered by the policy to increase engagement and improve work efficiency by combining motivational elements with employee effectiveness and ensuring a remuneration system corresponding to the type of work performed, competences, skills and the market remuneration levels.

Internal regulations – applicable in Boryszew Capital Group Companies/Branches are the Remuneration Rules and the Collective Labour Agreements, defining the principles of remuneration for work, remuneration and benefits related to work as well as remuneration rules. The Rules and Corporate Collective Labour Agreement contain the following remuneration rules:

- a. employees are entitled to remuneration appropriate to the type of work and qualifications held,
- b. the remuneration received for full-time employment cannot be lower than the minimum wage applicable for a given year – as defined in the national regulations,
- c. part-time employees receive the reference salary and other remuneration components for work proportional to the working time determined in the employment contract,
- d. remuneration is payable for work actually performed. The employees retain the right to remuneration for the period of non-performed work only when the labour law regulations provide so.

The remuneration policy of the Management and the Supervisory Board of Boryszew S.A.

The Ordinary General Meeting of the Company, by Resolution No. 24 of 23 July 2020, adopted the Remuneration Policy for the members of the Management Board and Supervisory Board of Boryszew S.A., later amended by Resolution No. 7 of the Extraordinary General Meeting of the Company of 28 October 2021 and by Resolution No. 26 of the Ordinary General Meeting of Boryszew S.A. of 27 May 2022.

On 20 May 2024, the Ordinary General Meeting of Shareholders of the Company by Resolution No. 21, after consideration, upheld the wording of the "Remuneration policy of the Management and the Supervisory Board of Boryszew S.A." as adopted by the Resolution no. 24 of the Ordinary General Meeting of Boryszew S.A. of 23 July 2020 (with subsequent amendments).

The Policy is available on Boryszew S.A. website www.boryszew.com.pl/polityka-wynagrodzen/.

Management Board of Boryszew S.A.

According to the Policy the following rules apply to the remuneration of the Boryszew SA Management Board management members:

1. the Management Board members are employed under management or employment contracts,
2. contracts/agreements with the Management Board members are concluded on behalf of the Company by the Chairman of the Supervisory Board or another representative of the Supervisory Board, based on the authorization granted by way of a resolution,
3. when determining the remuneration amount for Management Board members, the Supervisory Board takes into account the experience, workload necessary to properly perform the duties of a Management Board member, the scope of duties and responsibilities related to the function of Management Board members and the level of remuneration in a similar position offered by other entities operating on the market,
4. the remuneration of Management Board members consists of the following elements:
 - a) fixed remuneration,
 - b) variable remuneration, depending on the performance of the Capital Group and achievement of quantitative and qualitative management objectives assigned to each members of the Management Board,
 - c) the terms of the variable remuneration component payment for Management Board members are determined annually by the Supervisory Board by setting short-term and long-term goals,
 - d) additional benefits for Management Board members include a company car, technical equipment and tools necessary to perform official duties, covering travel and representation expenses in the scope and amount appropriate to the functions entrusted.

The variable remuneration established by the Supervisory Board is motivational and activates the effective achievement of the Company's strategic goals. The Supervisory Board also determines the maximum amount of the Variable Remuneration due to a member of the Management Board for a financial year or for the period to which the management objectives established by the Supervisory Board relate. In accordance with the Policy, the management objectives, specified as short- and long-term goals, are determined with reference to the general criteria indicated below, which are subject to clarification or expansion by the Supervisory Board in accordance with the strategy and long-term interests of the Company and to ensure that its stability is maintained:

- operating results achieved by the Company in a financial year including the reported EBIT, EBITDA according to Company's LIFO, EBITDA of the Capital Group;
- the average market price of the Company's shares in a financial year;
- Company's relations with the competent supervisory authorities;
- Company's social interests;
- Company's contribution to environmental protection;
- measures aimed at preventing and eliminating the negative social effects of the Company's activities;

Supervisory Board of Boryszew S.A.

In accordance with the Remuneration Policy, members of the Supervisory Board are entitled to Fixed Remuneration and Additional Benefits (i.e. other allowances and benefits, including other than in cash).

The fixed remuneration of members of the Supervisory Board is determined by the General Meeting of Shareholders of the Company in a resolution, the amount is limited to PLN 5 000. The fixed remuneration of a member of the Supervisory Board should be differentiated with respect to the functions performed, in particular the chairman and the deputy chairman of the Supervisory Board, its secretary, a member of the Audit Committee and the Remuneration Committee. Remuneration of Supervisory Board members meeting the independence criterion should guarantee the status."

A member of the Supervisory Board is entitled to fixed remuneration irrespective of the frequency of meetings of the Supervisory Board.

Members of the Supervisory Board delegated to permanent individual supervision are entitled to a separate remuneration, the amount of which is determined by the General Meeting. However, the General Meeting may delegate this power to the Supervisory Board in a resolution. To determine the amount of such remuneration, the provisions of § 5 and § 7 shall apply accordingly. Members of the Supervisory Board who are employees of a Subsidiary are not entitled to any remuneration for performing their functions in the Supervisory Board.

As per the resolution of the General Meeting the monthly remuneration of the members of Boryszew Supervisory Board is:

1. Chairman of the Supervisory Board - PLN 10 000,
2. Deputy Chairman of the Supervisory Board - PLN 8 000,
3. Supervisory Board Members - PLN 6 000.

Members of the Supervisory Board who perform functions in the Audit Committee receive additional monthly remuneration in the amount of PLN 1 000.

In the opinion of the Boryszew Management Board, the remuneration policies applied in the Group contributes to the long-term growth of the Company's value for shareholders and the stability of the company's operations.

37. SUSTAINABLE DEVELOPMENT REPORTING.

ESRS 2 Mandatory disclosures

BP-1 - General basis for preparation of the sustainability statement

The Sustainability Information Report ("Report") was drafted on a consolidated level for Boryszew Capital Group ("Boryszew Group", "Group", "BCG") for the period between 1 January and 31 December 2024.

The scope of consolidation in this report is the same as for the consolidated financial statements. The report covers all the companies of the Boryszew Capital Group as at 31 December 2024 subject to full consolidation in the consolidated financial statement. Limited data was obtained from the following Group companies that filed for bankruptcy in 2024 and up to the date of the report: Boryszew Formenbau Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, and Boryszew Kunststofftechnik Deutschland GmbH.

The entity includes in its sustainability report the information disclosed in accordance with Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (8) and the Commission's delegated regulations, which specify the content of such information and other means of disclosure. The entity ensures that these disclosures are separately identifiable in the sustainability statement. The disclosures for each of the environmental objectives set forth in Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment is presented together in a clearly labelled environmental section of the sustainability statement.

This report is based on:

1. ESRS [European Sustainability Reporting Standards] introduced by the European Parliament and Council Delegated Regulation (EU) 2023/2772 of 31 July 2023. Drafted under Directive 2013/34/EU of the European Parliament and of the Council, as amended by Directive (EU) 2022/2464 (CSRD), to standardise the reporting of sustainability issues by companies in the European Union.
2. Accounting Act: Polish Act of 29 September 1994, which regulates accounting and financial reporting in Poland.

In addition, in accordance with the obligation under Regulation (EU) 2020/852, the statement includes information on how and to what extent the Group's activities are related to business activities that qualify as environmentally sustainable under Regulation (EU) 2020/852 (European Taxonomy) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (Taxonomy): A regulation defining criteria for qualifying business activities as environmentally sustainable, with the aim of directing capital flows toward sustainable investments.

None of the consolidated subsidiaries is required to prepare an individual statement for 2024.

In this 2024 Report, which is the first reporting year, the entity omits the following disclosures in accordance with Appendix C of the ESRS Standard: ESRS 2 SBM-1 item 40(b) and (c), ESRS 2 SBM - 3 item 48(e), ESRS E1-9, E2-6, E3-5, E5-6, ESRS S1-7, S1-8, S1-11, S1-12, S1-15.

The Sustainability Report of Boryszew Group is a fully disclosing document that presents the company's approach to environmental, social and governance (ESG) issues. The document covers both the organisation's own operations as well as its impact on the entire value chain - both upstream and downstream. The statement includes an analysis of upstream and downstream impacts, opportunities and risks in the value chain, conducted in the double materiality assessment process, if applicable.

Boryszew Group took no advantage of the following options when preparing the report:

1. omission of information for reasons of confidentiality, protection of intellectual property, know-how or innovation results.
2. exemption permitted by the member state from the obligation to disclose information on expected events or matters under negotiation.

BP-2 - Disclosures in relation to specific circumstances

The Group considers three time horizons, in line with the horizon indicated in the ESRS:

- short-term - the period adopted as the Group's reporting period in its financial statements;
- medium-term - the period from the end of the short-term reporting period to five years;
- long-term - more than five years.

Sources of estimation and outcome uncertainty:

Boryszew Group strives to report data as accurately and reliably as possible, relying on available metrics for the Group's operations; when primary data were not available, we used generally accepted industry sources - such as the GHG Protocol guidelines. However, the Group uses estimates in its reports for specific requirements. In such cases, this information is indicated in the relevant section.

When assessing the value chain, Boryszew Group used metrics estimated based on indirect sources, subject to uncertainty in the results.

We consider the level of accuracy as moderate, due to the lack of full availability of source data from all suppliers and value chain partners.

In the coming years, we plan to further harmonise ESG data collection tools and procedures in Boryszew Group. An application dedicated to collecting data from the Group is currently being tested. Data for the 2024 report are verified in two ways. We plan to prepare the 2025 report using entirely a platform prepared specifically for the Group's needs.

Calculating the carbon footprint

For Scope 3, an estimation assessment was carried out based on the expenses incurred in each area and the overall data (number of people employed, sales volume), and on this basis the relevance of each category was determined. In addition, for category 1, an assessment of individual emission sources was performed so that in the next stage of works, detailed data were collected for sources with the greatest impact. It was assumed that physical data should be collected for the most relevant emission sources and for sources for which data are readily available in the organisation. For areas with a relatively low carbon footprint, financial data were assumed where physical data were not available. Categories for sold products were not included in the calculations due to the lack of valid information, with the exception of emissions from the combustion of sold natural gas, reported in cat. 11. Other products sold do not directly consume energy and fuels, but their further processing potentially involves GHG emissions. However, due to the wide variety of products sold and the possible ways in which they can be used further, adopting estimates would be inaccurate.

In scope 1, for two foreign companies (Boryszew Oberflächentechnik Deutschland GmbH (BOD) and Boryszew Formenbau Deutschland GmbH (BFD)), fuel consumption data were not available, so estimates were made based on data from Boryszew Kunststofftechnik Deutschland GmbH (BKD). To estimate consumption, the consumption of utilities at BKD and the proportion of net revenues from product sales at these companies in the reported year were used (based on submitted financial reports of these companies). Calculations of GHG emissions associated with production of purchased electricity for two foreign companies (BOD and BFD), energy purchase data were not available, so estimates were made based on data from BKD. To estimate consumption, the consumption of energy at BKD and the proportion of net revenues from product sales at these companies in the reported year were used (based on submitted financial reports of these companies). Due to the loss of real operational control for companies in bankruptcy under German law, all non-financial disclosures exclude data from these entities.

In the report on non-financial information of Boryszew Capital Group for 2023 and before, the presented information was prepared based on the NFRD Directive, the Accounting Act, recommendations of Warsaw Stock Exchange and GRI Standards.

The 2024 report is based on the ESRS (European Sustainability Reporting Standards) standards introduced by the Delegated Regulation of the European Parliament and of the Council (EU) 2023/2772 of 31 July 2023

This report is the first report of Boryszew Capital Group drafted based on ESRS standards. Therefore, no changes in the preparation or presentation of the sustainability statement or errors for previous periods are reported.

When performing double materiality assessment, Boryszew Group identified its own material issue of cyber security.

Individual companies in Boryszew Group hold the appropriate ISO certificates.

The data and procedures used for sustainability reporting have been verified by a third-party assurance provider and found to be consistent with the ISO/IEC standard

The scope of certification covers key operational areas, including quality, environment, occupational safety, energy and information management. Accordingly, some of the data and procedures used in sustainability reporting (in particular the environmental and energy reporting) are subject to independent verification in accordance with ISO/IEC standards.

In the statement, the entity refers to these certificates where applicable, as summarised below:

ISO 9001 (CERTIFICATE OF QUALITY MANAGEMENT SYSTEM WITHIN THE ORGANISATION)	ISO/TS 16949 (SUPPLY CHAIN QUALITY MANAGEMENT SYSTEM CERTIFICATE)
Boryszew S.A. Elana Branch NPA Skawina Sp. z o.o. ZM Silesia S.A., Baterpol S.A., WM Dziedzice S.A. Maflow Plastics Poland Sp. z o.o. Huta Bankowa Sp. z o.o. Alchemia S.A.	BORYSZEW S.A. MAFLOW BRANCH all Maflow Group companies, Maflow Plastics Poland Sp. z o.o.
ISO 14001 (ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATE)	ISO 50001 (ENERGY MANAGEMENT SYSTEM CERTIFICATE)
ZM Silesia S.A. Boryszew S.A. Maflow Branch All Maflow Group companies Boryszew S.A. Elana Branch NPA Skawina Spółka z o.o. Baterpol S.A., WM Dziedzice S.A. Boryszew Plastics Rus Ltd, AKT Plastikarska Technologie Cechy spol. s.r.o. Boryszew Kunststofftechnik Deutschland GmbH Maflow Plastics Poland Sp. z o.o. Zakład Utylizacji Odpadów Sp. z o. o. Huta Bankowa Sp. z o.o. Alchemia S.A.	Boryszew Kunststofftechnik Deutschland GmbH ZM SILESIA S.A., Alchemia S.A.,
OHSAS 18001/ISO 45001:2018 (OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM CERTIFICATE)	ISO 17025:2005 (TESTING LABORATORY CERTIFICATE)
BORYSZEW S.A. MAFLOW BRANCH Baterpol S.A., Huta Bankowa Sp. z o.o. ZM SILESIA S.A. Alchemia S.A.	Laboratoria Badań Batory Spółka z o.o.
ISO 27001 (INFORMATION SECURITY CERTIFICATE)	TISAX® (TRUSTED INFORMATION SECURITY ASSESSMENT EXCHANGE) (CONFIRMS CONFORMITY WITH STRINGENT INDUSTRY REQUIREMENTS AND CERTIFIES THAT PROCESSED INTERNAL AND EXTERNAL DATA AND INFORMATION ARE MANAGED IN A RESPONSIBLE AND SECURE MANNER)
BORYSZEW S.A. MAFLOW BRANCH	BORYSZEW S.A. MAFLOW BRANCH

The report incorporates by reference:

1. BP-1_01 for complete list of companies, refer to the Activity Report in item 3.

GOV-1 - The role of the administrative, management and supervisory bodies

Boryszew S.A. is the Parent entity of Boryszew Capital Group. The Group features both domestic and foreign subsidiaries and affiliates. As the Parent company, it performs management and supervisory functions with regard to other companies of the Capital Group. The core business of the Head Office in Warsaw is management of the Capital Group, and its objective is to increase the Company's goodwill in the long run.

In 2024, the number of members of the Management Board of Boryszew S.A. has changed. On 1 January 2024, the company's Management Board included 3 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

On 24 June 2024, the the Supervisory Board of the Company, decided to appoint a fourth member to the Management Board.

As of 24 June 2024, the Management Board of Boryszew S.A. included:

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, Development Director of the Company handed in his resignation, effective 31 December 2024. As of 1 January 2025, the Management Board included 3 members:

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

Throughout 2024, the number of non-executive members in the parent remained unchanged, i.e. 6 members of the Supervisory Board.

On 31 December 2024 and the date of submitting the report for publication, the Supervisory Board included the following persons:

Ms Małgorzata Waldowska – Chairperson of the Supervisory Board.

Mr Mirosław Kutnik– Vice Chairperson 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.

BORYSZEW SA

Status (number of persons) on 31.12.2024.	Female employees	Male employees	Total
Supervisory Board	1	5	6
Management Board	0	4	4

% Share on 31.12.2024.	Female employees	Male employees
Supervisory Board	16.7	83.3
Management Board	0	100

Boryszew Group

Status (number of persons) on 31.12.2024.	Female employees	Male employees	Total
Supervisory Board	15	38	53
Management Board	5	25	30
Total	20.0	63.0	83.0

% Share on 31.12.2024.	Female employees	Male employees	Total
Supervisory Board	28%	72%	100%
Management Board	17%	83%	100%
Total	24%	76%	100%

No employee representative were members of Boryszew S.A. Management Board in 2024.

In 2024, no member of the Management Board of Boryszew S.A. or Boryszew Group companies met the criterion of independence.

The Management Board of Boryszew S.A. includes the President of the Management Board, in office continuously since May 2021 and on the Company's Supervisory Board, so he does not meet the prerequisites of an independent member of the Management Board. Member of the Management Board, Chief Investment Officer was selected from internal Group structures. He also serves as President of the Management Board of Boryszew Nieruchomości Sp. z o. o., a subsidiary company and as of 1 January 2025 also as Managing Director of Boryszew Energy Branch and President of the Management Board of Boryszew Green Energy & Gas Sp. z o.o. Member of the Management Board, Automotive Segment Director, in order to have greater control over the Segment of his responsibility, sits at the same time in the bodies of the Automotive Segment companies.

CVs of Members of Boryszew S.A. Management Board

Wojciech Kowalczyk - President of the Management Board, General Director

Mr. Wojciech Kowalczyk is a graduate of the Foreign Trade Faculty, Main School of Planning and Statistics in Warsaw. Mr Wojciech Kowalczyk worked at Bank Handlowy between 1995 and 2001 to then move to Merrill Lynch International in London, where he was hired as director of the debt securities market. In 2010 he accepted the position of director for Bank Gospodarstwa Krajowego, in charge of the sales and financial markets division, and in the same year moved to the position of vice-president of the bank's management board. He was Deputy Minister of Finance in 2012–2014, Deputy Treasury Minister in 2014 and 2015–2016, Deputy Minister of Economy in 2014–2015, and Deputy Minister of Energy in 2016–2017. Between 2017 and 2020 he held the position of the Vice President of the Management Board for Capital Investments of PGE Polska Grupa Energetyczna. Prior to his appointment as President of the Management Board of Boryszew S.A., Mr Wojciech Kowalczyk served as a member of the Company's Supervisory Board.

In addition, Mr Wojciech Kowalczyk serves as a member of the Supervisory Board in Boryszew Capital Group companies.

Łukasz Bubacz – Member of the Board of Directors, Chief Investment Officer,

Mr Łukasz Bubacz is a graduate of Nicolaus Copernicus University in Toruń, major in Finance and Accounting. Mr. Łukasz Bubacz worked for Bank BGŻ S.A. between 2009 and 2013, where he followed career paths from an advisor to micro-enterprises to an advisor and analyst to Large Companies. He joined Boryszew Capital Group in 2013, where he held numerous positions and was responsible for a number of projects; starting as an analytical and financial specialist, then Board representative for real estate, and branch financial director, to President of the Management Boards for BORYSZEW Capital Group companies. Between 2013 and 2018, he also held the position of Chief Operating Officer of Polish Wind Holdings B.V. (a company under Dutch law) and as a Board Member of special purpose vehicles (SPVs), where he managed renewable energy projects. As of the beginning of 2025 Mr Łukasz Bubacz became Managing Director of Energy Division and President of the Management Board of Boryszew Green Energy & Gas Sp. z o. o.

Mikołaj Budzanowski – Member of the Management Board, Business Development Director

Mr Mikołaj Budzanowski is a graduate of the Faculty of History of the Jagiellonian University where he studied between 1990 and 1996. In 2004 he received the degree of Doctor of Humanities. Listener at Stanford Executive Institute, Stanford University (Management Science and Engineering). He also received scholarship from the Japanese Sasakawa Foundation (Nippon Foundation), Deutsch Akademischer Austausch Dienst (DAAD). Mr Mikołaj Budzanowski held the position of Minister of the Treasury between 2011 and 2013, and before that he was Deputy Minister of the Treasury between 2009 and 2011. As minister, he was responsible for overseeing strategic companies in the oil and gas sector and diversification projects, including construction of the LNG terminal in Świnoujście, shale gas exploration and development of infrastructure for exploitation and transmission of energy resources. He initiated new energy and mining projects in Poland. He was responsible for integrating the chemical sector around Azoty Group. He supervised and completed the process of price negotiations for the Yamal contract in 2012. In 2008 - 2009 - Director in the Ministry of State Treasury, supervising strategic companies in the oil and gas sector. In 2008 he served as Director of the Department of Climate Change in the Ministry of Environment. Between July 2004 and December 2007, he was an adviser to the Polish delegation to the European Parliament in Brussels.

Mr Adam Holewa- Member of the Management Board, Automotive Segment Director

Mr Adam Holewa is a graduate of the Faculty of Mechanical Engineering at the Silesian University of Technology in Katowice, majoring in metallurgy and materials science. Mr Adam Holewa has been involved in the automotive sector for more than 26 years. He began his career in 1998 at General Motors, and in 2003 joined the Volkswagen Group, where he has held top management positions, including Central Planning Director, Plant Manager at SITECH Sitztechnik GmbH in Germany. Between 2015 and 2021 he served as Managing Director of Technical Matters, Plant Director, Proxy at SITECH So. z o.o. Volkswagen Group Components. In the past few years he worked at CCC Group, as Vice President of Operations and Corporate Governance, where he was responsible for overseeing investments, Group expansion, projects and subsidiaries.

Mr Adam Holewa has many years of experience in creating and implementing effective development strategies and change management. He is an expert in the design and implementation of new solutions for improving production efficiency using best practices in automation and digitalisation of production processes. He led and implemented a number of projects internationally, including the industrialisation and commissioning of new production facilities. In addition, Mr Adam Holewa holds management positions in Boryszew Capital Group companies in the automotive sector.

CVs of Members of the Supervisory Board

Małgorzata Waldowska - Chairperson of the Supervisory Board, Boryszew S.A.

Member of the Supervisory Board of Boryszew S.A. since 28 April 2015.

Ms Małgorzata Waldowska graduated from the Law and Administration Faculty of Nicolaus Copernicus University in Toruń. Since 2012 she has held office of the President of Management Board for Przedsiębiorstwo Badań Geofizycznych Sp. z o.o. based in Warsaw. In recent years she was temporarily the President of the Management Board for NFI Krezus S.A., Taleja Sp. z o.o. and Nova Capital Sp. z o.o.

Ms Małgorzata Waldowska is a Member of Supervisory Boards in Boryszew Group companies, including: Zakład Utylizacji Odpadów Sp. z o.o., Boryszew Nieruchomości Sp. z o.o., Boryszew Green Energy & Gas Sp. z o.o., i NPA Skawina Sp. z o.o.

Mirosław Kutnik - Vice Chairperson of the Supervisory Board, Boryszew S.A.

Member of the Supervisory Board of Boryszew S.A. since 31 March 2011.

Mr Mirosław Kutnik graduated in 1989 from the Faculty of Law at the Nicolaus Copernicus University in Toruń, earning his master's degree in law. In 1994 he was entered in the list of legal advisers under TR - 467 of the District Chamber of Legal Advisers in Toruń. In 1995 - 2005 was ran a General Counsel Practice in Toruń, and since 2005 he has been the Managing Partner of "Kutnik, Kalinowski and Partners" in Toruń. Since 2005 he has been an advisor to the President of the Confederation of Polish Employers for the promotion of employment and vocational and social rehabilitation of persons with disabilities. Furthermore, he is an expert of the Tripartite Commission for the amendment of legislation on professional rehabilitation and employment of disabled persons. Since 2002 he sits on boards of public companies.

Mr Mirosław Kutnik in an expert in tax law, constitutional law, aid law. He was an attorney in a number of proceedings before the Constitutional Court.

Damian Pakulski - Secretary of the Supervisory Board, Boryszew S.A.

Member of the Supervisory Board as of 11 December 2020.

Mr Damian Pakulski graduated from the Law and Administration Faculty of Nicolaus Copernicus University in Toruń. In 1999 he completed with honors his legal advisor's apprenticeship at the District Chamber of Legal Advisors in Toruń. Mr Damian Pakulski is a legal counselor. He serves and/or has served as a member of the Supervisory Board, including in: Suwary S.A., Torlen Sp. z o.o., Boryszew Green Energy & Gas Sp. z o.o., Krezus S.A., Gold Investments Sp. z o.o. Currently, he also practices his profession under an employment relationship and runs Legal Advisor's Office, and earlier also in the Team of Legal Advisors ELANA S.A. and in the Law Firm "M. Borowicz i s-ka". He is also a member of the Council of the District Chamber of Legal Advisors in Toruń.

Jarosław Antosik – Member of Boryszew S.A. Supervisory Board

Member of the Supervisory Board of Boryszew S.A. since 3 October 2017.

Mr Jarosław Antosik holds a university diploma. He graduated Warsaw School of Economics, University of Finance and Banking (1997) In 1998 he graduated a post graduate program with the French Institute of Management earning his International Management Diploma. In 2008 Mr Jarosław Antosik graduated a PhD program at the School of Law and Administration, Łódź University. In 1997 Mr Jarosław Antosik commenced his employment with Arthur Andersen Sp. z o.o. to earn a tax advisor certificate in 2002.

Between 2002 and 2005 Mr Jarosław Antosik was an employee of the tax department at Ernst & Young Sp. z o.o. Currently he is a Partner at Accreo Sp. z o.o., and a Management Board member as well. Mr Jarosław Antosik holds the Certificate of English for Business awarded by the London Chamber of Commerce and Industry as well as the Certificate of Russian for Business awarded by the Pushkin Institute and the Russian Chamber of Commerce and Industry.

Janusz Siemienieć - Member of the Supervisory Board, Boryszew S.A.

Member of the Supervisory Board of Boryszew S.A. between 2014 and 2019, reappointed on 10 August 2021.

Mr Janusz Siemienieć is a graduate from Wrocław University of Technology, Faculty of Electrical Engineering. He completed training courses at the French Institute of Management (IGF) in management of enterprises and training courses for members of management and supervisory boards of commercial companies, organized by the Ministry of Treasury.

Between 1981 and 1990 Mr Janusz Siemienieć held managerial positions in power and mining sector companies. Between 1990 and 2000 he was employed as director of Nowa Ruda Mine in Nowa Ruda. He also served as President of the Management Board of for Spółka Restrukturyzacji Kopalń SA in Katowice between 2000 and 2006. Mr Janusz Siemienieć has served on the Supervisory Boards of many companies, including: Węglozbyt S.A. and Kopex S.A. Between 2006 and 2013 he managed investment projects in the renewable energy sector, and between 2014 and 2019 he held the position of Vice President of Operations at Alchemia S.A.

Wojciech Zymek - Member of the Supervisory Board, Boryszew S.A.

Member of the Supervisory Board of Boryszew S.A. since 20 March 2023.

Mr Wojciech Zymek is a graduate from the Faculty of Law and Administration at the Jagiellonian University in Krakow, majoring in law (2000). In 2003 he completed his judicial training at the District Court in Katowice and passed the judge's exam. In 2005 he completed his legal training at the District Bar Council in Katowice and passed the bar exam.

Since 2004 he has been practicing as a trustee. He was licensed as a trustee in 2010 and practices the profession of restructuring advisor. In 2006 he joined a law firm in Katowice.

Mr Wojciech Zymek also sits on Supervisory Boards in Boryszew Group: Zakład Utylizacji Odpadów Sp. z o. o., Huta Bankowa Sp. z o. o. and from March 2025 also in Baterpol S.A.

Team for implementation of CSRD non-financial reporting in Boryszew Capital Group (BCG)

Boryszew Group has a Team for the implementation of CSRD non-financial reporting in Boryszew Capital Group (BCG) (Team), the members of which are:

- Leader of the Team - Controlling Director
- Management Board Office
- BCG Controlling Office
- HR Team
- IT Team
- Management Board Representative for Sustainable Development, Group spokesperson.

Overseeing the Implementation Team is a Steering Committee which includes:

Member of the Management Board of Boryszew S.A. - Chief Investment Officer
Chief Financial Officer (CFO)

In order to supervise the implementation of the tasks assigned to the Team, a Steering Committee was established, with a delegated Member of the Management Board of Boryszew S.A. and the Chief Financial Officer (CFO). Meetings of the Team with the Steering Committee are held in the last week of each month. The Steering Committee reports to the Audit Committee of the Supervisory Board and the Supervisory Board on the progress of directive implementation. The person responsible for ESG issues in the Management Board of Boryszew S.A. is Member of the Management Board, Chief Investment Officer. He also sits on the Steering Committee.

Taking into account that issues of sustainable development pertain to all entities of Boryszew Capital Group and have a material impact on their operations, sustainable development is on the agenda of meetings of the Management Board and the Supervisory Board.

Responsibility for different important topics identified in the double materiality assessment is reflected in the scope of duties of Board members and managing directors. The scope of these responsibilities is defined in the Organisational Regulations of Boryszew SA, defining the scopes of tasks and responsibilities of members of the company's management board, approved by a resolution of the Management Board and the Supervisory Board. Management Board member, Chief Investment Officer, who is also a member of the Steering Committee and oversees the work of the Team on an ongoing basis, is an expert in renewable energy. The CFO, responsible for Group's sustainability, sits on the Supervisory Boards of Group companies, monitoring the subsidiaries' work on reporting to the parent company

Members of the Management Board and the Supervisory Board have many years of experience in managing and supervising enterprises. They acquire expertise in sustainable development from specialists in the company, including members of the team for the implementation of non-financial reporting in Boryszew Capital Group, and through cooperation with external experts. They will expand their expertise in sustainability in the years to come.

The Management Board is responsible for material impacts, risks and opportunities, makes decisions on courses of action and resource allocation, and monitors the performance of key sustainability initiatives. The Management Board has not set measurable thresholds for reaching the goals set out in the Strategy. Members of the Management Board do not have specific areas related to sustainable development assigned in their scope of responsibilities.

The company ensured ongoing access to training, workshops, sustainability issues. During each process at the company, such as the double materiality assessment, opportunity and risk analysis, gap analysis, value chain

mapping and many others, the Implementation Team and coordinators in individual subsidiaries in the Group as well as Boryszew Capital Group employees involved in the preparation of the report took part in workshops and consultations. 3rd party consulting companies and experts hired by Boryszew for the preparation of the report have extensive knowledge in sustainable development. Not only do they train employees, but they also guide them through the entire non-financial reporting process. In addition, the Company, as a member of the Association of Stock Exchange Issuers (SEG), has unlimited access to all training courses and webinars organized by SEG.

In future periods the Company is planning a series of workshops for teams responsible for sustainability data reporting at Group companies. A revision of the double materiality assessment (DMA) is also scheduled for Q3 2025. The frequency and scope of training will be planned on an ongoing basis.

Management Board Representative for Sustainable Development and Spokesperson for Boryszew Group.

On 5 August 2024, Boryszew S.A. Management Board Representative for Sustainable Development was appointed by Resolution. The tasks of the Representative include: implementation and monitoring of the sustainable development strategy (ESG), analysis of non-financial disclosures and their reporting, preparation of information materials for stakeholders, including investors and financial institutions, and cooperation with Boryszew Group companies on issues related to sustainable development in respective Company, as well as the Group. In accordance with the Group's Business Strategy adopted in 2024, the area of sustainability is included in the Boryszew Sustainability Horizon 2030 strategic initiative. Management Board Representative for Sustainable Development is a graduate of the Faculty of Law and Administration at Lazarski University (Department of International Law) and the postgraduate program "Strategic ESG Transformation in the Enterprise" at the Warsaw School of Economics. She has nearly 15 years of experience in corporate communications as well as supporting strategy development and implementation in organisations. On an ongoing basis she also improves his skills in sustainable development by participating in training sessions, workshops and conferences. She combines the role of the Representative with that of Boryszew Group Spokesperson, supporting the organisation's dialogue with stakeholders. The competencies gained during the postgraduate program ranged from the processes of planning and implementing sustainability strategies in an organisation to models for managing impacts, opportunities, risks, due diligence procedures, principles of stakeholder relations and reporting on sustainability issues.

GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The ESG Steering Committee includes the Chief Financial Officer (CFO) and a delegated Member of the Management Board of Boryszew S.A. Chief Investment Officer, responsible for ESG issues in the Management Board of Boryszew S.A. who, through the Committee, acts as a liaison between the implementation team of Boryszew Capital Group and the Management Board.

The Steering Committee receives periodic (monthly) updates from the Team at meetings held in the last week of the month, including on:

- identified ESG impacts, risks and opportunities,
- implementation of due diligence activities,
- effectiveness of ESG policies, metrics and goals.

The Audit Committee of the Supervisory Board and the Supervisory Board are notified by the Steering Committee on the status of ESG activities, including the results of risk assessments, progress in achieving ESG goals and planned corrective actions. Sustainability issues are an item on the agenda of selected meetings of the Management Board and Supervisory Board,

The Management Board of Boryszew S.A., following the assessment of opportunities and risks performed by the Team for the implementation of non-financial reporting in Boryszew Capital Group together with Boryszew Capital Group Companies, was notified about material impacts, opportunities and risks identified during the assessment. The Management Board took no actions in 2024 related to material impacts, risks and opportunities identified during the assessment, as they are consistent with the 2024 - 2028 business strategy. For the coming years the plan is to identify impacts, risks and opportunities in ongoing operations.

The way impacts, risks, opportunities are addressed in the strategy and influence strategy improvement process will be assessed again in Q3 2025 as part of the improvement process.

Sustainable development goals (SDG) are not part of the 2024-2028 Business Strategy for Boryszew Group, but the Group conducted a basic analysis of the document's conformity with these goals.

GOV-3 - Integration of sustainability-related performance in incentive schemes

In 2024 sustainable related performance was one of the metrics when determining the compensation for members of the company's management board. The Supervisory Board established financial goals tied to ESG goals. As per the remuneration policy for members of the Management and Supervisory Boards at Boryszew S.A. variable remuneration can be paid by each member of the Management Board. Variable remuneration for members of the Management Board depends on financial performance and the achievement of management goals established for

members of the Management Board by the Supervisory Board. The management objectives included in the compensation policy taking into account sustainability issues are:

- a) social interests;
- b) Company's contribution to environmental protection;
- c) measures aimed at preventing and eliminating the negative social effects of the Company's activities.

The aforementioned management objectives are subject to clarification or expansion by the Supervisory Board in accordance with the strategy and long-term interests of the Company and to ensure that its stability is maintained.

According to the remuneration policy, in addition to fixed remuneration, it is possible to pay variable remuneration and other fringe benefits, which do not have to be monetary, but bearing in mind expectations, the main incentive system is the payment of variable remuneration in the form of a cash annual bonus.

In 2024 the Company's Supervisory Board established the following sustainability-related criteria used to evaluate the performance of members of the Management Board:

- a) ensuring safe and hygienic work conditions for Company's employees; accident rate drop compared to the previous year;
- b) due and timely execution of requests, statements, decisions and regulations issued by external and internal supervisory authorities;
- c) Company's contribution to environmental protection, measures to prevent the negative effects of Company's operations;
- d) implementation of ESG Strategy of Boryszew Capital Group (including reduction of greenhouse gas emissions by 20% by 2028, increase in production efficiency, increase in production of "green energy").

Targets are not quantified, and their achievement is evaluated on the basis of the occurrence of a downward trend or completed task.

According to the Remuneration Policy for members of the Management Board and Supervisory Board of Boryszew S.A., the amount of variable remuneration for a financial year may not exceed 250% of the fixed remuneration due for the same period, but the Supervisory Board of the Company determines the maximum level of variable remuneration every year based on the provisions of the remuneration policy. The calculation of the ratio of variable remuneration to fixed remuneration is by comparing the maximum sum of all components of variable remuneration that may be awarded for relevant year and the sum of all components of fixed remuneration and fringe benefits paid or awarded in the same year

As of 2024 the Supervisory Board established new guidelines for variable compensation for members of the Management Board. An additional target for calculating variable remuneration will be the performance of non-financial targets. Management targets for 2024, which are the basis for variable remuneration for 2024 (paid in 2025):

- financial targets - account for 50% of variable remuneration,
- individual targets - account for 40% of variable remuneration,
- non-financial targets - account for 10% of variable remuneration

The amount of variable remuneration depending on the achievement of all 4 sustainability goals may amount to a maximum of 10% of variable remuneration. Each target was allocated 2.5% of the variable remuneration, respectively.

The Supervisory Board evaluates the extent to which the management objectives established for the members of the Management Board are met and approves the level of achievement. Each year the Supervisory Board establishes management goals separately for each member of the Management Board, considering the scope of their responsibility.

GOV-4 - Statement on due diligence

Basic elements of due diligence process	Points in the report on sustainable development
Including due diligence in corporate governance, strategy and business model	The issue is addressed in: i. ESRS 2 GOV-2, ii. ESRS 2 GOV-3, iii. ESRS 2 SBM-3. iv. ESRS S1 - Group Policies
Collaborating with affected stakeholders at all key stages of the due diligence process	The issue is addressed in: i. ESRS 2 GOV-2, ii. ESRS 2 SBM-2, iii. ESRS 2 IRO-1,

	iv. issue-related ESRS: reflecting different stages and objectives of stakeholder engagement throughout the due diligence process;
Identification and assessment of adverse impacts	The issue is addressed in: i. ESRS 2 IRO-1, ii. ESRS 2 SBM-3,
Measures to reduce identified adverse impacts	The issue is addressed in: i. ESRS 2 IRO-1, ii. ESRS 2 SBM-3,
Monitoring the effectiveness of these efforts and providing relevant information in this regard	The issue is addressed in: i. ESRS 2 IRO-1, ii. ESRS 2 SBM-3,

GOV-5 - Risk management and internal controls over sustainability reporting

Risks in sustainability reporting were identified during meetings of the Implementation Team and the coordinators and subject matter representatives of each unit with an external consultant during the process of preparing the sustainability report.

The organisation has no dedicated ERM (enterprise risk management) mechanism, the Group's approach to assessing sustainability reporting risks is based on its own assessment and that of 3rd party advisors.

The team for the implementation of CSRD-compliant non-financial reporting in the Boryszew Group (BCG) periodically shares data and information necessary from a management perspective to the Steering Committee and interested stakeholders in the organisation.

The Supervisory Board was notified of the results of DMA and IRO assessments and made no comments on the assessments presented.

The Group has an Internal Audit function that responds to all reported irregularities, but also performs audits according to a pre-planned schedule. No controls related to sustainability reporting took place in 2024.

The Group's risk management and internal controls over ESG reporting is not separate. These issues are managed under existing procedures for the management and control of the Group's operations. The Group controls sustainability reporting internally through data verification by a dedicated ESG expert team, a steering committee, oversight by members of the Management Board, support from 3rd party advisors, oversight by the Audit Committee of the Supervisory Board, internal audit and assurance services.

SBM-1 - Strategy, business model and value chain

Markets and key customers of Boryszew Group:

Metals Segment

Main products: aluminium conductors, aluminium wire rod and aluminium alloys, zinc alloy, brass and lead products

Customers: Automotive, energy, electrical engineering, construction industry

Steel (Metals Segment)

Main products: seamless tubes, ingots, forging, long products, rings and rims

Customers: Energy, construction, chemical, petrochemical, mechanical engineering, shipbuilding and gas industries

Automotive Segment

Main products: air-conditioning hoses for transporting liquids and gases for passenger vehicles and trucks.

Serialised high-quality plastic parts for the automotive sector, used inside and outside of cars

Customers: Global vehicle manufacturers (OEMs)

Chemicals segment

Main products: coolants for passenger vehicles, trucks, agricultural vehicles, as well as electric vehicles and AC systems, automotive cosmetics and plastic fibers, plasticisers

Customers: Automotive, agriculture, packaging industry

32 facilities located on 4 continents, including Poland, Germany, Spain, Italy, Mexico, Brazil, India and China.

Production facilities in segments:

Automotive	Boryszew S.A. Maflow branch in Tychy, Maflow Spain Automotive S.L., Maflow France Automotive S.A.S., Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Theysohn Kunststoff GmbH in bankruptcy under self-administration, Theysohn Formenbau GmbH in bankruptcy under self-administration, Boryszew Kunststofftechnik Deutschland GmbH, AKT plastikářská technologie Čechy, spol. s.r.o., Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration, Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration, Boryszew Plastic Rus Ltd., Maflow Plastics Poland Sp. z o.o., Boryszew Maflow Sp. z o.o.
Metals	WM Dzierżycie S.A., ZM Silesia S.A., Bateria S.A., Polski Cynk Sp. z o.o., NPA Skawina Sp. z o.o., Bateria Recycler Sp. z o.o., Metal Zinc Sp. z o.o., Alchemia S.A., Huta Bankowa Sp. z o.o., Laboratoria Badań Batory Sp. z o.o., Zakład Utylizacji Odpadów Sp. z o.o., RAPZ Sp. z o.o.
Chemical products	Boryszew S.A. Oddział Elana, Boryszew S.A. Oddział Boryszew ERG, Elimer Sp. z o.o.

Total number of employees (number of persons) - 7 645 employees

Employees by geography

Country	Total employees
Brazil	148
China	184
Czech Republic	303
Spain	112
India	46
Mexico	349
Germany	524
Poland	5 715
Russia	102
Italy	162
Grand total	7 645

Revenues from sale, including:	5 116.0
Automotive Segment	1 567.9
Metals Segment	2 825.9
Chemicals segment	157.6
Other *	564,6

The company has no information that any product manufactured by any of the companies of Boryszew Capital Group would be banned on any market.

Incorporation by reference: For more information on customers and markets refer to Section 5 of the Report.

Boryszew S.A. Energy Branch in Toruń is involved in natural gas trading for Group's own needs and for 3rd party customers. Revenue from the sale of gas fuel amounted to PLN 354 million.

BUSINESS MODEL OF BORYSZEW GROUP

Boryszew Capital Group is one of the largest industrial groups in Poland. When conducting our operations, we take into consideration the internal industry regulations, internal procedures established at various organisational levels. Given the internal diversity of Boryszew Group companies and Boryszew S.A. branches, it is advisable to apply different methods of action, proportional both to the identified key risks as well as the nature of a specific company or branch.

Boryszew S.A. as the parent company of the Capital Group acts as the initiator and coordinator of procedures which are then implemented, with some modifications reflecting the nature of relevant entities, the procedure is implemented in operating units.

It is often the case that the initiative in the scope of creation of due diligence procedures is also on the part of entities in which the need for introduction of regulation arose.

As a result, the extent of formalised ESG policies varies across Group entities.

Boryszew Group operates in the following operating segments:

- Automotive Segment,
- Metals Segment,
- Chemicals Segment.

and in line with the new strategy for 2024 - 2028

- Circular Economy Segment
- Energy Segment

Other companies not assigned to the above segments conduct activities that involve Capital Group management,

Boryszew Group pursues an extensive and diversified value chain, due to its diversified business profile. Upstream operations include mining sectors and primary production of steel alloys, non-ferrous metals and plastics, technical raw materials for further processing into products offered by production facilities of the Group as well as electricity producers and entities including industrial companies and recyclers generating waste processed in the units. In proprietary operations, individual value creation processes are tailored to the type of business of the entity, for which the consolidating entity, as a holding company, establishes key good quality and management practices. Group's downstream operations are equally diversified - consisting mainly of B2B (construction, mining and manufacturing) entities, including when trading and distributing products dedicated to the consumer and end user. Much of the logistics and supply chain operations take place in Europe both upstream and downstream.

The entity's sustainability goals for selected product and service groups are disclosed in Parts E1-3 and E1-4, respectively. Boryszew Group identifies a wide range of stakeholders throughout its value chain, including upstream (logistics and supply), Group operations, and downstream (distribution, use, waste management). Stakeholders were identified based on actual operations in the supply chain, production and distribution. They also include employees in the value chain and Boryszew Group employees, customers, business partners.

The social and environmental impact of the business was also considered, including relations with the external environment (local communities, government bodies, media).

Stakeholders in the value chain of Boryszew Capital Group.

	Public administration Control and supervisory authorities Business partners Financial institutions	Capital market Shareholders Investors Stock analysts Social partners Local communities Trade unions Social environment	Media Business and financial media General news media Local media Trade media Others and KOL's
CRADLE	UPSTREAM Business partners Suppliers of raw materials Feedstock suppliers Suppliers of energy resources Product and service providers Employees in the value chain Social partners Local communities Natural environment Public administration Business partners Transport and logistics	BORYSZEW GROUP Bodies of the organization Employees Social partners Employee representatives	DOWNSTREAM Employees in the value chain Social partners Local communities End users Natural environment Business partners Direct customers Distributors Transport and logistics Public administration

In the upstream stage of Boryszew Group's value chain, which includes logistics and supply, numerous business partners play a key role, including suppliers of raw materials, feedstock, energy raw materials as well as products and services necessary for operations. Employees in the value chain, particularly those employed by supply companies, are also involved in the process. Social partners such as local communities and the environment, which may be affected by mining, transportation or energy operations, also have a significant impact on this stage. In

addition, an important role is that of government authorities as well as transportation and logistics entities that support the operation of the supply chain and oversee its conformity with environmental laws and standards.

Where it concerns Boryszew Group itself, internal organisational processes involving the organisation's authorities, employees and social partners, including employee representatives, are crucial. These stakeholder groups play an important role in shaping strategy, implementing policies and managing day-to-day operations.

In the downstream stage of the value chain, different stakeholders involved in the final stages of a product's life play a key role. Business partners support both the use and further development of products, cooperating with employees in the value chain and social partners, including representatives of local communities. Particularly important are direct customers and end-users who directly use products and influence products' efficiency and operation. Equally important is environment protection, where the environment can be both a beneficiary and a victim of improper waste management. Processes in this area are also supported by public administration, transportation and logistics as well as business partners, responsible for arranging the collection, recovery and further use of products at the end of their life cycle.

In addition, stakeholders also include: Public administration and control and regulatory bodies that shape the legal and regulatory framework, affecting the company's conformity with regulations and the availability of public support. The media also play an important role, including general news, local, industry, and business and financial media, which shape the company's image and keep the public and stakeholders up-to-date on company's operations. This group also includes social partners - such as local communities, trade unions and the broader social environment, representing the interests of society, the environment and employees. Business partners and financial institutions support the company's operations at the strategic and operational levels, while the capital market, including shareholders, investors and stock market analysts, monitor and evaluate organisation's financial performance and growth potential. Others include KOL's (Key Opinion Leaders), who influence the perception of a brand in the public space through their expertise or authority in a particular field.

SBM-2 - Interests and views of stakeholders

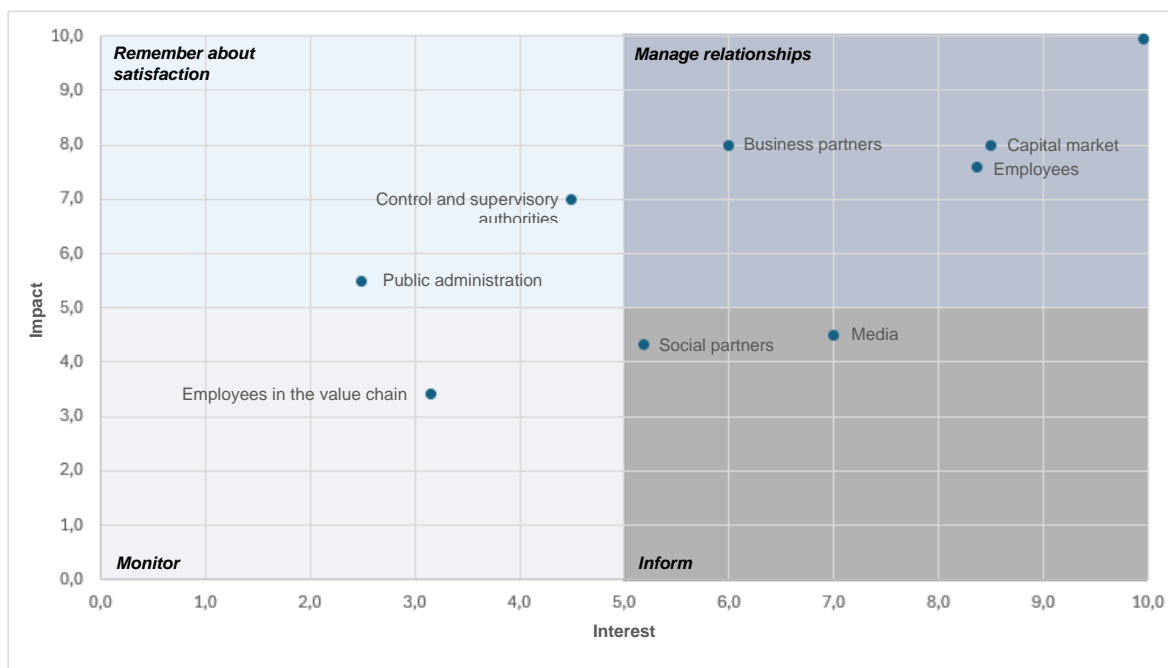
The business strategy of Boryszew Group was adopted for 2024 -2028, prior to the double materiality assessment process. Therefore, the views and interests of stakeholders obtained through a dialogue will be considered in the process of improving the strategy.

Boryszew Group considered the views and interests of stakeholders obtained in the course of its ongoing operations.

When assessing the value chain for the double materiality assessment, Boryszew Group identified 9 groups of key stakeholders, namely:

1. Public administration
2. Media
3. Control and supervisory authorities
4. Business partners
5. Social partners
6. Employees
7. Employees in the value chain
8. Capital market
9. Authorities of the organization,

The stakeholder analysis mapping process was performed at the individual level, then the data extracted from the companies were consolidated to provide a complete picture of engagement and forms of dialogue at the Group level. Values consolidated by the "data informed" analysis method - the result of the consolidating unit was adopted, taking into consideration the analysis, evaluation and correction of unit data. Mathematical average calculations give an underestimated result, for example, where the owner of the dialogue process with a particular stakeholder is singularly absent. Correction of data after considering the following non-count parameters: the owners of the main processes (example: the owners of the dialogue with the media or investors are assigned to the consolidating unit) and the analysis of the forms of dialogue, which is the accepted standard of the organisation.



Based on the topic or manner of dialogue with stakeholders, the following communication tools can be assigned: consultation on strategic issues, regular meetings (press conferences, investor chats, meetings for employees and trade union representatives, etc.), one-on-one meetings (customers, suppliers, investors), workshops and training, opinion and satisfaction surveys, periodic and current reports, press releases, monitoring of traditional and social media, participation in trade fairs and industry conferences, participation in working groups of a selected social partner, internal communication, CSR - such as sponsorship of local initiatives, and ensuring conformity with contracts, regulations and schedules.

stakeholder category	engagement and forms of dialogue		
manages relationships			
authorities	· provides full information, reports	Internal stakeholders	
	· takes into consideration in the decision-making process		
	· collects and assesses feedback, refers to it		
	· implements guidelines		
	· maintains relationships		
employees	· provides necessary information, applies internal communication practices and employer branding	Internal stakeholders	
	· collects and assesses feedback, refers to it		
capital market: investors, analysts and shareholders	· provides information, reports	External stakeholders	
	· implements investor relations tools		
business partners: suppliers, service providers and customers and clients	· provides information		
	· conveys and meets expectations		
	· collects and assesses feedback		
	· continuously and proactively manages relationships		
informs			
social partners: including an environmental representative and	· informs business decisions	External stakeholders	
	· evaluates available feedback, anticipates expectations		

trade unions, local residents and local level authorities	· verifies potential risks and possible changes in the weight of influence or interest	
media	· implements the communication plan	
	· builds relationships with media representatives	
	· positions the organisation's experts	
	· evaluates available feedback, anticipates expectations	
maintains satisfaction		
public administration and regulators	· meets expectations and responds to needs	
	· implements policies and procedures	
	· performs duties (compliance)	
monitors		
employees in the value chain	· verifies potential risks and possible changes in the weight of influence or interest	
	· monitors potential risks	
	· performs audits	
	· manages the policy of cooperation with suppliers	
	· has procedures for whistleblowers	

Boryszew S.A. will take into consideration the views and expectations of stakeholders in the process of revising its strategy and business model.

In addition, after the reporting period, consultations were held with trade unions to address sustainability issues in the first quarter of 2025. Organisations representing employees received dedicated materials on the results of DMA and IRO process, as well as the Group's business strategy document. A questionnaire with open-ended questions was included in the documentation, where employee representatives could include requests and suggestions. A detailed analysis of the surveys will be prepared in 2025, and recommendations will be taken into consideration when improving the Group's sustainability strategy.

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Double materiality assessment identified 12 topics as material, all of which were evaluated over three time horizons:

E1 - CLIMATE CHANGE

- Climate change adaptation
- Climate change mitigation
- Energy

Impacts were identified in Own Operations, impacts were both positive and negative for the Climate change adaptation and Energy sub-topics, and only positive for Climate change mitigation. Impacts were assessed as existing. Climate change adaptation and mitigation were assessed as material in terms of financial impact.

Boryszew Group does not have operations in areas directly exposed to climate change risks, but as almost all of the Group's operations are concentrated in sectors with significant climate impacts, climate change adaptation impacts were identified for the entire Group.

The Group pursues the processes of mitigating climate change, as a supplier of products and solutions crucial to the transition. Important assumptions in the business strategy include reducing greenhouse gas emissions, including by improving energy efficiency, installing renewable energy sources and implementing lower-emission technologies and products.

Some companies Boryszew Group are highly energy intensive (steel processing and non-ferrous metals). Utilities that are extensively used in production processes include natural gas and electricity. The Group actively participates in activities leading to the preservation of stability in the national electric power system (NPS) through "Demand Side Response" services. This is particularly important in cases of difficult balancing situations or peak electricity demand hours. Impacts are also identified through product offerings for grid development, as well as the development of Group's competencies in energy storage and management.

E2 - POLLUTION

- Air Pollution
- Water pollution

Impacts were identified in Own Operations, impacts were negative. Impacts were assessed as existing. None of the ESRS E2 sub-topics was assessed as material in terms of financial impact, due to material potential impact, the

Group also discloses information on substances of potential concern and particularly high concern, and microplastics.

Production facilities in the Boryszew Capital Group operate on the basis of environmental permits, including integrated permits - norms and standards appropriate to the type of installations and emissions they generate. Emissions to air and water are appropriately monitored, reported and potential risks mitigated by following environmental standards and best available practices.

E3 - WATER AND MARINE RESOURCES

- Water

Impact was identified in Own Operations, impact was negative. Impact was assessed as existing. None of the ESRS E3 sub-topics were assessed as material in terms of financial impact.

Water is used for production processes at Group's production facilities, mainly in the Metals Segment. Selected units in the Group hold relevant permits, regulating the conditions of impact on water resources.

E5 - CIRCULAR ECONOMY

- Resources introduced, including use of resources
- Resources discharged related to products and services

Impacts were identified in Upstream supply chain for Resources introduced, including resource utilisation as negative and Own Operations for Resources discharged related to products and services as positive. Impacts were assessed as existing. Resources introduced, including resource utilisation.

Resources discharged related to products and services were assessed as material in terms of financial impact.

The group processes steel, aluminium, brass, zinc and lead, as well as other technical substances crucial to the manufacture of the products offered by each unit. Management of industrial waste also has a material impact.

S1 - OWN EMPLOYEE RESOURCES

- Work conditions
- Equal treatment and equal opportunities for all

Impacts were identified in Own Operations, impacts were assessed as positive. Impacts were assessed as existing. None of the ESRS S1 sub-topics was assessed as material in terms of financial impact. Production processes at Boryszew Group units are based on the competence, safety, hygiene and quality of qualified production staff and industry experts. Given the number of employees in the Group, impact is also identified at the level of entire local communities, which are employees of individual production facilities.

S2 - WORKERS IN THE VALUE CHAIN

- Work conditions
- Other work-related rights

Impacts were identified in Upstream supply chain, impacts were assessed as positive. Impacts were assessed as existing. None of the ESRS S2 sub-topics was assessed as material in terms of financial impact. Boryszew Group uses a diverse and long supply chain. Raw materials processed in the manufacturing process do not come directly from the source (virgin, cradle), so the organisation identifies its potential impacts on supplier employees through purchasing processes.

G1 - BUSINESS CONDUCT

- Corporate culture
- Whistleblower protection
- Supplier relationship management, including payment practices
- Corruption and bribery

Impacts were identified in Own Operations, impacts were assessed as positive. Impacts were assessed as existing. None of the ESRS G1 sub-topics was assessed as material in terms of financial impact.

Boryszew Group is a public-interest entity, listed on the Warsaw Stock Exchange - therefore it is required to follow the standards and guidelines in the regulations. Given the financial thresholds, formal requirements are also imposed on individual units in the Group regarding anti-banking and whistleblower protection etc., so the topics were considered material.

OWN TOPIC

Cyber security

Impact was identified in Own Operations, impact assessed as positive. Impact was assessed as existing. Cyber security was not assessed as material in terms of financial impact.

Given the scale of the business, processing of sensitive data, personal data of many thousands of people, financial data, data being business secrets of the company and its customers (including innovative schemes and technical designs), and the inclusion of selected companies in the NIS2 directive, the topic was considered material.

Relationship with business strategy and model

The entity considers its impacts and risks and identifies opportunities in current operations, as reflected in its business strategy for 2024 - 2028.

Boryszew Group identified no current and anticipated effects of material impacts, risks and opportunities on the business model, value chain, strategy and decision-making process as intended by the legislator and the ESRS Standard, but the aforementioned issues are part of the organisation's current operations and are reflected in the strategy.

Boryszew Group, due to the diversified nature of the Group, will disclose a detailed description of impacts, opportunities and risks, as well as their current and anticipated effects on the value chain in future reporting periods.

The following were identified as financially material:

E1 - CLIMATE CHANGE

- Climate change adaptation
- Climate change mitigation

E5 - CIRCULAR ECONOMY

- Resources introduced, including use of resources
- Resources discharged related to products and services

Table of identified impacts

Topic	Sub-topic	Location	short term		medium-term		long term	
			Positive/negative impact	Existing/potential impact	Positive/negative impact	Existing/potential impact	Positive/negative impact	Existing/potential impact
E1 - CLIMATE CHANGE	Climate change adaptation	Own operations	N	E	N	E	P	E
	Climate change mitigation	Own operations	P	E	P	E	P	E
	Energy	Own operations	N	E	N	E	P	E
E2 - POLLUTION	Air pollution	Own operations	N	E	N	E	N	E
	Water pollution	Own operations	N	E	N	E	N	E
	Potentially hazardous substances	Own operations	N	P	N	P	N	P
	Substances of particular concern	Own operations	N	P	N	P	N	P
	Microplastics	Own operations	N	P	N	P	N	P
E3 - WATER AND MARINE RESOURCES	Water	Own operations	N	E	N	E	N	E
E5 - CIRCULAR ECONOMY	Resources introduced, including resource utilisation	Upstream	N	E	N	E	N	E
	Discharged resources related to products and services	Own operations	N	E	P	E	P	E
S1 - OWN EMPLOYEE RESOURCES	Work conditions	Own operations	P	E	P	E	P	E
	Equal treatment and equal opportunities for all	Own operations	P	E	P	E	P	E
S2 - WORKERS IN THE VALUE CHAIN	Work conditions	Upstream	P	E	P	P	P	P
	Other work-related rights	Upstream	P	E	P	E	P	E

G1 - BUSINESS CONDUCT	Corporate culture	Own operations	P	E	P	E	P	E
	Protecting whistleblowers	Own operations	P	E	P	E	P	E
	Supplier relationship management, including payment practices	Own operations	P	E	P	E	P	E
	Corruption and bribery	Own operations	P	E	P	P	P	P
CYBER SECURITY		Own operations	P	E	P	E	P	E

Risks and opportunities related to ESRS reporting issues were assessed by Boryszew Group based on the likelihood of their occurrence and financial effect in the short, medium and long term.

Analysis of key risks and opportunities			Description	Megatrends and trends	Risk mitigation
E	Climate change adaptation	Risk	Regulatory risk: Introduction of new regulations and legal requirements to reduce greenhouse gas emissions and adapt to climate change may increase companies' operating and investment costs.	Climate transformation	Including reduction targets and energy efficiency gains in the 2024 - 2028 business strategy
	Climate change adaptation	Risk	Financial risk Companies may face problems in access to financing if they fail to demonstrate adequate climate change adaptation measures, which could affect their creditworthiness.	Climate transformation	
	Climate change mitigation	Risk	Risk of taxes and emission fees: An increase in the cost of greenhouse gas emissions through the Emissions Trading Scheme (ETS) or other forms of fees could affect the profitability of companies, in particular those that emit a lot of CO2. An increase in the cost of greenhouse gas emissions through the Emissions Trading Scheme (ETS) or other forms of fees could affect the profitability of companies, in particular those that emit a lot of CO2.	Climate transformation	
	Climate change mitigation	Risk	Risks due to the transition to renewable energy: Investments in renewable technologies such as solar, wind and geothermal energy can be costly and time-consuming. In addition, some technologies may require significant infrastructure redesign.	Energy transformation	The business strategy and model respond to the challenges and see opportunities to increase the value of the company in active participation in the process of energy transformation
	Energy	Risk	Regulatory risk: Changing rules and regulations on energy consumption and emissions may force companies to make costly adjustments and invest in new technologies.	Energy transformation	
	Energy	Opportunity	Investments in renewable energy sources: Companies can invest in renewable energy sources such as solar or wind power, which can lead to cost savings in the long run and reduce dependence on fossil fuels.	Energy transformation	
	Air pollution	Risk	Regulatory risk: The introduction of stricter air emissions regulations could increase companies' operating and investment costs, forcing adjustments to production processes and technology.	Climate transformation	High level of risk mitigation in day-to-day operations, conformity with environmental standards and best available practices, monitoring of emission.

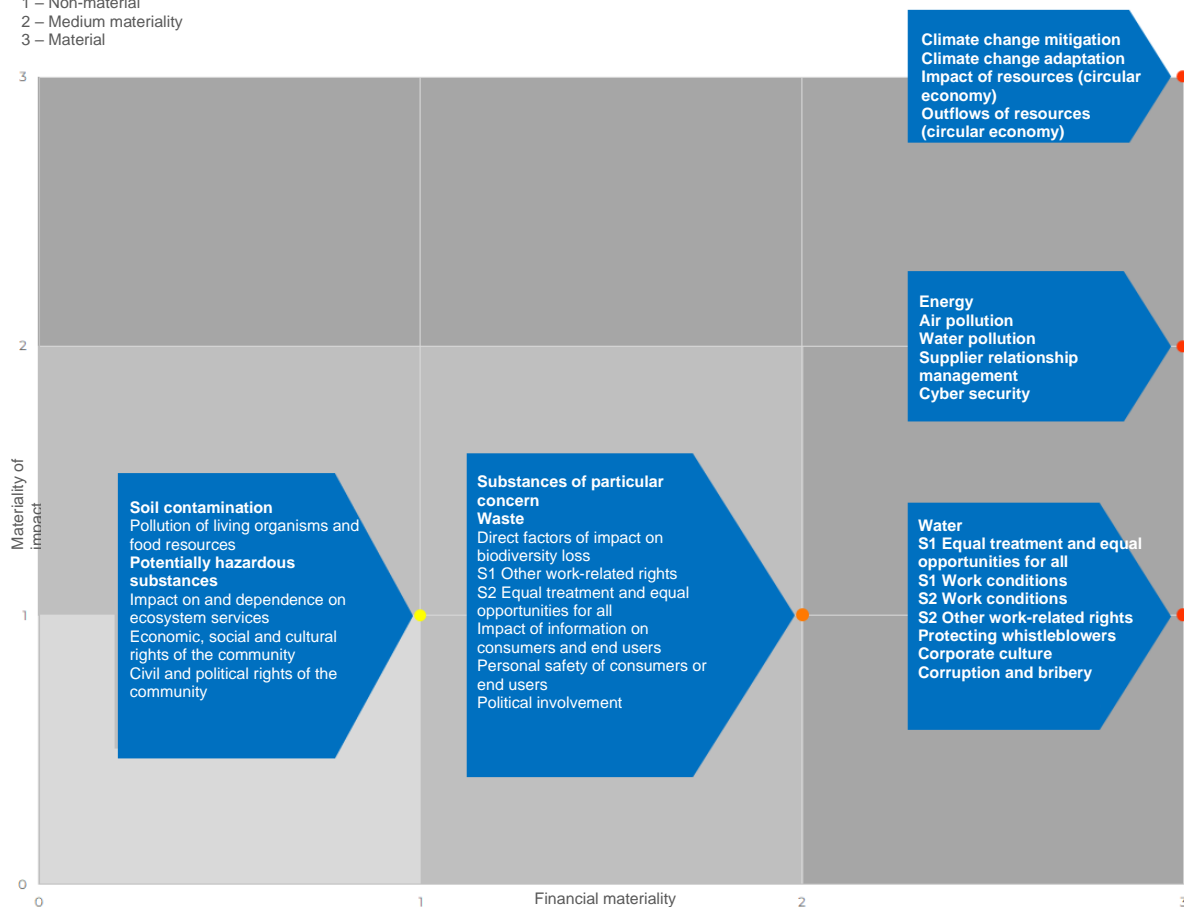
	Air pollution	Opportunity	Improving energy efficiency: Implementing solutions to reduce air pollutants is often associated with improvements in energy efficiency, which can lead to cost savings and improve company's competitiveness.	Climate transformation	
	Water pollution	Risk	Regulatory risk: The introduction of stricter water pollution regulations could increase companies' operating and investment costs, forcing them to adapt their production processes and technologies to the new regulatory requirements.	Climate transformation	
	Water	Risk	Risks due to water pollution: Exposure to consequences of contamination of drinking water or rivers, which can lead to inadequate availability of water.	Climate transformation	
	Resource impacts, including resource utilisation	Opportunity	Leveraging the circular economy. The opportunity to introduce business models based on the principles of a circular economy, in which products are designed to be reused or recycled at the end of their useful life, which can help reduce waste and pollution.	Circular economy	Company sees business opportunities in active participation in processes related to the circular economy
	Impact of resources related to products and services	Risk	Increase in raw material costs. Fluctuations in raw material prices can lead to higher production costs for companies, especially those that are heavily dependent on specific raw materials or that import raw materials from abroad.	Reindustrialisation	Issue managed at the level of day-to-day operations as a material business risk.
	Impact of resources related to products and services	Opportunity	Investment in efficient use of natural resources. The ability to invest in technologies and processes to increase resource efficiency, which can reduce consumption of raw materials, energy and water, and reduce environmental impact.	Reindustrialisation	
	Waste	Opportunity	Investment in waste recovery and treatment technologies. Investment in waste recovery and treatment technologies can enable companies to use waste as recyclable materials or energy, helping to reduce landfilled waste and environmental impact.	Reindustrialisation	Included in the 2024 - 2028 business strategy as a new Circular Economy Segment

S1	Work conditions	Risk	Increased risk of accidents. Poor health and safety conditions can lead to an increase in workplace accidents, thus increasing compensation costs and worker absenteeism.	Aging population, limitations in access to skilled workforce	Issue managed at the level of day-to-day operations as a material business risk.
	Work conditions	Risk	Problems in hiring talent. Companies with poor working conditions may face difficulties in attracting and retaining talented employees, thus limiting their competitiveness.	Aging population, limitations in access to skilled workforce	
	Work conditions	Opportunity	Increasing productivity. Improved working conditions can lead to higher employee productivity, which directly leads to better financial performance of the company.	Aging population, limitations in access to skilled workforce	
	Equal treatment and equal opportunities for all	Risk	Legal risks and sanctions. Failure to ensure equal opportunity and treatment can lead to lawsuits, fines and legal sanctions, which can be costly for the company.	Gender gap	Compliance
	Equal treatment and equal opportunities for all	Opportunity	Conformity with laws and regulations. Equal opportunity measures can help companies comply with legal requirements, avoiding potential sanctions and costs associated with non-compliance.	Gender gap	
	Equal treatment and equal opportunities for all	Opportunity	Monitoring and auditing systems in place to ensure that employees' rights are respected and unsustainable practices are countered.	Corporate responsibility	Compliance
S2	Work conditions	Risk	Improper work conditions: Failure to ensure safe and sanitary work conditions at different stages of the value chain, which can lead to accidents and health problems for employees.	Corporate responsibility	
	Work conditions	Risk	Human rights violations: Risk of human rights violations related to forced labour or lack of respect for employees' privacy, which can lead to lawsuits, fines and damage to company's reputation.	Corporate responsibility	
	Work conditions	Opportunity	Supplier audit: Conducting regular audits of suppliers to assess conformity with child and forced labour laws and implement corrective measures for violations.	Corporate responsibility	Compliance

G	Corporate culture	Opportunity	Developing employee potential. Investing in the development and training of employees can increase their competencies and skills, which will help increase productivity and meet their development needs.	Human capital development	Development projects at individual companies within the Group, aligned with labour market challenges
	Supplier relationship management, including payment practices	Opportunity	Building trust and reputation. Companies with fair and transparent practices in supplier management can gain a reputation as reliable business partners, which may attract new customers and investors.	Corporate responsibility	Compliance
	Corruption and bribery	Opportunity	Avoiding financial and legal penalties. Effective prevention of corruption and bribery helps companies avoid heavy financial and legal penalties to protect their resources and financial stability.	Corporate responsibility	Compliance
	Protecting whistleblowers	Opportunity	Preventive and corrective actions. Preventive measures in place to minimise the risk of irregularities and effectively taking corrective action should irregularities occur can improve the efficiency of the incident reporting process.	Human capital development	Compliance
	Supplier relationship management, including payment practices	Risk	Supply chain disruptions. Inadequate supplier relationship management can lead to delays or interruptions in deliveries, thus affecting company's ability to fulfill orders and maintain production continuity.	Resilience	Issue managed at the level of day-to-day operations as a material business risk.
	Supplier relationship management, including payment practices	Opportunity	Improving supply chain flexibility. Good supplier relationship management can increase the flexibility of supply chain so it can more quickly adapt to changing market conditions.	Resilience	
	Cyber security	Risk	Inadequate protection of IT networks can pose a risk of information leak, leak of sensitive and confidential data of both customers, employees and organisation and result in high costs of restoring network stability and repairing effects of attacks.	Zero Trust Model	Issue managed at the level of day-to-day operations as a material business risk.
	Cyber security	Opportunity	When investing in the security and stability of ICT networks organisation can both build trust with counterparties and avoid the costs associated with cyber security risks.	Zero Trust Model	

Materiality matrix

- 1 – Non-material
2 – Medium materiality
3 – Material



(material issues are marked in bold).

The Group did not conduct an analysis of resilience of the entity's strategy and business model in terms of its ability to counter its material impacts and risks and to take advantage of material opportunities.

IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities

The double materiality assessment for Boryszew Group includes the identification and assessment of key aspects of sustainable development. The process was carried out in accordance with ESRS conformity standards. The double materiality assessment and determination of opportunities and risks was performed between 1 September and 15 October 2024 in accordance with due diligence principles, together with representatives of all companies in Boryszew Group, representing all geographies in which the company operates. More than a dozen in-depth meetings with representatives of the Group were held during the assessment. The DMA and IRO process was followed by consultations with stakeholders. The results of the dialogue will be taken into consideration in the process of refining the Strategy. The results of assessments were internally audited and reported to the Steering Committee. As of today, not all risks are incorporated in the Group's risk management system. Risks associated with climate transformation, emissions and pollution, access to skilled labour and corporate governance are managed by the business risk management process. For the purpose of analysis, the input parameters used by the entity and elaborated based on legislative monitoring data of regulations on operations, the organisation's known potential costs of materialisation of risks and reasonably available estimates.

The results of the double materiality assessment were approved by the Parent Company's Management Board and communicated to the Supervisory Board.

Methodology and scope of assessment

The dual materiality assessment was performed according to the following scope:

1. Defining the time horizon:

The assessment covered three time horizons, consistent with the perspective indicated in ESRS:

- Short-term - the period consistent with the reporting period in financial statements;
- Medium-term - the period from the end of the short-term reporting period to five years;
- Long-term - more than five years.

2. Preliminary analysis of ESRS topics:

Topics irrelevant to Group's operations that are not directly or indirectly related to Group's operations were excluded.

3. Assessing the impact of operations on selected topics:

Group's positive or negative impact on the topic was determined. In conflicts of impacts, the one of greater materiality was selected. During meetings it was determined if the impact was more material in the company's own operations or in the value chain. The results show the area in which the impact was more significant.

4. Identification and assessment of risks and opportunities:

During in-depth meetings with Group teams, risks and opportunities were assessed for each topic identified in ESRS. Impacts in the short, medium and long-term horizons were assessed. A five-point rating scale was used:

- 5-critical
- 4- high
- 3- moderate
- 2-low
- 1- minimal

In total, more than 700 risks and opportunities were assessed

5. Assessment of indirect and direct impact

It was assessed whether Group's activities have a direct impact on its operations or an indirect impact through the value chain.

6. Determining the severity of impact:

Representatives of Group companies defined for in each area how the company's operations affect the environment and people and what risks and opportunities may be involved. It was determined whether the impacts are actual impacts - those that have occurred or are ongoing - and potential impacts, i.e. those that are likely to occur in the short, medium or long term. For each topic, in the case of positive actual impacts, the scale and scope of the impact was defined and in the case of negative impacts, the scale, scope, nature of irreversibility was defined, while in the case of potential impacts the probability is also defined. Assessments covered three time horizons.

Scale:

5-full (At this level, the organisation generates very serious consequences of its activities. Activities carried out at this scale in the case of negative impacts can include catastrophic effects for the environment or society, and in the case of positive impacts, significant improvements in the environment or social conditions)

4 - high (at this level, activities of the organisation have serious positive or negative effects. Negative effects can be controlled or minimised using appropriate measures and positive effects can trigger changes in the local environment or community)

3 - medium (at this level, the scale of impact is clear, but it is time-limited in nature. Activities with negative impacts may cause disruptions that are felt by stakeholders but do not lead to long-term or serious damage, those with positive impacts are not material for the environment or people)

2 - low (at this level, the scale is minimal and hardly noticeable to the environment or community. The activities and their effects can be easily controlled, posing no material threat or positive change to ecosystems or community)

1- minimum (The scale of activities and impacts are minimal and hardly noticeable to the environment or community, can be easily controlled and pose no threat to ecosystems or community)

Range:

- 5- global (world)
- 4- wide (Europe)
- 3- Medium (Poland)

2- concentrated (district, province)

1 -limited (plant, locality)

Nature of irreversibility:

5 - elimination is not possible

4- very difficult to eliminate

3- difficult to eliminate

2-elimination is possible

1- reversible

7. Assessment of financial effect:

Financially material issues in the context of sustainable development were identified. The assessment covered issues that could significantly affect the Group, including its growth, financial condition, performance, cash flow, access to financing and cost of capital over different time horizons. The assessment was based on prior identification of opportunities and risks and estimation of costs should they occur in the short, medium and long term. Financial impacts from potential risks and opportunities were identified using a five-point financial impact scale. The financial levels were determined taking into consideration Group's revenues in the financial statements.

Financial effect:

5- very high > 3% 210 million and above

4- high 2% about 140 million

3 -medium - 1% about 70 million

2 -low - 0.5% about 35 million

1- very low <0.5 less than 35 million

8. Assessment of the likelihood of risks and opportunities materialising:

The likelihood of certain financial effects in the short, medium and long term was assessed, using a 5-point scale:

Likelihood:

5- very high - several times a year

4- high - once a year

3 -medium - once every two years

2 -low - at least once every five years

1 - very low - not less than once in 10 years

9. Determining the materiality threshold:

When assessing materiality, materiality thresholds were established in accordance with internal procedures for risk analysis. The horizontal axis determines the likelihood, the vertical axis determines the severity of impact and the severity of financial effect. The severity of a positive impact was determined as the average of scale and scope, and of a negative impact as the average of scale, scope and nature of irreversibility. In the assessment carried out in accordance with the prudence principle, attention was paid to human rights issues, taking the approach that in case of a serious impact on human rights, its severity outweighs its likelihood. However, the Group does not identify significant cases of serious severity for human rights.

Materiality thresholds in the Group's risk management system.

impact	5					
	4					
	3					
	2					
	1					
		1	2	3	4	5
		Likelihood				

10. Revision and calibration of results:

A debriefing meeting was held to calibrate the results and review relevant topics, impacts, opportunities and risks.

Impacts and pollution risks are identified and managed by entities to obtain and maintain environmental permits, including integrated permits, and for ISO certification. Boryszew Group's business model directly considers opportunities associated with the development of processes aimed at minimising the negative impact of pollution on the environment (disposal of hazardous waste, including post-industrial waste, wastewater treatment plants, battery recycling).

IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

The following ESRS issues, in addition to ESRS 2, were identified as material in the double materiality assessment: ESRS E1, ESRS E2, ESRS E3, ESRS S1, ESRS S2, ESRS G1, and own topic of cyber security. A list of disclosures, with reference to page numbers, can be found below.

Disclosure symbol and designation	Page number
BP-1 - General basis for preparation of the sustainability statement	77
BP-2 - Disclosures in relation to specific circumstances	78
GOV-1 - The role of the administrative, management and supervisory bodies	81
GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	85
GOV-3 - Integration of sustainability-related performance in incentive schemes	85
GOV-4 - Statement on due diligence	86
GOV-5 - Risk management and internal controls over sustainability reporting	87
SBM-1 - Strategy, business model and value chain	87
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SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	92
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E1-8 Internal carbon pricing	136
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Disclosure requirement and related data point	Page number	Reference to the regulation on sustainability-related disclosures in the financial services sector	Reference pillar 3	Reference to the benchmark regulation	Reference to European climate law
ESRS 2 GOV-1 Board's gender diversity paragraph 21(d)	81	Indicator No. 13, Table 1, Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21(e)	81			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	86	Indicator No. 10, Table 3, Annex I			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40(d)(i)	87	Indicator No. 4, Table 1, Annex I	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28), Table 1: Qualitative information on environmental risks and Table 2: Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40(d)(ii)	87	Indicator No. 9, Table 2, Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40(d)(iii)	87	Indicator No. 14, Table 1, Annex I		Article 12(1), Delegated Regulation (EU) 2020/1818 (29), Annex II, Delegated Regulation (EU) 2020/1816	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d)(iv)	87			Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1816	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	122				Article 2(1), Regulation (EU) 2021/1119
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)	122		Article 449a, Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d)-(g) and 12(2), Delegated Regulation (EU) 2020/1818	
ESRS E1-4 GHG emission reduction targets paragraph 34	125	Indicator No. 4, Table 2, Annex I	Article 449a, Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 6, Delegated Regulation (EU) 2020/1818	

ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	125	Indicator No. 5, Table 1 and Indicator No. 5, Table 2, Annex I			
ESRS E1-5 Energy consumption and energy mix paragraph 37	125	Indicator No. 5, Table 1, Annex I			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40-43	125	Indicator No. 6, Table 1, Annex I			
ESRS E1-6 Scope 1, 2, 3 GHG and total GHG paragraph 44	127	Indicators No. 1 and 2, Table 1, Annex I	Article 449a, Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Article 5(1), Article 6 and Article 8(1), Delegated Regulation (EU) 2020/1818	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53-55	127	Indicator No. 3, Table 1, Annex I	Article 449a, Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Climate change transition risk: alignment metrics	Article 8(1), Delegated Regulation (EU) 2020/1818	
ESRS E1-7 GHG removals and carbon credits paragraph 56	136				Article 2(1), Regulation (EU) 2021/1119
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	136			Annex II, Delegated Regulation (EU) 2020/1818, Annex II, Delegated Regulation (EU) 2020/1816	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66(c)	136		Article 449a, Regulation (EU) No. 575/2013; paragraphs 46 and 47, Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes paragraph 67(c)	136		Article 449a, Regulation (EU) No. 575/2013; paragraph 34, Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to	136			Commission Delegated Regulation (EU)	

climate-related opportunities paragraph 69				2020/1818, Annex II	
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRT Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	138	Indicator No. 8, Table 1, Annex I, Indicator No. 2, Table 2, Annex I, Indicator No. 1, Table 2, Annex I, and Indicator No. 3, Table 2, Annex I			
ESRS E3-1 Water and marine resources paragraph 9	141	Indicator No. 7, Table 2, Annex I			
ESRS E3-1 Dedicated policy paragraph 13	141	Indicator No. 8, Table 2, Annex I			
ESRS E3-1 Sustainable oceans and seas paragraph 14	141	Indicator No. 12, Table 2, Annex I			
ESRS E3-4 Total water recycled and reused paragraph 28(c)	141	Indicator No. 6.2, Table 2, Annex I			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	141	Indicator No. 6.1, Table 2, Annex I			
ESRS E5-5 Non-recycled waste paragraph 37(d)	143	Indicator No. 13, Table 2, Annex I			
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	143	Indicator No. 9, Table 1, Annex I			
ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14(f)	145	Indicator No. 13, Table 3, Annex I			
ESRS 2 SBM-3-S1 Risk of incidents of child labour paragraph 14(g)	145	Indicator No. 12, Table 3, Annex I			
ESRS S1-1 Human rights policy commitments paragraph 20	145	Indicator No. 9, Table 3 and indicator No. 11, Table 1, Annex I			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	145			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	145	Indicator No. 11, Table 3, Annex I			
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	145	Indicator No. 1, Table 3, Annex I			

ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32(c)	147	Indicator No. 5, Table 3, Annex I			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88(b) and (c)	150	Indicator No. 2, Table 3, Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illnesses paragraph 88(e)	150	Indicator No. 3, Table 3, Annex I			
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	151	Indicator No. 12, Table 1, Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 Excessive CEO pay ratio paragraph 97(b)	151	Indicator No. 8, Table 3, Annex I			
ESRS S1-17 Incidents of discrimination paragraph 103(a)	151	Indicator No. 7, Table 3, Annex I			
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104(a)	151	Indicator No. 10, Table 1 and indicator No. 14, Table 3, Annex I		Annex II, Delegated Regulation (EU) 2020/1816, Article 12(1), Delegated Regulation (EU) 2020/1818	
ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b)	152	Indicators No. 12 and No. 13, Table 3, Annex I			
ESRS S2-1 Human rights policy commitments paragraph 17	152	Indicator No. 9, Table 3 and indicator No. 11, Table 1, Annex I			
ESRS S2-1 Policies related to value chain workers paragraph 18	152	Indicator No. 11 and No. 4, Table 3, Annex I			
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD paragraph 19	152	Indicator No. 10, Table 1, Annex I		Annex II, Delegated Regulation (EU) 2020/1816, Article 12(1), Delegated Regulation (EU) 2020/1818	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	152			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	153	Indicator No. 14, Table 3, Annex I			

ESRS G1-1 United Nations Convention against Corruption paragraph 10(b)	154	Indicator No. 15, Table 3, Annex I			
ESRS G1-1 Protection of whistleblowers paragraph 10(d)	154	Indicator No. 6, Table 3, Annex I			
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	156	Indicator No. 17, Table 3, Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24(b)	156	Indicator No. 16, Table 3, Annex I			

The double materiality assessment showed that the relevant ESRS topics are ESRS E1, ESRS E2, ESRS E3, ESRS S1, ESRS S2, ESRS G1 and own topic of cyber security. The criteria are described in IRO-1.

Assessment Results

The process of identification and assessment covered more than 700 risks and opportunities related to Boryszew Group's operations. According to the assessment, key aspects include both direct operational impact and indirect impact through the supply chain.

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. As part of the factors reducing the impact of operations, the Group incurred capital expenditure to increase the innovation of its manufacturing process and diversify its energy sources, and has started and continues to develop product offerings with lower carbon and environmental impact (including lower weight, lower environmental cost of manufacturing). Part of the strategy is also to concentrate the supply network in the region of production lines and consequently shorten supply chains and thus reduce emissions generated by logistics. The company also implements the assumptions of responsible business, including by reducing the consumption of natural resources, developing production technologies using recycled raw materials, and reducing emissions of substances harmful to the atmosphere and appropriate, responsible waste management.

Boryszew Group, in order to meet dynamic market changes and increasing awareness of the environmental impact of its products, introduces innovative solutions for its products, including: lighter aluminium and rubber components, advanced plastic products with reduced weight and new non-ferrous metal alloys.

The Group focuses not only on the impact of its activities, but also applies prevention of risks of negative environmental impact and regular monitoring of the consumption of energy supplied in the form of electricity and gas, as well as water and waste generated.

In line with the permits granted, Group companies monitor the following areas:

- emissions to air (measuring stations, measuring range, measuring methodology),
- water and sewage management (groundwater intake),
- amount of surface water used,
- amount of discharged household, industrial, rainwater and snowmelt wastewater, waste management,
- noise,
- production processes.

No scenario assessments were performed by the entity.

E – ENVIRONMENTAL INFORMATION

EU taxonomy

2025 is the second year in which issuers are required to fully report information on sustainable operations for all six environmental goals under EU Regulation 2020/852, Art. 8. Full reporting already covers all environmental goals. Full reporting on taxonomy requires identifying business activities that qualify for the EU Taxonomy systematics and indicating to what extent they are environmentally sustainable.

Environmental objectives

Boryszew Capital Group carried out the processes of qualification and determination of conformity with the EU Taxonomy of business activities in the area of all six environmental objectives, namely:

- climate change mitigation,
- climate change adaptation,
- sustainable use and protection of water and marine resources,
- transition to a circular economy,
- pollution prevention and control,
- protection and restoration of biodiversity and ecosystems.

The business of Boryszew Capital Group can be assigned to one of three categories:

- 1) Systematics-eligible activity for which it is determined that the Technical Eligibility Criteria and Minimum Safeguards are met - is an environmentally sustainable activity;
- 2) Systematics-eligible activity for which the Technical Eligibility Criteria have not been tested, or at least one of the criteria has been found not to be met, or the Minimum Safeguards have not been met - is a systematic-eligible but environmentally unsustainable activity;
- 3) Activities that do not qualify for systematics, for which no Technical Qualification Criteria exist (this category includes those activities for which criteria will be created in the future and then the activity will be eligible for Taxonomy).

For an environmentally sustainable business the following criteria must be met:

- significant contribution to one or more of the six environmental objectives,
- causing no serious damage to any of the other objectives,
- fulfilling minimum safeguards that include the implementation of due diligence procedures as defined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
- fulfilling the Technical Qualification Criteria

Testing conformity with the EU Taxonomy

With respect to data for the period between 1 January 2024 and 31 December 2024, the Group is subject to mandatory disclosure of key performance indicators (hereinafter "KPIs") required under the EU Taxonomy on turnover, capital expenditure (CapEx), operating expenditure (OpEx), as well as mandatory qualitative disclosures.

A four-step process was performed to test conformity with the systematics:

I. Identification of activities eligible for the EU Taxonomy

The stage involved reviewing all the activities carried out by Boryszew Group - and determining which types of activities qualify for systematics. Activities of all Group companies were reviewed. Also the qualification of disclosures made for 2023 was reviewed.

II. Allocation

The stage involved assigning turnover values, capital expenditure and operating expenses to different activities identified in the first stage.

III. Verification

The stage involved two types of tests:

- For all identified taxonomy-eligible activities, a test of the criteria of significant contribution and non-major damage was conducted using the Technical Eligibility Criteria
- An assessment of whether the Minimum Safeguards were met was conducted. Details of the assessment are outlined in the Minimum Safeguards section.

IV. Reporting

The stage involved using the resulting information from stages two and three to prepare tables containing the required information and to prepare this supplementary information, as required by Annexes I and II to Commission Delegated Regulation (EU) 2021/2178.

Following the assessment it was determined that Boryszew Group's operations qualify for the systematics of the EU Taxonomy, but do not meet the Technical Qualification Criteria. These include:

objective - Climate change mitigation (CCM)

- 3.9 Iron and steel production
- 4.1 Electricity production using photovoltaic technology
- 5.3 Construction, expansion and operation of sewage disposal and treatment systems
- 5.4 Modernisation of wastewater disposal and treatment systems
- 6.5 Transport by motorcycles, passenger cars and commercial vehicles
- 7.2 Renovation of existing buildings
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.7. Acquisition and ownership of buildings

objective - Pollution prevention and control (PPC)

- 2.1 Collection and transport of hazardous waste
- 2.2 Treatment of hazardous waste

Calculation of key performance indicators

To determine the share of qualifying activities versus Group's total operations, revenues, capital expenditure (CapEx) on assets or processes, and operating expenses (OpEx) incurred in qualifying activities were evaluated. The Group has not identified that the same activity qualifies for more than one environmental objective. No financial item was included more than once, eliminating the risk of double counting. The evaluation showed no need for a detailed disaggregation of key performance indicators among the Group's individual companies in accordance with p. 1.2.2.3. of Annex I to Commission Delegated Regulation (EU) 2021/2178. Given the above, all indicators were calculated at the consolidated level for the entire Group.

Turnover

For turnover, the denominator was the Group's sales revenue in 2024, as disclosed in the consolidated financial statements (revenue recognised in accordance with International Accounting Standard IAS 1.82(a) adopted by Commission Regulation (EC) 1126/2008). Revenues from systematics-eligible activities were assigned to the counter.

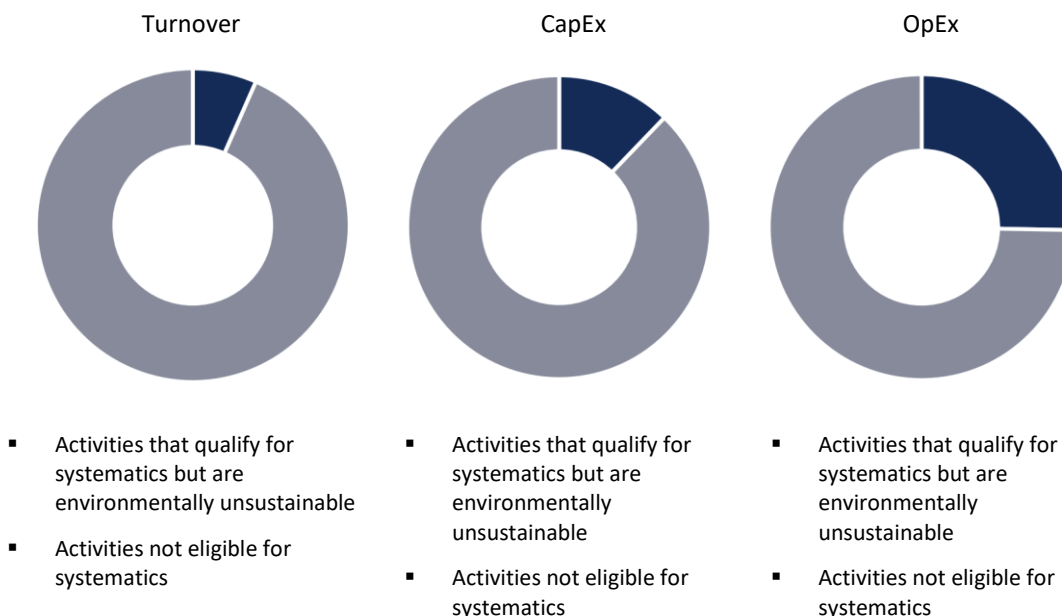
Capital expenditure (CapEx)

For capital expenditure, the denominator was fixed assets, intangible assets and rights to use assets during the fiscal year and capital expenditure including costs reconciled based on capital expenditure include costs reconciled based on: IAS 16 Property, Plant And Equipment, item 73(e)(i) and (iii), IAS 38 Intangible assets, item 118(e)(i); IAS 40 Investment property, item 76(a) and (b) (for the fair value model); IAS 40 Investment property, item 79(d)(i) and (ii) (for the cost-based model); IFRS 16 Leases, item 53(h) included in the consolidated financial statements. The numerator was assigned the part of CapEx that relates to the types of activities that qualify for systematics.

Operating Expenses (OpEx)

For operating expenses, the denominator was all costs used to operate the company's assets on an ongoing basis and keep them in proper condition. These included, for example, direct costs for building renovations, short-term leases, maintenance and repair costs and other costs of ongoing maintenance of buildings, equipment and vehicles used by the Group. The numerator was assigned the part of OpEx that relates to the types of activities that qualify for systematics.

Test for conformity of Group's operations with the systematics showed that 6.60% of turnover, 12.19% of capital expenditure and 25.31% of Group operating expenses was generated in 2024 by activities that were eligible but inconsistent with the systematics (environmentally unsustainable). The percentage of eligible and non-eligible activities for 2024 is shown in the charts below.



Examination of compliance with Minimum Guarantees

Minimum safeguards are procedures used by a business enterprise to ensure conformity with:

- OECD Guidelines for multinational enterprises ("OECD Guidelines") and
- UN Guiding Principles on business and human rights, including the principles and rights set forth in the eight fundamental conventions identified in the International Labour Organization's Declaration on fundamental principles and rights at work; and
- principles and rights set forth in the Universal Charter of Human Rights.

The verification process confirmed:

- the existence of procedures pertaining to human rights, particularly in the areas of labour rights, anti-corruption, taxation and fair competition;
- the absence of any court cases pertaining to human rights, including labour rights, corruption, or unfair competition, and thus the absence of final judgments in the aforementioned aspects for both the Group and members of the Company's Management Board; For taxation, there non-final decisions were issued concerning outstanding VAT for Boryszew S.A., Batepol S.A. and ZM SILESIA S.A., described in detail in item 34 of the Report.
- the absence of reports on Group companies to the OECD National Contact Point for Responsible Business (OECD NCP), which was confirmed by verifying the database of reports available on the NCP website;
- the absence of reports on Group companies to the Business and Human Rights Resource Center (BHRRC), which was confirmed by verifying the database of reports available on the BHRRC website.

The guidelines in the Final Report on Minimum Safeguards by Platform On Sustainable Finance were used as an evaluation criterion in the verification process.

Changes versus taxonomic disclosures for 2023

In 2024 Boryszew Group conducted an assessment of the types of activities indicated in the Taxonomy from the point of view of the activities identified in different Group companies and correlated them with the activities included in the 2023 report.

Changes in the following activities were verified:

- 3.17 Production of plastics in primary forms (CCM) – operations discontinued by a Group company (change in production process)
- 3.8 Aluminium production (CCM) – operations discontinued by a Group company (change in production process)
- 4.9 Electricity distribution (CCM) – following the changes in the EU Taxonomy, activity classified under 4.9 in 2023 is not eligible for systematics in 2024.
- 5.9 Recovery of materials from non-hazardous waste (CCM) – discontinuation of operations in 2024

- 2.4 Recovery of materials from hazardous waste (CE) – following re-verification, the activity was reclassified as 2.2 Processing of hazardous waste (PPC)
- 6.6 Road freight transport services (CCM) – these services were not performed in 2024
- 7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings (and parking lots at buildings) (CCM) – discontinued, one-time activity
- 7.6 Installation, maintenance and repair of renewable energy technology systems (CCM) – after re-verification, the activity was reclassified as 4.1 Photovoltaic power generation (CCM)
- 8.1 Data processing; hosting and related activities (CCA) – no capital and operating expenditure in this category in 2024.
- 3.4 Maintenance of roads and highways (CE) – discontinued, one-time activity.

Expected changes in operations of Boryszew Capital Group for 2026-2030

The Group is planning new investments and modernisation of existing facilities, including the construction of a thermal processing facility for municipal waste, the construction of an additional hazardous waste transformation line (ITPO) and investments in energy (Energy Processing and Recovery Facility, Electricity Storage Facilities).

Disclosures on nuclear energy and natural gas activities

According to Art. 8(6), (7) and (8) of Delegated Regulation 2022/1214, we disclose relevant information on nuclear energy and natural gas activities. Be advised that we have no exposure to natural gas and nuclear power activities. The relevant disclosure tables showing zero values of key performance indicators (Turnover, CapEx and OpEx) for the nuclear energy and natural gas business are presented below.

Nuclear energy activities		
1	The company researches, develops, demonstrates and deploys innovative power generation facilities that produce energy through nuclear processes with minimum fuel cycle waste, finances this activity or has exposure to it	NO
2	The company conducts the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the best available technologies, finances these activities or has exposure to them.	NO
3	The company conducts safe operation of existing nuclear facilities generating electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades, finances these activities or has exposure to them.	NO
Natural gas activities		
1	The company builds or operates facilities for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
2	The company conducts, finances or has exposure to the construction, modernisation and operation of facilities for the combined generation of heat/cooling and electricity using gaseous fossil fuels.	NO
3	The company conducts, finances or has exposure to the construction, modernisation and operation of heat generating/cooling facilities using gaseous fossil fuels.	NO

The following is a summary of eligibility information and conformity with all 6 objectives indicated in the EU Taxonomy.

Part of revenue/Total revenue		
	Conformity with the systematics by purpose	Eligibility for systematics by purpose
CCM	0.00%	1.07%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	5.53%
BIO	0.00%	0.00%

Part of capital expenditure / Total capital expenditure		
	Conformity with the systematics by purpose	Eligibility for systematics by purpose
CCM	0.00%	6.52%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	5.67%
BIO	0.00%	0.00%

Part of operating expenses/Total operating expenses		
	Conformity with the systematics by purpose	Eligibility for systematics by purpose
CCM	0.00%	6.46%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	18.85%
BIO	0.00%	0.00%

Percentage of turnover from products or services related to systematic business in 2024

				Criteria for significant contribution						Criteria for DNSH principle									
Business (1)	Code or codes (2)	Turnover (in thousands of PLN) (3)	Part of turnover year 2024 (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Percentage of systematics-conforming turnover, year 2023 (18) Percentage	Category (support activities or) (19) E	Category Transition activities (20) T
A. Activities eligible for systematics																			
A.1 Types of environmentally sustainable activities (according to the systematics)																			
Turnover from environmentally sustainable activities (consistent with the systematic) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
A.2 Activities that are eligible for systematics but are environmentally unsustainable (activities that are not consistent with the systematics)																			
3.9 Iron and steel production	CCM 3.9	48 643	0.95%													T	0.00%		T
7.7 Acquisition and ownership of buildings	CCM 7.7	6 300	0.12%													T	0.00%		
2.2 Treatment of hazardous waste	PPC 2.2	283 089	5.53%													T	5.21%		
Turnover from activities that are eligible for systematics but are environmentally unsustainable (activities that are not consistent with the systematics) (A.2)		338 032	6.60%																
Total (A.1 + A.2)		338 032	6.60%	1												1			
B. Activities not eligible for systematics		4 777 968																	
Turnover from activities not eligible for systematics (B)		4 777 968	93.40%																
Total (A + B)		5 116 000	100%																

Percentage of capital expenditure for products or services related to systematics-conforming business for 2024

				Criteria for significant contribution						Criteria for DNSH principle									
Business (1)	Code or codes (2)	Operating expenses (in thousands of PLN) (3)	Percentage of operating expenses (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Percentage of systematics-conforming capital expenditure, year N-1, for 2023 (18) Percentage	Category (support activities or) (19) E	Category Transition activities (20) T
A. Activities eligible for systematics																			
A.1 Types of environmentally sustainable activities (according to the systematics)																			
Capital expenditure on environmentally sustainable activities (in accordance with the systematics) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
A.2 Activities that are eligible for systematics but are environmentally unsustainable (activities that are not consistent with the systematics)																			
3.9 Iron and steel production	CCM 3.9	3 609	2.70%													T			T
4.1 Electricity production using photovoltaic technology	CCM 4.1	2 028	1.51%													T			
5.3 Construction, expansion and operation of sewage disposal and treatment systems	CCM 5.3	286	0.21%													T			
5.4 Modernisation of wastewater disposal and treatment systems	CCM 5.4	47	0.04%													T			
6.5 Transport by motorcycles, passenger cars, commercial vehicles	CCM 6.5	59	0.04%													T			T
7.2 Renovation of existing buildings	CCM 7.2	1 745	1.30%													T			T
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	766	0.57%													T		E	
7.7 Acquisition and ownership of buildings	CCM 7.7	199	0.15%													T			
2.1 Collection and transport of hazardous waste	PPC 2.1	142	0.10%													T			
2.2 Treatment of hazardous waste	PPC 2.2	7 476	5.57%													T			
Capital expenditure on activities that are eligible for systematics but are environmentally unsustainable (activities that are not consistent with the systematics) (A.2)		16 357	12.19%																
Total (A.1 + A.2)		16 357	12.19%																
B. Activities not eligible for systematics		117 843																	
Capital expenditure from activities not eligible for systematics (B)		117 843	87.81%																
Total (A + B)		134 200	100%																

Share of operating expenses for products or services related to systematics-conforming business for 2024

				Criteria for significant contribution						Criteria for DNSH principle									
Business (1)	Code or codes (2)	Operating expenses (in thousands of PLN) (3)	Percentage of operating expenses (4) %	Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine resources (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and ecosystems (16) Y/N	Minimum safeguards (17) Y/N	Percentage of systematics-conforming operating expenses, 2023 (18) Percentage	Category (support activities or) (19) E	Category Transition activities (20) T
A. Activities eligible for systematics																			
A.1 Types of environmentally sustainable activities (according to the systematics)																			
Operating expenses on environmentally sustainable activities (in accordance with the systematic) (A.1)		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				
A.2 Activities that are eligible for systematics but are environmentally unsustainable (activities that are not consistent with the systematics)																			
7.7 Acquisition and ownership of buildings	CCM 7.7	3 648	6.46%													T			
2.1 Collection and transport of hazardous waste	PPC 2.1	228	0.40%													T			
2.2 Treatment of hazardous waste	PPC 2.2	10 422	18.45%													T			
Operating expenses on activities that are eligible for systematics but are environmentally unsustainable (activities that are not consistent with the systematics) (A.2)		14 298	25.31%																
Total (A.1 + A.2)		14 298	25.31%																
B. Activities not eligible for systematics		42 201																	
Operating expenses from activities not eligible for systematics (B)		42 201	74.69%																
Total (A + B)		56 500	100%																

E1 – Climate change

E1-1 – Climate change mitigation transition plan

The Group's business strategy is in line with the general assumptions of the European Union's economic strategy, but the Group has no separate document on a low-carbon transition plan. Nevertheless, the Group pursues a number of initiatives that are in line with the goals and priorities of this plan. Individual companies of the Group are developing a range of business initiatives that take into consideration both the alignment of their product offerings with market expectations in the face of the transformation, as well as those oriented toward reducing their carbon footprint. Some of the Group's companies are investing in photovoltaic installations on the roofs of their facilities, another step toward improving energy efficiency and reducing CO2 emissions.

The Group's strategy addresses both the goals of reducing emissions as well as of increasing energy efficiency through modernisation and innovation in its machinery parks. However, the Group's current strategy does not cover creation of a dedicated low-carbon transition plan.

Investment in own energy sources:

	Maximum MWp	Production	Unit
NPA Skawina	0.65		MWh
Maflow Torun	0.90		MWh
Maflow Tychy	0.48		MWh
Alchemia Group			MWh
Boryszew ERG			MWh
Elana			MWh
Boryszew Energy			MWh
SUM	2.034	2034	MWh

Boryszew Group plans further investments in PV installations - ultimately up to about 7 MWp.

The Group's current strategy does not address the low-carbon transition plan as expected by the ESRS Standard.

E1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Boryszew Group conducted a detailed analysis of risks associated with the impact of climate change on the company's operations during the double materiality process. This analysis covered both transition risks and physical risks, taking into consideration their potential impact on business operations.

Transition risk refers to the consequences of global decarbonization efforts, regulations, changes in consumer preferences and the transformation of markets.

Transition risks (also known as transformation risks) arise from the process of adapting to low-carbon economy. They can be divided into the following categories:

- Legal and regulatory risk - introduction of new regulations and legal requirements for introducing greenhouse gas emissions and adapting to climate change may increase companies' operating and investment costs.
- Reputational risk - companies that fail to take appropriate measures on sustainability and climate change adaptation may lose the trust of consumers, investors and other stakeholders
- Operational risk - climate change may affect the stability of supply chains, leading to delays, increased costs and problems with raw material availability.
- Financial risk - companies may face problems in access to financing if they fail to demonstrate adequate climate change adaptation measures, which could affect their creditworthiness.

Physical risk refers to the direct effects of climate change, such as extreme weather events, which can affect a company's operations, supply chain and infrastructure.

Physical risks are a consequence of climate change.

These risks include:

- Physical risks associated with extreme weather events – companies may experience property damage and business interruption caused by increasingly frequent and intense weather events

The two types of risks are interrelated. Climate-related transition risks may affect the way company adapts to changing market conditions, including requirements to reduce CO₂ emissions and adapt to new environmental standards. Physical risks, on the other hand, may exacerbate challenges associated with, for example, the need to invest in climate-resilient infrastructure, which can generate additional costs and impact decarbonisation goals

Boryszew Capital Group does not have a formally written scenario analysis, however, a detailed analysis and mapping of risks was carried out, including both climate risks and risks associated with the transition to a low-carbon economy. In addition to these risks, we also consider other risks, which are considered business risks that can affect the stability and development of the organisation.

In its efforts to minimise risks, the Group systematically identifies, evaluates and takes appropriate countermeasures to reduce their potential negative impact on operations. In addition, Group companies implemented ISO standards in environmental management, so they can effectively identify and monitor environmental risks.

These risks are also considered as part of regular asset impairment tests, in which the environmental aspect is one of the assessment parameters. This approach enables a more complex management of risks, ensuring that they are part of long-term strategic planning and in processes for assessing the value of the company

E1-2 – Policies related to climate change mitigation and adaptation

The Group does not currently have a climate change mitigation policy in place.

In April 2024 Boryszew Group published a new development strategy for 2024-2028, which focuses on the implementation of the business model and the *Boryszew Sustainability Horizon 2030* strategic initiative.

This strategy includes Group's declaration that by 2030, 100% of net electricity will come from renewable sources, which will lead to a reduction in GHG emissions. In addition, we plan to reduce emissions from fossil fuel by 50% versus 2023. In the context of energy efficiency, we will strive to further improve the MWh/t of production ratio, as well as to reduce CO₂ emissions by 20% by 2028 (in terms of tonne of emissions/tonne of production).

We also see opportunities in Industry 5.0 technologies and robotisation. Already, the machinery at the Maflow plant in Poland is automated and robotised to the highest degree. In addition, 70% of the 2023 new order book in the Automotive Segment consisted of components for hybrid and electric vehicles, demonstrating our active participation in electromobility development.

When implementing the assumptions of the new strategy, Boryszew Group not only focuses on sustainable development, but also on innovations that support the modernisation of production processes and increase energy efficiency

E1-3 - Actions and resources in relation to climate policy

Boryszew Group business model is focused on building competitive advantages and resilience to business cycles, owing to diversification and increasing the share of higher value-added products in the portfolio, as well as active participation in the "green transformation" of energy (for instance NPA Skawina SP. z o. o. is the only producer in Poland of high-quality low-loss overhead wires used in infrastructure investments of development and modernisation of transmission networks, Walcownia Metali Dziedzice S.A. is a supplier of products used in the nuclear power industry). The Maflow Group, on the other hand, offers hoses for transporting liquids and gases, also for the growing electromobility market. The business strategy of Boryszew Group is focused on activities aimed at mitigating the effects of climate change and actively participating in Europe's transformation processes in the framework of the region's economic strategy of the European Commission. The Group is implementing a number of initiatives to both improve energy efficiency and reduce the environmental impact of its own operations.

Metals Segment

Walcownia Metali Dziedzice S.A. developed "EG BRASS DW® (extra grade brass for drinking water) - a new assortment group of brass extruded and drawn products, using 100% of available secondary raw materials, with increased resistance to dezincification which extends the product life cycle, increasing resistance to selective corrosion. The offer is dedicated to drinking water installations", due to the limited penetration of harmful substances and toxic elements such as lead and arsenic. As part of the ongoing project, an installation of photovoltaic panels will also be built on the site, in order to reduce the carbon footprint of the products produced. The project is implemented under the SMART Path, Priority I. European Funds for Modern Economy Program support for enterprises in the financial perspective 2021 - 2027.

ZM Silesia S.A. is also engaged in research and development work on the production of a new grade of zinc oxide/zinc white ECOZINOX® (ECO-Compliant Zinc OXide), which meets the quality requirements of heavy metals (i.e. Pb, Cd, Fe, Cu), with a 30% reduced carbon footprint, to be used in the tire industry, owing to innovative methods of refining raw materials in an induction furnace, backed by ISCC PLUS certification, certifying at least 40% by weight of recycled materials in the finished product, which is to be the superior functionality of this product. The project is implemented

under the SMART Path, Priority I. European Funds for Modern Economy Program support for enterprises in the financial perspective 2021 - 2027.

Automotive Segment

In electromobility, the Group is developing the production of components for all types of propulsion systems, including electric and hybrid vehicles. The production lines manufacture components for global BEV leaders. The value of new contracts signed in 2021-2024 with EOP (End of Production) of 2040 is Eur 1 644.6 million. The share of alternative-powered cars in the Group's order book reached 51.9% in 2024. One of Europe's most modern, fully automated production lines for electric vehicle air conditioning ducts was launched in Toruń in 2024. The product was developed by Maflow development department. With full automation, high-tech air conditioning ducts for the latest electric car models are produced. The process is fully supervised and integrated with quality control at every stage. The system is based on artificial intelligence solutions so that product data can be archived and tracked for many years. Maflow Group is also one of two global manufacturers of air conditioning ducting with CO₂ (R744) refrigerant - with a lower environmental impact.

Waste processing

The Group is focusing on increasing the capacity of its industrial waste treatment plant, which is currently undergoing expansion. Zakład Utylizacji Odpadów Sp. z o.o., (ZUO) in Konin for more than 20 years has been providing end-to-end services in the collection, transport and disposal of waste, including medical waste, in particular infectious waste, from medical facilities, supporting the Wielkopolska province. The company is also engaged in the disposal of industrial waste, pharmaceutical waste and waste containing expired drugs, narcotics and psychotropic substances. One method of disposing of this waste is thermal conversion (incineration) in a special rotary kiln, where the temperature ranges from 850°C to 1100°C, depending on the type of waste. The plant meets all strict environmental standards for emissions (BAT).

ZUO is in the early stages of investing in the expansion of its hazardous waste incineration line. The goal of this project is to increase the capacity of the existing plant by 12 000 Mg per year. The new line would make it possible to dispose of hazardous and industrial waste, including the so-called "ecological bombs", which pose an increasing threat to the environment as well as human health and life.

In the implementation of the business strategy for 2024 - 2028, a preliminary investment phase has been launched in Toruń, involving an installation for thermal processing of municipal waste in high-efficiency cogeneration (ITPOK Toruń). The Group's strategic goal is to build a minimum of three facilities by 2028 that will convert hazardous and municipal waste into electricity and manage waste heat generated from the waste disposal process.

Baterpol S.A. is involved in battery recycling. The company is engaged in the purchase and processing of battery scrap, using state-of-the-art recycling technologies to close the life cycle of batteries and effectively utilize more than 95% of the weight of the material recovered. This process ensures that used batteries are recycled in accordance with national and EU safety and environmental standards. In addition, the company is in the process of implementing the principles of a circular economy, recovering lead from lead-acid batteries and other lead-containing materials.

Stable transmission networks

In 2024 the Group was actively engaged in efforts to ensure the stability of the national electric power system by offering "Demand Side Response" services. This is especially important in emergency situations, such as balance difficulties or hours of peak electricity demand.

One effort to build competence in managing and stabilising renewable energy is an investment in shares of Repono AB, a Swedish energy storage operator that plans to expand its energy storage system (BESS) with a target capacity of 100 GWh in Europe. This investment is an important part of the Group's development in the energy sector. While developing sustainable energy sources, the Group plans to build BESS (Battery Energy Storage Systems) facilities at its own locations - Sochaczew, Toruń and Skawina, which will generate 55 MW when fully operational.

Energy for industrial processes

Boryszew Group companies use electricity and natural gas in their production processes, which are obtained from external sources (purchases). Production processes at Group's plants is highly energy intensive. The Group's ongoing investments help reduce energy consumption per tonne of manufactured product. Boryszew Green Energy&Gas Sp. z o.o. signed a 10-year Power Purchase Agreement (PPA) on 21 December 2023, under which it will receive about 24 GWh of renewable energy annually, sourced from 21 MWp photovoltaic farms. The agreement will cover about 11.3% of Boryszew Group's current electricity demand and will reduce CO₂ emissions at the Group's facilities in Poland by about 15 000 tonnes per year. In addition, between 2023 and 2024, a total of 2 MWp of photovoltaic (PV) installation projects were completed, with a goal of reaching 5 MWp in the coming years. Due to challenges in the investment

process and construction constraints, 2.0 MWp was installed at the end of 2024, and another 1-1.5 MWp is planned for 2025.

The Group is focused not only on analysing the impacts of its operations, but also implements preventive measures to minimise risks associated with negative environmental impacts. It monitors the consumption of electricity, gas, water and generated waste on on-going basis. Based on the permits granted, Group's companies monitor:

- emissions to air (measuring stations, measuring range, measuring methodology),
- water and sewage management (groundwater intake),
- amount of surface water used,
- amount of discharged household, industrial, rainwater and snowmelt wastewater, waste management,
- noise,
- production processes.

All companies of Boryszew Group maintain legally permissible levels of emissions and waste, according to the environmental permits, including Integrated Permits, issued for relevant plant and production process.

The production activities of Group's production facilities take place in industrial parks and urbanised areas historically designated for industrial activities, at an appropriate distance from zones of special natural value, such as national parks, forest promotional complexes, spa areas, areas listed as "world heritage" and locations covered by the Natura 2000 program. In 2024 no environmental losses were recorded as a result of the Group companies' business. No significant areas of impact, other than listed above, occurred.

All of the activities mentioned above require no significant additional operating or investment costs beyond the resources already included in the business budgeting process.

E1-4 – Targets related to climate change mitigation and adaptation

Group's targets were established based on the actual consumption of energy in the Group's production processes in 2023 and approved by the Management Board and Supervisory Board of Boryszew S.A. in the strategic planning process. In the latest strategy, the 2030 targets are to transition to 100% net green electricity, reduce GHG emissions from fossil fuels by 50% in 2030 versus 2023, continue to modernise and implement innovations in machinery, reduce CO₂ emissions by 20% by 2028 (tonne of emissions/tonne of production) versus 2023, and increase energy efficiency (MWh/tonne of production). Their implementation will be evaluated annually by comparing annual emissions with the target. Emission calculations are performed in accordance with the guidelines of the GHG Protocol.

Since the calculated carbon footprint in 2024 is scope 3, in the strategy refinement and revision process, the base years will be aligned with according to the date of the first measurement.

Implementation of the targets indicated in the ESG Strategy of Boryszew Group, which was adopted in 2024 will be published in the following reporting periods

E1-5 – Energy consumption and mix

Boryszew Group's energy consumption data includes only energy consumption from processes carried out or managed by units within the same organisational boundaries as in scope 1 and 2 GHG emissions reporting. Raw materials and fuels that are not burned to produce energy are excluded. Data are reported in the required MWh unit. All data refer to the final energy consumed by the unit. Energy consumption is not compensated. Energy sourced within the organisation's boundaries is not included under the heading "energy purchased or acquired." Electricity included in the table comes only from contractual instruments such as guarantees of origin or PPAs.

Consumption	Unit	2024
Consumption of fuel from coal and coal products	MWh	23 248
Consumption of fuel from oil and petroleum products	MWh	16 518
Consumption of fuel from natural gas	MWh	473 532
Consumption of fuel from other fossil sources	MWh	0
Consumption of purchased or acquired electricity, heat, steam or cooling energy from fossil sources	MWh	261 226
Total energy consumption from fossil sources	MWh	774 524

Share of fossil sources in total energy consumption	%	96.8%
Total energy consumption from nuclear sources	MWh	0
Percentage of nuclear energy consumption in total energy consumption	%	0.0%
Consumption of fuels from renewable sources	MWh	0
Consumption of purchased or acquired electricity, heat, steam and cooling energy from renewable sources	MWh	23 885
Consumption of self-generated renewable energy without fuel	MWh	1 589
Total energy consumption from renewable sources	MWh	25 474
Share of renewable sources in total energy consumption	%	3.2%
Total energy consumption in own operations	MWh	799 997

Boryszew Group operates in different sectors of the economy, the vast majority of which are sectors with significant climate impacts according to the Commission Delegated Regulation (EU) 2022/1288. Sectors listed in Sections A through H and Section L under NACE codes are included as those with significant environmental impacts.

As most of Boryszew Group's activities are considered to be in sectors with significant environmental impact, the data are disaggregated.

The Group did not produce energy from non-renewable sources

Energy intensity (total energy consumption per net revenue) associated with operations in sectors with significant climate impacts

Energy intensity index: 0.15 MWh/ thousand PLN (PLN 799 997/ 5 109 168 thousand)

Net revenues from operations in sectors with significant climate impacts used to calculate energy intensity	PLN 5 109 168 thousand
Net revenues (other)	PLN 6 838 thousand
Total net revenues (financial statements)	PLN 5 116 006 thousand

Sectors with significant climate impacts used to determine energy intensity

NACE code	Description
20	Manufacture of chemicals and chemical products
22	Manufacture of rubber and plastic products
24	Manufacture of basic metals
25	Manufacture of fabricated metal products, except machinery and equipment
29	Manufacture of motor vehicles, trailers and semi-trailers
35	Electricity, gas, steam and air conditioning generation and supply

36	Water intake, treatment and supply
37	Sewage disposal and treatment
38	Waste collection, treatment and disposal activities
68	Real estate activities

E1-6 – Gross scopes 1, 2, 3 and total GHG emissions

	Base year 2024*
Gross scope 1 GHG emissions (tCO ₂ eq)	116 496
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	16.5
Gross location-based scope 2 GHG emissions (tCO ₂ eq)	169 634
Gross market-based scope 2 GHG emissions (tCO ₂ eq)	188 806
Total gross indirect (scope 3) GHG emissions (tCO ₂ eq)	2 032 899
1 Purchased goods and services	1 027 354
2 Capital goods	10 678
3 Fuel and energy-related activities (not included in scope 1 or 2)	718 087
4 Upstream transportation and distribution	27 131
5 Waste generated by the operation	2 524
6. Business travelling	253
7 Employee commuting	6 845
8 Upstream leased assets	N/A
9 Downstream transportation	483
10 Processing sold products	No data (category excluded)
11 Use of sold products	238 781
12 End-of-life treatment of sold products	No data (category excluded)
13 Downstream leased assets	441
14 Franchising	N/A
15 Investments	322
Total GHG emissions (location-based) (tCO ₂ eq)	2 319 029
Total GHG emissions (market-based) (tCO ₂ eq)	2 338 201

* 2024 is the first year for which a full analysis of carbon footprint scope 1, 2 and 3 was conducted, capturing both Polish and overseas companies. Accordingly, 2024 was established as the base year, as it is the first year in which complete data are available.

No need for disaggregation due to lack of investee companies in which Boryszew Group has operational control. All emissions presented in disclosure E1-6_01 cover only Boryszew Group companies and relate to the same reporting entity to which the financial statements relate.

The boundaries of reported emissions were determined using consolidation by operational control. The calculations included all companies over which Boryszew Group has control and for which it was possible to obtain input data for calculations in scope 1, 2 and 3. Dormant companies are not included.

The entities included in the analysis account for more than 96% of the Group's revenue.

Country	Company name
Poland	<p>Alchemia S.A. Baterpol S.A Boryszew S.A. Branch Boryszew ERG BORYSZEW S.A. MAFLOW BRANCH Boryszew Nieruchomości Sp. z o.o., Boryszew S.A. Headquarters Boryszew Green Energy & Gas Sp. z o.o. Huta Bankowa Sp. z o.o. Laboratoria Badań Batory Sp. z o. o. Maflow Polska Sp. z o.o. Maflow Plastics Poland Sp. z o.o.</p>

	NPA Skawina Sp. z o.o. Boryszew S.A. Elana Branch Walcownia Metali Dziedzice S.A. Zakład Utylizacji Odpadów Sp. z o.o., ZM Silesia S.A.
Brazil	Maflow do Brasil Ltda
China	Maflow Components (Dalian) Co., Ltd.
Czech Republic	AKT Plastikářská technologie Cechy spol. s.r.o.
Spain	Maflow Spain Automotive S.L.
India	Maflow India Private Limited
Mexico	MAFMEX S. de R. L. de C.V.
Germany	Boryszew Kunststofftechnik Deutschland GmbH Boryszew Oberflächentechnik Deutschland GmbH Boryszew Formenbau Deutschland GmbH
Russia	Boryszew Plastic RUS Sp. z o.o.
Italy	Maflow BRS s.r.l

The abovementioned entities were included in the analysis and Scope 1, 2 and 3 emissions were calculated for them. Also included in scope 3 in category 15 (investments) is Onesano S.A., which is an affiliate in which Boryszew S.A. holds a 42.5% stake. For the remaining third-party entities in which the companies have equity interest, data could not be obtained and they were excluded from the calculations.

Disaggregation of Scope 1 and 2 emissions in 2024 by source type

Emission range	Source type	Emission volume [t CO ₂ e]
Gross scope 1 GHG emissions	Combustion of fuels in mobile sources	2 316
	Combustion of fuels in stationary sources	106 351
	Leaks of refrigerants	7
	Process and other emissions	7 821
	Total	116 496
Gross location-based scope 2 GHG emissions (location-based)	Electrical energy	161 910
	Thermal energy -- district heating	7 724
	Total	169 634
Gross market-based scope 2 GHG emissions (market-based)	Electrical energy	181 082
	Thermal energy -- district heating	7 724
	Total	188 806
Total (including scope 2 location-based)		286 129
Total (including scope 2 market-based)		305 302

Disaggregation of Scope 1 and 2 emissions in 2024 by individual Company

Company name	Scope 1	Scope 2 (location-based)	Scope 2 (market-based)	Total (location-based)	Total (market-based)
	[t CO ₂ e]				
Alchemia S.A.	36 425	47 790	56 292	84 214	92 716
Huta Bankowa Sp. z o.o.	19 359	7 744	9 129	27 103	28 488
Walcownia Metali Dziedzice S.A.	2 467	22 391	22 361	24 858	24 828
Baterpol S.A	19 505	3 939	4 644	23 444	24 149

NPA Skawina Sp. z o.o.	10 495	11 766	13 871	22 261	24 366
Boryszew Green Energy & Gas Sp. z o.o.	0	20 778	24 008	20 778	24 008
AKT Plastikářská technologie Cechy spol. s.r.o.	9 368	4 369	57	13 737	9 425
Boryszew SA Maflow Branch	1 430	14 430	16 318	15 860	17 747
ZM Silesia S.A.	5 258	5 975	7 044	11 233	12 302
Zakład Utylizacji Odpadów Sp. z o.o.,	8 347	748	881	9 094	9 228
Maflow Plastics Poland Sp. z o.o.	8	7 031	8 289	7 039	8 297
Boryszew S.A. Elana Branch	37	6 509	7 236	6 545	7 273
Boryszew Kunststofftechnik Deutschland GmbH (Gardelegen plant)	579	3 478	0	4 056	579
Boryszew S.A. Branch Boryszew ERG	1 792	2 176	2 565	3 968	4 357
Boryszew Oberflächentechnik Deutschland GmbH	243	2 002	4 300	2 245	4 543
Maflow Components (Dalian) Co., Ltd.	367	1 414	1 424	1 781	1 792
Maflow BRS s.r.l.	16	1 717	2 968	1 733	2 984
Boryszew Kunststofftechnik Deutschland GmbH (Ymos division)	100	1 368	2 938	1 468	3 038
Maflow India Private Limited	64	649	651	712	715
Maflow do Brasil Ltda	126	265	279	392	405
Boryszew Formenbau Deutschland GmbH	36	298	641	335	677
Boryszew Plastic RUS Sp. z o.o.	309	2 212	2 212	2 521	2 521
Boryszew Nieruchomości Sp. z o.o.,	25	344	365	369	390
Maflow Spain Automotive S.L.	11	103	214	114	225
Boryszew S.A. Headquarters	83	30	0	113	83
Laboratoria Badań Batory Spółka z o.o.	47	36	42	82	89
MAFMEX S. de R. L. de C.V.	0	74	75	74	75

Disaggregation of Scope 1 emissions in 2024 by GHG category

Emission source	GHG emission	CO ₂ emission	CH ₄ emission	N ₂ O emission	PFC/HFC emission
	[t CO ₂ e]				
Fuels	108 667.5	108 389.3	171.7	106.6	0.0
Diesel oil	1 837.1	1 812.9	0.2	24.0	0.0
LPG	1 730.3	1 727.9	1.5	1.0	0.0
Gasoline	124.6	123.7	0.5	0.4	0.0
propane-butane	0.2	0.2	0.0	0.0	0.0
Natural gas	86 509.9	86 336.3	131.6	41.9	0.0
CNG	9 459.1	9 440.8	14.1	4.2	0.0
Coke	8 297.3	8 243.6	22.2	31.5	0.0
Coal	416.1	411.9	1.3	2.9	0.0
Propane	254.8	254.5	0.2	0.1	0.0
Heating oil	38.1	37.6	0.0	0.5	0.0
Fugitive emissions	7 828.3	7 741.2	0.0	77.3	9.8
CO ₂ - emissions from waste incineration	7 739.9	7 739.9	0.0	0.0	0.0
N ₂ O - emissions from waste incineration	77.3	0.0	0.0	77.3	0.0
HFC-143a	1.5	0.0	0.0	0.0	1.5
CO ₂ technical gas	0.9	0.9	0.0	0.0	0.0
HFC-125	0.8	0.0	0.0	0.0	0.8
Technical gas Acetylene	0.4	0.4	0.0	0.0	0.0
Stargon C-18 technical gas	0.0	0.0	0.0	0.0	0.0
HFC-134a	0.0	0.0	0.0	0.0	0.0
R 407C	1.8	0.0	0.0	0.0	1.8
R 32	1.4	0.0	0.0	0.0	1.4
R-134A	2.9	0.0	0.0	0.0	2.9
R-410A	1.4	0.0	0.0	0.0	1.4

Representation of Scope 3 GHG emissions is disclosed according to the GHG Protocol categories in E1-6_01. Representation according to the indirect emission categories specified in EN ISO 14064-1:2018 was abandoned. Scope 1 GHG emissions from ETS installations in 2024 amounted to 55 149 tCO₂e, accounting for 45.8% of emissions in this range.

2024 is the first year for which a full analysis of carbon footprint scope 1, 2 and 3 was conducted, capturing both Polish and overseas companies. Accordingly, 2024 was established as the base year, as it is the first year in which complete input data are available.

Reported GHG emissions for Scope 1 and 2 were developed in accordance with "The Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition" and the "GHG Protocol Scope 2 Guidance".

The Scope 1 carbon footprint calculation used fuel-specific and refrigerant-specific factors utilising the DEFRA 2024 database. The emission factor for N₂O releases (GWP value) came from the IPCC AR6 report. For acetylene and technical gas with 18% CO₂ content, emission factors determined based on stoichiometric equations were used.

In Scope 2 carbon footprint calculation the factors used were:

- electricity: for European countries, data published by the Association of Issuing Bodies in 2024. The location-based method used a country average factor (*production mix*), while the market-based method used a *residual mix* factor. For non-European countries (India, China, Brazil, Mexico, Russia), emission factors from the Carbon Database Initiative 2024.

- thermal energy: in the calculation of emissions from production of purchased thermal energy in Poland, the emission factor published by ERO in the publication "Thermal Energy in Figures 2023", and for other countries – the emission factor from DEFRA 2024

The methodology for calculating Scope 3 carbon footprint took into consideration the requirements of the "GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard." The reporting boundaries, significant assumptions and selected calculation methods as well as related emission factors are presented in Disclosure E1-6_29. The computational tool used in the analysis was spreadsheets.

GHG emissions, expressed in tons of CO₂ equivalent (CO₂e), also include GHG other than carbon dioxide: methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs) and nitrogen trifluoride (NF₃)

No significant events or changes occurred in the Group's carbon footprint circumstances.

Biogenic emissions in 2024 associated with Scope 1 emission sources (fuel combustion)

Emission source	Consumption unit	Consumption	CO ₂ emissions [t CO ₂]
Gasoline	litre	70 664	9.2
Diesel oil	litre	732 622	117.4
Total			126.5

Type of energy	Energy consumption [MWh]	Gross location-based scope 2 GHG emissions (location-based) [t CO ₂ e]	Gross market-based scope 2 GHG emissions (market-based) [t CO ₂ e]
Grid electricity	238 650.4	150 339.2	181 081.7
Electricity from RES (Guarantees of Origin or PPA)	23 567.9	11 570.4	0.0
Own photovoltaic power generation	1 534.9	0.0	0.0
Own electricity generation - other RES sources	54.1	0.0	0.0
Total	263 807.3	161 909.6	181 081.7

Forecast of the structure of electricity use following the purchase of additional instruments

In response to increasing market and legislative requirements that put pressure on decarbonisation of business operations, the company forecasts that it will purchase an additional amount of Renewable Energy Guarantees of Origin for 2024 in 2025. This decision was made both due to dynamic business requirements and the need to meet the requirements of the act of 19 July 2019 on the compensation system for energy-intensive sectors and subsectors. The postponement of the contracting of instruments relative to reporting is affected by the timing considerations associated with the granting of sectoral compensation.

Type of energy	Forecast energy consumption * [MWh]	Gross location-based scope 2 GHG emissions (location-based) [t CO ₂ e]	Gross market-based scope 2 GHG emissions (market-based) [t CO ₂ e]
Grid electricity	225 672.4	141 661.9	170 851.9
Electricity from RES (Guarantees of Origin or PPA)	36 546.8	20 248.3	0.0
Own photovoltaic power generation	1 534.9	0.0	0.0
Own electricity generation - other RES sources	54.1	0.0	0.0
Total	263 808.2	161 910.2	170 851.9

*The values reported are based on forecast data, assuming the purchase of the RES Energy Guarantee of Origin during 2025.

The Group expects to update the entries in the ESG report in the next reporting year, based on the actual purchase of Guarantees of Origin. This will enable accurate calculation of GHG emissions for 2024. In addition, the update will enable a more reliable assessment of progress toward long-term environmental goals for retrospective verification of reported emissions data as well as transparency in the information provided.

The changes made to the emissions data will be presented in future reports to demonstrate the company's commitment to continuous improvement of its environmental management processes and continuous monitoring of the area of greenhouse gas emission reductions.

The emission factors applied do not permit separating the percentage of biomass or biogenic CO₂.

Primary data from suppliers under categories 1 (purchases of goods and services), 4 (upstream transportation and distribution), 6 (business travelling) and 9 (downstream transportation and distribution) were used to calculate Scope 3 GHG emissions. Emissions calculated based on these data accounted for 5.8% of total Scope 3 GHG emissions.

The Group analysed and estimated its total Scope 3 GHG emissions based on 15 categories according to the GHG Protocol methodology. As a result of the analysis, it was decided to exclude the following categories of scope 3:

- Category 8 - not applicable.
- Category 10 - this category was excluded due to the lack of information on the processing of sold semi-finished products.
- Category 12 - this category was excluded due to the lack of information on end-of-life management of final products.
- Category 14 - not applicable.

The analysis of GHG emissions excluded emissions under category 10 (processing sold products) and category 12 (post-consumer waste management), according to the GHG Protocol classification for Scope 3 emissions. This decision is based on significant limitations in the availability and quality of data necessary for reliable estimates.

Boryszew Group offers a wide range of products whose end use and further life cycle are often unknown. In addition, the way sales are recorded varies depending on the IT systems used by each Group company. Currently available data sources and emission factor databases, do not provide adequate information for reliable conversions for these categories.

Incorporating the above categories would require significant effort and resources, with no guarantee of obtaining data with an adequate level of accuracy. Accordingly, and given the proportionality of the potential emissions to the organisation's total carbon footprint, it was decided to exclude them from the analysis.

Material scope 3 category	Reporting limits	Calculation methods	Emission factors
Purchased goods and services	Included in Category 1 are emissions related to the production of raw materials and materials purchased by companies as well as emissions associated with the performance of purchased services not classified in the other categories.	Calculations were based on financial data and raw material weight information where possible. 97% of emissions associated with purchased materials were calculated based on the weight of raw materials, and the remaining 3% were calculated based on costs. Key raw materials were classified as metals and plastics. For purchased services, 100% of emissions was calculated on the basis of expenses.	Emission factors from the DEFRA 2024 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024 Emission factors (EEIO) from the EXIOBASE 2022 database: https://doi.org/10.5281/zenodo.5589597 Exiobase factors were converted to PLN using the average annual exchange rate for 2024 and incorporating inflation adjustments for 2023 and 2024.
Capital goods	Category 2 includes emissions associated with the production of purchased fixed assets.	Calculations were based on the incurred costs reported by each company.	Emission factors (EEIO) from the EXIOBASE 2022 database: https://doi.org/10.5281/zenodo.5589597 and https://www.climatiq.io/data Exiobase factors were converted to PLN using the average annual exchange rate for 2024 and incorporating inflation adjustments for 2023 and 2024.
Emissions associated with energy and fuels	This category includes emissions associated with the extraction, production and transportation of fuels consumed by the reporting company, extraction,	Calculations were based on fuel and energy consumption data reported in Scope 1 and 2.	Emission factors for fuels from the DEFRA 2023 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023 Emission factors for electricity from the Carbon Database Initiative 2024 and the Association of Issuing Bodies: https://www.aib-net.org/

Material scope 3 category	Reporting limits	Calculation methods	Emission factors
	production and transportation of fuels consumed for electricity generation, generation of electricity consumed to compensate transmission and distribution (T&D) losses. These are known as Well-to-Tank ("WTT") emissions. Emissions associated with the production of fuels and energy purchased for resale are also reported in this category. Inputs were data reported on utility consumption in mobile and fixed sources, as well as data on utility purchases for resale.		
Upstream transportation and distribution	Category 4 includes emissions associated with purchased transportation services, including transportation of finished products to the customer at companies' expense.	Calculations were based on financial data and, where possible, data from suppliers as well as physical data on fuel consumption or cargo weight and distance traveled. 94% of Category 4 emissions was calculated based on physical data, and the remaining 6% of emissions was calculations based on expenses.	Emission factors from the DEFRA 2024 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024 Emission factors (EEIO) from the EXIOBASE 2022 database: https://doi.org/10.5281/zenodo.5589597 . Exiobase factors were converted to PLN using the average annual exchange rate for 2024 and incorporating inflation adjustments for 2023 and 2024.
Waste generated by the operation	Category 5 includes waste sent to third parties for disposal and wastewater discharged to sewer system.	For waste, data on the mass of waste generated by type or code of waste were used, as well as the method of waste management. When mass data could not be obtained, information on the cost of waste management was used. For wastewater, a similar approach was used - if companies had no data on the volume of wastewater discharged, relevant information on expenses was used.	Emission factors from the DEFRA 2024 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024 Emission factors (EEIO) from the EXIOBASE 2022 database: https://doi.org/10.5281/zenodo.5589597 . Exiobase factors were converted to PLN using the average annual exchange rate for 2024 and incorporating inflation adjustments for 2023 and 2024.
Business travelling	Category 6 includes data on business trips (travel and accommodation).	Calculations were based on companies' data on business trips, taking into consideration the distances traveled using different means of transport, as well as accommodation. Where physical data could not be collected, information on business trip costs incurred was used.	Emission factors from the DEFRA 2024 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024 Emission factors (EEIO) from the EXIOBASE 2022 database: https://doi.org/10.5281/zenodo.5589597 . Exiobase factors were converted to PLN using the average annual exchange rate for 2024 and incorporating inflation adjustments for 2023 and 2024.
Employee commuting	Category 7 refers to emissions generated by employee commuting. Emissions generated employee commuting are taking into	Calculations were based on companies' data on distances, means of transport and number of commuting days by employees, as well as the time spent on remote work. Depending on data availability,	Emission factors from the DEFRA 2024 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024

Material scope 3 category	Reporting limits	Calculation methods	Emission factors
	consideration different modes of transport. In addition, this category includes emissions from employees' remote work.	they were reported in different configurations, for which appropriate conversions were applied. If information was missing, additional assumptions were made.	
Downstream transportation and distribution	Category 9 includes emissions generated transporting sold products at the customer's expense. Not all companies recorded customers' own collections - this information was reported by the following companies: - ZM SILESIA - Maflow Components (Dalian) Co., Ltd. - Maflow India Private Limited - BPR Russia - BKD IO - BKD GA - Boryszew ERG	Nearly 100% of emissions was calculated based on physical data.	Emission factors from the DEFRA 2024 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024
Use of sold products	Category 11 includes emissions associated with the combustion of natural gas sold to third parties.	The amount of natural gas sold to entities outside the Boryszew Group was multiplied by the emission factor in the corresponding unit.	Emission factors from the DEFRA 2024 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024
Downstream leased assets	Category 13 includes emissions associated with the use of utilities in spaces owned by Boryszew Group leased by third parties. To avoid double counting, the consumption of utilities in spaces leased by Group companies was excluded.	Calculations for reported fuel consumption and purchased energy was the same as for calculations in Scope 1 and 2. The market-based method was used for purchased electricity.	
Investments	Included in category 15 are emissions from scopes 1, 2 and 3 of Onesano S.A., in which the Boryszew Group holds a 42.5% equity stake.	This affiliated company provided data on: use of utilities in mobile and stationary sources, purchased materials, services and fixed assets, amount of tap water used and wastewater discharged, waste sent for disposal, purchased transportation services and business travel. Calculations were the same as in the Group's corresponding emission categories. Scope 2 Onesano emissions associated with the production of purchased electricity were calculated using the market-based method. Onesano GHG emissions were excluded from other categories of Boryszew Group Scope 3. They are included in total in Cat. 15, multiplied by the Group's share in the entity's capital (42.5%).	Emission factors from the DEFRA 2024 and 2023 database: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024 https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023 Emission factors (EEIO) from the EXIOBASE 2022 database: https://doi.org/10.5281/zenodo.5589597 Exiobase factors were converted to PLN using the average annual exchange rate for 2024 and incorporating inflation adjustments for 2023 and 2024. Emission factors for electricity for market-based (residual mix) method from Association of Issuing Bodies document for 2024: https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2023/AIB_2023_Residual_Mix_FINALRes ults09072024.pdf

Intensity of GHG emissions per net revenue	2024
Total GHG emissions (location-based method) per net revenue (kg CO ₂ equivalent/PLN)	0.455
Total GHG emissions (market-based method) per net revenue (kg CO ₂ equivalent/PLN)	0.458
The net revenue amount used is indicated on page 3 of the consolidated financial statements	

Net revenues used to calculate greenhouse gas emissions intensity	PLN 5 116 million
Net revenues (other)	PLN 0
Total net income (in financial statements)	PLN 5 116 million

E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

Boryszew Group has no greenhouse gas removal projects neither does it finance such projects as part of its own operations. In addition, the Group did not purchase offset units (carbon offsets) or carbon credits during the reporting period.

Be advised that Boryszew Group operates installations covered by the EU Emission Trading Scheme (EU ETS). However, this disclosure does not apply to the mandatory EU ETS, but only to emission credits purchased or supported on a voluntary basis, which the Group does not use

E1-8 Internal carbon pricing

Boryszew Group does not use internal carbon pricing systems.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The Group benefits from an exemption regarding disclosure of information on anticipated financial impacts from significant climate-related risks and opportunities.

E2 Pollution

E2-1 Policies related to pollution

Boryszew Group implemented a number of environmental policies and procedures at subsidiaries to identify and reduce impacts due to environmental pollution, including air, water and soil pollution. These policies were established at the local level and are tailored to specific operations of individual production facilities and are consistent with Group-level regulations.

The following policies and procedures on pollution are in place at Group companies:

- Environmental Management Policies (Automotive Sector Companies, Zakład Utylizacji Odpadów Sp. z o. o.),
- Quality, environmental and health and safety policies (Automotive and Metal Sector Companies),
- Integrated Management System Policies (Metal Sector Companies),
- Procedures for identification and evaluation of environmental aspects (Huta Bankowa Sp. z o. o., Boryszew S.A. Oddział Elana, ZM Silesia S.A., Zakład Utylizacji Odpadów Sp. z o. o.),
- Procedures for handling environmental accidents and incidents, including emissions, spills and fires (e.g., Boryszew S.A. Elana Branch).

Mitigating environmental impacts

Group's environmental policies include:

- avoiding pollution at the source by selecting appropriate technologies (e.g., through implementing best available techniques - BAT),
- minimising the use of hazardous substances and phasing them out of the production process,
- control of emissions to air and water through systematic monitoring and measurement of emissions,
- reduction of waste generation and its reuse in processes in accordance with circular economy principles.

Risk and emergency management

The Group has procedures in place on:

- prevention of environmental incidents,
- rapid response to emergencies, including leaks, fires, equipment failures,
- preparation of crisis management plans at facilities with higher operational risks,
- health, safety and environmental training, which includes principles of safe chemical handling and emergency response.

Management of hazardous substances

Companies of the Boryszew Group, as part of their environmental policies and management systems (including those consistent with ISO 14001), take measures for the safe use and monitoring of chemical substances. These include, in particular:

- identification of hazardous substances used in processes,
- conformity with obligations under REACH and CLP regulations, including classification, labelling and safe storage and use of chemicals,
- substitution of selected chemicals with safer equivalents - where technically reasonable and possible.

Scope of policies

Environmental policies are in place at all important production companies of Boryszew Group, including: Grupie Maflow i BAP, Zakład Utylizacji Odpadów Sp. z o. o., Baterpol S.A., Boryszew S.A. Oddział Elana, Huta Bankowa Sp. z o. o., WM Dziedzice S.A., ZM Silesia S.A., Alchemia S.A., NPA Skawina Sp. z o. o., and other. Each company has a policy tailored to meet legal and operational requirements.

E2-2 Actions and resources related to pollution

Boryszew Group, operating in industrial sectors with the potential for transformation towards sustainable development, in key sectors for green transformation (metal processing, chemicals, automotive, waste management), is working on a business strategy with the "Sustainability Horizon 2030" initiative, which takes into consideration the need to reduce emissions and industrial pollution and supports efficient waste management.

Boryszew Group takes the following measures aimed at preventing pollution, reducing it and controlling the impact of its operations on the environment:

1. Avoiding pollution (preventive measures):

- Development of low-carbon technologies, including:
 - o production of air conditioning ducts using R744 (CO₂) refrigerant, which has a low global warming potential (GWP = 1), replacing standard HFCs with high GWP factors
 - o technology for producing zinc oxide from recycled materials in induction furnaces to avoid emissions typical of conventional roasting methods, such as emissions of dust, nitrogen oxides (NO_x) and sulfur oxides (SO_x), by eliminating the process of burning fossil fuels.
- Introduction of materials that reduce emissions of harmful compounds, such as EG BRASS DW® brass alloy with reduced lead and arsenic content - for drinking water systems.
- Automation and digitisation of production to increase process precision and reduce waste.

2. Reducing pollution (minimising emissions and impacts):

- Modernisation of the hard zinc processing plant (ZM Silesia) - implementation of an eco-friendly roaster and oxidiser.
- Emission control at industrial facilities in accordance with the requirements of the BAT Conclusions as well as environmental and integrated permits.
- Monitoring of consumption of utilities as well as air and water emissions at key production facilities.

3. Corrective measures:

- Investment in infrastructure to reduce the risk of secondary emissions and landfilling of non-recyclable waste:
 - o construction of a thermal conversion facility for hazardous and municipal waste in Toruń with a target processing capacity of more than 26 000 Mg/year, covering two streams: municipal waste with energy recovery (R1 process, which is part of circular economy) and hazardous waste that is not recovered (disposal process);.
 - o increasing the industrial waste disposal capacity at Konin Waste Disposal Plant by 12 000 Mg/year.

E2-3 Targets related to pollution

As of the date of this report, Boryszew Group established no formal environmental goals in pollution reduction, including emissions to air, water and soil, or management of hazardous substances.

Currently, companies' activities in pollution reduction are focused on meeting regulatory requirements under environmental regulations, administrative decisions and internal procedures related to maintaining conformity with management systems, i.e. ISO 14001 (Automotive and Metal Sector companies).

Despite the lack of formalised quantitative targets, individual Group entities: monitor emissions in accordance with applicable standards and administrative requirements, cooperate with accredited laboratories for periodic measurements of emissions, analyse the technical possibilities of reducing pollutant emissions with planned upgrades of industrial installations.

In the medium term, the Group plans to strengthen its environmental reporting systems and is considering setting targets for reducing selected categories of pollution - particularly those that may involve regulatory or social risks in the future.

E2-4 Pollution of air, water and soil

Boryszew Group monitors pollutant emissions to air, water and soil in its own operations at all Group companies, both domestic and overseas. These measures are carried out in accordance with applicable national and European regulations, including Annex II to Regulation (EC) No. 166/2006 on the European Pollutant Release and Transfer Register (E-PRTR).

Emitted pollutants

Emissions of identified pollutants (excluding GHGs disclosed under ESRS E1) include:

- heavy metals and their compounds (e.g., lead, mercury, cadmium),
- sulfur and nitrogen oxides (SO_x, NO_x),
- particulate matter (PM),
- organic compounds (e.g., volatile organic compounds, phenols),
- substances that acidify and eutrophicate the aquatic environment.

Quantitative emissions data are reported on a consolidated basis, with details on air and water emissions, in accordance with the Group's operational and financial controls.

Air, water and soil pollution

	Emissions to air	Emissions to water	Total [kg]
Carbon dioxide (CO ₂) [kg]	102 264 366	0	102 264 366
Carbon monoxide (CO)	269 662	0	269 662
Chloride (as total Cl)	0	185 414	185 414
Nitrogen oxides (NO _x /NO ₂)	110 367	0	110 367
Sulfur oxides (SO _x /SO ₂)	105 520	5	105 525
Other [kg]	64 984	7 087	72 071
Total [kg]	102 814 900	192 506	103 007 406

Microplastics

The Group identified material use and emission of microplastics in the operations of Group companies. In particular, the Chemical segment (Boryszew S.A. Elana Branch) and the Automotive segment (BAP Group). The BAP Group uses pellets to produce plastic parts for cars. Granulate consumption in 2024 is 12 620 057 kg. These issues will be further monitored under environmental management system reviews.

Changes over time

Most companies do not yet have comparative data for previous reporting periods. Where comparative data are available, they show no significant changes in emission trends.

Measurement methodology

All companies use pollution measurements in accordance with applicable local laws and administrative decisions, based on the standards and measurement methodologies defined therein:

- periodic measurements by accredited laboratories,
- calculated estimates based on emission factors or data from process documentation,
- in some cases (e.g., Maflow India, Maflow China, Maflow Brazil), measurements are made by third parties or based on environmental samples.

Data collection process

Environmental data are collected by technical departments of Group the companies, often under their duties stipulated in administrative decisions, including integrated or water permits. In companies based in Poland, the data come mainly from

- periodic measurements of emissions to air and water,
- environmental reporting (including KOBIZE, KRUTZ, BDO, PRTR)
- documentation of tests conducted by external entities.

When reporting pollutant emissions, some Boryszew Group companies use indirect methodologies, i.e. other than direct measurement of emissions. The choice of these methodologies is justified by the nature of installations, applicable regulations as well as technical and operational constraints.

ZM Silesia uses indirect methodologies because of the conditions set forth in the administrative decisions - integrated and water permits. These documents do not impose continuous emissions monitoring, hence periodic measurements or indicative calculations can be used.

A similar approach is used, for example, by Boryszew ERG Branch, where environmental decisions specify emission limits and required process parameters, but no direct measurements of emissions to air or water is obligatory.

In such cases, data are reported based on:

- periodic measurements performed by accredited laboratories,
- emissions calculations based on the amount of fuel, raw materials or reagents used,
- estimates based on emission factors according to industry or technology documentation.

Due to the use of indirect methods, the data may have a certain amount of uncertainty, but this is not quantitatively reported at the company level. Where applicable, the Group plans to gradually improve the quality of the data it collects, including by implementing uniform estimation procedures and assessing the potential impact of these emissions in future reporting periods.

E2-5 Substances of concern and substances of very high concern

Hazardous substances	Mass [Mg]
Substances of concern leaving production facilities in parts of products	6 946.55
Substances of concern leaving production facilities as services	2.00
Substances of concern leaving production facilities as emissions	24 813.09
Substances of concern leaving production facilities as products	34 587.34
Total	66 348.97

The types of substances that are potentially hazardous and of high concern, as well as their classification to particular hazard classes, were determined on the basis of lists of substances used at individual production facilities, Group companies. Quantities of substances were identified on the basis of purchase records - kg, litres of products purchased and consumed in relevant year. Conversions to kg were used according to the data in the data sheets of the individual products. No substances of concern or SVHCs discharged as services provided were identified. The aforementioned data were not validated by third parties.

Substances of particular concern	Mass [Mg]
Substances of very high concern leaving production facilities as emissions	24 780.734
Substances of very high concern leaving production facilities as services	2.00
Substances of very high concern leaving production facilities as parts of products	7 380.96
Substances of very high concern leaving production facilities as products	38 679.336
Total	70 843.03

E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities

The Group benefits from an exemption regarding disclosure of information on anticipated financial impacts from material pollution-related risks and opportunities.

E3 – Water and marine resources

E3-1 Policies related to water and marine resources

The Group conducts monitoring of the level and type of groundwater intake source, the amount of surface water used, the amount of wastewater discharged.

Boryszew Capital Group conducts its operations in a manner consistent with current regulations on water resources management. The use of water in processes and general operations is based on water permits obtained, covering the intake of groundwater and surface water and the discharge of treated wastewater. In accordance with legal requirements, the limitation of water use is specified in water permits, as well as in the company's internal procedures. The quality of the discharged wastewater is strictly regulated by the parameters specified in the water permits, which ensures minimum environmental impact. In addition, as required in ISO 14001 standards implemented, monitoring of raw material consumption, including water, is carried out in the companies of the Metals segment and in Boryszew S.A. Elana Branch, and measures are taken to optimise and reduce it. This approach helps efficient management of water resources and reduction of the impact of industrial activities on the environment, in accordance with the requirements of the ESG Strategy of Boryszew Capital Group and the principles of sustainable development.

Neither the Group nor its subsidiaries adopted policies related to ocean and marine sustainability.

E3-2 Actions and resources related to water and marine resources

Boryszew Capital Group takes active steps to identify and manage risks related to water availability, especially in water-scarce regions. As part of its environmental risk analysis, the company monitors the availability of water resources and adapts production and processes to local hydrological conditions.

These activities include:

- optimising water consumption by implementing modern technologies that reduce water intake,
- use of process water treatment and reuse systems,
- following strict standards for wastewater quality and its control in accordance with water permits,
- implementing procedures for monitoring water in the ISO 14001 system, thereby systematically reducing the impact of operations on water resources.

In order to reduce water consumption at Alchemia S.A.'s Walcownia Rur Batory branch and Stalownia Batory branch, the water cycle is based on two circuits, i.e. drinking water and closed industrial water circuits. The industrial water system at Stalownia Batory branch operates on the basis of replenishing losses from the drinking water system, water is directly discharged into the network.

The companies of Boryszew Group manage water resources in accordance with the water rights permits in force, which specify the maximum permissible volumes of water intake. The process of water intake is subject to regular inspection by the Water Authority, and companies are required to submit periodic reports in this regard.

Due to the nature of the business, it is not possible to limit water intake, but the companies run operations in a rational manner, adjusting consumption to actual needs.

E3-3 Targets related to water and marine resources

Boryszew Group established no targets related to water and marine resources. None of the Group's companies is involved in the extraction or use of marine resources.

As the Group operates in water-stressed areas, including areas with significant water shortages, it plans to establish targets in this regard.

E3-4 Water consumption

Water consumption	Volume [m3]
Total amount of stored water	266 636.00
Total amount of water recycled and reused	4 411 492.00
Total water consumption	1 781 296.10
Total water consumption in water-stressed areas, including areas with high water scarcity	445 383.90

Water intensity	Value
Production in tonnes [t]	1 029 420.81
Net revenue [PLN million]	5 116 006.00
t/PLN million	0.20

Water intensity: total water consumption of own operations in m3 for every EUR 1 million in net revenue

E3-5 Potential financial effects from water and marine resources-related impacts, risks and opportunities

The Group benefits from an exemption regarding disclosure of information on anticipated financial impacts from impacts, risks and opportunities related to water and marine resources.

E5 - Resource use and circular economy

E5-1 Policies related to resource use and circular economy

Boryszew Group did not implement a unified policy related to resource use and circular economy.

E5-2 Actions and resources related to resource use and circular economy

In 2024 Boryszew Group did not carry out activities related to resource use and circular economy, except Baterpol S.A. and the companies of the Metals segment.

Baterpol S.A., being a significant producer of refined lead and lead alloys in Poland, operates mainly on the basis of purchase and processing of scrap lead-acid batteries. The company's process solutions close the battery recycling cycle and enable further use of over 95% of lead.

Companies of the Metals segment use scrap metal (steel, copper, brass, aluminum, zinc) in their production processes, which contributes to better utilization of their resources.

E5-3 Targets related to resource use and circular economy

Boryszew Group does not have uniform, measurable goals related to resource use and circular economy. Measurable, results-oriented goals will be established once a sustainability strategy is developed. Accordingly, for the time being, the Group does not monitor the effectiveness of its policies and activities through specific targets.

E5-4 Resource inflows

In the Metals segment, the Group uses metal scrap and virgin metal (copper, aluminum, steel) in its production processes.

In its assessment of the materiality of environmental impacts, the Group identified that the main resources used in its manufacturing operations – primarily non-ferrous metals (zinc, aluminum, lead, copper) and steel, water, as well as auxiliary and packaging materials – have potentially significant environmental impacts, both at the stage of their acquisition and further use.

The Group:

- utilises the resources it has, using internal recycling of the metals used whenever possible, which eliminates the need for disposal of this waste and significantly reduces the need for virgin raw material,
- minimises material losses in processes by optimising production parameters,
- supports responsible sourcing of materials - it selects raw material suppliers also by taking into consideration environmental aspects,
- water used in technological and cooling processes was also identified as a resource of environmental importance. Its use is associated with potential impacts on local water resources, particularly in the context of the discharge of process wastewater containing particularly harmful substances.

Additional information:

Baterpol S.A., being a significant producer of refined lead and lead alloys in Poland, operates mainly on the basis of purchase and processing of scrap lead-acid batteries. The company's process solutions close the battery recycling cycle and enable further use of over 95% of lead.

Alchemia S.A. reuses scrap steel in its production process. WM Dziedzice S.A. uses copper and brass scrap, respectively, as an important part of the production input, ZM SILESIA S.A. uses zinc.

Zakład Utylizacji Odpadów Konin collects various categories of hazardous waste for storage and processing in an environmentally sound manner or treats it in a waste incineration plant (thermal processing of waste).

In the Automotive segment, the Group uses the following in its production process: cardboard, wood and foil packaging, aluminum components, steel and raw rubber, aluminium-rubber and steel-rubber products, aluminium, steel and rubber semi-finished products.

In the Chemicals segment, the group uses chemical semi-finished products that have the potential to have a negative impact on the environment.

Resource inflows

The categories of reuse and recycling do not overlap.

Product mass	Mass [Mg]
total mass of biological materials introduced to the organisation	6 703.00
total mass of technical materials introduced to the organisation	673.74
total mass of products introduced to the organisation	812 244.46
additional materials for production	23 860.02
semi-finished products or parts	259 091.82
raw materials	246 177.36
including the total mass of reused or used components, reused semi-finished products and secondary raw materials used in the manufacture of company's products and services (including packaging)	76 333.43
including those from sustainable sources	5.00
Total	1 348 750.39

Data based on documentation of production processes

E5-5 Resource outflows

Most of Boryszew Group's products are semi-finished products for end customers.

Metals Segment

Baterpol S.A:

The company's main products are lead alloys and refined lead for the battery industry. The lead-acid battery is an ideal example of a circular economy and has the highest recycling rate. Therefore, this product was considered 100% recyclable.

The second group of products is sodium sulfate (which also comes from recycling lead-acid batteries). It is mainly used in household chemicals. It is assumed that this product is not further recycled.

Alchemia S.A.

Walcownia Rur Batory branch manufactures seamless pipes with diameters from 219 mm to 508 mm of very high quality from all types of steel, including carbon, alloy and heat-resistant steels, as well as smooth line, ship, boiler and structural pipes for machining.

Stalownia Batory branch is a manufacturer of steel in ingots. The steel is smelted in electric arc furnaces.

Seamless pipes (Rolling Mill) are used primarily in the energy, petrochemical and drilling industries, as well as in the construction of oil and gas pipelines. Steel ingots from Stalownia Batory are semi-finished products used in further processes - processing into long, flat and forged-rolled products. They are mainly used in shipbuilding, automotive, mining, engineering and construction industries.

Huta Bankowa Spółka z o.o.

Round and rectangular bars, rings and rims. Rods used in the construction industry have a lifespan equal to that of buildings under construction, railroad and tramway rims - kilometer warranties, other long products, depending on how they are used, have a lifespan of about 25 years.

NPA Skawina Spółka z o.o.

The company's key products include aluminum wire rod, ingots, wires, cables, overhead wires, cable conductors, extruded products made of aluminium and its alloys. Most products are semi-finished products. As for the final product - wires and conductors - the expected life of wires is 50 years, the expected life of conductors - several decades.

ZM SILESIA S.A.

Huta Oława Branch is the only manufacturer of zinc oxides and lead oxides in Poland.

WM Dziedzice S.A.

The company is a manufacturer of brass rods and tubes.

Automotive Segment

The main products of the Maflow Group and the BAP Group are automotive fluid transport systems, including: air conditioning hoses and high-pressure rubber hoses, external and internal plastic automotive parts including: galvanised, large-size and moving parts.

The shelf life of products according to the requirements of OEM customers. Mostly 15 years.

Chemicals segment

Boryszew ERG Branch

Production of plasticisers, coolants, de-icing fluids, siding, EPP and EPS products, PE packaging, expected shelf life: plasticisers - 12 months, coolants - 5 years, de-icing fluids - 2 years, siding - 50 years.

Elana Branch:

The main products are staple fibers, silicone beads, used in the furniture, automotive, filtration, apparel, geotextile and medical industries and as fillers for quilts, pillows and toys.

Product mass	[Mg]
Total mass of packaging	16 843.27
Including packaging that is recyclable	2 226.43
Total mass of products	680 659.37
Including products that are recyclable	471 567.20
Total	697 502.64

Waste [Mg]	Hazardous	Non-hazardous	Total	% of total waste
Total amount of waste, including:	81 898	128 847	210 745	100%
1. Waste diverted for recovery, including:	38 223	126 471	164 694	78%
1.1. Recycling	9 504	64 569	74 073	35%
1.2. Preparation for reuse	23 810	53 139	76 949	37%
1.3. Other recovery processes	4 909	8 762	13 672	6%
2. Waste diverted for disposal, including:	43 674	2 376	46 050	22%
2.1. Storage	24 171	125	24 296	12%
2.2. Burning	7 032	664	7 696	4%
2.3. other disposal processes	12 471	1 587	14 058	7%

E5-6 Potential financial effects from resource use and circular economy-related impacts, risks and opportunities

The Group benefits from an exemption regarding disclosure of information on anticipated financial impacts from material risks and opportunities related to the use of resources as well as circular economy.

S- Social issues

S1 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Boryszew Group is one of the largest industrial groups in Poland, with a total of more than 7 000 employees. When conducting our operations, we take into consideration the internal industry regulations, internal procedures established at various organisational levels and best practices of conduct. The features related to the Group's own employees are described in ESRS S1-6.

Material impacts, risks and opportunities related to the social issues were identified through the double materiality assessment. All Boryszew Capital Group's own workforce, on whom the company could have a material impact, are included in the scope of its disclosure in accordance with ESRS 2. The Group evaluated the S1 employee area in terms of positive impacts and own actions, and identified no actual material negative impacts on its own workforce.

Employees also took an active part in the process of double materiality assessment. Their expectations and opinions will be considered in the process of improving the business model strategy. The purpose of the employee survey was to identify and assess key sustainability issues that may be relevant to both the Group's operations and employees as stakeholders.

Employee issues are interpreted by the Group as part of Boryszew Group's ongoing management process and risks as business.

Group companies strive to take into consideration the interests, views and rights of employees, when negotiating working conditions and salaries with employee representatives. Management Boards of companies or their representatives also engage in direct dialogue with union representatives by meeting periodically to discuss the situation of the company and its employees in order to safeguard employee interests. In addition, the social side is in ongoing correspondence with Management Boards of companies,

Companies of the Boryszew Capital Group offer a number of benefits and additional social benefits to their employees on the terms and conditions defined by individual companies. Most companies offer employees sports cards, private medical care packages and additional group insurance.

No areas were identified in Boryszew Group's operations with potential risk of forced and child labour. No vulnerable groups were identified among its employees that the Group could have a greater impact on.

A positive impact on its own employees is by providing appropriate employment conditions, including adequate wages, support for work-life balance (offering flexible working hours and facilities for parents of children under 8). Boryszew Group companies manage equality and diversity issues by implementing appropriate regulations, such as the Code of Ethics and Business Conduct as well as relevant provisions in the Work Regulations.

Risks and opportunities in the employment area are described in SBM 3. The Group does not assess the impact on employees of climate change issues.

S1 Own employee resources

S1-1 – Policies related to own workforce

Boryszew Capital Group has policies that are suitable, to varying degrees, to manage material impacts, risks and opportunities associated with its own workforce.

Boryszew Group pursues the following policies, procedures and internal regulations for its engagement in social issues:

- Code of Ethics - setting the rules of conduct in such areas of the UN Global Compact programme as observance of fundamental human rights, sustainable development policy, ethics in business and professional ethics,
- Principles of Compliance in Boryszew Capital Group
- Business and human rights policy
- Security policy of personal data in Boryszew S.A.
- Collective agreements and their overseas equivalents (such collective agreements or tariff agreements in German companies),
- Work regulations,
- internal legal acts of individual Group companies adapted to the business and social environment of the respective company

Boryszew Group respects human rights in its operations, taking into consideration processes and control mechanisms to oversee conformity with the UN Guiding Principles on business and human rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. This is expressed, among other things, in their enforcement of laws and established prohibitions. This is

in particular true when it comes to the right to a safe working environment, prohibition of discrimination, prohibition of child labour, and zero tolerance for sexual and psychological harassment in the workplace.

The provisions of the Code of Ethics in the field of own workforce regulate the following issues:

- child and juvenile labour

Boryszew Group companies follow national laws on the employment of children and juveniles (persons who are 16 years of age or older and under 18 years of age):

- observe unconditionally the prohibition on the employment of children under the age of 16,
- follow the provisions of the International Labour Organization (ILO) Convention No. 138 on juvenile labour.

- employ persons with disabilities

The Group follows national laws and regulations on the employment of persons with disabilities.

- discrimination

The Group follows applicable national legislation against discriminatory practices in the workplace. This means that no candidate within the Group may be denied access to any recruitment, placement or vocational training procedures carried out by the company, nor may any employee be penalised, dismissed or discriminated against, directly or indirectly, in terms of compensation, professional development, transfer to another position, performance appraisal, career advancement, internal reassignment or contract extension on the basis of their social background, ancestry, wealth, ideological beliefs, gender, sexual orientation, age, family situation, genetic characteristics, actual or imputed affiliation (or lack thereof) to a particular ethnic group, nation or race, political views, trade union membership, religious beliefs, physical appearance, obesity or name. Nor can any employee be penalised, fired or discriminated against for having testified in good faith that the above-mentioned practices occurred and for having notified relevant authorities.

- sexual harassment and psychological harassment

Every employee has the right to work in a healthy atmosphere, free from any coercion deemed unlawful by the laws and practices of the country where Boryszew Group companies operate.

In particular, the Group prohibits any legally prohibited conduct that constitutes sexual or psychological harassment, in any situation: not just in a supervisor-subordinate relationship. The conduct in question may be considered unlawful sexual or psychological harassment, and therefore forbidden, when:

- consent to such conduct is presented, either explicitly or veiledly, as a condition of a person's employment,
- decisions regarding a person's course of employment are subject to approval or rejection of such conduct, or
- conduct of this type is expected to influence and fundamentally affect the way a person performs their work or creates an intolerable, unpleasant climate in the workplace that intimidates an employee or offends their personal dignity.

All complaints of sexual and psychological harassment will be handled with complete confidentiality. Any employee who believes to be a victim of harassment should immediately notify their superiors or directly notify the HR Department, the Branch Managing Director or the Company's CEO. The filing of such a complaint is tantamount to taking immediate steps to clarify and evaluate the conduct that is the subject of the complaint. If the complaint proves to be valid, appropriate disciplinary sanctions are taken against the harasser.

- health protection and occupational safety

A sense of security in the workplace as an important factor for every employee is also a priority for the Group's operations. We take measures to prevent all types of occupational safety hazards, including near-misses as well as accidents and occupational diseases. We create and foster safe and friendly working conditions.

We put emphasis on education and raising the awareness of employees regarding the risks at workstations and the ways to avoid them. We motivate employees to show their own initiative in improving their working conditions through an improvement system that has been in place for many years.

The Group does not apply additional implementation procedures for the aforementioned policies.

The Group does not have policies governing human trafficking, forced or compulsory labour.

As of 31 December 2024, the Group had no reports of human rights violations.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

Boryszew Group companies rely on open communication with employees in their operations. Employees can make comments about the workplace directly to their supervisors and also through union organisations or employee councils.

Boryszew Group has collective labour agreements and their foreign equivalents (such as company agreements or tariff agreements in German companies).

Management Boards of companies of the Group cooperate with employee organisations on issues involving working conditions, wages and other employment-related aspects, based on the agreements and regulations in each company (meetings, negotiations, internal communication tools).

S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns

No negative influences such as child labour, forced labour, or violations of workplace safety rules that could lead to accidents were identified in Boryszew Group. The Group does not have a procedure for corrective measures dedicated to potential incidents. The Group plans to establish such a procedure in 2025.

Group companies established procedures and channels for employees to raise concerns. Policies implemented in the Group regarding whistleblowing, i.e. the Code of Ethics, the Procedure for reporting violations of rights and follow-up, specify how to report violations. Reported violations are investigated internally with confidentiality of the whistleblower and if the violation is confirmed - corrective action is taken.

In 2024 Boryszew S.A. introduced in Boryszew Capital Group the principles of reporting violations of law and management of reports, as well as ensuring Company's conformity with the regulations on the protection of Whistleblowers, including in particular the Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and the Act of 14 June 2024 on the protection of whistleblowers (Journal of Laws 2024, item 928), enabling Whistleblowers to report violations of law concerning the Company and assuring employees, co-workers and contractors that the Company will take necessary measures to eliminate reported violations and provide protection to whistleblowers.

The obligation to report irregularities applies to all employees of Boryszew Group and exists regardless of the status and position of the person concerned, and in particular regardless of whether the matter concerns a superior of an employee, a member of Boryszew S.A. body, subsidiaries or a contractor of Boryszew Group. Anonymous applications are not accepted at Boryszew Group. Reports of irregularities and the information they contain are confidential and are disclosed only to an authorised person or employees of the compliance function and to public authorities in cases regulated by law. All activities aimed at detailing and verifying the information in reports are carried out in a way that minimises the possibility of identifying the source of the information.

The procedure for reporting violations of law and taking follow-up measures was implemented in Boryszew Group branches and companies in Q4 '2024. In 2024 no training was conducted on the procedures for reporting concerns.

S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Group pursues different mechanisms and processes to identify and evaluate the effectiveness of measures in response to potential negative impacts on employees. The results of these measures are analysed and used to undertake appropriate initiatives and modify existing processes to ensure that they deliver the intended results. These include direct communication with superiors, reporting of problems through dedicated channels (whistleblowers, contact boxes), communication with employee representatives (labor councils, unions).

Boryszew Group companies undertake a wide range of measures to prevent or mitigate the negative impact of operations on their own workforce. This includes internal and external audits, opportunity and risk analysis of the HR process and others. A significant element of the systemic approach is conformity with the Labour Code, the implementation of regulations on remuneration and the social benefits fund, as well as the promotion of an ethical culture, including through the introduction of Codes of Ethics.

Fostering a positive impact on employees is also achieved through a system of professional training and team-building events. Some companies also have practices in place to reward outstanding employees, as well as satisfaction and motivation surveys. Monitoring the effectiveness of HR activities is done through management reviews, analysis of indicators (turnover, absenteeism, complaints), as well as evaluation of training effectiveness and social dialogue. The mechanisms for responding to irregularities include the use of internal notification procedures and the implementation of audit recommendations, recommendations for occupational health and safety, conformity with labour provisions and work regulations, employees' use of work clothes, etc.

Opportunities and risks regarding the company's own workforce are identified in SBM 3.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As of the time of this report, the Group has not yet established goals for managing the impacts, risks and opportunities identified in the double materiality assessment.

S1-6 – Characteristics of the undertaking's employees

Boryszew Group's own workforce includes both employees employed under an employment contract and persons who are not employees as defined in the Labour Code, but who perform work for the entity under other forms of cooperation.

- Employees – persons in an employment relationship, employed under an employment contract.
- Non-employees, which are the entity's resources – persons who perform work for the entity based on other forms of employment, such as civil law contracts, including commission and work contracts, which include persons performing specific tasks under short-term or project assignments,
- management contracts, for persons in management, managerial or advisory roles, with specific responsibilities for strategic areas of the entity's operations.

Depending on the specific nature of the business, some Group companies, particularly in the Automotive segment, experience seasonal increases in employment based on cooperation with temporary employment agencies.

On 31 December 2024, the employment structure (in persons) in Boryszew Group was as follows (own employees):

Country	Female employees	Male employees	Total employees
Brazil	45	103	148
China	62	122	184
Czech Republic	164	139	303
Spain	40	72	112
India	3	43	46
Mexico	153	196	349
Germany	213	311	524
Poland	2 099	3 616	5 715
Russia	59	43	102
Italy	20	142	162
Grand total	2 858	4 787	7 645

In Boryszew Group the basic form of employment is employment under an employment contract, below is the structure of employment at the end of 2024 by persons

Form of employment	Female employees	Male employees	Total
Permanent employees (employment contract)	2 180	3 986	6 166
Temporary employees (employment contract)	469	581	1 050
Persons who are not full-time employees (who are not guaranteed working hours, other forms of employment)	209	220	429
Total number	2 858	4 787	7 645

Turnover ratios

Departures in 2024 (persons)	Rotation % indicator
2 638	33%

The turnover ratio was obtained by calculating the share of the total number of employees who left voluntarily or as a result of layoffs, retirement or death during the reporting year versus the average monthly headcount during the period (calculated for the end of the month).

The result generated in the reporting year on business activity to the number of employees employed (total number of employees) on 31 December 2024 amounted to 23 thousand/person.

S1-7 - Characteristics of non-employee workers in the undertaking's own workforce

The company benefits from the exemption for 2024.

S1-8 – Collective bargaining coverage and social dialogue

Boryszew Group companies have company and inter-company trade union organisations with a total of 1 641 employees (21% of the global number of employees).

In Boryszew Group companies the number of employees covered by the collective bargaining agreement is 2 946 (39% of the global number of employees), including 1 545 in Poland and 2 328 in Europe.

The percentage of all employees in Poland covered by collective bargaining agreements in Group compared to all those covered by collective bargaining agreements in 2024 was 52%.

The percentage of all EEA employees covered by collective bargaining agreements in Group compared to all those covered by collective bargaining agreements in 2024 was 79%.

In 2024 the Company does not present detailed data for Group companies outside the EEA.

Percentage of employees covered by collective bargaining agreements by country

Brazil	100%
China	98%
Czech Republic	0%
Spain	100%
India	78%
Mexico	72%
Germany	100%
Poland	27%
Russia	0%
Italy	91%

Data on agreements with employees regarding representation by the European Works Council or other councils were not collected.

S1-9 – Diversity metrics

Diversity indicators in 2024

Numerical distribution of top management employees:

- females: 28 employees,
- males: 75 employees.

Percentage gender distribution of top executives in 2024:

- females: 27%.
- males: 73%.

Top management included management boards of all Group companies and employees on management positions reporting directly to board members.

Age structure of employees on 31.12.2024, FTE employees

Age in years	Number of employees	% share
Under 30	886	12%
30-50 years of age	3 764	52%
Over 50 years of age	2 566	36%
Total	7 216	100%

S-10 – Adequate pay

All employees are paid an adequate pay at or above the benchmark, i.e. the minimum wage applicable to the country in which the Group has operations.

In Group companies, salaries of employees in different professional groups are determined in accordance with internal regulations (collective bargaining agreements, remuneration regulations)

S1-11 – Social protection

The company benefits from the exemption for 2024.

S1-12 – Persons with disabilities

The company benefits from the exemption for 2024.

S1-13 – Training and skills development metrics

The Group supports employees' commitment and efforts by increasing the scope and autonomy of their activities and enabling them to participate in training and other processes to improve their professional skills.

Percentage of employees who participated in regular performance reviews and career development; by gender:

	Number of employees	% of total employees
females	1 155	15%
males	2 621	34%

Average number of training hours per employee and by gender:

	Number of hours of training
females	11
males	11

S1-14 – Health and safety metrics

In 2024 the companies' own workforce identified in BP-2 is covered by an occupational health and safety management system (ISO 45001).

Health and safety metrics	Matrics
Number of fatalities due to work-related injuries and work-related ill health	0
Number of accidents at work	179
Accident rate - LTIFR*	13.05
Number of days lost due to work-related injuries, fatalities and ill health, as well as ill health-related fatalities	5 610
Number of cases of reportable work-related ill health	21
Percentage of employees covered by a health and safety management system	see above

*The rate of occupational accidents of employees was calculated according to ESRS Standard S1-14 (Number of accidents divided by the number of hours worked by employees multiplied by 1 000 000).

S1-15 – Work-life balance metrics

100% of Boryszew Group employees in 2024 were entitled to leave due to family reasons based on social policy or collective bargaining agreements.

The percentage of eligible employees who took leave due to family reasons was:

- for females 10%,
- for males 9%.

S1-16 – Compensation metrics (pay gap and total compensation)

The Gender Pay Gap is 11.13%, calculated as the difference in average gross salary (includes base salary and all other components such as bonuses, premiums and awards paid in 2024) between females and males, expressed as a percentage of the average salary level of male employees.

The ratio of the annual total compensation of the top earner in 2024 to the median annual compensation of other Boryszew Group employees is 31.73.

S1-17 - Incidents, complaints and severe human rights impacts

In 2024 one report was filed on a case of discrimination in a subsidiary of the Boryszew Group. In accordance with applicable procedures, the company conducted an investigation.

At the level of the Boryszew Group, 0 (zero) complaints was filed through the channels for reporting concerns by individuals belonging to the Group's own workforce and complaints filed with the national focal points for the OECD Guidelines for Multinational Enterprises. 0 (zero) serious incidents was reported concerning respect for human rights related to the company's own workforce, so the amount of fines, penalties and compensation was 0 (zero).

S2 – Workers in the value chain

S2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Boryszew Group is a multinational company, operating on 4 continents. Boryszew Group identifies workers in the value chain as:

- employees of suppliers (e.g., raw materials or semi-finished products) and customers,
- employees of service providers to Boryszew Group.

Boryszew Group identified the following risks associated with workers in the value chain:

- related to working conditions, i.e., failure to ensure safe and sanitary work conditions at different stages of the value chain, which can lead to accidents and health problems for employees, and insufficient pay for employees at different levels of the value chain, which can lead to low motivation, absenteeism and reduced productivity,
- human rights violations related to forced labour or lack of respect for employees' privacy, which can lead to lawsuits, fines and damage to company's reputation.

The following opportunities were also identified:

- conducting regular audits of suppliers to assess conformity with child and forced labour laws and implement corrective measures for violations.

Apart from the material impacts and risk factors described above, Boryszew Group did not identify any significant opportunities in the area of workers in the value chain. All workers in the value chain over which the Boryszew Group may have material impact are included in the scope of disclosure described in this chapter. Boryszew Group identified no workers in the value chain particularly vulnerable to negative impacts. In terms of disclosures under ESRS S2, regarding workers in the value chain that may be impacted by Boryszew Group, employees of our suppliers are included.

No cases occurred in the Group with a risk of child labour or forced or compulsory labour for workers in the value chain. The Group is not aware of any material negative impacts related to workers in the value chain.

S2-1 – Policies related to value chain workers

Boryszew Group implemented no policy for managing material impacts, risks and opportunities related to value chain workers.

In 2018 Boryszew Group implemented Sustainability Policy for suppliers. The policy governs suppliers' conformity with human rights and friendly work conditions, as well as business responsibility issues, and is one of the key decision-making criteria for Boryszew S.A. in selecting suppliers. We require the following policies and standards of conduct from our major suppliers:

- conformity with safe work standards in accordance with OHSAS 18001/ISO 45001
- decent wages and conformity with working time limits
- ensuring exercise of the right to freedom of assembly and industrial disputes
- conducting business in accordance with ethical principles
- eliminating discrimination in the workplace
- eliminating child labour
- eliminating forced and slave labour
- environmental protection measures in accordance with ISO 14001 requirements

We also expect our suppliers to conduct in accordance with the UN Universal Declaration of Human Rights and the principles of our Code of Ethics.

Key aspects related to workers in the Group's value chain are implemented through each company's internal regulations, including policies and bylaws.

Companies in the Automotive segment have established and implemented an Internal Sustainability Policy for Maflow Group and BAP Group suppliers, where suppliers are required to confirm that they:

- respect and protect internationally recognised human rights
- assure not to be complicit in their violation,
- conduct business in accordance with ethical principles,
- do not discriminate against employees on the basis of sex, race, religion, age, disability, sexual orientation, nationality, political opinion or social origin,
- do not tolerate any form of forced labour or child labour, and ensure decent wages and conformity with working time limits.

The Group is not aware of any instances of non-conformity with the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises, which apply to workers in the value chain. Boryszew Group plans to review its policies towards suppliers in 2025 for conformity with the UN Guiding Principles on Business and Human Rights.

S2-2 – Processes for engaging with value chain workers about impacts

The Group implemented no processes for engaging with value chain workers and therefore cannot provide the required information in accordance with ESRS disclosure requirement S2-2.

Workers of value chain entities did not directly participate in the Group's materiality review process, however the Group will consider preparing a process for cooperation with workers in the value chain during the double materiality assessment process.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Boryszew Group has generally available whistleblowing systems - channels that stakeholders can use to report concerns. A dedicated link is provided on Boryszew SA website (www.boryszew.com.pl) and the websites of Boryszew Group companies for reporting violations. Boryszew S.A. and Group companies implemented no procedures for reporting violations of the law and taking follow-up actions.

Whistleblowing procedures are not shared with supplier employees, but these channels are available to all interested parties. Boryszew Group did not identify its material negative impact on workers in the value chain neither contributed to such impacts.

The Group plans to implement procedures for corrective action in the event of its negative impact on workers in the value chain, and to evaluate their effectiveness.

S2-4 – Taking action on material impacts on value chain workers, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

No significant risks were identified in the Boryszew Group due to impacts and dependences on workers in the value chain. Accordingly, the Group does not present measures planned or underway to reduce it, nor does it evaluate their effectiveness. A revision of the double materiality assessment is scheduled for Q3 '2025.

Suppliers are required to follow the Sustainability Policy for Suppliers, which is presented to them but is not formally transferred into binding documents. Both parties are committed to applying national, European and international laws that establish ethical standards, including human rights, environmental protection and health and safety principles.

In addition, suppliers have an obligation to prevent human rights violations and require their employees and subcontractors to avoid the use of forced labour, child labour and all forms of discrimination.

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Boryszew Group did not establish targets for managing its material impacts, risks and opportunities related to the value chain in 2024. The group plans to establish such targets in 2025.

G – Corporate governance

G1 – Business conduct

G1-1 – Corporate culture and business conduct policies

The analysis conducted under the G1 materiality framework for business conduct issues showed that the sub-topics "Corporate culture," "Protecting whistleblowers", "Supplier relationship management, including payment practices" and "Corruption and bribery" are material to the Boryszew Group in terms of impact in all three time horizons (short-term, medium-term, long-term). Opportunities and risks were identified for each of the relevant topics.

Boryszew Capital Group establishes, develops, promotes and evaluates its corporate culture through its policies and documents. In 2018 Boryszew Group implemented the Code of Ethics and in 2019 the Compliance Principles in Boryszew Group.

The table indicates the most important policies and procedures of Boryszew Group companies related to the Group's sustainability management in force in 2024.

Company	Policy/procedure
Boryszew S.A./Boryszew Group	<ol style="list-style-type: none"> 1. Code of Ethics of Boryszew S.A. 2. Business and human rights policy. 3. Sustainability policy for suppliers. 4. Internal control procedure at BCG 5. Principles of compliance in CGB 6. Related party transaction procedure 7. Procedure for reporting and following up on rights violations 8. Personal data security policy 9. Information policy of Boryszew CG 10. Regulation on establishing the general requirements of the procurement policy of the Companies and Branches
Baterpol S.A.	<ol style="list-style-type: none"> 1. Code of ethics 2. Sustainability policy for suppliers. 3. Quality, environmental and OHS policies 4. Safety management system
Boryszew S.A Oddział Boryszew ERG	<ol style="list-style-type: none"> 1. Quality policy 2. Anti-bullying and anti-discrimination policies 3. Equal treatment in employment 4. Company collective bargaining agreement
Boryszew S.A. Elana Branch	<ol style="list-style-type: none"> 1. Operational control of measures in environmental protection 2. Instruction on the safe use of facilities, equipment and installations in which asbestos is present 3. Instruction to maintain occupational health and safety, environmental protection and fire safety during investment, construction and renovation works on sites of branches 4. Water and wastewater management 5. Procedure for identifying and determining the materiality of environmental aspects 6. Procedure for dealing with emergencies including gas emissions, explosions and fires 7. Procedure for occupational risks at workplaces 8. Fire protection procedure 9. Personal data processing policy 10. Supplier qualification procedure
Alchemia S.A. / Alchemia Group	<ol style="list-style-type: none"> 1. Integrated management system policy 2. HBT Quality Policy on the requirements of API Specification Q1 3. RXP Quality Policy on the requirements of API Specification Q1 4. WRA Quality Policy on the requirements of API Specification Q1 5. P-ALC-8 Procedure Climate-related processes 6. P-ALC-8 Procedure Energy Planning 7. Environmental and OHS monitoring and measurement procedure 8. Operational controls for environmental protection and OHS

	9. Information policy at Alchemia CG 10. Environmental instruction - Walcowania Rur Batory branch 11. Environmental Instruction - Stalownia Batory branch 12. Monitoring of CO ₂ emissions in the emissions trading scheme
Huta Bankowa Spółka o.o.	1. Code of ethics 2. Integrated management system 3. Regulation on equal treatment in employment and against harassment 4. Procedure for identifying environmental aspects 5. Waste management
LLB Spółka o.o.	1. Data protection policy
NPA Skawina Spółka o.o.	1. OHS policy 2. Quality and environmental policy 3. Identification and evaluation of environmental aspects 4. Waste management
WM Dziedzice S.A.	1. Waste management 2. Instructions for handling the transfer and receipt of waste 3. Integrated management system policy 4. Identification and evaluation of environmental aspects 5. Code of ethics 6. Standards for the protection of minors
ZM Silesia S.A.	1. Data protection policy 2. Code of Ethics of ZM Silesia 3. Business and human rights policy 4. Sustainability policy for suppliers. 5. Regulation on equal treatment in employment 6. Integrated management system
ZAKŁAD UTYLIZACJI ODPADÓW SPÓŁKA Z O.O.	1. Environmental management system procedure
Boryszew HR Service Spółka. z o. o.	1. Information security policy
Maflow Group/BAP Group	1. Sustainability policy for suppliers. 2. Environmental and energy goals and tasks 2023-2030 3. Environmental and energy management policy
Grupa Maflow	1. Quality policy of Maflow CG 2. Code of Ethics of Maflow CG 3. Information security policy
Boryszew s.a. Maflow branch	1. Environmental and OHS policy 2. Internal anti-bullying policy
Maflow India Private Limited	1. Environmental and OHS policy
Maflow BRS Srl	1. Environmental and OHS policy
Maflow Spain Automotive S.L.	1. Environmental and OHS policy 2. Gender equality procedure 2021-2025
Boryszew Kunststofftechnik Deutschland GmbH	1. Environmental management policy 2. Energy management policy 3. Data protection policy 4. Quality policy 5. Code of ethics
AKT Plastikarska Technologie Cechy s.r.o.	1. Environmental management policy 2. Code of ethics 3. Procedure for reporting violations of rights 4. OHS policy
Boryszew Plastic Rus Sp. z o. o.	1. Environmental management policy 2. Quality, environmental and OHS policies

Boryszew Group does not have an established policy of training on business conduct.

G1-2 – Management of relationships with suppliers

Due to the diversity of entities in Boryszew Group, no uniform policy is implemented to prevent payment delays. Group companies independently determine their payment policies.

The percentage of invoices paid on time in companies of the Boryszew Capital Group is at 81.6%.

The Group pursues a "Sustainability policy for suppliers". Suppliers' conformity with human rights and friendly work conditions and other business responsibility issues is one of the key decision-making criteria for Boryszew S.A. in selecting suppliers.

We require the following policies and standards of conduct from our major suppliers:

- conformity with safe work standards in accordance with OHSAS 18001/ISO 45001,
- environmental protection measures in accordance with ISO 14001 requirements
- decent wages and conformity with working time limits,
- ensuring exercise of the right to freedom of assembly and industrial disputes,
- conducting business in accordance with ethical principles
- eliminating discrimination in the workplace
- eliminating child labour
- eliminating forced and slave labour

We also expect our suppliers to conduct in accordance with the UN Universal Declaration of Human Rights and the principles of our Code of Ethics.

Companies of the Boryszew Capital Group are guided by the best interests of the Company and the Sustainability policy for suppliers when selecting suppliers. As the vast majority of Boryszew Group companies operate in energy- and emission-intensive industries, and the number of suppliers with components meeting specific requirements is very limited, it is not possible to select a supplier that meets all sustainability issues.

The above-mentioned policy was introduced in 2018, so in addition to the Group-wide Sustainability policy for suppliers and the application of the aforementioned principles and standards, some Group companies also implemented more specific policies taking into consideration current social and regulatory requirements, such as environmental issues. The Automotive Segment has a separate Sustainability policy for Mafrow Group suppliers and BAP Group suppliers.

G1-3 – Prevention and detection of corruption and bribery

In 2018 the Group implemented its Code of Ethics that focuses on selected issues that the Group sees as critical to ensuring the proper ethics of its operations and the business relationships it maintains. One of the most important issues is the clear definition of business ethics, which also addresses issues related to corruption and bribery. Boryszew Group forbids its employees making concessions to anyone or offer any other unlawful or illegal benefits by way of paying or handing money or any other monetary or material benefits. It is also forbidden to accept money and other material benefits from both organised units and individuals in violation of applicable laws and internal regulations.

The compliance rules adopted in 2019 for use in Boryszew Group also address issues related to the prevention of public bribery, establishing rules to ensure compliance of the Group's employees' conduct with the adopted rules, also including the Code of Ethics.

There are currently no formal anti-corruption and bribery training programmes in place at the Company or Boryszew Group.

G1-4 – Confirmed incidents of corruption or bribery

In the reporting period, no confirmed cases were reported of violations of anti-corruption and bribery procedures and standards in Boryszew Group. Also no prosecutions were held and no convictions for violations of anti-corruption laws or bribery.

In 2024 Boryszew Group had no list of positions at risk of corruption and bribery. Also no dedicated training on anti-corruption and bribery was conducted

G1-6 – Payment practices

Boryszew Group does not have a policy on standard payment terms for suppliers. Due to the diverse business segments and size of entities, it is pointless to set uniform rules in this regard. The average number of days to pay an invoice from the date of commencement of the contractual or statutory payment period in the Group is 42 days, and the percentage of payment in accordance with standard payment terms is 81%. Payment terms in contracts with suppliers are mostly in the 30-60 day range.

On 30 December 2024, the company received a decision from the President of the Office of Competition and Consumer Protection on a penalty of PLN 2.6 million on Boryszew S.A. for delays in payments to suppliers in 2020. On 31 December 2024, 5 legal proceedings regarding late payments were conducted at Boryszew Group.

Cyber security

Boryszew Group designated cyber security as an important topic it to report on. This issue is important for both the company and its stakeholders, as it affects data security, operational stability and the trust of partners and customers. Boryszew Group uses top-of-the-line edge devices to secure network traffic at the Internet interface. Last year a decision was made to implement at BCG an advanced system for monitoring network traffic inside the LAN and an SOC service, which, based on the aforementioned system and selected software, ensures security of IT resources and infrastructure on a 24/7 basis.

Selected Boryszew Group entities were required to implement information management measures under the Network and Information Systems Directive 2 (NIS 2). Boryszew S.A. Maflow Branch has an ISO 27001 certified information security management system in place.

No ICT security incidents were reported in 2024. Goals and policies were not established in this regard.

38. CORPORATE GOVERNANCE PRINCIPLES STATEMENT

As per § 70 sec. 6 item 5 let. a and b of the Regulations of the Finance Minister and § 29 section 3 of the Regulations of the Warsaw Stock Exchange S.A., the Management Board of Boryszew S.A submits its Statement on application of corporate governance rules in 2024.

Boryszew S.A., as a company listed on the Warsaw Stock Exchange, was bound to observe corporate governance rules in 2024, which were set out in "Best Practices for WSE Listed Companies 2021" adopted by the Warsaw Stock Exchange Supervisory Board in Resolution No. 13/1834/2021 of 29 March 2021 (effective 1 July 2021).

While issuers apply the 2021 Best Practices voluntarily, it is the duty of each issuer under the Rules of the WSE to inform capital market participants about the scope and manner of conformity with these rules.

The 2021 Best Practices document, which the Issuer is currently bound to observe, is available on WSE website at: www.gpw.pl/dobre-praktyki2021.

In accordance with the Rules of the WSE and in view of the "comply or explain" approach indicated in the European Commission's Recommendation on the quality of corporate governance reporting, on 30 July 2021 Boryszew S.A. published a statement regarding the scope of the 2021 Best Practices applied.

In 2024 the Company recorded no incidents of violations of the principles in "Best Practices for WSE Listed Companies 2021".

The Company is making every effort to follow the corporate governance principles in all aspects of its activity.

Moreover, in order to pursue an clear and efficient information policy, it ensures its shareholders, analysts and investors s fast and secure access to information, utilising both the traditional as well as modern technologies for publishing information on the Company to the widest possible extent.

CORPORATE GOVERNANCE RULES WHICH APPLY TO BORYSZEW S.A., WHERE THESE RULES ARE AVAILABLE, THE EXTENT OF THE COMPANY'S DEPARTURE FROM THE SET OF CORPORATE GOVERNANCE RULES AND THE REASONS FOR THIS.

With respect to the 2021 Best Practices effective 1 July 2021, the Issuer has waived the following rules: 1.3.1., 1.3.2., 1.4.1, 1.4.2., 2.1., 2.2, 4.1., 4.3., 4.8., 4.9.1.

Detailed information on the withdrawal from use are described in a dedicated statement available on the Company's website www.boryszew.com.pl.

	Principle	Explanation of non-application of certain rules in 2024
1.3	The company also includes ESG topics in its business strategy, in particular covering:	
1.3.1	The company also includes ESG topics in its business strategy, in particular covering environmental issues, including metrics and risks associated with climate change and sustainability issues;	Published in 2024, the business strategy implemented by Boryszew Group partially addresses the ESG issues, including environmental issues related to climate change, sustainability issues, social and labor issues.
1.3.2	The company also includes ESG topics in its business strategy, in particular covering social and labour matters, concerning, inter alia, measures taken and planned to ensure gender equality, sound working conditions, respect for employees' rights, dialogue with local communities, customer relations;	The Company and Group entities appreciate that business should be conducted up to ethical standards, natural environment and the needs of communities. Hence the Company respects and considers it desirable to observe all requirements and laws that relates to environmental and sustainability issues. Activities in this regard were presented in the annual non-financial report, as of the annual report for 2023 they are an integral part of the Management Report.
1.4	In order to ensure proper communication with stakeholders regarding the business strategy adopted, the company publishes on its website information on the assumptions of its strategy, measurable objectives, including in particular long-term objectives, planned activities and progress in its implementation, defined by means of metrics, financial and non-financial. Information on ESG strategies should, inter alia:	
1.4.1	explain how climate change considerations are integrated into the decision-making processes of the company and its group entities, highlighting the resulting risks	The Company presents information on the assumptions of its strategy and its implementation in periodic reports; in addition, climate-related issues are presented in the annual non-financial

1.4.2	present the value of the pay equity ratio paid to its employees, calculated as a percentage of the difference between the average monthly pay (including bonuses, prizes and other allowances) of women and men for the last year, and present information on the actions taken to eliminate possible inequalities in this respect, together with a presentation of the risks involved and the time horizon over which equality is planned to be achieved.	statements. On 17 April 2024 the Company published and posted on its website the 2024 - 2028 Business Strategy for the Boryszew Group.
2.1	The company should have a diversity policy for the management board and the supervisory board, adopted by the supervisory board or the general meeting respectively. The diversity policy sets out diversity objectives and criteria in areas such as gender, field of study, specialist knowledge, age and work experience, among others, and indicates when and how the achievement of these objectives will be monitored. In terms of gender diversity, the condition for ensuring the diversity of the company's bodies is that the minority participation in the respective body is no less than 30%.	By the date of publication of this Report, the Company does not have a formal document specifying diversity goals and criteria for the Company's authorities and key managers. Recruitment of Management Board and Supervisory Board members and key managers is based on experience, qualifications and competences of candidates, in line with legislation on equal treatment of employees. The Company is committed to ensure diversity of gender, education, age, professional experience for all its employees, with particular emphasis on senior management and key managers.
2.2	The persons deciding on the election of the members of the company's management or supervisory board should ensure the comprehensiveness of these bodies by selecting diversity in their composition, making it possible, inter alia, to achieve the target ratio of a minimum minority shareholding set at not less than 30%, in line with the objectives set out in the adopted diversity policy referred to in principle 2.1.	The Management Board of the Company believes that the composition of the Management Board and the Supervisory Board of Boryszew S.A. ensures diversity of age, educational direction and professional experience necessary to achieve a multidimensional perspective supporting the Company's operations and supervision, but does not ensure 30% gender diversity.
4.1	The company should enable shareholders to participate in a general meeting using electronic means of communication (e-meeting) if this is justified by the expectations of shareholders communicated to the company, as long as it is able to provide the technical infrastructure necessary for holding such a general meeting.	The Company does not currently apply this principle, but does not rule out the possibility of implementing it in the future. The Company believes that implementation of this principle involves risks, including the quality of transmission, delays in data transmission, etc., as well as legal risks of undermining the effectiveness of the Resolutions adopted by the General Meeting. Also importantly, the Company does not receive information from shareholders that they are interested in participating in the general meeting using electronic communication means (e-voting).
4.3	The company provides a publicly available real-time broadcast of the general meeting.	Following the principle of transparency, the Company pursues a transparent information policy ensuring communication with market participants using traditional methods. The Company does not currently apply this principle, but does not rule out the possibility of implementing it in the future. As of today, transmission of the general meeting using electronic communication means is not of interest to shareholders.
4.8	Draft resolutions of the general meeting on items on the agenda of the general meeting should be tabled by shareholders at least 3 days before the general meeting.	With respect to the shareholders' exercise of their corporate rights, the Company observes the principles arising from the provisions of applicable laws, according to which a shareholder or shareholders representing at least one-twentieth of the share capital may, prior to the date of a general meeting, submit draft resolutions to the company concerning the matters on the agenda or matters that are to be added to the agenda (as per Art. 401 § 4 of the Commercial companies code), in addition, each shareholder may, during a general meeting, propose draft resolutions concerning the matters on the agenda (as per Art. 401 § 5 of the Commercial companies code). The Company has

		no control over the actions of shareholders; however, the Company encourages shareholders to submit resolutions well in advance in conformity with this rule.
4.9	Where the subject of the general meeting is to be an appointment to the supervisory board or the appointment of a new supervisory board:	With respect to the shareholders' exercise of their corporate rights, the Company observes the principles arising from the provisions of applicable laws, according to which a shareholder or shareholders representing at least one-twentieth of the share capital may, prior to the date of a general meeting, submit draft resolutions to the company concerning the matters on the agenda or matters that are to be added to the agenda, and, in addition, each shareholder may, during a general meeting, propose draft resolutions concerning the matters on the agenda.
4.9.1	Nominations for supervisory board members should be made in sufficient time to enable the shareholders attending the general meeting to take a decision with due deliberation, but no later than 3 days before the general meeting; the nominations, together with a set of materials concerning them, should be published on the company's website without delay;	At the same time, the Company makes every effort to ensure that shareholders have the opportunity to review the materials and draft resolutions placed on the agenda enough in advance to gain the necessary knowledge; however, due to the regulations of the commercial companies code allowing shareholders to submit draft resolutions during a general meeting and due to the fact that the Company is not the addressee of this rule - the Company is not able to guarantee the application of this rule. The above also applies to nominating candidates for the Company's supervisory board.

THE MAIN CHARACTERISTICS APPLIED IN THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE PROCEDURE OF COMPILING FINANCIAL REPORTS AND CONSOLIDATED FINANCIAL REPORTS

As the binding procedures in Boryszew Capital Group relating to the capital market and publishing information must be adapted in line with the applicable legal provisions, that is new regulations on disclosure duties for companies listed at the Warsaw Stock Exchange introduced on 3 July 2016, the Management Board of Boryszew S.A. adopted resolution on 27 June 2016 on the matter of accepting: "The regulations for cooperation in fulfilling information obligations within the Boryszew Capital Group", specifying:

- requirements regarding the scope and form of fulfilling information obligations by Boryszew SA with the participation of companies from the Boryszew Capital Group,
- correct process of identification, circulation and protection of information as part of fulfilment of information obligations required by the MAR Regulation, Act on Public Offering and other regulations, in particular by defining the rules of conduct for entities obliged to apply the Regulations in connection with the possession of information subject to reporting; dates of performing information obligations,
- model of cooperation between the companies from the Boryszew Capital Group and all organizational units of Boryszew S.A., including the bodies of the companies from the Boryszew Capital Group and the Boryszew S.A. management Board Office,
- duties of managing and supervising persons as well as persons having access to confidential information related to access to confidential information and transactions on Boryszew S.A. securities and related financial instruments.

Also the Regulations define in a transparent manner the responsibility of persons who are involved in compiling and verification of the Company's financial report.

Responsibility for preparation of financial statements and formal verification of the same lies with the Financial Director (CFO).

The manner and schedule of preparation of financial statements are each and every time defined in a separate document drafted by the Chief Accountant.

Works on preparation of financial statements are supervised by the Chief Accountant.

The various Department Managers in Boryszew S.A. are responsible for submitting information which is the subject of financial reports to the Chief Bookkeeper on time and reliably.

The Presidents of affiliated and jointly controlled companies, Branch Managing Directors are responsible for designating persons responsible (entrusted persons) for ensuring that information which is the subject of financial reports is submitted to the Chief Bookkeeper on time and reliably.

The Company's annual and six-monthly financial reports are subject to independent examination and review as appropriate by a chartered accountant.

The Company manages risk involved in the process of compiling financial reports also by at all times keeping abreast of the changes in provisions and internal regulations relating to the reporting requirements of companies and prepares their implementation well in advance of time.

The Company updates the accountancy rules on an on-going basis, based on which it prepares financial reports.

In order to ensure the stability of Boryszew Capital Group, the Company co-ordinates and influences the activities of its subsidiaries through representatives of the Company in statutory bodies of companies

SHAREHOLDERS WHO, DIRECTLY OR INDIRECTLY, HOLD SUBSTANTIAL PACKETS OF SHARES WITH INDICATION OF THE NUMBER OF SHARES HELD BY SUCH PARTIES, THEIR PERCENTAGE SHARE IN THE SHARE CAPITAL, THE NUMBER OF VOTES RESULTING FROM THE SHARES AND THEIR PERCENTAGE SHARE IN THE OVERALL NUMBER OF VOTES AT THE GENERAL MEETING.

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes on 31 December 2024 and the date of submitting the report for publication:

Shareholders	Number of shares	% of share	Number of votes	% of votes
Roman Krzysztof Karkosik (*)	156 832 020	65.35%	156 832 020	65.35%
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%
Unibax Spółka z o.o. (***)	36 879 055	15.37%	36 879 055	15.37%
Others	46 288 925	19.28%	46 288 925	19.28%
Total	240 000 000	100.00%	240 000 000	100.00%

(*) 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.

The Company is not aware of any agreements, other than those described in point 30 of these financial statements, under which changes might occur in future in the proportions of shares held by the existing Shareholders.

The Company did not issue any securities that would confer any special controlling rights on any of its shareholders. All shares are equal, each share entitles to one vote at the Company's general meeting.

LIMITATIONS ON VOTING RIGHTS ON SECURITIES ISSUED BY BORYSZEW S.A.

No statutory restrictions exist regarding exercise of voting rights attached to securities such as restrictions on exercise of voting rights by holders of any particular part or number of votes, timing restrictions regarding exercise of the voting rights or provisions under which, with the Company's co-operation, equity rights attached to securities are separated from the holding of securities.

Boryszew S.A. and subsidiaries do not exercise voting rights from the shares held in Boryszew S.A.

LIMITATIONS ON TRANSFER OF PROPRIETARY RIGHTS TO SECURITIES ISSUED BY BORYSZEW S.A.

Company's shares are transferable. No limitations exist on the transfer of proprietary rights to securities issued by Company.

PRINCIPLES OF APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD AND THEIR POWERS

Pursuant to the Company's Articles of Association, duties of the Supervisory Board include appointing and recalling from office the Management Board Members. The Supervisory Board first appoints a President and on his proposal the remaining Management Board Members.

The term of office of the Management Board is three years and is common for all members of the Management Board. The Management Board, under the chair of the President, manages the Company's affairs and represents the Company.

The powers of the Management Board include all matters which are not reserved either by law or by provisions of the Company's Articles of Association.

The Management Board of the Company has no special rights to make decisions on the issue or redemption of shares.

RULES FOR AMENDING THE COMPANY'S ARTICLES OF ASSOCIATION

Amendments to the Company's Articles of Association require a resolution of the General Meeting and an entry in the Register of Entrepreneurs of the National Court Register.

In order to amend the Articles of Association, the Management Board quotes, in the notification on General Meeting of the Company's Shareholders, the provisions then in force and the proposed amendments. If the intended amendments are extensive, the Management Board must also include the proposed consolidated text of the entire Articles of Association in the notification along with a list of its new or amended provisions.

Any amendment to the Articles of Association must be adopted by the General Meeting with the majority of $\frac{3}{4}$ of votes. An amendment to the articles of association becomes effective upon its entry in the National Court Register. The responsibility for registration of any such amendments lies with the Company's Management Board. The Management Board is obliged to file an amendment to the Articles of Association within 3 months after adoption of relevant resolution. If an amendment to the Articles of Association consists in increase in the Company's share capital, it may be filed within 6 months of resolving to increase the Company's share capital, and in the event that the consent has been granted to the introduction of a new issue to public trading – within 6 months of the date of such consent being granted, provided that the application for granting of the same is filed no later than four months after resolving to increase the Company's share capital. A resolution on reduction of the share capital should be filed with the National Court Register no later than 6 months after adoption of the same.

While filing an amendment with the registration Court, the Management Board must include the full consolidated text of the Articles of Association.

DESCRIPTION OF THE MANNER IN WHICH THE GENERAL MEETING ACTS, AS WELL AS OF ITS PRINCIPAL POWERS AND THE MANNER OF EXERCISING THE SAME

General Meeting of Shareholder is the ultimate body of the Company. The General Meeting acts pursuant to the provisions of the Commercial Companies Code and of the Company's Articles of Association. The Company's Articles of Association provide that the General Meeting of Shareholders may adopt the General Meeting Regulations, which stipulate the principles of its functioning. The Regulations of the General Meeting were adopted in the Company. The Company's Articles of Association and the Regulations of the General Meeting are to be found on the corporate web site at www.boryszew.com.pl

The General Meeting is convoked by the Management Board. The Supervisory Board may convoke an Ordinary General Meeting in the event that the Management Board should fail to convoke the same at the prescribed time, and an Extraordinary General Meeting where they deem it appropriate. Shareholders representing at least half of the share capital or at least half of all votes in the Company may convoke an Extraordinary Meeting of Shareholders. Shareholders appoint the chairman of the Meeting. A Shareholder or Shareholders representing at least 1/20th of the share capital may demand convocation of an Extraordinary Meeting of Shareholders and placement of specific matters on the agenda of that Meeting.

The General Meeting convoked by the Management Board as an Ordinary General Meeting takes place once per year, no later than in June. In 2024 the Ordinary General Meeting of Boryszew S.A. took place on 20 May 2024.

The agenda of the General Meeting is determined by the Management Board. A Shareholder or Shareholders representing at least 1/20 (one-twentieth) of the share capital may demand placement of specific matters on the agenda of the next General Meeting. Such request should be submitted to the Management Board no later than twenty-one days prior to the date of the Meeting.

The General Meeting is convoked by way of notification published on the Company's website and in the manner prescribed for passing current information according to the provisions of law. Such notification must be published at least twenty-six days before the date of the General Meeting.

The General Meeting of Shareholders is valid regardless of the number of shares represented and resolutions of the General Meeting are adopted with absolute majority of votes cast, unless the Commercial Companies Code or the Articles of Association provide otherwise.

Pursuant to the Articles of Association of Boryszew S.A., apart from other matters stipulated by the Commercial Companies Code, the following matters require a resolution of the General Meeting of Shareholders:

- considering and approval of the Management Board's report on the Company's activities and financial statements for the previous year,
- adopting a resolution on distribution of profit or covering of loss,
- acknowledgement of fulfilment of duties by member of the Company's governing bodies,
- amending the Company's Articles of Association, including increasing and decreasing the share capital and changing the object of the Company's activities,
- decisions concerning claims to remedy a loss inflicted upon incorporation of the Company or upon exercising management or supervision of the same.
- appointment and dismissal of members of the Supervisory Board,
- determining the principles of remuneration for members of the Supervisory Board and the amount of their remuneration,
- redemption of shares or determining terms of such redemption,
- issue of senior bonds or convertible bonds,
- disposal or lease-out of the enterprise or of an organized part of the same, and establishing a limited right in rem on the same,
- dissolution of the Company and appointment of liquidators,
- establishing the record date for the purposes of dividend and the date of dividend payment.

The General Meeting of Shareholders may resolve to refrain from considering a matter placed on the agenda only for important reasons. Resolutions on removal of a matter from the agenda or on refraining from consideration of any matter placed on the agenda at the request of Shareholders require the majority of 75% of votes cast, provided that

those Shareholders present at the General Meeting who petitioned that the matter be placed on the agenda have already granted their consent to removal of the same from the agenda or to refraining from consideration of the same. All matters raised at the General Meeting are first presented to the Supervisory Board for consideration.

Shareholders participate in the General Meeting in person or by a proxy.

The power of attorney to participate in the General Meeting and to exercise the voting right must be made in writing to be valid.

The power of attorney to participate in the General Meeting of a public corporation and to exercise the voting right must be granted in writing or in an electronic form. Power of attorney granted in an electronic form does not require confirmation with a secure electronic signature having a valid qualified certificate.

A member of the Management Board and an employee of the Company may serve as proxies at the General Meeting of a public corporation.

If a member of the Management Board, a member of the Supervisory Board, a liquidator, an employee of a public corporation, or a member of governing bodies or an employee of a company or a cooperative being a subsidiary of that corporation serves as a proxy at the General Meeting, the power of attorney may authorise such person to participate in only one General Meeting. The proxy is obliged to disclose to the Shareholder any circumstances indicating existence of a possible conflict of interests. Granting of a further power of attorney shall be excluded.

The proxy votes in accordance with instructions given by the Shareholder.

The principles of participation in General Meetings and of exercising the voting rights are regulated by the Rules of the General Meeting of Shareholders of Boryszew S.A.

Voting at the General Meeting of Shareholders is open. A secret ballot is to be ordered at elections of and upon voting upon motions to dismiss members of the Company's governing bodies or liquidators of the Company, or on holding them accountable, as well as in personnel matters. Also, a secret ballot is to be ordered when requested by at least one of the Shareholders present or represented at the General Meeting.

Resolutions of the General Meeting of Shareholders are passed with simple majority of votes, unless provisions of the Commercial Companies Code stipulate otherwise.

As per the practice implemented at the Company, all relevant materials for the General Meeting of Shareholders are made available to the shareholders in accordance with the applicable provisions of Polish Commercial Companies Code and of the Regulation of the Council of Ministers dated 29 March 2018 on current and periodical information to be provided by issuers of securities and on conditions under which information required by laws of another state, other than a Member State, can be considered equivalent (Journal of Laws of 2018 item 757).

Pursuant to the Rules of the Sessions of General Meeting of Shareholders, the Chairperson oversees proper and efficient proceedings of the Meeting. Chairperson of the General Meeting of Shareholders also ensures that rights and interests of all Shareholders are respected. The Chairperson must not resign the position without important reason.

The shareholders of Boryszew S.A. are entitled to no rights other than those resulting from generally applicable laws.

PERSONAL COMPOSITION AND PRINCIPLES OF FUNCTIONING OF MANAGING AND SUPERVISORY BODIES AND THEIR COMMITTEES

SUPERVISORY BOARD

Pursuant to the Company's Articles of Association, the Supervisory Board is composed of at least five members. Members of the Supervisory Board are appointed and dismissed by the General Meeting of Shareholders. Any member of the Supervisory Board whose mandate expired during the Board's term of office must be compulsorily replaced by the Supervisory Board with another person appointed to hold the position. Appointment of members of the Supervisory Board during the Supervisory Board's term of office must be approved by the next General Meeting of Shareholders. Should the General Meeting of Shareholders refuse to approve any of the new members of the Supervisory Board appointed during the Supervisory Board's term of office, the General Meeting will elect a new member of the Supervisory Board to replace the person who was not approved.

The term of office of a member of the Supervisory Board is three years and is common for all members of the Supervisory Board.

The Supervisory Board, on its first meeting, elects its Chairperson, Deputy Chairperson and Secretary from among its members, in secret ballot.

The Supervisory Board exercises continuous supervision over the Company's operation in all fields of its activity. Members of the Supervisory Board when performing their functions have regard to the interests of the Company. The emphasis of the Supervisory Board includes measures to improve the efficiency of management of the Company to obtain maximum financial performance of the Company as well as increase its stock market value and ensure its long-term development.

The tasks of the Supervisory Board include:

- approving annual business plans of the Company and long-term Company's growth plans,
- assessment of the Management Board's report and financial statements for previous financial year in terms of compliance with books, documents and facts as well as proposals of the Management Board on distribution of profit or coverage of loss and submitting annual written report to the General Meeting of Shareholders on the results of the assessment,
- determining the number of the Management Board members, appointing and dismissing any or all Members of the Company's Management Board,
- suspending from service, for important reasons, of any or all Members of the Company's Management Board
- determining the remuneration for Management Board members,

- delegating Members of the Supervisory Board, for a period not longer than three months, to temporarily perform duties of Members of the Management Board who have been dismissed, resigned or are unable to perform their duties for other reasons.
- selecting statutory auditors for conducting the audit of the financial statements,
- approving proposals of the Management Board to establish and discontinue branches and other organized units of the Company,
- approving acquisition and disposal of real estate property, perpetual usufruct or share in real estate,
- approving transactions concerning subscribing to, disposal or acquisition of shares and stocks where the transaction value exceeds 1/20th of the Company's share capital,
- approving acquisition and disposal of fixed assets the value of which exceeds 1/20th of the Company's share capital,
- approving conclusions by the Company of loan, borrowing agreements, granting guarantees and sureties if the value exceeds in each case 1/20th of the Company's share capital,
- adopting the consolidated text of the Company's Articles of Association for internal purposes of the Company,
- approving draft resolutions submitted by the Management Board to the General Meeting of Shareholders,
- determining the issue price of new shares approving proposals of the Management Board on concluding an agreement with a sub-issuer,
- adoption of the Regulations of Management Board and Company's Organizational Rules,

The Supervisory Board holds its meetings as required, but not less than three times a year. Meetings of the Supervisory Board are convened by its Chairman on his or her own initiative or at the request of the authorised persons. Should a meeting be requested by the Management Board or a member of the Supervisory Board, the Chairman of the Supervisory Board is obliged to convene a meeting within two weeks of receipt of such request. Should the Chairman fail to convene a meeting of the Supervisory Board, the applicant may convene it individually, stating the date, time and proposed agenda.

Validity of resolutions of the Supervisory Board requires proper notice of the meeting of all the members of the Supervisory Board and presence of at least half of the members of the Supervisory Board, including the Chairman or Vice-Chairman.

The agenda of the meeting of the Supervisory Board is determined 5 days before the scheduled date of the meeting and approved by the Chairman and then submitted to the members of the Supervisory Board along with other materials, unless extraordinary circumstances exist justifying shortening of this period. The agenda may be amended or supplemented if all members of the Supervisory Board are present and express consent.

In emergency, the Chairman of the Supervisory Board may order another way to notify members of the Board on the date of the meeting.

In order to enable the Supervisory Board to exercise constant supervision over the Company, the Management Board provides basic financial information on the Company and Boryszew Capital Group as well as information on any events that could significantly affect the results of operations or the state of the Company's assets.

Management Board members are invited to attend meetings of the Supervisory Board and in the case of discussing matters concerning them directly, in particular: removal, responsibilities and remuneration of the Management Board Members, Supervisory Board meetings held without participation of the Management Board members. Meetings of the Supervisory Board may also be held without formal convocation if all members of the Supervisory Board were notified and agree to hold a meeting and include specific items on the agenda. The Supervisory Board adopts resolutions only on matters included in the agenda. The Chairman administers and leads the work of the Supervisory Board and represents it to other bodies of the Company and other parties.

At each meeting of the Supervisory Board the Management Board reports on all relevant matters associated with Company's operations. In urgent matters the members of the Supervisory Board are notified by the Management Board by circulation. The President may, on their own initiative or upon a written motion of Management Board or members of the Supervisory Board, invite other persons to the meeting, in particular employees of the Company, who are responsible for the issues discussed.

The Supervisory Board may - without prejudice to the competences of other bodies of the Company - express opinions on all matters of the Company, including motions and proposals to the Management Board, which, in such case, is obliged to submit to the Chairman information on the intended use of these motions and proposals within twenty one days from the date of submission.

Members of the Supervisory Board may exercise their rights and carry out their duties in person.

Supervisory Board resolutions are adopted by an absolute majority of votes, i.e. with the number of votes exceeding half of valid votes when at least half of the Supervisory Board members are presents and all members were invited.

In the event of a tie in the voting the Chairman has the casting vote.

The Supervisory Board may pass resolutions in writing or using direct means of distance communication. The resolution is valid if all member of the Supervisory Board have been notified of the contents of the draft resolution.

Members of the Supervisory Board may participate in adopting resolutions by casting their votes in writing, acting through another Member of the Supervisory Board who attends the meeting.

The procedure of casting a vote in writing cannot be applied with respect to matters added to the agenda in the course of the given meeting of the Supervisory Board.

Voting of the Supervisory Board is open.

Meetings of the Supervisory Board are recorded. The minutes are to be signed by all members present during the meeting. List of attendance at the meeting is attached to the minutes.

The administrative and technical support for the Supervisory Board is provided by the Management Board, by appointing from employees of the Company the person directly responsible for handling and documentation of meetings of the Board.

Members of the Management Board must notify the Supervisory Board on any existing conflict of interest resulting from their performed functions. Statement format is determined by the Regulations of the Supervisory Board.

Remuneration of the members of the Supervisory Board is determined by the General Meeting, subject to the remuneration of Supervisory Board members, delegated to temporarily perform the duties of a member of the Management Board, being determined by resolution of the Supervisory Board.

The total remuneration of all members of the Supervisory Board, as well as each of individual members of the Board, is disclosed in the annual report.

Detailed principles of operation of the Supervisory Board are determined in the Rules for Supervisory Board of Boryszew S.A.

Supervisory Board Committees

The Audit Committee operates in the structure of the Supervisory Board for Boryszew S.A.

In accordance with the Rules of the Supervisory Board, adopted on 7 September 2021, the Supervisory Board may also appoint a Remuneration Committee if necessary. The Remuneration Committee was not appointed in 2024.

Audit Committee

Members of the Audit Committee of the Supervisory Board of Boryszew S.A. in 2024 and until the date of publication of the report:

Mr Jarosław Antosik – Chairman
Mr Mirosław Kutnik,
Mr Wojciech Zymek.

The Audit Committee operates on the basis of applicable laws and regulations, including but not limited to the Act of 11 May 2017 on statutory auditors, audit firms and public supervision (the Act), Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the Regulation), the Company's Articles of Association and the Regulations of the Supervisory Board of Boryszew S.A.

The Audit Committee meets the independence criteria and other requirements set forth in Article 128 and Article 129 of the above mentioned Act, i.e.

- 1) at least one member of the audit committee has knowledge and skills in terms of accounting or auditing financial statement:
 - a. Mr Jarosław Antosik is a graduate of the Warsaw School of Economics, Higher School of Finance and Banking (1997). In 1998 he graduated a post graduate program with the French Institute of Management earning his International Management Diploma. He was certified as a tax advisor in 2002,
 - b. Mr Wojciech Zymek has served as a member of the supervisory board of many entities, including for a listed company, for more than a dozen years. He is an active attorney and restructuring consultant and has received a number of training courses in this field in his professional practice. As a restructuring consultant, he managed large entities with multimillion-dollar turnovers, which required in-depth knowledge in accounting and taxation.
- 2) at least one member of the Audit Committee has knowledge and skills in the industry in which the Company or its individual members operate; in accordance with certain rules, this knowledge and these skills are:
 - a. Mr Wojciech Zymek is a long-time member of the Supervisory Board of Alchemia S.A. in Warsaw, a subsidiary of Boryszew S.A., where he acquired knowledge and experience in the seamless pipe industry, production of rings, rims and long products. Mr Wojciech Zymek is also a member of Supervisory Boards in other companies of the Boryszew Capital Group such as: Zakład Utylizacji Odpadów sp. z o. o., Baterpol S.A. and Huta Bankowa sp. z o. o., where he expands his knowledge of the Group and the business environment of individual companies. In addition, when participating in the restructuring process of Maflow Polska sp. z o.o. in Tychy, he acquired knowledge and experience in the production of air conditioning ducts. For many years he has served as a member of the Supervisory Board of Andoria sp. z o.o. in Andrychów and Zugil S.A. in Wieluń. Also, as an attorney, he has been handling large commercial law entities in the broader steel industry for many years.
- 3) The majority of the members of the Audit Committee, including the Chairman, are independent of the Company:
 - a. Mr Jarosław Antosik - Chairman of the Audit Committee, according to the statement submitted to the Company, meets the independence criteria in the Act of 11 May 2017 on certified auditors, audit firms and public supervision.
 - b. Mr Wojciech Zymek - according to the statement submitted to the Company, met the independence criteria in the Act of 11 May 2017 on certified auditors, audit firms and public supervision.

The Audit Committee is an advisory and consultative body of the Supervisory Board for the correct financial reporting, internal control and internal audit principles applied in the Company as well as the risk management system. The Audit Committee cooperates with the Management Board and employees of the Company and the certified auditor for a good understanding of the company's operating principles and to form its own opinion on the Company's financial statements integrity.

The tasks of the Audit Committee include:

- 1) Monitoring:
 - i. the process of financial reporting, sustainability reporting or group sustainability reporting, including in their preparation and labelling, and the process of identification by the public interest entity of information presented in accordance with sustainability reporting standards,
 - ii. the effectiveness of internal control and risk management systems as well as internal audit, in particular with regard to financial reporting and sustainability reporting or group sustainability reporting, including its preparation and labelling,
 - iii. the performance of audits, in particular the audit or attestation of sustainability reporting by the audit firm, including all conclusions and findings of the Polish Financial Supervision Authority resulting from inspections carried out in the audit firm;
- 2) controlling and monitoring the independence of the statutory auditor and the audit firm, in particular when the audit firm provides services to the public interest entity other than audit of financial statements and attestation of sustainability reporting;
- 3) notifying the supervisory board of the results of the audit or attestation of sustainability reporting and explaining how this audit or attestation contributed to the integrity of financial reporting, sustainability reporting or group sustainability reporting, and what role the audit committee played in the audit or attestation process;
- 4) evaluating the independence of the auditor and consenting to the provision by the auditor of permitted non-audit services to the public interest entity;
- 5) drafting a policy of selecting an audit firm to conduct the audit and policies for the selection of an audit firm to conduct attestation of sustainability reporting;
- 6) drafting a policy for the provision by the audit firm performing the audit or attestation of sustainability reporting, by affiliates of the audit firm, and by a member of the audit firm's network of permitted services that are not an audit or attestation of sustainability reporting;
- 7) submission of recommendations to ensure the integrity of the financial reporting process, sustainability reporting of the group in a public interest entity.

The Committee holds its meetings as required, but not less than once every quarter. The meetings of the Audit Committee shall be convened by its Chairman and in his absence – by the Vice-Chairman or another Committee member indicated by the Chairman. The Meetings of the Audit Committee may also be convened by the Chairman of the Supervisory Board.

The Audit Committee has access to all Company documents and is entitled to request specific information and explanations from the Company and its employees.

The Audit Committee may conduct or commission (with the consent of the Supervisory Board) the execution of specific assessments or monitoring activities within the scope of its responsibility.

The Audit Committee shall submit the following to the Supervisory Board:

- annual reports on its activities in a given financial year and a situation assessment for the Company and the Capital Group in areas within its competence,
- the conclusions, positions and recommendations developed in relation to the performance of the Audit Committee functions in a timely manner enabling the Supervisory Board to take appropriate actions.

Audit firm selection policy

The Audit Committee of the Supervisory Board for Boryszew S.A. recommends an entity authorised to audit financial statements of Boryszew S.A. on the basis of adopted policies and procedures. The auditor is selected by the Supervisory Board on the basis of a recommendation by the Audit Committee.

In the course of preparing recommendations for the Supervisory Board by the Audit Committee, the following is considered:

- whether the auditing firm meets the independence requirements referred to in Articles 69-73 of the Act on certified auditors;
- the existence of threats to the independence of the audit firm and the application of safeguards to minimise them;
- knowledge of the industry in which the Company operates;
- the price conditions of the offer,
- whether the audit firm has competent staff, time and other resources at its disposal to conduct the audit properly;
- whether the person designated as the key auditor has the qualifications to carry out mandatory audits, obtained in the European Union member state where the audit is required, including whether that person is registered in the relevant registers of auditors maintained of the European Union member state where the audit is required.
- independence of the audit firm and persons involved in financial audit activities in the light of Articles 69-73 of the Act on certified auditors;
- statutory restrictions on providing services to the Company, possible conclusions and guidelines contained in the annual audit report issued by the Audit Supervision Committee, referred to in Article 90 section 5 of the Act on certified auditors that may influence the appointment of an audit firm.

The selection is made from any audit firms which submitted a bid to provide the statutory audit service in accordance with accepted procedures, provided that:

- the audit firm that audited the Financial Statements of the Company after the expiry of the maximum duration of the mandate may not undertake the audit of the Company's financial statements within four consecutive years,

- the organisation of the procurement procedure may not exclude from participation in the selection procedure companies which have received less than 15% of their total audit fees from public-interest entities in the European Union member state concerned, in the previous calendar year, included on the list of audit firms,

Restrictions on choice

- the maximum continuous duration of statutory audit engagements carried out by an audit firm or any member of the network established in the European Union to which these audit firms belong may not exceed 10 years, subject to the limitations in applicable laws;
- The key certified auditor may not conduct an audit of the annual financial statements in the Company for a period longer than 5 years;
- The key certified auditor may again perform audits of the Company's annual financial statements after at least 3 years from the end of the last audit.
- the first agreement on auditing the Financial Statements is concluded with the Eligible Entity for a period of not less than two years with the possibility of extension for further periods of at least two years.

Remuneration rules:

Remuneration for the audit work received by the audit firm, its statutory auditors and subcontractors acting in their name and on their behalf may not be:

- dependent on any conditions, including the result of the audit;
- shaped or dependent on the provision to the Company or its related entities of additional services which are not audited by an Entitled Entity or any entity related to an audit firm or belonging to a network.

The audit fees must reflect the workload and complexity of the work and the qualifications required.

Selection of an audit firm to audit the financial statement of for 2022 - 2024

The Audit Committee during its meeting on 29 March 2022 recommended to the Supervisory Board to appoint BDO Sp. z o. o. sp. k. to audit the financial statements for 2022 - 2024.

The recommendation of an entity authorised to audit financial statements was prepared in accordance with the requirements of the Act of 11 May 2017 on certified auditors, audit firms and public supervision and the Company's policy and procedure on selection of an entity authorised to audit financial statements in Boryszew S.A.

The Supervisory Board, having reviewed of the recommendation of the Audit Committee, on 29 March 2022 appointed BDO Sp. z o. o. sp. k. based in Warsaw to conduct the audit of the separate financial statements of Boryszew S.A. and the consolidated financial statements of Boryszew Capital Group for 2022 and 2024.

Services allowed

Policy on provision of permitted non-audit services by the audit company engaged to carry out audits of financial statements, by economic operators associated with that audit firm as well as by a member of the audit firm's network;

The policy of providing permitted services was prepared by the Audit Committee operating within the Supervisory Board of the Company. In accordance with the policy adopted by the Company, the provision of permitted services is possible only after the Audit Committee has carried out an assessment of threats and safeguards of independence referred to in Articles 69-73 of the Act on certified auditors.

The Audit Committee of Boryszew S.A., following appropriate assessment of risks and independence safeguards as per Art. 5 sec. 4 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on the detailed requirements for statutory audits of public interest entities, consented to the performance by BDO Spółka z ograniczoną odpowiedzialnością Spółka komandytowa the following additional services:

- verification of the electricity consumption intensity factor.
- BDO's assessment of the Supervisory Board's report on the implementation of the remuneration policy for the Management Board and Supervisory Board.
- BDO's attestation of the sustainability report.

Audit Committee meetings

In 2024 the Audit Committee held 6 meetings, the main topics of which were associated with the fulfilment of its statutory duties.

SUPERVISORY BOARD

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 Chairperson 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 Chairperson 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	- Chairperson of the Audit Committee,
Mr Wojciech Zymek	- Member of the Audit Committee,
Mr Mirosław Kutnik	- Member of the Audit Committee.

By the date of publication of the report no changes occurred in the Company's Supervisory Board or the Audit Committee.

MANAGEMENT BOARD OF THE COMPANY

Pursuant to the Company's Articles of Association of Boryszew S.A., the Company's Management Board is composed of one to five persons, including: President of the Management Board, up to two Vice-Presidents and members of the Management Board. The term of office of the Management Board is three years and is common for all members of the Management Board. The Management Board, under the chair of the President, manages the Company's affairs and represents the Company.

The Board is responsible for the fair conduct of the Company's affairs and implementation of its statutory functions, in accordance with law and good practice. All matters that are not reserved for the competence of the General Meeting of Stockholders and the Supervisory Board fall within the competence of the Management Board. The Management Board prepares the strategy of the Company and is responsible for its implementation and execution. The strategy is subject to approval by the Supervisory Board. The Management Board of the Company carefully analyses all actions and decisions.

A resolution of the Management Board is required in matters falling beyond the scope of ordinary management, in particular on:

- incurring loans,
- issuing sureties and guarantees,
- disposal and acquisition of fixed assets,
- approval for publication of midyear and annual Management Board's reports on the activities of the Company and of the Capital Group, as well as financial statements of the Company and consolidated statements of the Capital Group,
- proposals for profit distribution or loss coverage,
- adoption of the growth programme for the Company and for the Capital Group,
- adoption of the budget of the Company and of the Capital Group,
- establishing of proxies,
- appointing, on the basis of civil law, representatives to perform certain tasks within the limits of their authorisation (with the exception of one-time power of attorney to perform certain legal actions and powers of attorney to sign the papers and documents that do not result in incurring liabilities by the Company or disposing property rights of the Company as well as power of attorney ad litem)
- approving the remuneration system and work regulations based on agreements with the trade unions,
- taking a position on issues commissioned by the Supervisory Board in the form of a resolution.

The Management Board may not resolve on share buybacks or share issue.

Authorized to make declaration of will and sign documents on behalf of the Company are: the President of the Management Board acting independently or two members of the Management Board acting jointly, or a member of the Management Board acting jointly with a commercial proxy.

The Management Board convenes on as-needed basis. Management Board meeting can be participated by employees of the Company or other persons, competent for the matters discussed.

Resolutions of the Management Board are adopted by an absolute majority of votes. In case of a tied vote, the President has the casting vote.

A member of the Management Board, absent during a meeting, shall acknowledge and follow, on the first day at work after absence, resolutions passed during his or her absence, confirming it with a signature on the original copy of the minutes.

Meetings of the Management Board are recorded and signed by members of the Management Board present during the meeting.

Members of the Management Board must notify the Supervisory Board on any existing or potential conflict of interest resulting from their performed functions.

The principles of remuneration of the Management Board members are determined by the Supervisory Board of the Company, considering the responsibilities and function as well as the economic and financial situation of the Company.

The aggregate remuneration of all members of the Management Board and of individual members of the Management Board, with details on individual elements of remuneration, is disclosed in the annual report.

The Management Board makes every effort to ensure that the Company conducts an effective economic activity, respecting the interests of all groups of shareholders and other groups associated with the Company's interest.

CHANGES IN THE COMPOSITION OF THE MANAGEMENT BOARD

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

From 1 January 2025 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 Adam Holewa	– Member of the Management Board, Automotive Segment Director

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

DESCRIPTION OF DIVERSITY POLICY

No formal document has been drafted by the Company on its diversity policy in relation to the management body and management team. Recruitment of Management Board members and key managers is based on experience, qualifications and competences of candidates, in line with legislation on equal treatment of employees. The Company is committed to ensure diversity of gender, education, age, professional experience for all its employees, with particular emphasis on senior management and key managers. In 2024, the Management Board was composed exclusively of men and the Supervisory Board had one woman.

39. DECLARATIONS OF THE MANAGEMENT BOARD

The Management Board of Boryszew S.A. represent hereby that:

- to the best of their knowledge the annual financial statements of Boryszew S.A. and the comparable data were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result Boryszew S.A.
- the annual consolidated financial statements of Boryszew Capital Group for the first six months and the comparable data were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result of Boryszew Capital Group.
- this annual report on operations presents a true view of development, accomplishments and situation Boryszew S.A. and Boryszew Capital Group, including a description of fundamental risks and threats.

40. INFORMATION OF THE MANAGEMENT BOARD ON THE SELECTION OF THE AUDIT FIRM TO CARRY OUT THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS IN ACCORDANCE WITH THE PROVISIONS, INCLUDING THOSE CONCERNING THE SELECTION AND PROCEDURE FOR THE SELECTION OF THE AUDIT FIRM

The Management Board for Boryszew S.A. based on the statement of the Supervisory Board for Boryszew S.A. of 10 April 2025 on the selection of BDO Spółka z ograniczoną odpowiedzialnością sp. k., based in Warsaw, to audit the annual financial statements in accordance with the regulations, including the selection and selection procedure of the auditing firm, declares that:

- BDO Spółka z ograniczoną odpowiedzialnością Sp.k. and members of the team auditing the separate and consolidated financial statements for 2024 met the conditions for the preparation of an impartial and independent report on the audit of the annual financial statements in accordance with the applicable regulations, professional standards and rules of professional ethics,
- Boryszew S.A. observes the applicable regulations on the rotation of the audit firm and the key statutory auditor as well as on the mandatory grace periods,
- The Company pursues the "Policy for selection of the entity authorized to audit financial statements of Boryszew S.A." and the "Policy for the provision of permitted non-audit services by the auditing firm conducting the audit, by entities affiliated with the auditing firm and by a member of the auditing firm's network"

The Supervisory Board of the Company, by resolution of 5 November 2024, entrusted the Audit Committee with tasks involving monitoring the process of sustainability reporting of the Company and Boryszew Capital Group. The Audit Committee of the Supervisory Board of Boryszew S.A. agreed to the additional services of BDO Spółka z ograniczoną odpowiedzialnością sp. k. involving the attestation of the sustainability reporting of the Company and the Boryszew Capital Group for 2024.

Visit www.boryszew.com.pl for all corporate documents of the Company, as well as current and periodical information. The Company also runs its website in English.

41. INFORMATION ON ALTERNATIVE PERFORMANCE MEASUREMENTS

Terms used in the Report and not defined in IFRS accounting standards, and therefore being alternative performance measurements in accordance with ESMA's Alternative Performance Measurement Guidelines (ESMA/2015/1415).

1. "EBITDA" is the sum of operating profit and depreciation value.
2. "ROA" - return on assets - is the quotient, expressed as a percentage, of net profit attributable to equity holders of the parent (income statement item for relevant reporting period) to total assets (balance sheet item at the end of relevant reporting period). In the case of the separate financial statements, the item of net profit attributable to shareholders of the parent company is used instead of net profit.
3. the current ratio is the ratio of current assets (balance sheet item at the end of relevant reporting period) to current liabilities (balance sheet item at the end of relevant reporting period).
4. the quick ratio is the ratio of current assets (balance sheet item at the end of relevant reporting period) less inventories (balance sheet item at the end of relevant reporting period) to current liabilities (balance sheet item at the end of relevant reporting period).
5. "Net debt" is the sum of long-term and short-term loans, borrowings and lease liabilities less the value of cash and cash equivalents (balance sheet asset item). The "net debt" indicator presents the value of bank debt and other interest-type liabilities, taking into account available cash that can be used to repay these debts.
6. "Net debt to EBITDA" is the quotient of net debt to EBITDA.

The Company's presentation of the above indicators and parameters in the Report is due to their widespread use for financial analysis and valuation purposes of the Company and the Group.

SIGNATURES OF THE PERSONS REPRESENTING THE COMPANY AND APPROVING THIS REPORT FOR PUBLICATION:

Wojciech Kowalczyk – President of the Management Board

Łukasz Bubacz – Member of the Management Board

Adam Holewa – Member of the Management Board

Warsaw, 16 April 2025