GRUPA BORYSZEW

CONSOLIDATED FINANCIAL STATEMENTS
BORYSZEW CAPITAL GROUP
FOR THE PERIOD BETWEEN
1 JANUARY AND 31 DECEMBER 2024

Publication date:
17 April 2025

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(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Continuing operations			
Revenues from sale	6	5 116 006	5 689 005
Cost of sales	7	4 747 519	5 190 641
Gross profit on sales		**368 487**	**498 364**
Selling costs		107 041	121 689
General and administrative expenses		291 743	293 509
Other operating revenues	8	311 367	341 669
Other operating expenses	9	102 570	247 748
Operating income		**178 500**	**177 087**
Financial revenues	10	28 061	60 908
Financial expenses	11	100 479	101 222
Profit on sales of subsidiary		-	-
Share in profit of affiliates		(2 553)	(2 258)
Profit before taxation		**103 529**	**134 515**
Income tax	12	(17 276)	16 966
Net profit on continuing operations		**120 805**	**117 549**
Net profit/loss on discontinued operations		**-**	**12 354**
Net profit on continuing and discontinued operations		**120 805**	**129 903**
including attributable to:			
to shareholders of the parent		*110 485*	*122 055*
non-controlling interests		*10 320*	*7 848*

EARNINGS / DILUTED EARNINGS PER SHARE

Weighted average number of shares	202 000 000	202 000 000
Net profit (loss) per share (in PLN, 100/PLN per share)	0.55	0.60
Earnings per share on continuing operations	0.55	0.60
Earnings per share on discontinued operations	-	-
Diluted net profit (loss) per share (PLN/share)	0.55	0.60
Diluted on continuing operations	0.55	0.60
Diluted on discontinued operations	-	-

(amounts expressed in PLN ‘000 unless specified otherwise)

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Net profit	**120 805**	**129 903**
Earnings recognised in equity		
Earnings recognised in equity, to be transferred to income statement (before tax)	**(65 323)**	**(6 135)**
Hedge accounting	(10 110)	680
Exchange differences on translating foreign operations	(55 213)	(6 815)
Income tax expense (-provision/+asset)	*1 921*	*(129)*
Earnings recognised in equity, not to be transferred to income statement (before tax)	**840**	**(1 936)**
Gains/losses on valuation and disposal of equity instruments	-	(1 011)
Employee benefit capital reserve	840	(925)
Income tax expense (-provision/+asset)	(160)	163
Total earnings recognised in equity	**(62 722)**	**(8 037)**
to shareholders of the parent	*(62 720)*	*(8 026)*
non-controlling interests	*(2)*	*(11)*
Total comprehensive income, including attributable:	**58 083**	**121 866**
to shareholders of the parent	47 765	114 029
non-controlling interests	*10 318*	*7 837*

Consolidated profit and loss account – discontinued operations

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Revenues from sale	-	-
Cost of sales	-	-
Gross profit (loss) from sales		**-**
Selling costs	-	-
General and administrative expenses	-	-
Other operating revenues	-	-
Other operating expenses	-	-
Profit (loss) from operating activity	**-**	**-**
Financial income (liquidation of HMN Szopienice S.A. in liquidation)	-	12 354
Financial expenses	-	-
Financial profit/loss	**-**	**12 354**
Profit (loss) before income tax	**-**	**12 354**
Income tax	-	-
Net profit (loss) on discontinued operations	**-**	**12 354**
in the parent company	-	*12 354*
non-controlling interests	-	-

(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED BALANCE SHEET

ASSETS	Note	Balance on 31.12.2024	Balance on 31.12.2023
Non-current assets		**1 933 438**	**1 966 038**
Tangible fixed assets	13	1 309 995	1 329 473
Investment property	14	148 127	178 622
Goodwill	15	6 418	6 418
Intangible assets	16	39 081	38 334
Lease and right-of-use assets	17	245 862	294 272
Shares in affiliates	18	26 304	28 857
Financial assets	19	36 089	101
Long-term derivative financial instruments	20	128	1 183
Long-term receivables	21	66 456	43 712
Deferred tax assets	12.2	54 978	45 066
Current assets		**1 700 131**	**1 792 391**
Current assets other than assets held for sale		**1 647 388**	**1 787 044**
Inventories	22	749 426	886 122
Trade receivables and other receivables	21	672 220	633 367
Short-term financial assets	19	1	17 064
Derivative financial instruments	20	8 590	22 927
Current tax receivables		8 445	8 305
Cash and cash equivalents	23	208 706	219 259
Assets classified as held for sale	24	**52 743**	**5 347**
Total assets		**3 633 569**	**3 758 429**

(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	Note	Balance on 31.12.2024	Balance on 31.12.2023
Equity of the parent company		**1 582 337**	**1 623 720**
Share capital		248 906	248 906
Share premium		114 435	114 435
Own shares		(236 753)	(236 753)
Hedge accounting capital		6 831	15 020
Capital reserve on translating employee payables		(112)	(794)
Revaluation reserve and gain on disposal of financial assets		-	3 433
Exchange differences on translating foreign entities		(103 159)	(47 946)
Retained earnings		1 552 189	1 527 419
Equity of non-controlling shareholders		**39 452**	**33 137**
Total equity	25	**1 621 789**	**1 656 857**
Liabilities and long-term provisions		**587 375**	**676 473**
Bank loans, borrowings	27	204 166	249 516
Lease and right-of-use liabilities	28	215 458	224 669
Deferred tax provision	12.2	37 320	76 579
Derivative financial instruments		430	-
Employee benefit provisions	29	13 412	17 128
Other provisions	30	49 647	48 379
Other liabilities		75	110
Other long term equity and liabilities	32	66 867	60 092
Liabilities and short-term provisions - total		**1 424 405**	**1 425 099**
Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale		**1 417 084**	**1 425 099**
Bank loans, borrowings	27	571 654	420 846
Lease and right-of-use liabilities	28	26 619	35 147
Trade payables and other liabilities	31	704 934	724 315
Derivative financial instruments	20	1 884	4 339
Current tax liabilities		7 036	12 293
Employee benefit provisions	29	28 438	39 220
Other provisions	30	35 367	156 068
Other short-term liabilities	32	41 152	32 871
Liabilities directly associated with assets classified as discontinued operations	24	**7 321**	**-**
Total liabilities and provisions		**2 011 780**	**2 101 572**
Total equity and liabilities		**3 633 569**	**3 758 429**

(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED CASH FLOW STATEMENT

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Cash flows from operating activities		
Profit before taxation	**103 529**	**134 515**
Adjustments for	**(16 924)**	**284 306**
Amortisation/depreciation	158 668	158 898
Gains/losses on financing activities	87 161	53 177
Profit / loss on investment activities	(126 385)	(106 569)
Change in receivables	(50 734)	175 100
Change in inventories	136 696	137 077
Change in liabilities	(36 678)	(73 126)
Provision for employee benefits	(14 498)	421
Change in provisions	(128 921)	(27 150)
Other items	(5 286)	32 995
Income tax paid	(36 947)	(66 517)
Net cash from operating activities	**86 605**	**418 821**
Cash flows from investment activities		
Proceeds from disposal of fixed assets	128 964	80 918
Proceeds from disposal of shares and stocks	-	12 191
Proceeds from redemption of bonds by issuers	-	15 924
Proceeds from repayment of loans granted	5 100	45 650
Expenses on acquisition of fixed assets	(134 144)	(204 240)
Acquisition of shares and stocks	(23 815)	(18 055)
Loans granted	-	(1 000)
Other investment inflows and expenditure	1 220	9 383
Net cash from investing activities	**(22 675)**	**(59 229)**
Cash flows from financial activities		
Incomes on credit and loan facilities	231 127	200 545
Dividends paid	(93 151)	(153 930)
Repayment of credit and loan facilities	(149 539)	(251 249)
Interest paid on loans, borrowings and leasing	(56 427)	(59 108)
Payments of liabilities under lease agreements	(31 123)	(38 153)
Other financial inflows/expenses	27 316	1 082
Net cash from financing activities	**(71 797)**	**(300 813)**
Net change in cash and cash equivalents (before impact of foreign exchange rates)	**(7 867)**	**58 779**
Translation reserve	(2 686)	(3 934)
Cash opening balance	219 259	164 414
Cash of units sold/acquired	-	-
Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)	**(10 553)**	**54 845**
Cash closing balance	**208 706**	**219 259**
Including restricted cash	*64 962*	*69 808*

(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation and disposal reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
Balance on 01.01.2024	**248 906**	**114 435**	**(236 753)**	**15 020**	**(794)**	**3 433**	**(47 946)**	**1 527 419**	**1 623 720**	**33 137**	**1 656 857**
Other comprehensive income				(8 189)	682		(55 213)		**(62 720)**	**(2)**	**(62 722)**
Profit/loss for 2024								110 485	**110 485**	10 320	**120 805**
Total comprehensive income for 2024				**(8 189)**	**682**		**(55 213)**	**110 485**	**47 765**	**10 318**	**58 083**
Dividends paid and declared								(89 148)	**(89 148)**	(4 003)	**(93 151)**
Other changes (*)						(3 433)		3 433			
Change of capital group structure											
Disposal of subsidiary											
Changes in equity				(8 189)	682	(3 433)	(55 213)	24 770	**(41 383)**	6 315	**(35 068)**
Balance on 31.12.2024	**248 906**	**114 435**	**(236 753)**	**6 831**	**(112)**	**-**	**(103 159)**	**1 552 189**	**1 582 337**	**39 452**	**1 621 789**

(*) Transfer to reserve capital of profit on disposal of equity instruments

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation and disposal reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
Balance on 01.01.2023	**248 906**	**114 435**	**(236 753)**	**14 469**	**(37)**	**27 991**	**(41 131)**	**1 531 738**	**1 659 618**	**29 443**	**1 689 061**
Other comprehensive income				551	(757)	(1 005)	(6 815)		(8 026)	(11)	(8 037)
Profit/loss for 2023								122 055	122 055	7 848	129 903
Total comprehensive income for 2023	-	-	-	551	(757)	(1 005)	(6 815)	122 055	114 029	7 837	121 866
Dividends paid and declared								(149 927)	(149 927)	(4 003)	(153 930)
Other changes (*)						(23 553)		23 553			
Change of capital group structure										(140)	(140)
Disposal of subsidiary											
Changes in equity	-	-	-	551	(757)	(24 558)	(6 815)	(4 319)	(35 898)	3 694	(32 204)
Balance on 31.12.2023	**248 906**	**114 435**	**(236 753)**	**15 020**	**(794)**	**3 433**	**(47 946)**	**1 527 419**	**1 623 720**	**33 137**	**1 656 857**

(amounts expressed in PLN ‘000 unless specified otherwise)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY AND 31 DECEMBER 2024

1. BASIC DATA

Parent Company - Boryszew Spółka Akcyjna

Boryszew Spółka Akcyjna

Registered with the National Court Register of the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division,
KRS number 0000063824
Statistical registration number (REGON) 750010992
NIP (Tax ID) 837-000-06-34
The company is established for an indefinite period of time.

Address: 00-807 Warszawa; ul. Al. Jerozolimskie 92
State of registration: Poland
Description of the nature and core business: Company’s business includes manufacturing, services and trade.
Registered office: Poland
Legal form of the entity: joint stock company
Name of the parent: Boryszew S.A.
Entity name: Boryszew S.A.
Name of the ultimate parent company: Boryszew S.A.
Primary place of business: Poland
No changes to entity name occurred.

Classification of the Parent Company on the listing market

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

SUPERVISORY BOARD OF BORYSZEW S.A.

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

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

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

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

(amounts expressed in PLN '000 unless specified otherwise)

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

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.

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

MANAGEMENT BOARD OF BORYSZEW S.A.

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

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

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

The following persons were appointed to the Management Board of the new term of office:
Mr Wojciech Kowalczyk as the President of the Management Board of Boryszew S.A., Chief Executive Officer,
Mr Łukasz Bubacz as Member of the Management Board, Investment Director,
Mr Mikołaj Budzanowski as Member of the Management Board, Development Director,

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

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

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

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

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

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

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

(amounts expressed in PLN '000 unless specified otherwise)

COMPOSITION OF THE CAPITAL GROUP

Companies included in the consolidated financial statements

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
Head Offices	Warsaw			Unallocated
Elana Branch	Toruń			Chemical products
Boryszew Energy Branch	Toruń			Unallocated
Maflow Branch	Tychy			Automotive
Boryszew ERG Branch	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. (formerly: Elana Energetyka 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.	Automotive
Maflow India Private Limited	India	100.00	Boryszew S.A. 99.99% Maflow Polska Sp. z o.o. 0.01%	Automotive
MAFMEX S.DE R.L.DE C. V (*)	Mexico	100.00	Maflow Spain Automotive S.L. (3.34%), Maflow Polska Sp. z o.o. (96.66%) (*)	Automotive
Boryszew Automotive Mexico 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 Plastics Sp. z o.o.	Tychy	100.00	Maflow Polska Sp. z o.o.	Automotive
Boryszew HR Service Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Automotive
ICOS GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	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	ICOS GmbH in bankruptcy under self-administration	Automotive
Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Kunststofftechnik Deutschland GmbH	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Deutschland GmbH in liquidation	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
AKT Plastikářská Technologie Čechy, spol. s.r.o.	Czech Republic	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive

(amounts expressed in PLN '000 unless specified otherwise)

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
Boryszew Plastic RUS Sp. z o.o.	Russia	100.00	Boryszew S.A. (10.9%). Boryszew 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. (formerly: Boryszew Holding Sp. z o.o.)	Warsaw	100.00	Boryszew S.A.	Metals
Boryszew Assets Sp. o.o. (formerly: SPV Lakme Investment Sp. z 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. (formerly: Eastside Capital Investments 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. (formerly: Eastside BIS 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

(*) Maflow Spain Automotive S.L.-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.

(amounts expressed in PLN '000 unless specified otherwise)

Companies not included in the consolidated financial statements

Company name	Seat	share of the parent in share capital (%)	share in voting rights (%)	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 holds no other significant capital investments.

Details about subsidiaries with significant NCIs

Subsidiaries of Boryszew CG, which hold non-controlling interest in 2024 are Zakład Utylizacji Odpadów Sp. z o.o. and Elimer Sp. z o.o.

Selected company data	Zakład Utylizacji Odpadów Sp. z o.o. in Konin	Elimer Sp. z o.o.
Non-current assets	23 484	38
Current assets	91 577	1 183
Long-term liabilities	12 335	64
Short-term liabilities	5 413	468
Net assets	97 313	689
non-controlled shares	40.03%	47.56%
Net assets attributable to non-controlling interests	**38 954**	**328**
Revenues from sale	58 522	4 073
Net profit	25 721	51
Other comprehensive income	-	(5)
non-controlled shares	40.03%	47.56%
Comprehensive income attributable to non-controlling interests	**10 296**	**24**
non-controlled shares	40.03%	47.56%
Net cash from operating activities	8 105	60
Net cash from investing activities	2 843	(3)
Net cash from financing activities	(4 192)	-

Changes in the Group 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 19 April 2024, Boryszew S.A. was notified that on the same day the Management Boards of indirect subsidiaries of Boryszew S.A.: Boryszew Oberflächentechnik Deutschland GmbH (Germany) and Boryszew Formenbau Deutschland GmbH (Germany) had decided to file for declaration of bankruptcy of these companies with relevant competent courts. According to the proposal, the application will seek insolvency under administration in accordance with German insolvency law.
Self-managed insolvency enables targeted and controlled restructuring, reduction of costs of winding down operations of unprofitable areas and satisfying creditors of these companies at an optimum level. At the same time, self-managed insolvency will enable an efficient and transparent conduct of the process towards all stakeholders, which will shorten the time of the process and will have a major impact on maintaining the reputation and image of the Group.
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.

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 deadline for completing the liquidation of production at the Branch was set for 28 February 2025.

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.

Until the date of publication of the financial statements, no other significant changes occurred in the structure of Boryszew Capital Group, except for the events indicated above.

2. PLATFORM OF APPLIED IFRS

CHANGES IN ACCOUNTING PRINCIPLES

PLATFORM OF APPLIED IFRS

The effect of application of new accounting standards and changes in accounting policy

Accounting principles (policy) of applied when drafting these mid-year consolidated financial statements for the fiscal year ended on 31 December 2024 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2023, except for changes described below.

The same principles were applied to the current period and the comparable period.

Changes resulting from changes in IFRS

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

- **Amendments to IAS 1** *Presentation of Financial Statements – Separation of liabilities into current and non-current and Separation of liabilities into current and non-current – deferral of effective date and Non-current liabilities containing covenants*. The amendment to IAS 1 was published on 23 January 2020, subsequently modified in July 2020 and finally adopted on 31 October 2022.

- **Amendment to IAS 12** *Income Taxes: International tax reform - model principles of Pillar II (global minimum tax)*
  The amendments give companies a temporary exemption from accounting for deferred taxes resulting from the Organisation for Economic Cooperation and Development's (OECD) international tax reform. Companies can apply the exemption immediately, but disclosure requirements are required for annual periods beginning on or after 1 January 2023. The amendment was published on 23 May 2023.

  The parent company of Boryszew Group falls under Pillar II of the OECD Model Rules.
  The Pillar II regulations have been in effect in Poland since January 2025.
  The Group applied the mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to income taxes under Pillar II, in accordance with amendments to IAS 12 issued in May 2023.

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

- **Amendments to IFRS 16** Leases: Lease liability in sale and leaseback transaction published on 22 September 2022.
  The amendments require the seller-lessee to determine "lease payments" or "revised lease payments" in such a way that the seller-lessee recognises no gain or loss that relates to the right of use retained by the seller-lessee.

- **Amendments to IAS 7** *Statement of Cash Flows and* **IFRS 7***: Financial instruments: Disclosure: Supplier finance agreements* published on 25 May 2023.
  The changes are aimed at increasing transparency on supplier finance arrangements and their impact on liabilities, cash flow and liquidity risk exposure. The amendments supplement requirements already included in IFRS and require entities to disclose additional information related to their contracts, including their impact on liquidity risk. The amendments are effective for annual periods beginning on or after 1 January 2024.

The above standards and amendments do not affect these consolidated financial statements. The Group decided to implement the standards on a prospective basis.

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

The Group did not chose to early implement, in these financial statements, published standards or interpretations before their effective date.
The following standards and interpretations have been issued by the International Accounting Standards Committee or the International Financial Reporting Interpretations Committee, but have not yet come into effect as at the balance sheet day:

- **IFRS 14** *Regulatory deferral accounts* (published on 30 January 2014) – in accordance with the European Commission's decision, the approval process for the standard in its preliminary version will not be initiated before the standard in its final version is published - not approved by the EU as of the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2016.
- **Amendments to IFRS 10 and IAS 28** Sale or in-kind contribution of assets between an investor and its associated entities or joint venture (published on 11 September 2014) – the work leading to the approval of these amendments are postponed indefinitely by the EU - the effective date has been postponed indefinitely by the IASB.
- **Amendments to IAS 21** *The effects of changes in foreign exchange rates: Lack of Exchangeability* (published on 15 August 2023) - not approved by the EU until the date of approval of these financial statements – applicable for annual periods beginning on or after 1 January 2025.
- **IFRS 18** *Presentation and Disclosures in Financial Statements* (published on 9 April 2024) – not approved by the EU until the date of approval of these financial statements – applicable for annual periods beginning on or after 1 January 2027.
- **IFRS 19** *Subsidiaries without public accountability. Disclosure* (effective for annual periods beginning on or after 1 January 2027).
  IFRS 19 standard "Subsidiaries without public accountability: Disclosure" permits limited disclosures by subsidiaries when applying IFRS in their financial statements. IFRS 19 is optional for qualifying subsidiaries and specifies disclosure requirements for subsidiaries that choose to apply it. The new standard is effective for reporting periods beginning on or after1 January 2027, with early adoption permitted.
- **Amendments to IFRS9 and IFRS7** Amendments to classification and measurement of financial instruments (effective for annual periods beginning on or after 1 January 2026).
  The amendments clarify the rules for classifying financial assets taking into account environmental, social, corporate governance (ESG) and similar characteristics associated with the asset. The amendments also apply to the settlement of liabilities through electronic payment systems - they clarify the date on which a financial asset or liability is derecognized. The amendments are effective for annual periods beginning on or after 1 January 2026.
- **Amendments to IFRS and IAS (Volume 11)** resulting from the annual review, issued 18 July 2024. The amendments are intended to clarify the wording used in the standards, in order to improve their readability, consistency and eliminate any ambiguities. The amendments introduced following of the abovementioned review involve **IAS 1** "First-time adoption of international financial reporting standards", **IFRS 7** "Financial instruments: Disclosures", **IFRS 9 "**Financial instruments", **IFRS 10** "Consolidated financial statements" **IAS 7** "Statement of cash flows" The changes will take effect on 1 January 2026.
- **Amendments to IFRS 9 and IFRS 7** Contracts referencing nature-dependent electricity published on 18 December 2024.
  The changes to the standards are intended to facilitate reporting financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Amendments include: clarification od the application of "own-use" requirements, permitting hedge accounting if these contracts are used as hedging instruments, and adding new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial results and cash flows.

3. ACCOUNTING PRINCIPLES APPLIED

Information included in this Report was prepared in accordance with the Ordinance of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent the information required by the laws of a non-member state (Journal of Laws 2018.757 of 20.04.2018) and the International Accounting Standards as approved by the European Union (EU).

The adopted accounting principles conform with the International Financial Reporting Standards within the scope of regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 concerning application of the International Financial Reporting Standards with subsequent amendments.

Selected Group companies maintain their books of accounts in accordance with accounting policies (principles) prescribed by local regulations. The consolidated financial statements include adjustments not recognised in the books of the Group's companies, they were included in order to bring the financial statements of these companies into conformity with the Group's policies under IFRS.

The statements were prepared on a going concern basis. The Management Board confirms that no threat exists to the continuity of Group's operations, except for the spin-off planned to be discontinued

The consolidated financial statements include: consolidated income statement by function, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows.
Cash flows from operating activities are determined using the indirect method, cash flows from financing and investing activities - using the direct method.
Most significant accounting principles applied by the Group are presented below.
The presentation currency of these financial statements is PLN.

Consolidation principles

The consolidated financial statements include the financial statements of the Parent Company and the entities controlled by the Company. The control is executed, if the Group is able to direct the financial and operating policy of the entity in order to derive the economic benefits from its business activity.

Income and costs of the subsidiaries acquired or disposed during the year are recognized in the consolidated comprehensive income from the date of actual acquisition and to the date of effective disposal.

The comprehensive income of the subsidiaries are attributed to the Company's owners and NCIs, event of such attribution results in the negative balance of NCIs.

If necessary, the financial statements of subsidiaries are adjusted in order to adjust their accounting policy to the Group's policy,.
All intra-group transactions, mutual balances and income and costs of the intra-group transactions are totally excluded from consolidation.

As of the day of subsidiary acquisition, the assets as well as equity and liabilities of the acquired entity are measured at their fair value. The surplus of the purchase price over the fair value of identifiable acquired net assets of the relevant unit is disclosed in balance sheet assets as goodwill. If the purchase price is lower than the fair value of identifiable acquired net assets of the relevant unit, the difference is disclosed as profit in the income statement for the period during which the purchase took place.
The share of NCIs is recognized at the appropriate proportion of the fair value and equity.

Income statement by function was applied in the preparation of the consolidated financial statements.

Principles and methods of valuating assets and liabilities

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

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

Fair value
Fair value is the price that would be received for the disposal of an asset or transfer of a liability in a transaction conducted under normal conditions in the primary or most favourable market between willing and knowledgeable unrelated parties regardless of whether that price is directly observable or estimated using another valuation technique.

Purchase price or production cost of an asset item
Purchase cost or cost of manufacturing is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction. The purchase price covers the amount payable to the seller, without deductible: VAT and excise duty tax, and in case of import - increased by relevant charges and costs directly associated with the purchase and adaptation of the asset item to a condition suitable for use or introduction into trade, along with the costs of transport, loading, unloading, transport insurance, storage or introduction into trade, and decreased by discounts, allowances and other similar decreases or recovery.
Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of acquisition or production of such assets. The cost of an entity's own production of an asset includes all layouts that may be directly attributable to creation, production and adaptation of asset for the use intended by the management.

Business combinations

A business combination under common control is a merger in which the merging entities are under the control of the same party or parties, both before and after the merger, and such control is not temporary. The provisions of IFRS3 "Business Combinations" do not apply to this type of merger.

All business combinations are accounted for using the acquisition method. The acquiring company recognises identifiable assets, liabilities and contingent liabilities of the acquired company at their fair values on the acquisition date, as well as goodwill, which they later test for impairment instead of amortising. A business combination is the merger of separate entities or businesses into a single reporting entity.

The result of almost all business combinations is that the acquiring company assumes control of the acquired company.

Business combinations can take different forms. They may involve:
• acquisition by one entity of the equity of another entity,
• acquisition of all net assets of another entity, assumption of liabilities of another entity,
• acquisition of certain net assets of another entity.

Combination can be carried out
• to issue equity instruments,
• transferring cash, cash equivalents,
• transferring other assets,
• as combinations of these possibilities.

The parties to the transaction may be
• owners of the merging units,
• unit and owners of another unit.

The merger may involve:
• creation of a new entity controlling the merging entities or transferred net assets,
• restructuring of one or more of the merging entities.

A merger can lead to a parent-subsidiary relationship.

A business combination may involve the acquisition of net assets, including any goodwill of another entity, instead of the capital of such entity. Such a merger does not lead to a parent-subsidiary relationship.

Non-controlling interests in the acquired entity are capitals in the subsidiary that cannot be directly or indirectly attributed to the parent company.

Valuation of non-controlling interests is required to determine goodwill/gain on bargain purchase. Non-controlling interests are measured at fair value or at their proportionate share of the fair value of the acquired entity's identifiable net assets.

Valuation period
If the initial accounting for a business combination is not completed by the end of the reporting period in which the combination takes place, the acquiring company presents approximate amounts in their financial statements for items whose accounting is not completed. During the measurement period, the acquiring company retrospectively adjusts the provisional amounts recognised on the acquisition date to reflect new information obtained on facts and circumstances that existed on the acquisition date and, if known, would have affected the measurement of the amounts recognized on that date. During the measurement period, the acquiring company also recognises additional assets and liabilities if new information is obtained on facts and circumstances that existed on the acquisition date and, if known, would have affected the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquiring company receives the information it sought on the facts and circumstances that existed on the acquisition date or becomes convinced that no more information can be obtained.

The valuation period should not exceed one year of the date of acquisition.

(amounts expressed in PLN '000 unless specified otherwise)

The following items are allowed to be adjusted during the valuation period:
- identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquired company,
- the consideration transferred in exchange for the acquired entity (or any other amount used to recognised goodwill),
- in case of a business combination implemented in stages, the equity interest in the acquired company previously held by the acquiring company,
- the resulting goodwill or gain on a bargain purchase.

Acquisition implemented in stages (phased acquisition)
Means the acquisition of controlling interests in the course of two or more separate transactions. Goodwill is recognised and net assets are remeasured to fair value only in case of a transaction involving an acquisition of control, ignoring prior or subsequent acquisitions of interests in the entity. In recognising goodwill, previously acquired shares are revalued to fair value, and gains are recognised in profit or loss. Similarly, in case of disposal of controlling interests, the residual interest is revalued to fair value and recognized in profit or loss at the time of disposal.

Acquisition costs
Costs incurred in the acquisition of another entity (such as acquisition target search fees, consulting fees, legal, accounting, valuation and consulting fees and fees for other professional services) are recognised as expenses in the period in which they are incurred (they do not increase goodwill). Costs incurred in issuing debt instruments or securities are recognised in accordance with standards for accounting for financial instruments.

The date of acquisition is the date on which control is actually acquired, control being understood as the ability to manage the financial and operating policies of an entity or venture in order to derive benefits from their activities.

Tangible fixed assets

After the initial recognition at purchase price or production cost, the items of tangible fixed assets are measured by a valuation model based on purchase price or production cost less depreciation as well as accumulated revaluation for impairment loss.
Tangible fixed assets, the value of which has been determined as at the day of transition to IFRS, that is 01.01.2004 by fair value, after this date will be measured by the valuation model based on purchase price or production cost and the revaluation for impairment loss.

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

Depreciation rates applied for individual groups of tangible fixed assets:

Land	Not depreciated
Buildings, premises, civil and water engineering structures	2 years - 40 years
Technical equipment and machines	2 years - 20 years
Vehicles	3 years - 10 years
Other tangible fixed assets	2 years - 15 years

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

Right-of-use assets and liabilities

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

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

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

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

Leases and rights of use as of 1 January 2019

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

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

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

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

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

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

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

After the initial valuation, lease liabilities increase as a result of interest on the unpaid balance, decrease as a result of lease payments made. The carrying amount of the liability is updated to reflect any reassessment or modification of the lease or to reflect updated substantially fixed lease payments. Right-of-use assets other than investment property are depreciated on a straight-line basis over the remaining lease term, or over the remaining economic life of the asset if, in rare cases, it is estimated to be shorter than the lease term.
For the right to use an asset being an investment property the subsequent valuation is at fair value, in other words the valuation model adopted by the Group for investment property valuation is applied.
In addition, the right to use an asset is tested for impairment and adjusted for impairment losses, if any, and adjusted for revaluation of the lease liability.

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

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

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

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

Leaseback
A leaseback takes place when one entity (seller-lessee) transfers an asset to another entity (buyer-lessor) and leases that asset back. If the transfer of an asset meets the requirements of IFRS 15 for recognition as a sale of such an asset, the seller-lessee identifies the asset under a leaseback in proportion to the former carrying amount of the right-of-use asset retained by the seller-lessee Leaseback is one of the way of financing the Group.

Intangible assets

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

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

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

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

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

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

Depreciation rates applied for intangible fixed assets:

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

Profits and losses resulting from removal of intangible assets from the balance sheet are recognised as the difference between net sales revenues and the balance sheet value of a specific asset and are recognised in the profit or loss upon their removal.

Research and development expenditure.

The research works involve innovative and planned search for solutions undertaken for the purpose of acquiring and assimilating new scientific and technical knowledge. Costs of research works are not capitalized and are presented in the profit and loss account as costs of the period in which they were incurred. It is permissible to temporarily record the incurred costs of research works on prepaid expenses in the amount that will be refinanced under the concluded grant agreement.

Development works involve practical application of research discoveries or achievements of other knowledge in the planning and design of the production of new or substantially improved products, processes, systems or services, which takes place before the start of mass production or the application of technology.

Expenditure incurred for development work performed as part of a project may be capitalised as intangible assets only if:

- a clearly defined project is implemented (such as a new technology);
- it is probable that this assets will generate future economic benefits,
- it is technically and financially feasible to complete development works,
- capacity to sell products exists,
- a market for the product exists,
- in case of development works for own use a company will obtain benefits,
- the costs can be reliably established.

Following the initial recognition of R&D expenses at cost, measurement at historical cost less accumulated amortization and accumulated impairment losses is applied.

Development costs are amortised on a straight-line basis over the projected period of sales revenue from the project.

Expenditure incurred for intangible assets that was initially recognised as an expense in the profit and loss account should not be capitalised as intangible assets at a later date.

REACH

REACH expenses are recognised in the books as other intangible assets and capitalised into expenses in the form of depreciation and amortisation - these are expenses that can be attributed to a specific substance.

Expenses indicating a direct relationship with a registered substance, capitalised into costs through depreciation, include:

- follow-up study of the physical and chemical properties of hazardous substances in light of the requirements of the REACH Regulation,
- consulting services to the extent that they can be attributed to a specific registration,
- share of the cost of compiling registration dossiers and Chemical Safety Reports,
- registration fees,
- authorisation (obtaining permits) - for hazardous substances,
- costs of physical and chemical testing of substances,
- costs associated with substance identification,
- substance registration costs,
- costs of licensing hazardous substances,
- costs associated with licensing, sublicensing, right to use research results.

From the moment the full registration of the substance is completed, when it is possible to fully benefit from its registration, the Group recognises amortisation of the aforementioned intangible assets as an expense.

The group Company recognises amortisation charges over the period covered by the registration. Costs already incurred, which cannot be attributed to a specific substance are charged directly to expenses on the date they are incurred.

Impairment loss for tangible and intangible fixed assets.

As on each balance date, the Group reviews the net values of its tangible and intangible fixed assets in order to verify if premises exist that would suggest any loss of value of these assets. Should such premises be found, the retrievable value of an asset is estimated in order to determine a potential write-off. If a given asset does not generate any cash flows which would be substantially independent from cash flows generated by other assets, the analysis is performed for the group of assets generating cash flows to which such asset belongs.
In the case of intangible assets with undefined usability period, the loss of value test is carried out every year and, additionally, if there are any premises that the loss of value could have occurred.
The retrievable value is the higher of the two following values: fair value less sales costs or usable value. The latter corresponds to the current value of the estimated future cash flows expected by the company from the assets, discounted at the discount rate which takes into account the current money value in time and the asset-specific risk.
If the retrievable value is lower than the balance sheet value of an asset (or a cash flow generating unit), the balance sheet value of the asset or unit is written-down to the retrievable value. The amount of impairment loss is immediately recognised as a cost for the period.

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

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

Investment property

An investment property is real property (land, building or part of a building, or both), held (by the owner or lessee in the form of a right-of-use asset) for the purpose of generating rental income or holding due to expected appreciation in value, while such property is not used in production, supply of goods, provision of services or for administrative activities, or for sale in the ordinary course of the entity's business.

Investment property is initially valued according to its purchase price or construction cost.
Investment property held by the Group, as a lessee, in a form of an asset under the right of use, is recognised in accordance with IFRS 16 "Leases".

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

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

If investment property is transferred to owner-occupied property or to inventory, the existing fair value is the initial cost. When real estate is transferred from inventory to investment property, the effects of fair value measurement are recognised under other operating income or expenses.

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

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

Shares in associates and subsidiaries

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

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

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

Dividends from a subsidiary, joint venture or associate are recognised in separate financial statements when the entity's right to receive the dividend arises. Dividends are recognised in the profit and loss account.

In the consolidated financial statements investments in an affiliate are recognised using the equity method, i.e. the investment is initially recognised at cost and then after the date of acquisition its value is adjusted by the investor's share change in the net assets of the entity. The financial statements of an affiliate should be drafted as of the same date and according to the same principles as those of the investor. The investor's profit or loss includes the investor's share of the entity's profit or loss.

Financial instruments and hedge accounting

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

Financial assets
Financial investment is any asset in the form of cash, equity instrument issued by other entities as well as a contract (agreement) based right to receive financial assets or the right to exchange financial instruments with another entity under potentially favourable conditions.
Based on the timeliness criterion, they can be divided into:
- long-term,
- short-term

Where the period during which a financial asset is held is not apparent from the nature, features or the contract that gives rise to that asset, the person concluding the contract is responsible for determining the intended holding period. When the deadline for disposal of long-term financial assets becomes less than one year, these assets are reclassified to short-term investments.
The Group classifies financial assets into one of the following categories:
- financial assets measured at fair value through other comprehensive income,
- measured at amortised cost,
- financial assets measured at fair value through profit or loss
- financial hedging instruments.

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

A **financial asset is measured at amortised** cost if both of the following conditions are met:
1) financial asset is held to generate contractual cash flows;
2) terms of the contract generate cash flows on specific dates that are repayment of the principal amount and interest
The following are recognised by the Group as financial assets at amortised:
- trade receivables
- loans granted
- bonds
- other receivables and deposits, cash and cash equivalents

Financial assets measured at amortised cost are measured at amortised cost using the effective interest rate method, adjusted for any write-offs due to expected credit losses.
A **financial asset is measured at fair value through profit** or loss if both of the following conditions are met:
1) the purpose is to keep it in order to obtain both contractual cash flows as well as to sell it;
2) the terms of the contract generate cash flows on specific dates that are repayment of the principal amount and interest
At the time of initial recognition, the Group recognises equity instruments - shares and interests in other entities - as financial instruments measured at fair value through other comprehensive income.
All financial instruments that were not classified as measured at amortised cost or measured at fair value through profit or loss are recognised as assets measured at fair value through total comprehensive income.
The Group classified as assets measured at fair value through profit or loss those derivatives for which hedge accounting is not applied as well as those hedging instruments that are measured through profit or loss in accordance with hedge accounting principles.
The Group may irrevocably designate a financial asset as at fair value through profit or loss upon initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the related gains or losses on different basis.
Financial assets measured at fair value through profit or loss are initially recognised at fair value, and on the last day of the reporting period they are measured at fair value with gains/losses on revaluation recognised in the financial result.

The Group classifies financial liabilities into the following categories:
- measured at amortised cost,
- measurement at fair value through profit or loss,
- financial hedging instruments.

The Group classified trade liabilities, credits and loans received as well as bonds as liabilities measured at amortised cost.
The Group classifies liabilities on account of derivatives to which hedge accounting is not applied as measured at fair value through profit or loss.

Classification of financial assets and liabilities into different categories used by the Group		
Classification and measurement	**Type of financial instrument**	**Presentation in the statement of financial position**
Financial assets measured at amortised cost	Loans granted	Financial assets (long- and short-term)
	Trade receivables, in addition to receivables transferred for factoring	Trade receivables and other receivables (long- and short-term)
	Other financial receivables	Trade receivables and other receivables (long- and short-term)
	Cash and cash equivalents	Cash and cash equivalents
Financial assets at fair value through profit or loss	Shares in non-subordinated entities	Financial assets (long- and short-term)
Financial assets measured at fair value through profit or loss	Receivables from valuation of derivatives not covered by hedge accounting	Derivative financial instruments Assets
	Trade receivables covered by factoring agreements	Trade receivables and other receivables (long- and short-term)
Liabilities measured at amortised cost	Trade payables	Trade payables and other liabilities
	Loans and borrowings received	Bank loans and borrowings (long- and short-term)
	Issued bonds	Bonds (long- and short-term)
Financial liabilities measured at fair value through profit or loss	Liabilities from valuation of derivatives not covered by hedge accounting	Derivative financial instruments (equity and liabilities)
Financial hedging instruments	Receivables / Liabilities on revaluation of derivatives cash flow hedges (covered by hedge accounting)	Derivative financial instruments (assets / liabilities)

Financial asset impairment loss

The Group, as per IFRS 9 Financial Instruments, the concept of expected credit loss resulting in recognition of impairment losses on assets from the moment of their initial recognition. Impairment requirements for financial assets relate in particular to financial assets measured at amortised cost and measured at fair value through other comprehensive income.

The Group identified the following categories of financial assets where it verified the impact of calculation of expected credit losses on the financial statements:

- trade receivables,
- loans granted

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

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

Derivative instruments

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

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

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

Fair value of derivative instruments treated as a hedge is classified as a component of fixed assets or long-term liabilities if the period remaining to maturity of the hedging relationship exceeds 12 months, or as a component of current assets if this period is shorter than 12 months.
Derivatives not designated as an effective hedging relationship are classified as current assets or liabilities.

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

Hedge accounting
The Group defines specific hedges of foreign exchange risk and market risk that covers derivatives, embedded derivatives and other instruments as fair value hedges, cash flows hedges. Hedges of foreign exchange risk and market risk in relation to probable future liabilities are accounted for as cash flow hedges.
At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item as well as the risk management objectives and strategy for the execution of the various hedging transactions. In addition, the Group documents the effectiveness with which the hedging instrument compensates for changes in the fair value or cash flows of the hedged item, both at the time of the relationship and on an ongoing basis thereafter.
Group companies recognised the settlement of forward transactions concluded to hedge foreign exchange risk, the settled transactions relate to the hedging of net foreign exchange exposure. The level of hedging was determined using a forecast of net foreign currency exposure based on Group's budget. Exposure to foreign currency risk was determined based on forecast sales revenues in EUR as well as costs and outflows related to sales in EUR. The instruments (forward transactions) concluded by the Group are of a hedging nature for currency risk, transactions settled in 2024 were presented in operating activity as other operating income. The change in valuation of these forward transactions treated as hedging instruments is recognised in financial income/expenses until settled.

Cash flow hedge
The effective portion of changes in the fair value of derivatives defined and classified as cash flow hedges is deferred to equity. Profit or loss related to the ineffective part is recognised immediately in the profit and loss account as a part of costs or revenues.
Amounts recognised in equity are recovered in the income statement in the period in which the hedged item is disclosed in the income profit and loss account. However, if a forecast hedged transaction results in the recognition of a non-financial asset or non-financial liability, the gains and losses previously recognised in equity are reclassified to the initial measurement of the cost of asset or liability.
The Group discontinues the use of hedge accounting if a hedge instrument expires, is sold, terminated or executed or if it does not comply with the hedge accounting criteria. And also when the hedging relationship is cancelled and when the expectation of realisation of the hedged investment has ceased. If this happens, the cumulative profits or loss on that hedge instrument recognised in equity remain as capital items until the hedged transaction is executed. If the hedged transaction is not executed, cumulative net result recognized in equity is immediately transferred to the income statement for relevant period.

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

Inventories

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

- other components acquired on stock markets are recognised at standard cost including only the stock market acquisition position adjusted for deviations bringing the stock to actual value.

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

Goods and materials
They are valuated at the purchase price not higher that their net realisable value.
The difference between the higher cost and lower net selling price is recognised as an inventory write-off. If it is not possible to determine the net selling price of an asset, the Group determines its fair value on the balance sheet date by other possible method

The Group in the specifics of its production uses tooling (tools) for production machinery. This is tooling subject to resale to purchasers of products manufactured on the tooling based on a re-invoice - after the purchaser accepts the design of the product manufactured on it. The cost of this tooling is recorded in separated accounts until it is sold, and in the financial statements it is reported in inventory of raw materials.
Due to the fact that the purchase prices of materials and goods fluctuate throughout the fiscal year, issue of materials and goods is recorded according to "first in, first out" (FIFO) method.

Records of goods at retail outlets
Goods - are subject to value records. Records are kept at retail selling prices and therefore include the trade margin and the output VAT. The VAT and margin are posted to the account "Deviations from record prices" and a reconciliation is made for deviations from record prices in the part concerning the margin of goods sold in proportion to goods sold and inventory, and in the part concerning VAT on the basis of cash register reports.
As of the balance sheet date, the valuation of inventory at retail prices and the determination of the amount of margin and VAT is carried out through a physical inventory and the calculation of average margin and VAT deviation ratios.

Products and work in progress
Products are recognised at their cost of manufacture which covers the costs in direct connection with the product plus justified part of costs directly associated with the manufacture of the product.
On the balance-sheet day, the value of the products accounted for in the ledgers at fixed price is adjusted to the effective cost of their manufacture, not higher than the realisable market prices.
The effects of write-offs on the finished products and their reversal, refers to the cost of sales.

If the costs of manufacturing of identical products or products considered as identical due to similarity of nature and purpose, are different then the final value of these assets, depending on the method the Group chose to determine the issue value of particular kind of products, sale or use is measured:
- according to FIFO ("first in, first out") method
- according to average manufacturing costs set by weighted average for a given product.

Various methods of determining the issue in case of inventories with a different nature and purpose are allowed.
Items in the work in progress are measured at the direct manufacturing cost.

Inventory impairment write-offs
The difference between higher purchase price and lower net selling price of materials and goods is written off to other operating expenses. If it is not possible to determine the net selling price of an asset, its fair value should be determined on the balance sheet date by other possible method
The effects of write-offs on the finished products and their reversal, refers to the cost of sales.
Usable waste, or assets that have lost their original use value in the course of operations, are disclosed in the books at net selling prices, and in the absence of such prices - at the value resulting from an estimate that takes into account their suitability for further use.
If it is expected that the selling price of the inventory will cover the purchase price or cost of production then no revaluation write-off is made.
The effects of impairment losses on work in progress (including manufacturing waste) and finished goods, as well as their reversal, are charged to cost of goods sold.
The effects of write-offs on materials and raw materials in stock are charged to other operating expenses (recognition of a write-off) or other operating income (reversal of a write-off).

Trade and other receivables

Trade receivable represent the amounts due from customers for products, goods, materials or services sold as part of the Group's ordinary business. If the due date of trade receivables falls within one year (or within the ordinary cycle of business activity, if it is longer), trade receivables are classified as short-term and are presented as current assets.
Other receivables include amounts owed by customers for sales not related to the Group's ordinary operations, prepaid expenses and advances paid by customers for future purchases. These primarily include receivables from the sale of fixed assets and intangible assets, from the sale of shares, profit sharing receivables and receivables state budget, excluding corporate tax receivables which form a separate line item in the statement of financial position and

others. Other receivables are presented as current assets if they are due within 12 months or fixed assets if they are due within more than 12 months.

Cash and cash equivalents

Cash is considered as cash in hand, on bank accounts and deposits payable on demand, recognised in nominal value. Cash outflows in foreign currencies are determined according to the FIFO method ("first in - first out").
Bank deposits, bonds, treasury and commercial bills with payment date of up to 3 months from the purchase date are considered by the Group as cash. Cash equivalents are recognised at adjusted cost using the effective interest rate method.
Cash that a Group company can only dispose of to a limited extent (even though it is in its possession) are funds that cannot be freely used by it. This justifies showing in the cash flow statement amounts frozen in bank accounts (for instance to secure operations, blocks to secure loans and credits or other financial contracts, blocked grant funds temporarily), funds of the Company's Social Benefits Fund, the Company's Disabled Persons Rehabilitation Fund, letters of credit or deposits received for a planned tender, taking into account the principle of materiality. It is conventionally assumed that the item concerned shows cash, the ability to dispose of which is limited for more than 3 months from the balance sheet date.

Provisions, contingent liabilities and contingent assets

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

The Group recognises provisions, if:
- legal or customary obligation resulting from past events exists
- likely (>50%) outflow of funds
- possible (5%-50%) reliable estimate

Provisions are measured at least at the balance sheet date in a reasonable, estimated value. The Group discounts a provision when the time value of money significantly affects the amount of such provision.
The financial effects of recognised provisions are included in other operating expenses or financial expenses, respectively, depending on the circumstances of future obligations. Provisions are settled (or reduced) when the liability for which the provision was earlier recognised arises. Provisions not used on the date of cessation or reduction of the risk for which they were recognised are included in other operating income or financial income.
Provisions for future salaries and wages (of management and employees) are made against payroll expenses (by cost type) in the period to which the salary relates.

The Group recognises provisions for decommissioning, restoration and environmental remediation costs when they occur. Recognition of the provision is at the discounted value of the planned costs to perform the necessary work.

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

Contingent liabilities are not recognised in the statement of financial position or in the statement of income. They should be shown in the notes when the likelihood of an outflow of funds is possible.
One of the main items of contingent liabilities includes financial guarantees, or contracts aimed at compensating other entities for losses caused by the failure of debtors to make payments.

Contingent assets

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

Shareholders' equity

Shareholders' equity is measured at least at the balance sheet date in the nominal value and is recognised in the ledgers according to their nature and rules set by law or group's company statute or Articles of Association.

In accordance with IFRS 29, art. 24 items of equity (except retained earnings and capital from revaluation of assets) were calculated at the date of transition to IFRS i.e. 01.01.2004 using general price indices since their contribution or otherwise. The amount arising from the hyperinflation revaluation increased share capital and the issue premium.

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

Profit per share

Basic earnings per share are calculated by dividing the net profit for the financial by the average weighted number of the shares issued as existing in the financial year. Diluted earnings per share are calculated by dividing the net profit for the financial by the average weighted number of the shares issued as existing in the financial year together with the weighted average number of ordinary shares that would have been issued upon conversion of dilutive potential common shares into common shares.

Interest-bearing bank loans, advances and debt securities

Upon initial recognition, all bank loans, advances and debt securities are recognised according to fair value reduced by costs associated with obtaining of a loan or advance.
After initial recognition, interest-bearing loans, advances and debt securities are then measured according to amortised costs, using effective interest rate method. Determination of amortised cost include costs associated with obtaining of a loan or advance and discounts or bonuses obtained on settlement of a liability.
Gains and losses are recognised in the profit and loss account as soon as the liability is removed from the balance sheet, and also as a result of settlement using the effective interest rate method.
Commissions on loans and advances are recognised in financial expenses except when:
- the value of the commission was considered a material amount or
- the amount of cash flowing into the Group company's account is less than the amount due from the commission deducted.

In that case, the amount of the commission paid or the difference between the value of the funds received and the repayment obligation is considered as prepaid expenses and charged to the financial expenses of the period for which the liability was incurred.

Own shares acquired for redemption are reported in the statement of financial position under “Own shares" and the difference between their purchase price and par value, together with acquisition costs, adjusts the supplementary or reserve capital established for this purpose.
Equity arising from the conversion of debt securities, liabilities and loans into shares is reported at their nominal value (of debt securities, liabilities and loans) including unamortised discounts, premiums, accrued but unpaid interest (which will not be paid) until the date of conversion into equity, unrealised exchange differences and capitalised issue costs.

Deferred income and government grants

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

Subsidies are divided into:
- capital subsidies - for acquisition, financing of fixed tangible and intangible assets
- revenue subsidies - financing costs in specific area.

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

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

Revenues

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

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

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

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

Interest, royalties and dividends
Interest income is recognised on an ongoing basis as it accrues in accordance with the effective interest rate method.
Dividends are recognised upon determination of rights of shareholders to obtain them.
Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

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

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

Costs

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

Operating expenses include direct and indirect costs of Group's operations by cost type. Operating expenses also include bank commissions and fees for maintaining a bank account.

The revaluation of financial assets includes the net value of recognised and reversed impairment losses on assets over their release in the period.

Other operating expenses
These are indirect costs of Group's operations, including in particular:
- recognised provisions for litigation,
- donations made
- accrued or paid penalties and damages,
- losses in tangible current assets or fixed assets,
- losses on disposal of property, plant and equipment and intangible assets,
- the excess of recognised provisions for materials and goods over their release in the period.

Financial expenses include, in particular, interest on borrowings and other sources of financing, including discounting of liabilities, changes in the amount of provisions resulting from approximation of the time of performance of liability (the so-called discount reversal effect) and net foreign exchange losses on receivables and liabilities denominated in foreign currencies. Finance costs also include the cost of commissions on borrowings plus cost of issuing debt securities, for the portion not subject to activation.
Costs arising from the Group's use of the assets of other companies and/or persons, representing interest, are recognised in financial expenses successively as they accrue, according to the effective interest rate method.

Principle of substance over form

For each transaction, the Group analyses whether the transaction raises the economic effects, which would be expected for this kind of transaction. This rule is applied in case of sales, leasing, consignment or sales with recourse to the seller.
To demonstrate the sales, transfer of significant risks and profits for the buyer, the lack of ability to control by the seller and high probability of benefits impact should be taken into account.

Costs of external financing

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

- interest on loans and borrowings
- amortisation of discount or bonus related to loans and borrowings
- amortisation of costs associated with obtaining borrowings and loans
- lease finance charges,
- exchange rate differences associated with borrowings and loans in foreign currency, in the interest valuation part

Costs of external financing are recognised as costs of the period, in which they were incurred, excluding the costs of external financing, which can be directly assigned to the adjusted assets. Costs of external financing for the period of adjusting the asset increase the cost of production of fixed assets or real estate investments. Completion of capitalisation of financing costs takes place when all work has been substantially completed. If the funds from a loan for investment are periodically deposited, the interest earned on the deposit also affects the cost of the adjusted asset. Exchange rate differences on foreign currency borrowings affect the initial value of a qualifying asset to the extent that they represent an adjustment to interest expense. The value of exchange rate differences adjusting the interest expense represents the difference between the interest expense on similar financing that the Group would have had in its functional currency and the expense incurred when financing in foreign currency.

Employee benefits

Employee benefits are all the benefits offered in exchange for employees' work.

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

Reserve for unused employee vacation leaves
The liability is determined in the amount of additional payments that are expected to occur solely because the amount of the benefit accrues. The estimate of the provision is based on a comparison of the leave utilisation plan (set at the average realization of the last three years) with their actual utilisation in each month of the fiscal year. The vacation provision is charged to cost of sales.

Long-service benefits and retirement severance payments
Calculation of the value of a disability benefit involves calculation of the actuarial value of payments as of the calculation date.
When applying the principle of first-time provisioning, the amount relating to previous years is settled against retained earnings. Provisions must be made regardless of the age of employees. If the amount of the calculated provision turns out to be an insignificant amount, then it can be not created. Retirement provisions are determined each year by an independent pensions actuary and the actuarial differences are charged to the profit and loss account, cost of sales or general and administrative expenses, depending on the group of employees to whom the provision applies. All the actuarial profits and losses relating to demographic changes and discount rate changes are recognised directly in other comprehensive income.

Distressed
Restructuring provisions are recognised when the Group is certain that the cash outflow due to restructuring will be needed and that its amount was reliably estimated by the Group. Provisions include, in particular, gratuities for dismissed employees. A provision for restructuring costs can be established only if a formal restructuring plan is presented to all stakeholders.

Incentive programs
The Parent Company's executives may be covered by an incentive program. The purpose of the program is to support the long-term and comprehensive development of the Parent Company and its Group. The detailed rules of the program are described in the regulations of the incentive program, adopted by the Company's Supervisory Board, and are presented in a separate note to the financial statements, together with an appropriate valuation, as per binding standards.

Impact of foreign exchange rate changes

The presentation currency for the Group is PLN.
Each of the Group's companies has a functional currency in line with its cash generation and spending.

Valuation as at transaction date
Transactions denominated in foreign currencies are translated to functional currency at the moment of initial recognition:
- at the exchange rate actually applied, i.e. at the currency buying or selling rate applied by the bank in which the transaction takes place, in the case of currency selling or buying operations,
- in case of other transactions, including receipt of receivables and payment of liabilities in foreign currencies, at the average exchange rate for relevant currency determined by the national bank as at the date of the transaction.

Valuation as at balance sheet date
On the balance sheet date, foreign-currency assets and liabilities are converted at the average exchange rate of the national bank applicable on the balance sheet date. Non-monetary items are carried at the historical rate (the rate on the date of the transaction). Non-cash items in foreign currency are carried at fair value - translated at the exchange rate effective as at the date of fair value determination.

Recognition of exchange rate differences
Exchange rate differences arising from implementation or conversion of monetary items are recognised in the profit and loss account and are presented in net amount (exchange rate profit or loss).
If gains and losses on non-monetary items are recognised in the profit and loss account, the foreign exchange differences related to them are also recognised in the profit and loss account.
If gains or losses on non-monetary items are recognised directly in equity, foreign exchange differences relating to these gains and losses are also recognised directly in equity.
As of the balance sheet date, monetary assets and liabilities denominated in foreign currencies are converted/valued at the average exchange rate of the national bank in effect on that date.
Non-monetary assets and liabilities are measured at fair value and denominated in foreign currency, are valuated according to the average exchange rate set by the national bank on the date of setting the fair value.
Exchange rate differences on receivables and payables denominated in foreign currencies arising at the payment are recognised in financial expenses or financial income respectively.

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

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

Estimates of the Management Board

Preparation of financial statements in compliance with IFRS requires the Management Board to make professional judgements, estimates and assumptions that impact the adopted accounting principles and the presented value of assets, liabilities, revenues and costs. The estimates and the underlying assumptions are based on historical experience and other factors considered reasonable under given circumstances and the results of such estimates are the basis for professional judgement of the carrying value of assets and liabilities, which cannot be determined using other sources. Actual results may differ from the assumed estimated values. The estimates and the underlying assumptions are reviewed on an on-going basis. A change in estimated values is recognized in the period in which the verification occurred if it concerns that period only, or in the current period and future periods, if the change concerns both the current period and future periods.
The main accounting estimates and the assumptions adopted refer to:
- estimated useful life of the asset - the subject matter of the estimation is to determine the estimated useful life, which may be shortened or extended in use. The end value and amortisation/depreciation methods are verified by the Group once per fiscal year. The verification includes among others: economic useful life end value of asset expected method of consuming the economic benefits from an intangible asset expected physical wear and tear estimated on the basis of the present average useful life reflecting the speed of physical wear and tear and intensity of use etc. technical or market obsolescence legal and other limitations to the use of the asset expected use of the asset estimated under the expected production capacity or production size and other circumstances effecting the useful life of assets.
- Impairment losses- are made if there are any external or internal indications of no possible recovery of the carrying amount of the non-current assets. If the carrying amount assets exceeds the recoverable amount of the asset, the value of asset is lowered to the recoverable amount by the appropriate impairment and recognition of the costs in the income statement.

- allowances of current assets (inventories and receivables), for inventories the allowance is estimated on the basis of the difference between net realizable amount and expected amount of future cash-flows. On the other hand estimate of accounts receivable write-off is the difference between the carrying value of given asset item and the current value of future cash flows discounted at the effective interest rate.
- employee benefits and provisions for retirement benefits and similar- the current amount of benefits and provisions depend on many factors determined by actuarial methods. The assumptions adopted to establish the net amount (income) for the retirement benefit include the discount rate. Any and all changes of such assumptions shall affect the amount of the retirement liabilities. The Group determines relevant discount rate at the end of each year. It is the interest rate applied to determine the present value of the estimated future outflows of cash assessed as necessary to meet the liabilities.
- provisions for expected liabilities due to the business activities- they are established in the amount representing the best estimate of the expenditure required to settle the present obligation or substantiation of the future obligation at the end of the reporting period.
- impairment tests of fixed assets and goodwill - impairment tests are carried out on the basis of five-year discounted forecast cash flows consistent with the approved plans of the Management Board. The discount rate is calculated based on WACC. The model uses the CAPM valuation model and the industry average beta value to calculate the cost of equity.

Balance sheet values and parameters used in estimates are presented in the numerical part of the report.

Taxes

Current corporate income tax

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

Deferred income tax

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

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

In the consolidated financial statements, deferred tax assets and liabilities recognised on items subject to consolidation exclusions are excluded.

Deferred tax liabilities and assets at the level of each Group company are reported as a net figure in the balance sheet. The value presented in the statement of financial position of each Group company represents the excess deferred tax asset or liability. It is presented as a deferred tax asset or long-term deferred tax liability, respectively. In the consolidated statement of financial position, the items of deferred tax assets and deferred tax liabilities represent the sum of the items from each company after appropriate consolidation eliminations.

Value added tax

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

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

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

Tax exemptions under the decision on support for the implementation of new investments

Group companies operate in Special Economic Zones and/or under the investment promotion act. New investment support decisions received provide for income tax exemption on income generated from activities specified in individual permits/support decisions up to the state aid limit, which depends on investment expenditure under individual permits/support decisions and the intensity of state aid for the region.

The Group recognises the benefits of the public assistance received based on IAS 12. The Group recognises deferred tax assets at the amount of usable government assistance available to the Group as of the respective balance sheet dates.

Uncertainty over income tax treatments

If, in the Group's opinion, it is likely that the Group's approach to a tax issue or group of tax issues will be accepted by the tax authority, the Group determines taxable income (tax loss), tax base, unused tax losses, unused tax credits and tax rates taking into consideration the approach to taxation planned or applied in its tax return. In assessing this likelihood, the Group assumes that tax bodies with the authority to audit and challenge the tax treatment will conduct such an audit and have access to all information.

If the Group determines that it is not probable that the tax authority will accept the Group's approach to a tax issue or group of tax issues, the Group reflects the effects of the uncertainty in the accounting treatment of the tax in the period

in which it determines it. The Group recognises an income tax liability using one of the following two methods, whichever better reflects the way the uncertainty may materialise:
- the group determines the most likely scenario - this is a single amount among possible outcomes or
- the Group recognises expected value - this is the sum of probability-weighted amounts among possible outcomes.

Special funds

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

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

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

Non-adjusting events after the balance sheet date- those that are indicative of conditions that arose after the balance sheet date. If they are significant, they are recognized in the additional information by the Group, giving the nature and financial effect of such event or by the statement that determination of such effect is impossible or not reliable.

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

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

Segment reporting

Operating segments are identified if such identification is made when making decisions about operational matters or when such identification is made in internal reporting used for decision making and ongoing business evaluation.

A business segment is a distinguishable area of an entity within which goods or services are distributed or a group of related goods or services are provided, which is subject to risk and has a level of return on capital expenditures different from those inherent in other business segments. Factors to consider when determining whether products and services are related include:
- type of goods or services,
- type of production processes,
- type or class of users of goods or services,
- methods used to distribute goods or provide services,
- type of system of existing regulations

A geographic segment is a distinguishable area of a business unit, within which goods are distributed or services are provided in a specific economic environment, which is subject to risks and features a level of return different from those inherent in other areas operating in a different economic environment. Factors to be considered in defining a geographic segment include:
- similarity of political and economic conditions,
- links between operations in different geographic areas,
- location proximity,
- a particular type of risk associated with operations in a specific geographic area,
- exchange control regulations,
- currency risk.

The location of customers or the location of segment assets can be considered as a criterion for selecting a geographic segment. In the Group, the division is made according to the location of segment assets.

Segment revenues are revenues generated from sales to 3rd party customers, from transactions with other segments of the Group, which are reported in the profit and loss account of an entity and are directly attributable to a segment, together with the corresponding portion of revenues that are reasonably attributable to that segment.

Segment revenues do not include:
- extraordinary profits,
- interest or dividend income, including interest earned on advances made or loans made to other segments unless the segment's operations are primarily financial in nature,
- gains from the sale of investments or gains resulting from the extinguishment of debt, unless the segment's operations are primarily financial in nature.

Segment revenue includes an enterprise's share of profit or loss of associates, joint ventures or other financial investments consolidated using the equity method, provided, however, that the above items are included in consolidated or total enterprise revenue.

Segment costs are costs that involve costs of sales to 3rd party customers and costs of transactions with other segments within the same business entity, which arise from the operating activities of a segment and are directly attributable to that segment, together with the corresponding portion of the business entity's costs that are reasonably attributable to the segment.

Segment costs do not include:
• extraordinary losses,
• interest, including interest on advances or loans received from other segments, unless the segment's operations are primarily financial in nature,
• losses on the sale of investments or losses incurred as a result of debt extinguishment, unless the segment's operations are primarily financial in nature,
• the entity's share in losses of associates, joint ventures or other financial investments consolidated by the equity method,
• income tax charges,
• administrative overheads, head office costs and other costs arising at the business unit level that affect the business unit as a whole. Sometimes, however, costs occurring at the entity level are incurred for the benefit of the segment. Such costs are a segment expense if they relate to the segment's operating activities and can be directly attributed or allocated to the segment on a reasonable basis

Assets of the segment are operational assets used by the segment in operational activity, which can be directly assigned to a given segment or can the assigned to a given segment on the basis of rational premises.

Liabilities of the segment are operational liabilities arising from the segment's in operating activities, which can be directly attributable to the segment or reasonably allocable to the segment.

If the segment result consists of interest expense, its liabilities consist of the corresponding interest-bearing liabilities. Segment liabilities do not include income tax liabilities.

If the risks and investment returns of an entity are predominantly influenced by the differences that exist between the goods and services that the entity provides, the business segment should be taken as the primary reporting formula applied to segments, while supplementary information should be reported geographically and vice versa.

Two or more business or geographic segments in the scope of internal reporting that have significant similarities may be combined into a single business or geographic segment.

A business segment or geographic segment should be included in reportable segments if the majority of its revenues were derived from sales to 3rd party customers and:
a) segment revenues from sales to 3rd party customers or from transactions with other segments represent 10% or more of the total external and internal revenues of all segments or
b) segment result regardless of whether it is profit or loss represents 10% or more of the combined result of all segments that recorded a profit or all segments that incurred a loss, whichever expressed as an absolute value is greater or
c) segment assets represent 10% or more of the total assets of all segments.

If the total external revenue attributable to reportable segments is less than 75% of the Group's total consolidated revenue or income, additional reportable segments must be identified, even if they do not reach the 10 percent thresholds described above, and continue to do so until revenue from reportable segments reaches at least 75% of the consolidated revenue or income of the entity in total.

A segment recognised as a reportable segment in the period immediately preceding the current period by virtue of reaching the relevant 10 percent thresholds should continue to be included in the current period's reportable segments, even if its revenue, result and assets no longer exceed the 10 percent thresholds, if the Group's management assesses the segment to still be material.

If a segment is recognised as a reportable segment in the current period by virtue of reaching the relevant 10 percent thresholds, prior period segment data presented for comparative purposes should be restated to reflect the fact that the new reportable segment is distinct, even if the segment did not meet the 10 percent thresholds in the prior period, unless it is impracticable to make such a restatement.

Assets held for sale and discontinuation of operations

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

Discontinued operations are a cash-generating component (or group of components) of the Group that can be separated organisationally or for financial reporting purposes from the Group as a whole, that has been disposed of or held for sale and:

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

When discontinued operations exist, the Group discloses:

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

3.1. Conversion of financial data

The Group did not restate comparative data in the 2024 Consolidated Financial Statements affecting the financial result and consolidated statement of financial position.

4. DECLARATIONS OF THE MANAGEMENT BOARD

Statement by the Management Board on compliance of accounting principles

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

(amounts expressed in PLN '000 unless specified otherwise)

5. OPERATING SEGMENTS (continuing operations)

Continuing operations 01.01.2024 - 31.12.2024	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sale	157 687	1 567 864	2 825 884	769 629	5 321 064	(205 058)	5 116 006
Segment costs of sales	128 858	1 446 527	2 644 367	726 990	4 946 742	(199 223)	4 747 519
Result on sales within segment	**28 829**	**121 337**	**181 517**	**42 639**	**374 322**	**(5 835)**	**368 487**
General, administrative and sales expenses	30 012	168 113	172 228	34 153	404 506	(5 722)	398 784
Other operating profit/loss	5 171	29 810	137 813	21 664	194 458	14 339	208 797
Segment profit/loss	**3 988**	**(16 966)**	**147 102**	**30 150**	**164 274**	**14 226**	**178 500**
Amortisation/depreciation	5 573	87 734	64 772	6 137	164 216	(5 523)	158 693
EBITDA *)	*9 561*	*70 768*	*211 874*	*36 287*	328 490	8 703	337 193
Segment assets	137 803	1 446 581	2 139 809	1 676 936	5 401 129	(1 820 303)	3 580 826
Segment liabilities	105 818	2 286 988	552 295	259 761	3 204 862	(1 200 403)	2 004 459

Continuing operations 01.01.2023 - 31.12.2023	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sale	225 430	1 748 872	3 356 059	745 863	6 076 224	(387 219)	5 689 005
Segment costs of sales	190 940	1 599 934	3 056 431	718 654	5 565 959	(375 318)	5 190 641
Result on sales within segment	**34 490**	**148 938**	**299 628**	**27 209**	**510 265**	**(11 901)**	**498 364**
General, administrative and sales expenses	38 375	181 203	172 234	29 778	421 590	(6 392)	415 198
Other operating profit/loss	7 164	21 491	26 204	33 780	88 639	5 282	93 921
Segment profit/loss	**3 279**	**(10 774)**	**153 598**	**31 211**	**177 314**	**(227)**	**177 087**
Amortisation/depreciation	5 621	87 338	62 788	8 795	164 542	(5 644)	158 898
EBITDA *)	*8 900*	*76 564*	*216 386*	*40 006*	341 856	(5 871)	335 985
Segment assets	188 059	1 585 896	2 207 418	1 845 686	5 827 059	(2 073 977)	3 753 082
Segment liabilities	110 122	2 189 547	592 023	293 958	3 185 650	(1 084 078)	2 101 572

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

(amounts expressed in PLN ‘000 unless specified otherwise)

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 Kunstofftechnik 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 in liquidation, Boryszew HR Service Sp. z o.o., Boryszew Maflow Sp. z o.o.
Metals	Walcownia Metali 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.

6. REVENUES FROM SALE

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Revenues from sales of products	4 365 117	5 131 485
Revenues from sales of services	128 295	75 849
Revenues from the sale of goods and materials	582 153	458 091
Other revenues from contracts	40 441	23 580
Total (revenues from continuing operations)	**5 116 006**	**5 689 005**

REVENUES FROM SALE BY DESTINATION MARKET

Sales revenues by geographical areas	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Continuing operations		
Domestic sales	2 009 413	2 015 379
Sales to EU countries	2 622 741	3 099 126
Sales to other European countries	176 995	247 039
Export outside Europe	299 349	327 461
Hedging instruments	7 508	-
Total (revenues from continuing operations)	**5 116 006**	**5 689 005**

(amounts expressed in PLN '000 unless specified otherwise)

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES

Share of EU member states in intra-Community sales:	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Germany	35%	36%
Czech Republic	21%	19%
Italy	8%	6%
Spain	6%	4%
Slovakia	4%	5%

7. OPERATING EXPENSES

Costs of operating activities by type	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Amortisation/depreciation	158 668	158 924
Consumption of materials and energy	3 121 670	3 757 743
Third party services	339 416	353 774
Taxes and charges	47 720	44 272
Costs of employee benefits, including:	**883 217**	**885 255**
costs of remuneration	704 614	710 129
costs of social insurance	134 444	135 208
other employee benefits	44 159	39 918
Other expenses	56 271	64 845
Value of sold goods and materials	552 126	439 549
Total expenses by type	**5 159 088**	**5 704 362**
Movements in products	5 988	(18 406)
Capitalised costs by type, consumption for own needs	(18 773)	(80 117)
Total operating expenses	**5 146 303**	**5 605 839**
Selling costs	(107 041)	(121 689)
General and administrative expenses	(291 743)	(293 509)
Cost of sales	**4 747 519**	**5 190 641**

(amounts expressed in PLN '000 unless specified otherwise)

8. OTHER OPERATING REVENUES

Other operating revenues	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Profit on sale of fixed assets and investment property	43 049	119 363
Valuation of assets, including	**52 892**	**62 501**
fair value revaluation of investment real properties	*35 022*	*53 331*
value impairment write-offs for inventories	*12 012*	*8 725*
reversal of revaluation write-offs on fixed assets	5 858	445
Reversal of unnecessary provisions	132 484	18 475
Dividends and other revenue from capital investments	8	12
Revaluation of trade and other receivables	4 949	1 975
Other income, of which:	66 724	125 694
revenues from compensations	*5 887*	*25 723*
write-off of liabilities	*178*	*203*
white certificates received	*629*	*2 038*
divestment of emission rights	*5 602*	5 435
stock count surplus	*13 451*	*17 945*
gains on hedging instruments	*4 926*	*31 106*
aid to energy-intensive sectors	*457*	*12 120*
reimbursement of costs incurred	*13 598*	*9 878*
other	*21 996*	*21 246*
Grants (*)	*11 261*	*13 649*
Total	**311 367**	**341 669**

(*) Group's companies received support from public funds for development investment projects (NCRD), including at Walcownia Metali Dziedzice S.A., Huta Bankowa Sp. z o.o.., Boryszew S.A. Oddział ERG, NPA Skawina sp. z o.o.

(amounts expressed in PLN '000 unless specified otherwise)

9. OTHER OPERATING EXPENSES

Other operating expenses	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Loss on sale of fixed assets	**23 933**	**87 969**
Revaluation write-downs on non-financial assets, including:	**19 148**	**66 402**
inventory impairment write-offs	11 514	20 769
revaluation write-offs of property, plant and equipment as well as intangible assets	7 634	45 633
Revaluation of trade and other receivables	**2 148**	**5 919**
Provisions, including	**22 610**	**24 751**
provisions for restructuring costs	19 087	8 681
provisions for disputed claims	1 018	332
provisions for complaints and guarantees	1 324	4 572
provisions for loss-making contracts	1 181	10 360
provision for tax claims	-	806
Other expenses, including:	**34 731**	**62 707**
cancellation and write-off of receivables	508	6 908
compensations and penalties paid	1 290	428
stock count shortage	15 438	16 997
liquidation costs for plant France	-	9 781
donations	672	1 206
stock scrapping costs	5 318	7 835
loss on hedging instruments	398	1 055
other expenses	11 107	18 497
Total	**102 570**	**247 748**

10. FINANCIAL REVENUES

Financial revenues	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest income	2 689	7 682
FX gains	20 209	46 546
Profit on derivative financial instruments	840	4 334
Other financial revenues	4 323	2 346
Total	**28 061**	**60 908**

(amounts expressed in PLN '000 unless specified otherwise)

11. FINANCIAL EXPENSES

Financial expenses	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest expense	70 976	79 091
Loss on derivative financial instruments	3 784	296
FX losses	16 349	13 345
Charges for guarantees and sureties received	3 623	6 166
Revaluation of financial assets	251	-
Other financial costs	5 496	2 324
Total	**100 479**	**101 222**
Interest expense		
Interest on loans	58 485	49 827
Interests on loans	205	339
Interest on lease	11 252	11 721
Interest on treasury liabilities	124	13 684
Interest on trade liabilities and other interest	910	3 520
Total	**70 976**	**79 091**

12. INCOME TAX

Income tax	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Current tax	32 306	42 268
Deferred tax	(49 582)	(25 302)
Total tax	**(17 276)**	**16 966**

The group has operations in many countries around the world. Tax laws vary, with tax rates ranging between 9-34% per company.

(amounts expressed in PLN ‘000 unless specified otherwise)

12.1. Current corporate income tax

Income tax	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Gross profit (loss)	**103 529**	**134 515**
Adjustment by expenses non-deductible for tax	545 089	384 769
Adjustment by non-taxable revenues	(669 877)	(431 950)
Income after permanent and temporary differences	**(21 259)**	**87 334**
Donations	(502)	(524)
Deductions from the tax base (R&D relief)	(15 001)	(11 055)
Deductions from income due to tax losses	(18 650)	(20 524)
Income tax base	**(55 412)**	**55 231**
Income tax by rates	**31 329**	**45 922**
Effective tax rates	*30%*	*34%*
Tax deductions (additions)	(42)	(237)
Difference on tax settlement of operating or capital part		2
Minimum tax	849	
Adjustment of tax of previous years	170	(3 419)
Current income tax reported in the result	**32 306**	**42 268**
	-	-
Income on disposal of shares through comprehensive income	-	4 238
Current year income tax reported in comprehensive income	**-**	**805**

(amounts expressed in PLN '000 unless specified otherwise)

12.2. Deferred tax

The change in balance reported in the consolidated statement of comprehensive income is consistent with the change in balance reported in the tables on current and deferred taxes.

	Balance on 31.12.2023	Movement in the period			Balance on 31.12.2024
		Deferred tax in the income statement	Deferred tax in other comprehensive income	Other changes including foreign exchange differences on translation	
DEFERRED TAX ASSETS					
Employee benefit provisions	9 223	1 545	(160)	(61)	10 547
Other provisions	6 591	3 957	-	(120)	10 428
Impairments	11 340	(1 297)	-	(12)	10 031
Unpaid interest on loans and borrowings	262	10	-	13	285
Unrealised currency exchange rate differences	9 960	1 937	-	(1 002)	10 895
Depreciation (difference between depreciation for tax and balance sheet purposes)	58 462	3 984	-	(1 021)	61 425
Right-of-use liabilities	11 961	347	-	7	12 315
Valuation of derivative instruments	399	(245)	(41)	-	113
Asset for tax loss and investment relief due (*)	8 411	46 119	-	(839)	53 691
Other	14 885	(5 297)	-	(2)	9 586
Compensation for presentation purposes	*(86 428)*	-	-	*(37 910)*	*(124 338)*
Deferred tax assets	**45 066**	**51 060**	**(201)**	**(40 947)**	**54 978**

(*) including an investment relief asset recognised in 2024 in the amount of PLN 13 206 thousand in NPA Skawina Sp. z o.o. and PLN 15 135 thousand in Boryszew Maflow Sp. z o.o..

	Balance on 31.12.2023	Deferred tax in the income statement	Deferred tax in other comprehensive income	Other changes including foreign exchange differences on translation	Balance on 31.12.2024
DEFERRED INCOME TAX PROVISION					
Measurement of non-current assets	23 724	(6 677)	-	(1 668)	15 379
Valuation of derivative instruments	2 791	(1 033)	(1 962)	1 797	1 593
Valuation of shares and stocks	-	-	-	-	-
Unrealised currency exchange rate differences	7 888	176	-	(119)	7 945
Depreciation (difference between depreciation for tax and balance sheet purposes)	108 112	3 422	-	(17)	111 517
Unpaid interest on loans and borrowings	621	3 730	-	1	4 352
Other	19 871	1 860	-	(859)	20 872
Compensation for presentation purposes	*(86 428)*	-	-	*(37 910)*	*(124 338)*
Deferred income tax provision	**76 579**	**1 478**	**(1 962)**	**(38 775)**	**37 320**
Deferred tax assets/liability	**31 513**	**(49 582)**	**(1 761)**	**2 172**	**(17 658)**

(amounts expressed in PLN ‘000 unless specified otherwise)

	Balance on 31.12.2022	Movement in the period: Deferred tax in the income statement	Deferred tax in other comprehensive income	Other changes including foreign exchange differences on translation	Balance on 31.12.2023
DEFERRED TAX ASSETS					
Employee benefit provisions	8 685	298	157	83	9 223
Other provisions	6 380	450	-	(239)	6 591
Impairments	24 154	(11 925)	-	(889)	11 340
Unpaid interest on loans and borrowings	2 150	(1 888)	-	-	262
Unrealised currency exchange rate differences	3 021	7 089	-	(150)	9 960
Depreciation (difference between depreciation for tax and balance sheet purposes)	53 270	4 992	-	200	58 462
Right-of-use liabilities	7 081	4 879	-	1	11 961
Valuation of derivative instruments	522	(161)	41	(3)	399
Asset for tax loss	2 157	6 400	-	(146)	8 411
Other	13 485	621	-	779	14 885
Compensation for presentation purposes	*(111 758)*	-	-	*25 330*	*(86 428)*
Deferred tax assets	**9 147**	**10 755**	**198**	**24 966**	**45 066**
DEFERRED INCOME TAX PROVISION					
Measurement of non-current assets	11 766	10 974	1 549	(565)	23 724
Valuation of derivative instruments	3 496	432	(1 138)	1	2 791
Valuation of shares and stocks	1 041	-	(1 041)	-	-
Unrealised currency exchange rate differences	10 101	100	-	(2 313)	7 888
Depreciation (difference between depreciation for tax and balance sheet purposes)	100 505	7 754	-	(147)	108 112
Unpaid interest on loans and borrowings	35 273	(34 652)	-	-	621
Other	21 982	845	(11)	(2 945)	19 871
Compensation for presentation purposes	*(111 758)*	-	-	*25 330*	*(86 428)*
Deferred income tax provision	**72 406**	**(14 547)**	**(641)**	**19 361**	**76 579**
Deferred tax assets/liability	**63 259**	**(25 302)**	**(839)**	**(5 605)**	**31 513**

(amounts expressed in PLN '000 unless specified otherwise)

13. NON-CURRENT ASSETS

Tangible fixed assets (by type groups)	Balance on 31.12.2024	Balance on 31.12.2023
Fixed assets by type:	**1 304 109**	**1 310 975**
land	25 818	22 495
buildings, premises, civil and water engineering structures	362 831	400 709
technical equipment and machines	875 187	846 344
vehicles	9 223	9 445
other tangible fixed assets	31 050	31 982
Advances for tangible fixed assets	**5 886**	**18 498**
Total property, plant and equipment	**1 309 995**	**1 329 473**

Fixed assets provided as collateral to loan repayment	523 774	530 661

(amounts expressed in PLN ‘000 unless specified otherwise)

in the period 01.01.2024 - 31.12.2024	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	vehicles	Other tangible fixed assets	Total
Gross value of fixed assets at the beginning of the period	**22 905**	**724 878**	**2 146 249**	**34 997**	**124 717**	**3 053 746**
Increase due to acquisition	9	6 901	167 860	1 418	7 665	**183 853**
Fixed assets redeemed after lease end	-	-	36 522	68	28	**36 618**
Decrease due to disposal	-	(8 670)	(5 930)	(1 765)	(779)	**(17 144)**
Tangible fixed assets under construction	-	7 682	(53 185)	(34)	782	**(44 755)**
Liquidation	-	(798)	(17 282)	(752)	(1 208)	**(20 040)**
Reclassification to assets held for sale	-	(49 202)	(48 831)	(181)	(2 445)	**(100 659)**
Impact of exchange rate differences	3 306	(4 997)	(35 591)	(260)	(1 534)	**(39 076)**
Other	-	5 432	16 990	717	2 143	**25 282**
Gross value of fixed assets at the end of the period	**26 220**	**681 226**	**2 206 802**	**34 208**	**129 369**	**3 077 825**
Accumulated depreciation at the beginning of the period	**-**	**286 586**	**1 210 718**	**25 014**	**91 638**	**1 613 956**
Planned depreciation of own fixed assets	-	20 353	88 080	1 802	7 964	**118 199**
Decrease due to disposal	-	(4 399)	(5 065)	(1 648)	(659)	**(11 771)**
Liquidation	-	(881)	(13 506)	(594)	(1 114)	**(16 095)**
Reclassification to assets held for sale	-	(18 509)	(39 550)	(157)	(1 298)	**(59 514)**
Impact of exchange rate differences	-	(2 114)	(11 361)	(228)	(1 273)	**(14 976)**
Other	-	235	16 642	319	2 104	**19 300**
Accumulated depreciation at the end of the period	**-**	**281 271**	**1 245 958**	**24 508**	**97 362**	**1 649 099**
Impairment write-offs at the beginning of the period	**410**	**37 583**	**89 187**	**538**	**1 097**	**128 815**
Write-off provision recognised in the profit/loss for the current period	-	1 250	8 680	86	229	**10 245**
Reversal of write-offs recognised in the profit/loss for the current period	-	(107)	(5 512)	(49)	(171)	**(5 839)**
Impact of exchange rate differences	(8)	(2 346)	(3 721)	(44)	(69)	**(6 188)**
Other	-	744	(2 977)	(54)	(129)	**(2 416)**
Impairment write-offs at the end of the period	**402**	**37 124**	**85 657**	**477**	**957**	**124 617**
Net fixed assets as at the end of period	**25 818**	**362 831**	**875 187**	**9 223**	**31 050**	**1 304 109**

(amounts expressed in PLN ‘000 unless specified otherwise)

in the period 01.01.2023 - 31.12.2023	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	vehicles	Other tangible fixed assets	Total
Gross value of fixed assets at the beginning of the period	**49 852**	**851 337**	**2 036 902**	**32 263**	**125 873**	**3 096 227**
Increase due to acquisition	-	20 314	152 979	4 125	10 750	**188 168**
Fixed assets redeemed after lease end	-	-	11 770	900	2 713	**15 383**
Received as in-kind contribution	-	12 367	69 124	149	3 016	**84 656**
Decrease due to disposal	(16 652)	(81 831)	(7 910)	(1 960)	(4 427)	**(112 780)**
Tangible fixed assets under construction	-	(7 877)	65 074	130	1 533	**58 860**
Liquidation	-	(1 268)	(13 470)	(405)	(754)	**(15 897)**
Introduced as in-kind contribution (-)	-	(17 511)	(101 227)	(619)	(7 701)	**(127 058)**
Disposal of subsidiary and others	(8 609)	(29 676)	(1 637)	(74)	2	**(39 994)**
Impact of exchange rate differences	(1 686)	(21 037)	(55 370)	(918)	(6 151)	**(85 162)**
Other	-	60	(9 986)	1 406	(137)	**(8 657)**
Gross value of fixed assets at the end of the period	**22 905**	**724 878**	**2 146 249**	**34 997**	**124 717**	**3 053 746**
Accumulated depreciation at the beginning of the period	**291**	**327 615**	**1 218 588**	**24 482**	**96 035**	**1 667 011**
Planned depreciation of own fixed assets	-	24 202	80 429	2 065	6 480	**113 176**
Decrease due to disposal	-	(25 418)	(2 425)	(1 589)	(505)	**(29 937)**
Liquidation	-	(1 203)	(10 009)	(397)	(1 133)	**(12 742)**
Introduced as in-kind contribution (-)	-	(5 087)	(31 699)	(470)	(5 748)	**(43 004)**
Reclassification to assets held for sale	-	-	-	(74)	-	**(74)**
Sale of fixed assets to lessor - leaseback	-	-	(434)	(16)	-	**(450)**
Disposal of subsidiary and others	-	(23 857)	(243)	-	-	**(24 100)**
Impact of exchange rate differences	(21)	(9 701)	(35 757)	(827)	(4 798)	**(51 104)**
Other	(270)	35	(7 732)	1 840	1 307	**(4 820)**
Accumulated depreciation at the end of the period	**-**	**286 586**	**1 210 718**	**25 014**	**91 638**	**1 613 956**
Impairment write-offs at the beginning of the period	**152**	**14 251**	**83 042**	**492**	**832**	**98 769**
Write-off provision recognised in the profit/loss for the current period	-	27 341	16 864	124	635	**44 964**
Reversal of write-offs recognised in the profit/loss for the current period	-	(108)	(319)	-	(18)	**(445)**
Impact of exchange rate differences	(12)	(3 902)	(10 396)	(78)	(224)	**(14 612)**
Other	270	1	(4)	-	(128)	**139**
Impairment write-offs at the end of the period	**410**	**37 583**	**89 187**	**538**	**1 097**	**128 815**
Net fixed assets as at the end of period	**22 495**	**400 709**	**846 344**	**9 445**	**31 982**	**1 310 975**

(amounts expressed in PLN ‘000 unless specified otherwise)

14. INVESTMENT PROPERTY

Change	Balance on 31.12.2024	Balance on 31.12.2023
Balance at the beginning of the period	**178 622**	**123 259**
Additions	**37 492**	**68 998**
acquisition of investment real estate	622	200
valuation to fair value (-)	35 025	52 175
reclassification (from fixed assets, inventories)	1 845	14 644
other	-	1 979
Reductions	**(67 987)**	**(13 635)**
sale/disposal	(55 737)	(13 595)
valuation to fair value (-)	(2 842)	-
reclassification (to fixed assets, inventories)	(7 691)	-
other	(1 717)	(40)
Balance at period end	**148 127**	**178 622**

Investment real estate property at fair value	Balance on 31.12.2024	Balance on 31.12.2023
Real estate properties Boryszew Nieruchomości Sp. z o.o. (formarly Eastside Bis Sp. z o.o.) in Toruń	125 280	100 533
Properties of Boryszew S.A. in Toruń and Konin	11 180	21 702
Nieruchomości Walcownia Metali Dziedzice S.A.	2 500	2 377
Property of ZM Silesia S.A.	9 020	8 019
Nieruchomości Alchemia S.A.	147	147
Nieruchomości Huta Bankowa Sp. z o.o..	-	190
Nieruchomości w Maflow France Automotive SAS	-	45 654
Total	**148 127**	**178 622**

Properties in Toruń and Czechowice-Dziedzice are used as collateral for loan repayment.

	Balance on 31.12.2024	Balance on 31.12.2023
Income from disposal of real estate	42 056	83 632
Revenues from investment property (rental agreements)	20 535	20 703
Maintenance cost of investment property	12 428	14 989

Part of investment properties included in the books of Boryszew Nieruchomości Sp. z o.o. is used by Boryszew Capital Group companies. For consolidation purposes, investment real estate is recorded as fixed assets in 2024 in the amount of PLN 56 369 thousand and in 2023 in the amount of PLN 61 857 thousand, respectively. Rental income from these properties was eliminated from consolidation in 2024 in the amount of PLN 9 708 thousand and in 2023 in the amount of PLN 11 012 thousand, respectively.

The valuation of investment properties in Boryszew Nieruchomości Sp. z o.o. was prepared on the balance sheet date by an independent expert. The market value of the real property is determined by revenue approach, using the investment method, using simple capitalization method assuming the stable net operating income in the long prospectus and the comparative method was applied using the method of adjusted average price (estimation of the market value at the average prices of the similar real properties at the moment of appraisal). According to the Management Board, no evidence of impairment exists as at the balance sheet date. In accordance with the accounting policy, the Company measures the value of real estate properties once every 3 years.

(amounts expressed in PLN '000 unless specified otherwise)

15. GOODWILL AND ASSET IMPAIRMENT

Accumulated goodwill arisen as a result:	Balance on 31.12.2024	Balance on 31.12.2023
Baterpol S.A.	6 418	6 418
Total	**6 418**	**6 418**

As at 31 December 2024, Boryszew Capital Group identified indications for asset impairment testing in accordance with IAS 36 "Impairment of assets" related to:

- changes in the macroeconomic environment in 2024,
- change in discount rates following a reduction in reference interest rates,
- failure in implementation of 2024 projections.

At the end of 2024 Boryszew Capital Group carried out impairment tests for fixed assets of the following cash-generating units including selected subsidiaries, using discounted cash flow method.

Based on the analysis performed as at the balance sheet date, no impairment of goodwill occurred. The tests were carried out following the value in use assessment method based on five-year discounted projected cash flows, in accordance with the approved budgets for 2025 and plans for subsequent years approved by Management Boards of each Company.

For the purposes of the tests, Boryszew Capital Group determines discount rates individually for each defined cash-generating unit using the Capital Asset Pricing Model.

As of the date of impairment testing, i.e., 31 December 2024, the following were considered for each CGU:

- market risks specific to the country and business segment to reflect the current market assessment of the time value of money at the balance sheet date and the risks associated with the asset group corresponding to the return;
- the sources of the macroeconomic indicators needed to estimate the cost of capital and debt were publications by Aswath Damodran (http://pages.stern.nyu.edu);

For the residual value, the risk-free rate was estimated as the sum of the country's inflation target and the 2012-21 average of the difference between the historical 10-year bond yield and historical inflation for the country, respectively.

The tests proved that no accounting write-offs were necessary in the Issuer's consolidated financial statements to adjust the value of the assets being used.

Boryszew S.A. also conducted a test at the Group level. The reason of the test was the low level of the stock exchange price of Boryszew S.A. shares. The test was based on a comparison of the sum of assets and NSB - Net Working Capital of relevant subsidiaries and the parent company, determined based on the impairment tests and financial statements to the value of net assets and NSB in the consolidated balance sheet on 31.12.2024. The test suggested no need for write-off of the book value of Boryszew Group assets.

At Alchemia S.A. an impairment test was performed on the assets of operating divisions, excluding non-operating assets of divisions in the process of liquidation. Liquidated assets are recognised at fair value less costs to sell. The balance of the provision for asset liquidation on 31.12.2024 is PLN 5 970 thousand.

(amounts expressed in PLN '000 unless specified otherwise)

Name of entity	Projection period	Residual value	Actual / nominal cash flow	Growth rate after the forecast period	WACC for the forecast period	WACC for the RV period	Result of the test	Sensitivity analysis 1 bps increase of WACC Growth rate in the residual period + 1% p.p.	Sensitivity analysis EBITDA down 5%
ZM Silesia Katowice branch	5 years	Yes	Nominal	2.50%	10.50%	8.60%	No write-off necessary	No write-off necessary	No write-off necessary
ZM Silesia Oława branch	5 years	Yes	Nominal	2.50%	10.50%	8.60%	No write-off necessary	No write-off necessary	No write-off necessary
Alchemia S.A.	5 years	Yes	Nominal	2.50%	11.21%	9.30%	No write-off necessary	No write-off necessary	No write-off necessary
Huta Bankowa Sp. z o.o.	5 years	Yes	Nominal	2.50%	10.61%	8.70%	No write-off necessary	No write-off necessary	No write-off necessary
Walcownia Metali Dziedzice S.A.	5 years	Yes	Nominal	2.50%	9.35%	7.45%	No write-off necessary	No write-off necessary	No write-off necessary
Boryszew ERG Branch	5 years	Yes	Nominal	2.50%	10.98%	9.08%	No write-off necessary	Write-off on assets PLN 1 357 thousand	Write-off on assets PLN 3 076 thousand
Maflow Branch	5 years	Yes	Nominal	2.50%	9.99%	8.12%	No write-off necessary	No write-off necessary	No write-off necessary
Maflow Plastics Poland Sp. z o.o.	5 years	Yes	Nominal	2.50%	10.35%	8.49%	No write-off necessary	No write-off necessary	No write-off necessary
Maflow BRS s.r.l	5 years	Yes	Nominal	2.00%	9.15%	8.87%	No write-off necessary	No write-off necessary	No write-off necessary
Maflow Spain Automotive S.L.U	5 years	Yes	Nominal	2.00%	7.72%	7.51%	No write-off necessary	No write-off necessary	No write-off necessary
Maflow India Private Limited	5 years	Yes	Nominal	4.00%	13.77%	12.50%	No write-off necessary	No write-off necessary	No write-off necessary
Maflow Components Dalian Co. Ltd.	5 years	Yes	Nominal	2.00%	9.98%	11.63%	No write-off necessary	No write-off necessary	No write-off necessary
MAFMEX S.DE R.L.DE C. V	5 years	Yes	Nominal	3.00%	17.47%	13.04%	No write-off necessary	No write-off necessary	No write-off necessary
"onesano" S.A.	5 years	Yes	Nominal	2.50%	12.39%	10.44%	No write-off necessary	No write-off necessary	No write-off necessary

16. INTANGIBLE ASSETS

Intangible assets	Balance on 31.12.2024	Balance on 31.12.2023
R&D expenses	10 931	15 418
Patents, licenses, software	20 622	21 032
Other intangible assets	7 528	1 884
Total	**39 081**	**38 334**

(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2024 - 31.12.2024	R&D expenses	Patents, concessions, licence, software	Other intangible assets	Total
Gross value at the beginning of the period	**34 149**	**60 802**	**7 469**	**102 420**
Additions (purchase)	634	1 528	-	**2 162**
Liquidation	(376)	(530)	(151)	**(1 057)**
Impact of exchange rate differences	(56)	(464)	(40)	**(560)**
Other	132	2 489	6 854	**9 475**
Gross value of intangible assets at the end of the period	**34 483**	**63 825**	**14 132**	**112 440**
Accumulated depreciation at the beginning of the period	**18 337**	**39 770**	**5 576**	**63 683**
Scheduled depreciation of intangible assets	4 863	4 072	129	**9 064**
Liquidation	(138)	(268)	(54)	**(460)**
Impact of exchange rate differences	(36)	(404)	(36)	**(476)**
Other	132	33	981	**1 146**
Accumulated depreciation at the end of the period	**23 158**	**43 203**	**6 596**	**72 957**
Impairment write-offs at the beginning of the period	**394**	**-**	**9**	**403**
Write-off provision recognised in the profit/loss for the current period	-	-	1	**1**
other	-	-	(2)	**(2)**
impairment write-offs at the end of the period	**394**	**-**	**8**	**402**
Net value of intangible assets at the end of the period	**10 931**	**20 622**	**7 528**	**39 081**

in the period 01.01.2023 - 31.12.2023	R&D expenses	Patents, concessions, licence, software	Other intangible assets	Total
Gross value at the beginning of the period	**52 821**	**61 683**	**7 698**	**122 202**
Additions (purchase)	849	3 401	178	**4 428**
Received as in-kind contribution	15 079	70	9	**15 158**
Liquidation	(3 562)	(2 241)	-	**(5 803)**
Introduced as in-kind contribution (-)	(31 163)	-	(246)	**(31 409)**
Impact of exchange rate differences	(7)	(1 079)	(174)	**(1 260)**
Other	132	(1 032)	4	**(896)**
Gross value of intangible assets at the end of the period	**34 149**	**60 802**	**7 469**	**102 420**
Accumulated depreciation at the beginning of the period	**33 822**	**38 805**	**5 606**	**78 233**
Scheduled depreciation of intangible assets	4 033	4 761	329	**9 123**
Liquidation	(3 562)	(236)	-	**(3 798)**
Introduced as in-kind contribution (-)	(16 084)	(1 532)	(238)	**(17 854)**
Impact of exchange rate differences	(4)	(994)	(158)	**(1 156)**
Other	132	(1 034)	37	**(865)**
Accumulated depreciation at the end of the period	**18 337**	**39 770**	**5 576**	**63 683**
Impairment write-offs at the beginning of the period	**394**	**398**	**9**	**801**
Write-off provision recognised in the profit/loss for the current period	-	-	4	**4**
other	-	(398)	(4)	**(402)**

impairment write-offs at the end of the period	394	-	9	403
Net value of intangible assets at the end of the period	15 418	21 032	1 884	38 334

(amounts expressed in PLN '000 unless specified otherwise)

17. RIGHT-OF-USE ASSETS

in the period 01.01.2024 - 31.12.2024	Buildings and structures	Technical equipment and machines	Vehicles	Other tangible fixed assets	Intangible assets - software	Land - SMA	The Lease Agreement	Total
Gross value at the beginning of the period	**-**	**203 997**	**15 166**	**79**	**2 069**	**102 005**	**123 226**	**446 542**
Acceptance for use under new lease agreements signed during the current year	-	10 031	4 071	-	-	1 110	4 494	**19 706**
Disposal						(918)		**(918)**
Reduction du to end of lease term	-	(63 900)	(1 085)	(79)	-	(667)	(247)	**(65 978)**
Reclassification to assets held for sale	-	-	-	-	-	(11 037)		**(11 037)**
Other changes						8 716	4 525	**13 241**
Impact of exchange rate differences	-	(1 033)	(68)	-	(36)	-	(5 641)	**(6 778)**
Gross value at the end of the period	**-**	**149 095**	**18 084**	**-**	**2 033**	**99 209**	**126 357**	**394 778**
Accumulated depreciation at the beginning of the period	**-**	**84 636**	**7 248**	**50**	**2 069**	**4 066**	**52 106**	**150 175**
Planned depreciation of own fixed assets	-	12 989	2 695	-	-	1 115	14 213	**31 012**
Reduction due to termination of lease	-	(29 401)	(630)	(50)	-	(645)	(225)	**(30 951)**
Disposal						(28)		**(28)**
Impact of exchange rate differences	-	(694)	(66)	-	(36)	(9)	(1 833)	**(2 638)**
Accumulated depreciation at the end of the period	**-**	**67 530**	**9 247**	**-**	**2 033**	**4 499**	**64 261**	**147 570**
Impairment write-offs at the beginning of the period	**-**	**1 348**	**296**	**-**	**-**	**451**	**-**	**2 095**
Write-off provision recognised in the profit/loss for the current period		(57)	-	-	-	-	-	**(57)**
Reversal of write-offs recognised in the profit/loss for the current period	-	-	-	-	-	(3)	-	**(3)**
Reduction due to termination of lease	-	(678)	-	-	-	-	-	**(678)**
Impact of exchange rate differences	-	(11)	-	-	-	-	-	**(11)**
impairment write-offs at the end of the period	**-**	**602**	**296**	-	-	**448**	**-**	**1 346**
Net value of fixed assets at the end of period	**-**	**80 963**	**8 541**	**-**	**-**	**94 262**	**62 096**	**245 862**

(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2023 - 31.12.2023	Buildings and structures	Technical equipment and machines	Vehicles	Other tangible fixed assets	Intangible assets - software	Land - SMA	The Lease Agreement	Total
Gross value at the beginning of the period	**-**	**224 838**	**15 088**	**2 792**	**2 232**	**84 664**	**117 922**	**447 536**
Acceptance for use under new lease agreements signed during the current year	-	13 113	3 318	-	-	17 988	19 793	**54 212**
Disposal						(536)		**(536)**
Reduction du to end of lease term	-	(28 342)	(2 970)	(2 713)	-	(111)	(9 485)	**(43 621)**
Impact of exchange rate differences	-	(5 612)	(270)	-	(163)	-	(5 004)	**(11 049)**
Gross value at the end of the period	**-**	**203 997**	**15 166**	**79**	**2 069**	**102 005**	**123 226**	**446 542**
Accumulated depreciation at the beginning of the period	**-**	**86 708**	**7 435**	**1 339**	**2 232**	**3 623**	**47 239**	**148 576**
Planned depreciation of own fixed assets	-	17 095	2 290	117	-	502	14 089	**34 093**
Reduction due to termination of lease	-	(12 111)	(2 178)	(1 406)	-	(8)	(6 822)	**(22 525)**
Disposal						(51)		**(51)**
Impact of exchange rate differences	-	(7 056)	(299)	-	(163)	-	(2 400)	**(9 918)**
Accumulated depreciation at the end of the period	**-**	**84 636**	**7 248**	**50**	**2 069**	**4 066**	**52 106**	**150 175**
Impairment write-offs at the beginning of the period	**-**	**514**	**254**	**-**	**-**	**516**	**-**	**1 284**
Write-off provision recognised in the profit/loss for the current period		834	-	-	-	-	-	**834**
Reversal of write-offs recognised in the profit/loss for the current period	-	-	-	-	-	(65)	-	**(65)**
Impact of exchange rate differences	-	-	42	-	-	-	-	**42**
impairment write-offs at the end of the period	**-**	**1 348**	**296**	**-**	**-**	**451**	**-**	**2 095**
Net value of fixed assets at the end of period	**-**	**118 013**	**7 622**	**29**	**-**	**97 488**	**71 120**	**294 272**

(amounts expressed in PLN '000 unless specified otherwise)

18. SHARES IN AFFILIATES

	Balance on 31.12.2024	Balance on 31.12.2023
Carrying amount of investments in associates - beginning of the year	**28 857**	**-**
Acquisition of shares during the year (+)	-	31 115
Value at cost at year-end	**28 857**	**31 115**
Cumulative valuation of associates acquired	-	-
Share in profit	(2 553)	(2 258)
Carrying amount of investments in associates	**26 304**	**28 857**

19. FINANCIAL ASSETS

Financial assets	Balance on 31.12.2024	Balance on 31.12.2023
Shares at fair value through other comprehensive income	23 838	23
Shares at fair value through profit and loss	79	79
Loans granted	12 173	17 063
	36 090	**17 165**
Long-term assets	*36 089*	*101*
Short-term assets	*1*	*17 064*

Borrowings	Balance on 31.12.2024	Balance on 31.12.2023
Elkard Sp.z o.o.	-	1 047
Other	12 173	16 016
	12 173	**17 063**

Change in financial assets from 01.01.2024 to 31.12.2024	Bonds	Borrowings
Carrying amount - beginning of the period	**-**	**17 063**
Reduction in assets - bought-in / repaid during the year	-	(5 100)
Interest on bonds recognised in P&L during the current year	-	1 016
Interest received	-	(712)
Exchange rate differences	-	(94)
Carrying amount of bonds - end of the period	**-**	**12 173**

Change in financial assets from 01.01.2023 to 31.12.2023	Bonds	Borrowings
Carrying amount - beginning of the period	**21 346**	**62 152**
Reduction in assets - bought-in / repaid during the year	(15 924)	(45 650)
Bonds purchased / loans granted during the current year	-	1 000
Interest on bonds recognised in P&L during the current year	484	3 119
Interest received	(5 906)	(3 733)
Compensations and other non-monetary changes	-	(31)
Exchange rate differences	-	206
Carrying amount of bonds - end of the period	**-**	**17 063**

(amounts expressed in PLN '000 unless specified otherwise)

20. DERIVATIVE FINANCIAL INSTRUMENTS

Balance on 31.12.2024	assets	liabilities
Cash flows hedging instruments	**7 767**	**2 314**
Commodity swaps	*3 711*	*1 687*
Foreign exchange contracts	*4 056*	*627*
Fair value hedges	**951**	**-**
Interest rate swaps	*128*	*-*
Foreign exchange contracts	*-*	*-*
Commodity swaps	*823*	*-*
Instruments held for trading	**-**	**-**
Foreign exchange contracts	*-*	*-*
Commodity swaps	*-*	*-*
	8 718	**2 314**
long-term part	*128*	*430*
short-term part	*8 590*	*1 884*
balance	**6 404**	

Balance on 31.12.2023	assets	liabilities
Cash flows hedging instruments	**21 839**	**3 629**
Commodity swaps	*5 681*	*3 089*
Foreign exchange contracts	*16 158*	*540*
Fair value hedges	**1 183**	**446**
Interest rate swaps	*1 183*	*81*
Foreign exchange contracts	*-*	*-*
Commodity swaps	*-*	*365*
Instruments held for trading	**1 088**	**264**
Foreign exchange contracts	*1 088*	*-*
Commodity swaps	*-*	*264*
	24 110	**4 339**
long-term part	*1 183*	*-*
short-term part	*22 927*	*4 339*
balance	**19 771**	

(amounts expressed in PLN '000 unless specified otherwise)

Presentation of derivative instruments in the income statement	Balance on 31.12.2024	Balance on 31.12.2023
Income statement items		
Revenues from sale	**21 052**	**22 549**
Manufacturing cost of products sold	**2 096**	**(8 246)**
Other operating revenues	**4 926**	**31 106**
Other operating expenses	**409**	**1 055**
Financial income, including:	**825**	**4 340**
profit on trading in derivatives	510	418
ineffective portion of cash flow hedges (positive value)	-	12
exchange rate differences - correction by the effective portion	315	3 910
Financial expenses, including:	**655**	**1 034**
loss on trading in derivatives	(27)	555
exchange rate differences - correction by the effective portion	682	479
Impact on profit/loss	**23 643**	**64 152**

When applying hedge accounting, changes in the fair value of derivatives for cash flow hedging in such part in which they operate as effective hedge are recognized in equity while in such part in which they do not operate as effective hedge are recognized as financial income or expenses of the reporting period. At the moment of realisation and recognition in the income statement of the hedged item, the effective part of the hedge corrects its value, e.g. sales revenues or costs of production. The amount representing the ineffective part of the hedge is recognized as financial income or expense.
Changes in the fair value of derivatives for fair value hedging in such part in which they operate as effective hedge are recognised in the profit and loss account with an offset against valuation of the hedged item, while in such part in which they do not operate as effective hedge are recognized as financial income or expenses of the reporting period. At the moment of realisation and recognition in the income statement of the hedged item, the effective part of the hedge corrects its value in the same position. The amount representing the ineffective part of the hedge is recognized as financial income or expense.
Commercial instruments are instruments designed for hedging against specific risks that do not feature formally established hedging relationships. Effects of changes in their fair value are recognised in the income statement and disclosed in financial income and expenses.

Commodity derivatives as at 31.12.2024

currency	<1 month	1-3 months	3-12 months	1-3 years	total
USD	702	494	1 189		2 385
EUR	(375)	786	51	-	462
Total	**327**	**1 280**	**1 240**	**-**	**2 847**

Commodity derivatives as at 31.12.2023

currency	<1 month	1-3 months	3-12 months	1-3 years	total
USD	(7)	(2 513)	(74)		(2 594)
EUR	545	3 361	651	-	4 557
Total	**538**	**848**	**577**	**-**	**1 963**

Commodity derivatives as at 31.12.2024

currency	<1 month	1-3 months	3-12 months	1-3 years	total
USD	(100)	987	868	-	1 755
EUR	627	1 177	281	-	2 085
GBP	(77)	96	-	-	19
Total	**450**	**2 260**	**1 149**	**-**	**3 859**

(amounts expressed in PLN '000 unless specified otherwise)

Commodity derivatives as at 31.12.2023

currency	<1 month	1-3 months	3-12 months	1-3 years	total
USD	904	(40)	1 111	-	1 975
EUR	4 447	5 651	4 544	-	14 642
GBP	(31)	93	-	-	62
Total	**5 320**	**5 704**	**5 655**	**-**	**16 679**

21. TRADE AND OTHER RECEIVABLES

Trade receivables and other receivable	Balance on 31.12.2024	Balance on 31.12.2023
Trade receivables from sale of products, goods and services	521 628	414 029
Valuation of credit risk	(662)	(568)
Receivables from sale of fixed assets and intangible assets	-	37 027
Budget receivables	70 689	86 807
Advances on supplies	133	1 535
Other debtors	58 306	60 530
Trade receivables and other receivables	**650 094**	**599 360**
long-term	*6 971*	*8 564*
short-term	*643 123*	*590 796*
Trade receivables and other long-term receivables	*6 971*	*8 564*
Costs recognised on accrual basis long-term portion	*59 485*	*35 148*
Long-term receivables	***66 456***	***43 712***
Trade receivables and other short-term receivables	*643 123*	*590 796*
Costs recognised on accrual basis short-term portion	*29 097*	*42 571*
Trade receivables and other receivables	***672 220***	***633 367***
Receivables securing loan repayments	105 346	182 403

Cumulative revaluation write-offs on receivables	Balance on 31.12.2024	Balance on 31.12.2023
Write-offs on trade receivables	35 138	53 696
Write-offs for estimated credit risk (IFRS 9)	662	568
Write-offs on other receivables (except trade receivables)	9 613	9 361
Total allowances	**45 413**	**63 625**
Gross accounts receivable	**695 507**	**662 985**

(amounts expressed in PLN '000 unless specified otherwise)

Write-offs on trade receivables and expected credit loss

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Write-offs on trade receivables and expected credit loss at beginning of period	**54 264**	**60 616**
of which:		
write-offs on trade receivables	*53 696*	*60 133*
expected credit loss	*568*	*483*
movement in the period	**(18 464)**	**(6 352)**
write-offs on trade receivables	*(18 558)*	*(6 437)*
- write-offs on overdue receivables	1 896	5 633
- reversal of write-off together with the receivable as irrecoverable/overdue	(13 619)	(4 585)
Write-offs derecognized from recovered receivables	-	(5 277)
Reversal of write-offs on overdue receivables	(4 935)	(1 721)
- impact of exchange rate differences	(1 900)	(487)
expected credit loss	94	85
Write-offs on trade receivables and expected credit loss at period end	**35 800**	**54 264**
of which:		
write-offs on trade receivables	*35 138*	*53 696*
expected credit loss	*662*	*568*

Trade receivables aging

Aging of net trade receivables	Balance on 31.12.2024	Balance on 31.12.2023
net receivables by payment terms	**419 777**	**337 813**
up to 3 months	396 508	326 444
up to 6 months	14 214	4 344
up to 1 year	8 115	4 291
above 1 year	940	2 734
outstanding receivables by payment date	**101 189**	**75 648**
up to 3 months	77 407	57 371
up to 6 months	4 985	5 704
up to 1 year	12 057	6 165
above 1 year	7 402	6 976
Valuation of credit risk	(662)	(568)
total trade receivables	**520 966**	**413 461**

(amounts expressed in PLN '000 unless specified otherwise)

Accrued costs

OTHER ASSETS	Balance on 31.12.2024	Balance on 31.12.2023
Prepayments	18 198	16 606
Prepayments - financial expenses	916	1 002
Fee settlements	23 791	18 272
Capitalised costs of new projects	45 677	41 839
Total	**88 582**	**77 719**
Long-term part	*59 485*	*35 148*
Short-term part	*29 097*	*42 571*

Automotive development projects refer to expenditure incurred by Maflow group production facilities in the process of technical documentation development and thereafter the implementation tests of new products. That expenditure is depreciated in the period of life of relevant project.

22. INVENTORIES

Structure of inventories	Balance on 31.12.2024	Balance on 31.12.2023
Materials and raw materials	291 585	352 176
Work in progress	147 924	176 998
Finished products	291 102	339 146
Traded goods	14 903	15 344
Energy certificates	3 912	2 458
Carrying value of inventories	**749 426**	**886 122**
Valuation to fair value	533	-
Impairments	59 658	62 302
Gross value of inventories	**809 617**	**948 424**
Revaluation write-offs for inventories at the beginning of the period	**62 302**	**51 962**
Increase of impairments in the period	11 514	20 769
Reversal of write-offs in the period	(12 012)	(8 725)
Impact of exchange rate differences	173	(1 297)
Other decrease of write-downs in the period (written down with inventories)	(2 319)	(407)
Revaluation write-offs for inventories at the end of the period	**59 658**	**62 302**
Impairment write-offs in manufacturing cost	528	-
Impairment write-offs in other operating expenses	11 514	20 769
Deferred tax assets on inventory write-offs	(12 012)	(8 725)

Inventories are used as collateral for the repayment of liabilities in the amount of PLN 422 075 thousand.

(amounts expressed in PLN ‘000 unless specified otherwise)

23. CASH

Cash and cash equivalents	Balance on 31.12.2024	Balance on 31.12.2023
Cash in hand and at bank	143 744	149 451
Restricted cash	64 962	69 808
of which: Cash in transit	*-*	*2 927*
Total	**208 706**	**219 259**

24. DISCONTINUED OPERATIONS AS WELL AS ASSETS AND LIABILITIES AVAILABLE FOR SALE

Assets held for sale	Balance on 31.12.2024	Balance on 31.12.2023
Non-current assets	41 145	239
Investment property	-	5 108
Land in perpetual use	11 037	-
Inventories	561	-
Total assets	**52 743**	**5 347**

Property, plant and equipment held for sale	Balance on 31.12.2024	Balance on 31.12.2023
Buildings, premises, civil and water engineering structures	30 693	-
Technical equipment and machines	9 281	-
Vehicles	24	-
Other tangible fixed assets	1 147	239
Total property, plant and equipment held for sale	**41 145**	**239**

Liabilities related to fixed assets held for sale (discontinued operations)

	Balance on 31.12.2024	Balance on 31.12.2023
Other liabilities	7 321	-
Total liabilities	**7 321**	**-**

As at the balance sheet date, Alchemia S.A. separated assets held for sale from the company's assets, which include fixed assets (PLN 50 817 thousand) and part of inventories (PLN 561 thousand) of company's branches that ceased their production, i.e. Alchemia S.A Kuźnia Batory Branch in Chorzów and Alchemia S.A Walcownia Rur Andrzej Branch in Zawadzki. As the above assets are intended for sale, the related liabilities in the total amount of PLN 7 321 thousand were also separated

(amounts expressed in PLN '000 unless specified otherwise)

25. RESERVES

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

Shareholders	Number of shares	% of capital	Number of votes	% of votes
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.

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.

(amounts expressed in PLN '000 unless specified otherwise)

Change in equity	Balance on 31.12.2024	Balance on 31.12.2023
Number of shares as at the balance sheet date	**240 000 000**	**240 000 000**
number of own shares	*38 000 000*	*38 000 000*
number of shares entitled to dividend	*202 000 000*	*202 000 000*
Share capital at the beginning of the period, including:	**248 906**	**248 906**
Paid-up capital	*240 000*	*240 000*
*Revaluation *)*	*8 906*	*8 906*
Share capital at the end of the period	**248 906**	**248 906**
Share premium at beginning of period	**114 435**	**114 435**
Balance at period end	**114 435**	**114 435**
Own shares		
Balance at period beginning	**(236 753)**	**(236 753)**
Balance at period end	**(236 753)**	**(236 753)**
Reserve capital - hedge accounting		
Balance at period beginning	**15 020**	**14 469**
Profit/loss for the current period	(10 110)	680
Income tax	1 921	(129)
Balance at period end	**6 831**	**15 020**
Share revaluation reserve		
Balance at period beginning	**3 433**	**27 991**
Increase/decrease	-	(1 011)
Transfer to reserve capital of profit on disposal of equity instruments	(3 433)	(23 553)
Income tax	-	6
Balance at period end	**-**	**3 433**
Restatement of employee benefits		
Balance at period beginning	**(794)**	**(37)**
Profit/loss for the current period	842	(914)
Income tax	(160)	157
Balance at period end	**(112)**	**(794)**
Exchange differences on recalculation of overseas controlled entities		
Balance at period beginning	**(47 946)**	**(41 131)**
Profit/loss for the current period	(55 213)	(6 815)
Balance at period end	**(103 159)**	**(47 946)**
Retained earnings		
Balance at period beginning	**1 527 419**	**1 531 738**
Result of the current year	110 485	122 055
Dividends paid and declared	(89 148)	(149 927)
Transfer to reserve capital of profit on disposal of equity instruments	3 433	23 553
Balance at period end	**1 552 189**	**1 527 419**
Total equity of the parent company	**1 582 337**	**1 623 720**

(amounts expressed in PLN '000 unless specified otherwise)

Change in equity	Balance on 31.12.2024	Balance on 31.12.2023
Equity of non-controlling interest		
Balance at period beginning	**33 137**	**29 443**
Result of the current year	10 320	7 848
Dividend distribution	(4 003)	(4 003)
Valuation of employee benefits	(2)	(11)
Change due to change in Capital Group structure	-	(140)
Balance at period end	**39 452**	**33 137**
Total equity	**1 621 789**	**1 656 857**

(*) As per IAS 29 section 24 items of equity (except retained earnings and capital from revaluation of assets) were calculated at the date of transition to IFRS that is 01.01.2004 by applying a general price index from the dates the components were contributed or otherwise arose. The amount of the hyperinflationary revaluation increased the share capital and the issue premium while the value of the retained earnings was reduced.

Proposal of the Management Board for distribution of 2024 result

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

Dividend

On 20 May 2024 the Ordinary General Meeting of the Company passed a resolution to pay a dividend to shareholders (from supplementary capital, which, according to art. 348 § the commercial companies code may be allocated for distribution) in the amount of PLN 0.44 per share entitled to dividend, that is, in the total amount of PLN 90 290 200.00.
205 205 000 shares were entitled to the dividend. 34 795 000 treasury shares held by Boryszew S.A. were not entitled to the dividend.
The dividend date was scheduled for: 27 May 2024.
The dividend payment date was: 4 June 2024.
The dividend was paid in accordance with resolution No. 19 of the Ordinary General Meeting of Boryszew S.A.

Part of the dividend paid by Boryszew S. A. remained in the Group, the value of the dividend paid outside the Group amounts to PLN 89 148 thousand. The dividend was paid in accordance with the resolution of the Ordinary General Meeting of Boryszew S.A.

	2024	2023
Dividends recognised as distributions to owners per share	0.44	0.74
Dividends proposed or enacted by the date the financial statements were approved for publication but not recognised as distributed to shareholders, per share	0.00	0.00
Dividends proposed or enacted by the date the financial statements were approved for publication but not recognised as distributed to stockholders	0.00	0.00

(amounts expressed in PLN '000 unless specified otherwise)

26. COMPANY'S MANAGERS AND SUPERVISORS - CHANGES IN SHARE HOLDING OR SHARE OPTIONS IN THE CURRENT PERIOD SINCE THE SUBMISSION OF THE PREVIOUS QUARTERLY REPORT.

From the date of submission of the report for Q3 '2024 to the date of publication of the annual report for 2024, the managing and supervising persons made no changes in the ownership of shares or options for shares of Boryszew S.A.
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.

Management Board of Boryszew S.A.	On the publication date of the previous interim report	Change in holding acquisition / (disposal)	On the publication date of the report
Wojciech Kowalczyk	30 000	-	30 000

Supervisory Board of Boryszew S.A.	On the publication date of the previous interim report	Change in holding acquisition / (disposal)	On the publication date of the report
Małgorzata Iwanejko	30 000	-	30 000

Other managing persons and persons supervising Boryszew S. A. do not hold any shares of the Company or any rights to them, and since the day of submitting the previous interim report no changes have occurred in this respect.

27. BANK LOANS, BORROWINGS AND BONDS

External financing liabilities	Balance on 31.12.2024	Balance on 31.12.2023
Bank credits	653 098	584 714
Loans received	3 286	10 117
Factoring including:	119 436	75 531
factoring with recourse	*113 565*	*70 648*
Total loans, including:	**775 820**	**670 362**
Long-term	*204 166*	*249 516*
Short-term	*571 654*	*420 846*

27.1. Bank loans and factoring with recourse

Bank loans and factoring with recourse	Balance on 31.12.2024	Balance on 31.12.2023
Investment bank loans	215 941	211 542
Working capital facility	414 160	337 923
Revolving loans (including unpaid interest)	22 997	35 249
Factoring with recourse	5 871	4 883
In total, including:	**658 969**	**589 597**
Long-term	*201 408*	*239 643*
Short-term	*457 561*	*349 954*

(amounts expressed in PLN '000 unless specified otherwise)

	Balance on 31.12.2024	Balance on 31.12.2023
interest expense		
interest expense in P&L	58 485	49 827
interest expense (fixed assets)	149	-
capitalised interest expense (intangible assets)	-	-
capitalised interest expense (shares)	-	-
total interest expenses	**58 634**	**49 827**

Change in loans

Change in loans and factoring with recourse	Balance on 31.12.2024	Balance on 31.12.2023
nominal value at the beginning of the year	**589 597**	**726 978**
proceeds from new loans received	231 127	198 732
repayment of loans	(149 051)	(246 906)
repayment of interest	(31 413)	(29 563)
total cash change	**50 663**	**(77 737)**
non-cash changes		
compensations	640	-
impact of exchange rate differences	(3 921)	(18 858)
unpaid interest at the end of the period recognised in the balance sheet	36 423	32 347
other non-cash changes	(14 433)	(2 485)
sum of non-cash changes	**18 709**	**11 004**
carrying amount of loans	**658 969**	**660 245**
separation of factoring with recourse		(70 648)
nominal value at the end of the year	**658 969**	**589 597**

Free credit limits (refers to overdrafts and revolving working capital loans) amounted in 2024 to PLN 304 697 thousand and PLN 356 957 thousand at the end of 2023, respectively.

Change in factoring with recourse

Change in factoring with recourse	Balance on 31.12.2024
nominal value of loans at the beginning of the year	**70 648**
repayment of factoring liabilities	(384 424)
repayment of interest	(4 570)
other cash changes	15 253
total cash change	**(373 741)**
non-cash changes	
increases due to factoring	412 075
impact of exchange rate differences	(112)
accrued interest during the period	4 778
other non-cash changes	(83)
sum of non-cash changes	**416 658**
carrying amount of loans	**113 565**

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	Change
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***

Loan interest rates based on a variable rate.

Currency structure of loan liabilities

balance on 31.12.2024 original currency (in '000)		balance on 31.12.2024 in PLN '000	% share in 2024	balance on 31.12.2023 original currency (in '000)		balance on 31.12.2023 in PLN '000	% share in 2023
225 910	PLN	225 910	34.6%	152 698	PLN	152 699	26.1%
76 491	EUR	326 847	50.0%	76 900	EUR	334 362	57.2%
20 335	USD	83 398	12.8%	20 808	USD	81 880	14.0%
30 143	CNY	16 943	2.6%	28 501	CNY	15 773	2.7%
Total		**653 098**				**584 714**	

(amounts expressed in PLN '000 unless specified otherwise)

Expected discounted cash flows on committed loans

Expected discounted cash flows on committed loans	Balance on 31.12.2024	Balance on 31.12.2023
up to 3 months	36 638	104 222
up to 6 months	46 660	103 720
up to 1 year	374 263	212 660
between 1 year and 3 years	127 701	150 892
from 3 years to 5 years	73 096	87 407
over 5 years	611	1 344
Total	**658 969**	**660 245**
separation of factoring	-	(70 648)
carrying amount of loans	**658 969**	**589 597**

All loans are secured. Loan collaterals include:

- investment properties, note 14
- fixed assets, note 13
- inventories, note 22
- receivables from customers, note 21
- assignment of rights under insurance policies,
- guarantees and sureties of Boryszew S.A, note 35
- loan repayment guarantees from Bank Gospodarstwa Krajowego programs,
- Boryszew S.A. shares (in subsidiaries)

The above loans are based on a variable interest rate.

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.

27.2. Loan liabilities

Loan liabilities	Balance on 31.12.2024	Balance on 31.12.2023
Loans from related parties	-	-
Loans from other entities	3 286	10 117
Total loans, including:	**3 286**	**10 117**
Long-term loans	*2 758*	*9 873*
Bank loans - short-term	*528*	*244*

(amounts expressed in PLN '000 unless specified otherwise)

Change in loans	Balance on 31.12.2024	Balance on 31.12.2023
nominal value of loans at the beginning of the year	**10 117**	**16 556**
proceeds from loans	-	1 813
repayment of loans	(488)	(4 343)
repayment of interest	(190)	(702)
other cash changes	-	(4 696)
total cash change	**(678)**	**(7 928)**
non-cash changes		
impact of exchange rate differences	2 728	(1 281)
valuation at amortised cost	(6 432)	1 696
other non-cash changes	(2 449)	1 074
sum of non-cash changes	**(6 153)**	**1 489**
carrying amount of loans	**3 286**	**10 117**

interest expenses on loans	Balance on 31.12.2024	Balance on 31.12.2023
interest expense in P&L	205	339
total interest expenses	**205**	**339**

Expected undiscounted cash flows from borrowings

	Balance on 31.12.2024	Balance on 31.12.2023
up to 3 months	63	63
up to 6 months	61	61
up to 1 year	404	120
between 1 year and 3 years	1 767	8 101
from 3 years to 5 years	991	1 772
over 5 years	-	-
Total	**3 286**	**10 117**

28. RIGHT-OF-USE LIABILITIES

in the period 01.01.2024 - 31.12.2024	*Leasing of tangible and intangible assets*	*Land - SMA*	*The Lease Agreement*	*Total*
Balance brought forward of lease liabilities	**56 040**	**127 628**	**76 148**	**259 816**
Transfer of leased fixed assets		298		298
new discounted lease liabilities	14 081	-	4 399	18 480
repayment of capital lease instalments	(23 015)	(208)	(9 195)	(32 418)
interest payment, which was included in the balance brought forward	(555)		(2 320)	(2 875)
Derecognition due to sale	(443)	(7 624)		(8 067)
Revaluation of lease liabilities	(20)	9 184	2 326	11 490
impact of exchange rate differences	(120)		(4 527)	(4 647)
Carrying value of lease liabilities	**45 968**	**129 278**	**66 831**	**242 077**

(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2023 - 31.12.2023	Leasing of fixed assets	Land - SMA	The Lease Agreement	Total
Balance brought forward of lease liabilities	**73 481**	**111 331**	**73 763**	**258 575**
Transfer of leased fixed assets		1 922		1 922
new discounted lease liabilities	13 613	17 709	18 756	50 078
repayment of capital lease instalments	(25 102)	(206)	(8 838)	(34 146)
interest payment, which was included in the balance brought forward	(873)		(951)	(1 824)
Derecognition due to sale	(2 195)	(3 128)		(5 323)
unpaid interest at the end of the period recognised in the balance sheet	-	-	7	7
Revaluation of lease liabilities	43	-	(3 807)	(3 764)
impact of exchange rate differences	(2 927)	-	(2 782)	(5 709)
Carrying value of lease liabilities	**56 040**	**127 628**	**76 148**	**259 816**

The Group's leased assets are mainly machinery, equipment and vehicles.

Undiscounted liabilities on gross financial leasing of fixed assets and intangible assets

Undiscounted finance lease liabilities	Balance on 31.12.2024	Balance on 31.12.2023
3 months	6 610	6 641
from 4 to 6 months	4 361	6 205
above 7 month and up to 12 months	6 772	9 985
between 1 year and 3 years	26 481	28 378
from 3 years to 5 years	6 215	8 987
over 5 years	-	-
Total undiscounted lease payments until the end of the lease term	**50 439**	**60 196**
future interest payments	(4 471)	(4 156)
Balance sheet value of lease liabilities	**45 968**	**56 040**

Non-discounted liabilities due to SMA	Balance on 31.12.2024	Balance on 31.12.2023
annual SMA fee	2 437	2 539
between 1 year and 3 years	5 715	6 355
from 3 years to 5 years	5 480	6 886
over 5 years - up to 10 years	13 701	16 215
over 10 years - up to 20 years	22 277	27 300
over 20 years	117 209	133 073
Total undiscounted lease payments until the end of the lease term	**166 819**	**192 368**
future interest payments	(99 575)	(119 292)
Value of lease liabilities	**67 244**	**73 076**
Liabilities to SMA recognised as investment property	62 034	54 552
Balance sheet value of SMA liabilities	**129 278**	**127 628**

Lease interest costs recognised in profit or loss of current period	2 752	2 175

(amounts expressed in PLN '000 unless specified otherwise)

Liability to SMA - investment property	Balance on 31.12.2024	Balance on 31.12.2023
Liability		
long-term liabilities	61 599	57 023
short-term liabilities	435	254
Total liabilities	**62 034**	**57 277**
Lease interest costs recognised in profit or loss of current period	170	118

The liabilities relate to real estate and land in perpetual usufruct, which are disclosed in the balance sheet and are primarily located in Toruń, Konin and Czechowice-Dziedzice.

Change in liabilities	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Liabilities at the beginning of the period	**57 277**	**58 968**
new liabilities	-	831
repayment of capital instalments	(22)	(29)
decrease in liabilities due to disposal of investment property	(663)	(2 493)
revaluation of lease liabilities	5 442	-
Carrying value of lease liabilities	**62 034**	**57 277**

Undiscounted liabilities under lease agreements	Balance on 31.12.2024	Balance on 31.12.2023
monthly undiscounted rent under the agreement	1 265	1 373
from 2 to 6 months	6 907	8 444
above 7 month and up to 12 months	7 989	9 208
between 1 year and 3 years	29 185	35 977
from 3 years to 5 years	19 095	22 790
over 5 years	17 004	20 421
Total undiscounted payments remaining until the end of the lease term	**81 445**	**96 840**
future interest payments	(14 614)	(20 692)
Balance sheet value of lease liabilities	**66 831**	**76 148**

29. PENSION AND SIMILAR EMPLOYEE BENEFITS LIABILITIES

Calculations of provisions for employee benefits were carried out by an independent actuary and involved establishing current (discounted) value of retirement or similar benefit to which the employee became entitled as of the date of calculation, proportionally to the quotient of the employee's service period at the moment of calculation in relation to the service period at the date of payment of the benefit.
As at 31.12.2024 for the calculation of provisions for liabilities to employees, the following parameters and assumptions were adopted: the rate of mobility (rotation) of employees at the level of 1-12%, depending on age, the rate of return on investment at 5,9% and wage growth rate at 5.6-12% in 2024 and 2.7% in further years, depending on the region of employment.

(amounts expressed in PLN '000 unless specified otherwise)

Provision for employee benefits	Retirement severance pay	Disability severance pay	Death benefits	Long-service benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
Balance on 01.01.2024	**9 863**	**1 095**	**823**	**8 201**	**22 192**	**14 174**	**56 348**
Movement:	**(1 783)**	**(81)**	**(37)**	**(2 218)**	**(3 523)**	**(6 856)**	**(14 498)**
Interest expense	*350*	*40*	36	170	(139)	-	***457***
Current employment costs	*(573)*	*54*	48	286	3 850	7 160	***10 825***
Past employment costs	*2*	-	-	(1 115)	(2 544)	(2 397)	***(6 054)***
Benefits paid	*(1 172)*	*(59)*	-	(590)	(4 441)	(11 486)	***(17 748)***
impact of exchange rate differences and other	*188*	-	-	(258)	(249)	(133)	***(452)***
Actuarial gains and losses - demographic changes	*61*	*(38)*	(94)	34	-	-	***(37)***
Actuarial gains and losses - financial changes	*(639)*	*(78)*	(27)	(745)	-	-	***(1 489)***
Balance on 31.12.2024	**8 080**	**1 014**	**786**	**5 983**	**18 669**	**7 318**	**41 850**

Change	**(1 783)**	**(81)**	**(37)**	**(2 218)**	**(3 523)**	**(6 856)**	***(14 498)***
change recognised in P&L (- cost, + decrease in cost)	*(1 205)*	*35*	84	(1 507)	(3 523)	(6 856)	***(12 972)***
Change included in equity (gain+/lose-)	*(578)*	*(116)*	(121)	(711)	-	-	***(1 526)***

long-term provisions	13 412
short-term provisions	28 438

(amounts expressed in PLN '000 unless specified otherwise)

Provision for employee benefits	Retirement severance pay	Disability severance pay	Death benefits	Long-service benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
Balance on 01.01.2023	**7 773**	**906**	**743**	**8 429**	**22 214**	**15 862**	**55 927**
Movement:	**2 090**	**189**	**80**	**(228)**	**(22)**	**(1 688)**	**421**
Inclusion of entities in consolidation	*192*	*97*	192	-	1 011	777	***2 269***
Excluding entities from consolidation	-	-	-	-	-	-	***-***
Interest expense	*408*	*42*	41	224	-	-	***715***
Current employment costs	*879*	*121*	45	349	5 980	10 597	***17 971***
Past employment costs	-	-	-	-	(1 146)	-	***(1 146)***
Benefits paid	*(1 142)*	*(67)*	(126)	(598)	(4 099)	(11 818)	***(17 850)***
	-	-	-	-	-	-	***-***
impact of exchange rate differences and other	*(340)*	*(97)*	(192)	(350)	(1 768)	(1 244)	***(3 991)***
Actuarial gains and losses - demographic changes	*279*	*(25)*	(75)	(31)	-	-	***148***
Actuarial gains and losses - financial changes	*1 814*	*118*	195	178	-	-	***2 305***
Balance on 31.12.2023	**9 863**	**1 095**	**823**	**8 201**	**22 192**	**14 174**	**56 348**

long-term provisions	17 128
short-term provisions	39 220

(amounts expressed in PLN ‘000 unless specified otherwise)

30. OTHER PROVISIONS

Change in provisions 01.01.2024 - 31.12.2024	Balance on 01.01.2024	creation of provision	provisions used during the year	reversal of unused provision	exchange differences on translation and other	Provisions of acquired/disposed entities	Balance on 31.12.2024
Provisions for restructuring costs	**9 158**	*19 087*	(13 117)	-	(328)	-	**14 800**
Provisions for liquidation of fixed assets	**5 222**	*383*	-	(6)	-	-	**5 599**
Provisions for waste disposal and land reclamation	**11 904**	*382*	(576)	-	-	-	**11 710**
Provisions for non-execution of contracts	**16 568**	3 005	(2 306)	(889)	(293)	-	**16 085**
Provisions for court proceedings	**4 741**	2 667	(16)	(548)	(51)	-	**6 793**
Provisions for warranty repairs, complaints	**8 380**	3 226	(1 991)	(1 828)	(76)	-	**7 711**
Provision for tax risks and fiscal claims (*)	**146 187**	*901*	-	(124 924)	(144)	-	**22 020**
Provisions for loss-making contracts (onerous contracts)	**2 287**	1 845	(3 841)	-	5	-	**296**
Total	**204 447**	**31 496**	**(21 847)**	**(128 195)**	**(887)**	**-**	**85 014**
long-term provisions	*48 379*						*49 647*
short-term provisions	*156 068*						*35 367*

(*) Reversal of provisions for tax proceedings at ZM Silesia S.A.

Change in provisions 01.01.2023 - 31.12.2023	Balance on 01.01.2022	creation of provision	provisions used during the year	reversal of unused provision	exchange differences on translation and other	Provisions of acquired/disposed entities	Balance on 31.12.2023
Provisions for restructuring costs	**1 879**	*8 122*	-	-	(843)	-	**9 158**
Provisions for liquidation of fixed assets	**4 817**	*436*	-	(31)	-	-	**5 222**
Provisions for waste disposal and land reclamation	**10 238**	*1 859*	(193)	-	-	-	**11 904**
Provisions for non-execution of contracts	**12 133**	6 598	(1 598)	(268)	(558)	261	**16 568**
Provisions for court proceedings	**1 639**	3 383	(200)	(36)	(45)	-	**4 741**
Provisions for warranty repairs, complaints	**8 367**	2 603	(2 004)	(455)	(131)	-	**8 380**
Provision for tax risks and fiscal claims	**177 237**	*5 478*	(35 065)	(1 421)	(42)	-	**146 187**
Provisions for loss-making contracts (onerous contracts)	**9 080**	4 221	(2 311)	(8 026)	(677)	-	**2 287**
Total	**225 390**	**32 700**	**(41 371)**	**(10 237)**	**(2 296)**	**261**	**204 447**
long-term provisions	*51 377*						*48 379*
short-term provisions	*174 013*						*156 068*

(amounts expressed in PLN '000 unless specified otherwise)

31. TRADE PAYABLES AND OTHER LIABILITIES

TRADE PAYABLES AND OTHER LIABILITIES	Balance on 31.12.2024	Balance on 31.12.2023
Trade liabilities due to purchase of materials, services and goods	555 550	574 555
Trade liabilities accrued on purchase of materials, services and goods	14 978	19 213
Liabilities due to purchase of fixed assets, intangible assets and organised part of an enterprise	7 038	2 062
Liabilities to state budget (excluding income tax)	52 852	54 445
Other liabilities (except for deposits, advance payments listed above)	32 621	36 339
Payroll liabilities	41 949	37 802
Other	21	9
In total, including:	**705 009**	**724 425**
long-term liabilities	*75*	*110*
short-term liabilities	*704 934*	*724 315*

32. OTHER LIABILITIES AND EQUITY

DEFERRED INCOME	Balance on 31.12.2024	Balance on 31.12.2023
Grants and other deferred income	**108 019**	**92 963**
long-term	*66 867*	*60 092*
short-term	*41 152*	*32 871*

The Group received grants in the form of cash as subsidies for fixed assets (project funding from NCRD fund) and government funding in Germany.
Group companies will recognise the amount of grants in proportion to the depreciation of the fixed assets financed by it.
Major projects left to account for:

- Demonstrator project PLN 8 203 thousand (NPA Skawina Sp. z o.o.) – development of high-strength alloy technology,
- The projects covered by grant from Huta Bankowa Sp. z o.o, amounting to PLN 39 517 thousand, mainly involve the construction of continuous casting, the construction of P3 rolling mill and the inspection testing line,
- Subsidy in the amount of PLN 13 964 thousand for the construction of production plant of Boryszew Oberflächentechnik Deutschland GmbH in Prenzlau,
- Subsidy for investment in drawn products, manufacturing technologies from copper alloys and development of a new assortment group dedicated to drinking water installations Walcownia Metali Dziedzice S.A. PLN 15 300 thousand.

The companies met all the conditions to receive these grants and as of 31.12.2024 no risk existed of their repayment apart from the potential risk of repayment in Boryszew Oberflächentechnik Deutschland GmbH due to the failure to meet one of the conditions.

(amounts expressed in PLN ‘000 unless specified otherwise)

33. FINANCIAL INSTRUMENTS

Financial assets per balance sheet on 31.12.2024

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets at fair value through other comprehensive income	Carrying value
Shares and stock	-	79		23 838	23 917
Trade receivables, factoring	491 987	28 979			520 966
Derivative financial instruments		-	8 718		8 718
Loans granted	12 173				12 173
Other debtors	58 439				58 439
Cash and cash equivalents	208 706				208 706
Total	**771 305**	**29 058**	**8 718**	**23 838**	**832 919**

Financial assets per balance sheet on 31.12.2023

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets at fair value through other comprehensive income	Carrying value
Shares and stock	-	79	-	23	102
Trade receivables, factoring	398 633	14 828	-	-	413 461
Derivative financial instruments	-	1 088	23 022	-	24 110
Loans granted	17 063	-	-	-	17 063
Other debtors	99 092	-	-	-	99 092
Cash and cash equivalents	219 259	-	-	-	219 259
Total	**734 047**	**15 995**	**23 022**	**23**	**773 087**

Financial liabilities on 31.12.2024

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	775 820			775 820
Derivative financial instruments		-	1 884	1 884
Lease liabilities	45 968			45 968
Right-of-use liabilities	134 075			134 075
Trade and other liabilities	595 134			595 134
Total	**1 550 997**	**-**	**1 884**	**1 552 881**

Financial liabilities on 31.12.2023

(amounts expressed in PLN '000 unless specified otherwise)

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	670 362			670 362
Derivative financial instruments		264	4 075	4 339
Lease liabilities	56 040			56 040
Liabilities to SMA and due to right-of-use assets	149 224			149 224
Trade and other liabilities	612 846			612 846
Total	**1 488 472**	**264**	**4 075**	**1 492 811**

34. BUSINESS RISKS

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

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

Boryszew Group mitigates credit risk by applying internal procedures for determining credit limits for 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. Group companies manage credit risk by insuring receivables with Insurance Companies, 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.

Net debt to equity ratio	Balance on 31.12.2024	Balance on 31.12.2023
Loan, lease, borrowings debt	821 788	726 402
Cash and cash equivalents	(208 706)	(219 259)
Net debt	**613 082**	**507 143**
Equity	**1 621 789**	**1 656 857**
Net debt to equity	38%	31%

Debt ratio	Balance on 31.12.2024	Balance on 31.12.2023
Liabilities	2 011 780	2 101 572

(amounts expressed in PLN '000 unless specified otherwise)

Assets	3 633 569	3 758 429
Debt rate	55%	55%

Liquidity ratios	Balance on 31.12.2024	Balance on 31.12.2023
current ratio	1.26	1.51
quick ratio	0.69	0.76
current ratio	0.16	0.19

Cumulative revaluation write-offs on receivables	Balance on 31.12.2024	Balance on 31.12.2023
Impairment write-off for receivables		
impairment write-offs on trade receivables	35 138	53 696
risk related to granting guarantees	2 809	3 982
expected credit loss on trade receivables	662	568
doubtful debt allowance on other receivables	9 613	9 361
Total	**48 222**	**67 607**

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.

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

	1-3 months	4-6 months	7-12 months	1-3 years	3-5 years	>5 years	Total	Carrying value
Bank loans maturities	36 638	46 660	368 392	127 701	73 096	611	653 098	**653 098**
Maturity dates of factoring	119 436						119 436	**119 436**
Maturities of borrowings	63	61	404	1 767	991		3 286	**3 286**
Maturities of leasing liabilities	6 610	4 361	6 772	26 481	6 215		50 439	**45 968**
Maturities of liabilities of leased rental services	1 265	6 907	7 989	29 185	19 095	17 004	81 445	**66 831**
Maturity of PMA fees	2 437			5 715	5 480	153 187	166 819	**67 244**
payment of trade liabilities and other items	684 978	19 260	696	75			705 009	**705 009**
Total	**851 427**	**77 249**	**384 253**	**190 924**	**104 877**	**170 802**	**1 779 532**	**1 660 872**

(amounts expressed in PLN '000 unless specified otherwise)

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

	1-3 months	4-6 months	7-12 months	1-3 years	3-5 years	>5 years	Total	Carrying value
Bank loans maturities	104 222	103 720	212 660	150 892	87 407	1 344	660 245	**660 245**
Maturities of borrowings	63	61	120	8 101	1 772		10 117	**10 117**
Maturities of liabilities on issued bonds	-	-	-	-			-	**-**
Maturities of leasing liabilities	6 641	6 205	9 985	28 378	8 987		60 196	**56 040**
Maturities of liabilities of leased rental services	1 373	8 444	9 208	35 977	22 790	20 421	98 213	**76 148**
Maturity of PMA fees	2 539			6 355	6 886	176 588	192 368	**73 076**
Maturity of PMA fees - investment real estate							-	
payment of trade liabilities and other items	713 193	9 563	1 559	110			724 425	**724 425**
Total	**828 031**	**127 993**	**233 532**	**229 813**	**127 842**	**198 353**	**1 745 564**	**1 600 051**

Amounts of undiscounted cash flows include the amounts of future interest expenses

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 2024 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, accordingly, the companies entered into transactions in 2024 to hedge the aforementioned risks.

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

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

(amounts expressed in PLN '000 unless specified otherwise)

Analysis of sensitivity to risk of foreign exchange rates changes 2024

Receivables and liabilities in foreign currencies	Value in currency	effect of increase in exchange rate 5%	effect of decrease in exchange rate 5%
Receivables and payables in EUR			
trade and other receivables	65 489	13 995	(13 995)
borrowings	2	-	-
other liabilities	47 046	(10 054)	10 054
credits, factoring and loans	92 669	(19 803)	19 803
leasing	2 678	(572)	572
Result		**(16 434)**	**16 434**
Receivables and payables in USD			
trade receivables	12 613	2 587	(2 587)
other liabilities	20 886	(4 284)	4 284
credits, factoring, loans, leasing	25 065	(5 141)	5 141
Result		**(6 838)**	**6 838**

Analysis of sensitivity to risk of foreign exchange rates changes 2023

Receivables and liabilities in foreign currencies	Value in currency	effect of increase in exchange rate 5%	effect of decrease in exchange rate 5%
Receivables and payables in EUR			
trade and other receivables	44 464	9 666	(9 666)
other liabilities	18 883	(4 105)	4 105
credits, factoring and loans	82 094	(17 847)	17 847
leasing	5 470	(1 189)	1 189
Result		**(13 475)**	**13 475**
Receivables and payables in USD			
trade receivables	36 798	7 242	(7 242)
other liabilities	7 838	(1 543)	1 543
Result		**5 699**	**(5 699)**

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

(amounts expressed in PLN '000 unless specified otherwise)

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 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 Sp. z o.o., Baterpol S.A., Walcownia 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.

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.

Analysis of sensitivity to interest rate changes

The table above illustrates sensitivity of the Group's results to changing rates of interest. The discussed impact on results refers to the time span of subsequent 12 months, assuming that the amount of interest-bearing assets and liabilities remains unchanged.

	Balance on 31.12.2024	Interest rate increase	Interest rate decrease
		by 0.5 p.p.	by 0.5 p.p.
Interest-bearing (variable %) financial assets	**12 173**	**61**	**(61)**
Loans granted	12 173	*61*	*(61)*
other			
Interest-bearing (variable %) financial liabilities	**821 788**	**(4 108)**	**4 108**
Loans	653 098	(3 265)	3 265
Factoring	119 436	(597)	597
Borrowings	3 286	(16)	16
Financial leasing of fixed assets	45 968	(230)	230
Impact on future profit/loss before tax		**(4 047)**	**4 047**
Impact on future net profit/loss		**(3 278)**	**3 278**

(amounts expressed in PLN '000 unless specified otherwise)

	Balance on 31.12.2023	Interest rate increase	Interest rate decrease
		by 0.5 p.p.	by 0.5 p.p.
Interest-bearing (variable %) financial assets	**17 063**	**85**	**(85)**
Loans granted	17 063	*85*	*(85)*
Interest-bearing (variable %) financial liabilities	**726 402**	**(3 633)**	**3 633**
Loans	584 714	(2 924)	2 924
Factoring	75 531	(378)	378
Borrowings	10 117	(51)	51
Financial leasing of fixed assets	56 040	(280)	280
Impact on future profit/loss before tax		**(3 548)**	**3 548**
Impact on future net profit/loss		**(2 874)**	**2 874**

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

Boryszew S.A. and Boryszew Capital Group Companies, as at the date of this report, were not a party to any proceedings other than those described above, involving 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.

Proceedings completed at first instance

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/Gl 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 Wroclaw 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 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 Wroclaw 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 significant pending VAT proceedings in the Capital Group companies

- 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 statue of limitations for VAT liabilities for the period between 1 October 2013 and 30 September 2016 was suspended.

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

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

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.

(amounts expressed in PLN '000 unless specified otherwise)

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.

Fair value

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

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

In the reporting period as well as in the comparable period, no shift of instruments between level 1 and 2 occurred.
In the reporting period as well as in the comparable period, level 3 instruments were not reclassified to level 1 and 2 in the Group.

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

	Balance on 31.12.2024	Balance on 31.12.2023	of fair value
Financial assets			
Listed shares	-	-	Level 1
Derivative financial instruments	8 718	24 110	Level 2
Financial obligations			
Derivative financial instruments	1 884	4 339	Level 2

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

	Fair value as at		Fair value hierarchy
	Balance on 31.12.2024	Balance on 31.12.2023	
Financial assets			
Shares and stock	23 917	102	Level 3
Borrowings	12 173	17 063	Level 3
Trade and other receivables	579 405	512 553	Level 3
Cash and cash equivalents	208 706	219 259	Level 1

(amounts expressed in PLN '000 unless specified otherwise)

Financial obligations			
Borrowings and loans	775 820	670 362	Level 2
Trade and other liabilities	595 134	612 846	Level 3
Lease liabilities	45 968	56 040	Level 2
Liabilities to SMA and due to right-of-use assets	134 075	149 224	Level 2
Liabilities to SMA - investment property	62 034	54 552	Level 2

Climate and energy transition risks and issues

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

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

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

1. Adapting 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, and the effect of realisation of this risk may be either the need to regulate existing or future environmental charges, or the need to incur additional investment or operating expenditure to meet environmental requirements and adapt operations to new or changed regulations or change the nature of operations of Group companies.
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. The financial effect of the measures undertaken cannot be estimated for the balance sheet date and may involve additional capital expenditure on the one hand, and on the other hand may have a positive impact on reducing the cost of operations and financing in the future.
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.

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

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

Insurance of risks

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

The scope of these agreements covers the insurance of:

- Boryszew Group property
- profit lost due to all risks

- machine damage
- loss of profit due to damage to machinery and equipment
- electronic equipment
- business activity and property owners civil liability insurance
- tax risks,
- 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.

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 two years of conflict, it can be summarised that the violent behaviour of the markets after the outbreak of the conflict has been extinguished to some extent.
The initially unstable situation in the energy market has been calmed down, supplies from the Russian Federation have been replaced by other alternatives (new suppliers and increasing our own power generation capacity, which correlates with the EU's Green Deal policy). However, the effects of the surge in energy prices are being borne so far, as can be clearly seen in the higher level of inflation, which has exceeded the inflation targets of the central banks of the various European countries.
Due to the sanctions imposed, trade with the Russian Federation almost froze.
Spending on the defense industry has increased, and further increases are expected in this sector, which could also be an opportunity for the industry in the long term. This in particular becomes relevant in the context of the current geopolitical situation, the development of Europe's defense capabilities and the investment in Shield East.
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 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.

35. OFF-BALANCE SHEET RECEIVABLES AND LIABILITIES

CONTINGENT RECEIVABLES

CO2 emission rights - EUA units

Information on the allocation of free emission rights

1. Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council (OJ UE L 59 of 27.02.2019, p. 8) Alchemia S.A. branch as well as Huta

(amounts expressed in PLN '000 unless specified otherwise)

Bankowa Sp. z o.o. applied to the National Centre for Emissions Management for emission rights for the period: between 1 January 2021 and 31 December 2025.

2. Rights were allocated based on the **"Report on basic data for the 4th EU ETS period"**, covering data on the level of activity of installations and CO2 emissions for 2014-2018. The report concerned was independently verified by BSI Group Polska Sp. z o.o. Rights are allocated following the final approval of the report by the National Centre for Emissions Management.
3. Under Art. 64b(6) of the Act of 15 April 2021 on greenhouse gases emissions trading system (Dz. of Laws of 2021, item 332 and item 1047), the National Centre notifies the minister responsible for climate issues of the number of rights determined based on the assessed report. Information on the number of free rights allocated to an installation will be published in the Public Information Bulletin on the website of the office of the Minister.

Contingent items	Balance on 31.12.2024	Balance on 31.12.2023	change
Contingent assets/ CO2 emission rights	20 333	33 843	(13 510)

The decrease in contingent assets as at 31.12.2024 against 2023 is due to remeasurement on the reporting date, disposal of emission rights held, redemption of emission for 2023 and allocation of allowances for 2024. The market value of CO2 emission rights held as at 31.12.2024 is PLN 20.3 million [66 488 units x EUR 71.57 (average quote for CO2 emission futures) x 4.2730 (average NBP exchange rate as at 29.12.2024)]

The fair value of EUA units received free of charge (remaining as of the reporting date) as at the acquisition date is PLN 21.1 million.

CONTINGENT LIABILITIES

Guarantees and sureties as at 31.12.2024

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

Guarantees and sureties as at 31.12.2023

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	Expiry date of guarantee
MAFMEX S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	21 740	term of the agreement
MAFMEX S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	9 300	01.01.2030
MAFMEX S. de R.L. de C.V.	BMW AG performance bond	26 088	contract period + 15 years

(amounts expressed in PLN '000 unless specified otherwise)

Maflow Components (Dalian) Co. Ltd.	BMW AG performance bond	26 088	contract period + 15 years
Total		**83 216**	

Contingent items	Balance on 31.12.2024	Balance on 31.12.2023	change
Contingent liabilities	**106 283**	**83 216**	**23 067**
resulting from granted guarantees, sureties and other liabilities	**106 283**	**83 216**	**23 067**
- guarantees and sureties associated with performance of contracts	84 866	83 216	1 650
- guarantees and sureties in favour of financial institutions	21 417	-	21 417

Increases / decreases in the period of 12 months ended on 31.12.2024, including:	**23 067**
Additions	**24 342**
- Increase due to valuation of sureties	-
- Increase in surety amount	24 342
Reductions	**(1 275)**
- Reduction due to valuation of sureties	(1 275)
- Decrease in the amount of existing sureties due to expiration, reduction	-

The increase in sureties is due to an increase in the guarantee issued to Mafmex S. de R.L. de C.V. for liabilities to Innova Dintel (PLN 2.93 million), granting of a guarantee to Investitionsbank des Landes Brandenburg for a grant awarded to Boryszew Oberflächentechnik Deutschland GmbH (PLN 21.42 million), while the decrease in sureties is due to exchange rate differences.

	Balance on 31.12.2024	Balance on 31.12.2023
Guarantees granted to subsidiaries and jointly-controlled companies and guarantees for repayment of financial liabilities	106 283	83 216
Liability for tax risks on proceedings in Silesia S.A.	171 954	35 551
Potential liability under concluded contract	14 956	15 218
	293 193	**133 985**

36. TRANSACTIONS WITH AFFILIATED ENTITIES AND BENEFITS FOR KEY PERSONNEL

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.

Transactions and balances of payables and receivables with personally related entities

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Revenues from sales (of products, services, goods)	6 274	8 768
Interest income	34	2 303
Purchase of goods and services	7 472	4 369
Share acquisition	932	325
Other transactions	561	325

(amounts expressed in PLN '000 unless specified otherwise)

	Balance on 31.12.2024	Balance on 31.12.2023
Trade receivables	556	1 440
Trade liabilities	739	573

Remuneration paid to the Management Board and Supervisory Board	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Remuneration of the Management Board for the Parent Company	4 757	3 735
Remuneration for the Supervisory Board of the Parent Company	532	515

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

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.

37. REMUNERATION OF THE AUDITOR

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 2023 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 14 482**
Auditor's fees for audit services to subsidiaries:	
Audit activities	
Attestation service for Group sustainability reporting	PLN 166 500
Total	**PLN 166 500**
Total	**PLN 743 416**

(amounts expressed in PLN ‘000 unless specified otherwise)

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

38. EMPLOYMENT

	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**

39. SIGNIFICANT EVENTS

Boryszew S.A.

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 (Walcownia Metali 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.

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

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

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

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 PLN 5.3 million write-off (reduction) was charged against fixed assets.

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.

REAL ESTATE TRANSACTIONS

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.
In Q3 '2024 and until the publication date of the report, Boryszew S.A. sold or acquired no significant real estate.

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 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 PLN 8.7 million.

In Q3 '2024, Boryszew Nieruchomości spółka z o.o. sold real estate located in Toruń, total surface area of 1.0312 hectares, for a total of PLN 1.5 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.

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 process of thermal conversion of waste at the new installation will generate 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.

Boryszew Nieruchomości Spółka z o.o.

Construction of installation for the thermal treatment of municipal waste
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 of an installation for thermal transformation of municipal waste in Toruń.
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.

As per the agreement, should a finale environmental decision on the planned subsidised investment be not submitted within 12 months of the date of signing the agreement, the agreement is terminated by mutual consent of the parties.
On the date of publication of the report, Boryszew Nieruchomości is in the process of obtaining the required decisions and permits necessary to start the investment. The installation is scheduled to be commissioned 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

Walcownia Metali Dziedzice S.A.

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.

40. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Bankruptcy of subsidiary

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

41. STATEMENT BY THE MANAGEMENT BOARD

The report presents the situation of Boryszew Capital Group for the period between 1 January 2024 and 31 December 2024, in accordance with legal requirements, taking into consideration the events that occurred until the date of preparing this report.
The financial statements were prepared on a going concern basis.

The report was approved for publication on 16 April 2025.

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

42. APPROVAL OF THE FINANCIAL STATEMENTS

The report was approved for publication by a resolution of the Management Board on 16 April 2025 and presents the situation of the Group pursuant to the legal requirements for the period between 1 January 2024 and 31 December 2024, including any events which occurred by the date of approval of these financial statements for publication.

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

SIGNATURES:

Wojciech Kowalczyk - President of the Management Board

Łukasz Bubacz – Member of the Management Board

Adam Holewa - Board Member

Radosław Szorc - Chief Financial Officer

Agata Kęszczyk-Grabowska - Chief Accountant