

BORYSZEW GROUP

2025 - 2029 BUSINESS STRATEGY

The document is updated by a revision, carried out during the strategy update process, and is an expansion of the document published in April 2024 with a time horizon of 2024 – 2028.



STRATEGIC OPPORTUNITIES AND RISKS: RESPONSE OF BORYSZEW CAPITAL GROUP

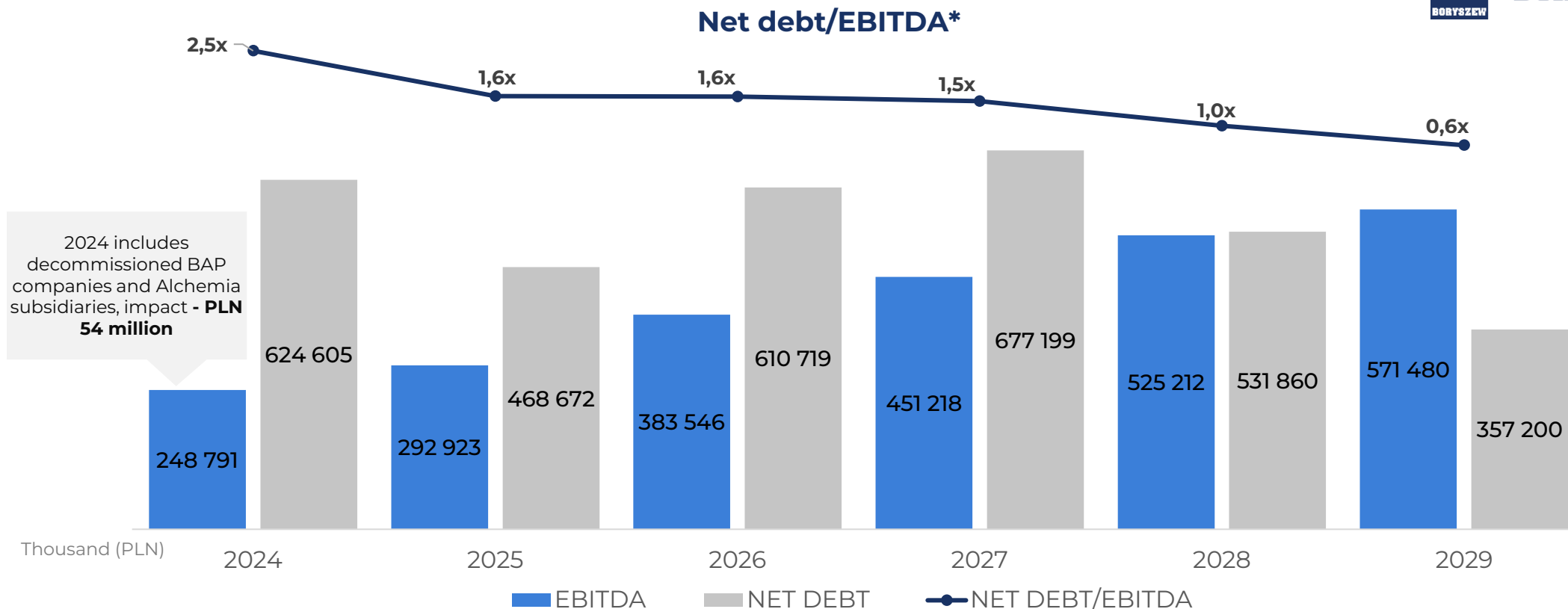


ANALYSIS OF STRATEGIC RISKS AND OPPORTUNITIES		RISKS AND OPPORTUNITIES		GROUP RESPONSE
1	GLOBAL CUSTOMS POLICY	RISKS	<ul style="list-style-type: none"> • MAJOR increase in customs duties • Economic slowdown • Disparities in development • Price pressure 	<ul style="list-style-type: none"> • Increase in added value of products • Focus on local suppliers and customers • Segment, product and geographic diversification • Building resilience to business cycles • Processing of metals included in the list of strategic and critical METALS for Europe
		OPPORTUNITIES	<ul style="list-style-type: none"> • Innovation and value-added growth • CBAM, European market protection 	
2	ARMED CONFLICTS	RISKS	<ul style="list-style-type: none"> • Destabilisation 	<ul style="list-style-type: none"> • Development of new business lines – special production based on own resources • Cross-industry collaboration
		OPPORTUNITIES	<ul style="list-style-type: none"> • Increase in defense spending 	
3	CLIMATE RISKS / ADAPTATION TO CLIMATE CHANGE	RISKS	<ul style="list-style-type: none"> • Climate change • Transformation • Rising production costs • Pressure from customers (lower emissions) 	<ul style="list-style-type: none"> • Participation in the electromobility development trend • Energy transformation - product and offer participation • Establishing emission reduction targets • Investment in the implementation of circular economy assumptions • Participation in market protection instruments
		OPPORTUNITIES	<ul style="list-style-type: none"> • Energy transformation • Improved efficiency of machinery • Technology development • CBAM, market protection 	
4	HUMAN CAPITAL	RISKS	<ul style="list-style-type: none"> • Aging society • Changing lifestyle and work expectations 	<ul style="list-style-type: none"> • Production optimisation • Process automation • Competency development, upskilling
		OPPORTUNITIES	<ul style="list-style-type: none"> • Digitalisation • Automation • New production technologies 	

FINANCIAL SUMMARY



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- Reduction of net debt/EBITDA ratio in 2025 to 1.6x mainly as a result of planned sale of decommissioned branches of Alchemia S.A. (WRA and RXP), repayment of investment loans in the Automotive Segment and improved EBITDA
- Increase in debt as of 2026 is mainly due to outlays on strategic projects (PLN 190 million in 2026 and PLN 253 million in 2027)
- Plans do not include any sale of investment properties for at least PLN 150 million
- Between 2022 and 2025 the company paid PLN 502.8 million in dividends

* the simulation is based on a dividend payment of 50% of the previous year's net profit. Range of current dividend policy 30%-70%

SECURITY

four pillars in response to trends, risks and business opportunities

BUSINESS

Building a resilient global industrial enterprise
Creating higher value-added offering in response to third-country competition
Expansion through transfer of know-how to new markets with high growth potential

RESOURCES

Developing the Energy Segment
Active participation in energy transition (investments, products, own operations)
Developing the Circular Economy Segment
Utilising 100% net green electricity for production by 2030, while reducing fossil emissions by 50%.*

REGION

Developing special production offer based on existing resources and collaboration with partners

DEVELOPMENT

Maintaining high year-on-year EBITDA growth rate
Ensuring the required liquidity in the capital group through optimisation of resources used
Diversification of markets, product portfolio and customers
Developing Boryszew Sustainability Horizon 2030 initiatives

2025 - 2029 BORYSZEW GROUP STRATEGY



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VISION OF BORYSZEW CAPITAL GROUP IN 2029:

Building a strong position in the global automotive and metals sectors, and expanding in the energy (including renewable energy), waste-to-energy and waste recycling sectors, with **innovative** product offer and **a diversified customer base**, by **increasing profitability, effectively utilising existing resources, focusing on innovative products with higher added value**, and **making the product offer more resilient to business cycles**, as well as **increasing** market **competitiveness** based on sustainability initiatives.

MAJOR STRATEGIC OBJECTIVES
AUTOMOTIVE SEGMENT



2024 - 2028

Implementing an innovative process for manufacturing components dedicated to electric cars.

Increasing production capacity in China following conclusion of contracts.

Automation and digitalisation of production lines at Maflow Group for the production of air conditioning ducts.

Revision: Relocation of rubber production

REVISION |
ADDITIONAL OBJECTIVES

2025 - 2029

Appropriate regional allocation and transformation of rubber hose production

Vertical integration through sensor manufacturing for HVAC systems

EUROPE

AMERICA

ASIA

Optimisation of production facilities

Restructuring of Mexico production plant

Business growth in China x4

Diversification of customer portfolio

Business growth in Brazil x5

Business growth in India x8

Consolidation of production

Focus on local components

Focus on local components

Expansion of rubber production

Utilising the market potential

Utilising the market potential

MAJOR STRATEGIC OBJECTIVES METAL SEGMENT



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2024 - 2028

Processing of semi-finished products (aluminium wire rods) into higher value-added products (aluminium cables)

Increased production capacity in brass products at Walcownia Metali Dziedzice.

A new assortment group of brass extruded and drawn products with increased resistance to dezincification dedicated to drinking water installations.

Improving profitability and “green” conversion of ZM Silesia S.A, Oława Branch through investment in a roasting machine, oxidiser and environmentally sustainable process for refining hard zinc.

Optimisation of low-margin assets (Walcownia Rur Andrzej and Rurexpol branch).

REVISION | ADDITIONAL OBJECTIVES

2025 - 2029

Increasing investment in the aluminium business, higher value-added products (aluminium cables dedicated for the energy sector)

Increasing production capacity of brass products (cupronickel) at the Walcownia Metali Dziedzice

Developing a new business line - special production based on Walcownia Metali Dziedzice

Analysis of strategic options for the steel business

Non-dimensioned strategic initiative – investment in the extension of the aluminium value chain

MAJOR STRATEGIC OBJECTIVES

CIRCULAR ECONOMY SEGMENT



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2024 - 2028

Increasing capacity for hazardous waste at Zakład Utylizacji Odpadów Konin
by 12 thousand Mg/year – 15 thousand Mg/year

Construction of a new municipal waste incinerator featuring a capacity of 23 thousand Mg/year.

Construction of a new hazardous waste incinerator featuring a capacity of 3.5 thousand Mg/year.

REVISION I ADDITIONAL OBJECTIVES

2025 - 2029

Processing industrial waste from the Group as part of circular economy

Modernisation of the sewage treatment plant on the site of UZO Konin

Modernisation of the sewage treatment plant in Sochaczew (Boryszew ERG)

Adaptation of processes to new OHS standards for lead exposure (Baterpol, ZM Silesia)

MAJOR STRATEGIC OBJECTIVES

ENERGY SEGMENT



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2024 - 2028

Developing competence in energy management and storage as a highly profitable new segment of Boryszew CG.

Revision: Construction of two battery energy storage (BESS) featuring a capacity of 50MW and 5MW.

Reducing environmental impact by diversifying energy sources, participating in the energy transition.

Utilising 100% net green electricity for production by 2030, while reducing emissions from fossil sources by 50%.

REVISION I ADDITIONAL OBJECTIVES

2025 - 2029

Construction of 3 battery energy storage systems (BESS) featuring capacities of 3 MW, 3 MW, and 4 MW, respectively.

Developing a portfolio of strategic clients - new market sectors

Developing a transition plan based on decarbonisation levers in accordance with the ESRS Standard

Non-dimensioned strategic initiative - preparation of construction of new BESS, at Group locations, featuring capacity of more than 160 MW.

MAJOR STRATEGIC OBJECTIVES

CHEMICALS SEGMENT



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2024 - 2028

Revision: Optimisation of assets in the chemicals segment (Elana branch, ERG branch).

REVISION |
ADDITIONAL
OBJECTIVES

2025 - 2029

Utilisation of assets of Boryszew ERG Branch (developing the offer and increasing the scale of operations)

Modernisation of the sewage treatment plant in Sochaczew (Boryszew ERG)

Evaluating strategic options of Elana Branch

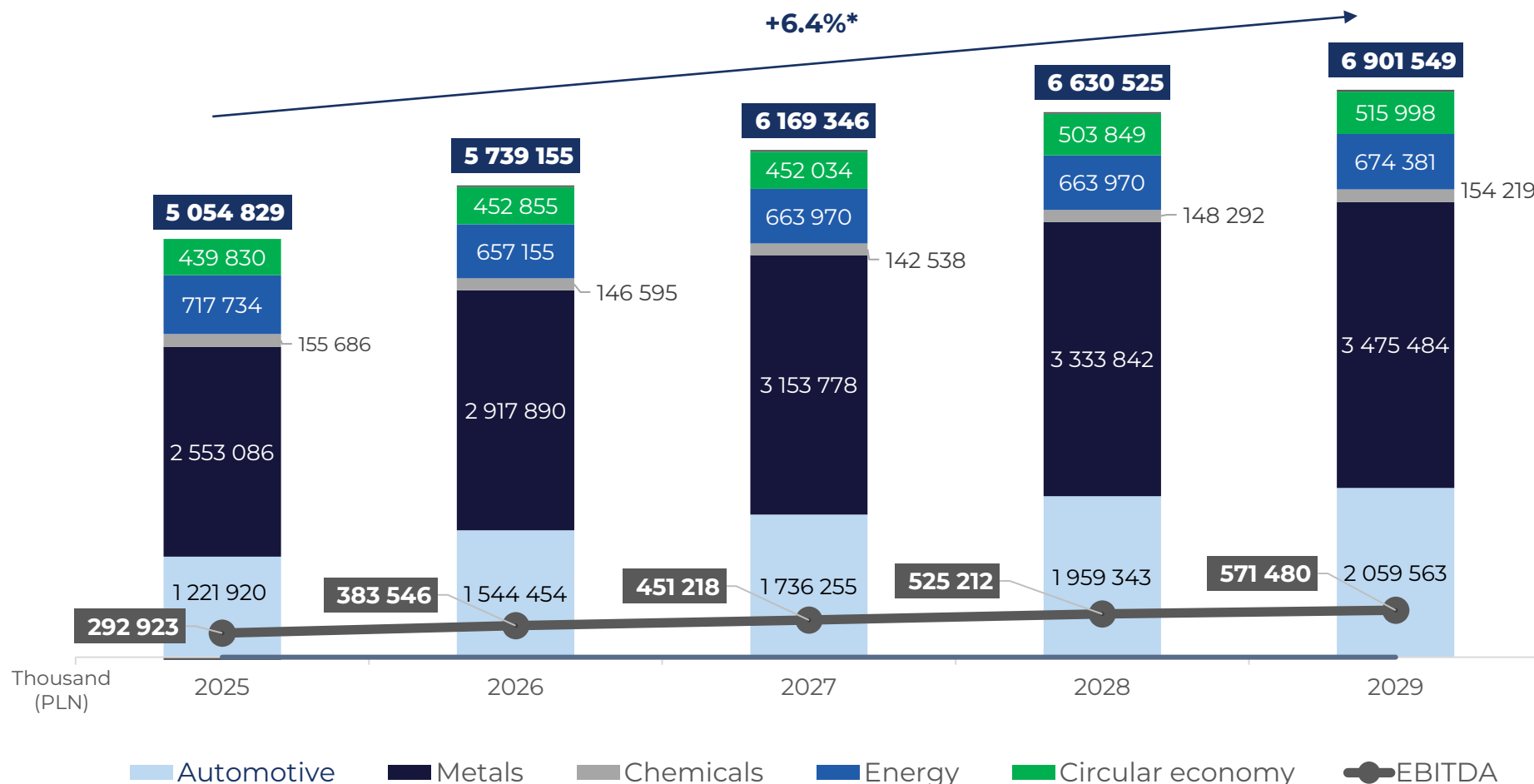
Non-dimensioned strategic initiative - developing special production based on owned resources

REVENUE GROWTH RATE FOLLOWING IMPLEMENTATION OF STRATEGIC INITIATIVES



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Revenues and EBITDA in Boryszew CG in the period 2025-2029 (by business segments)



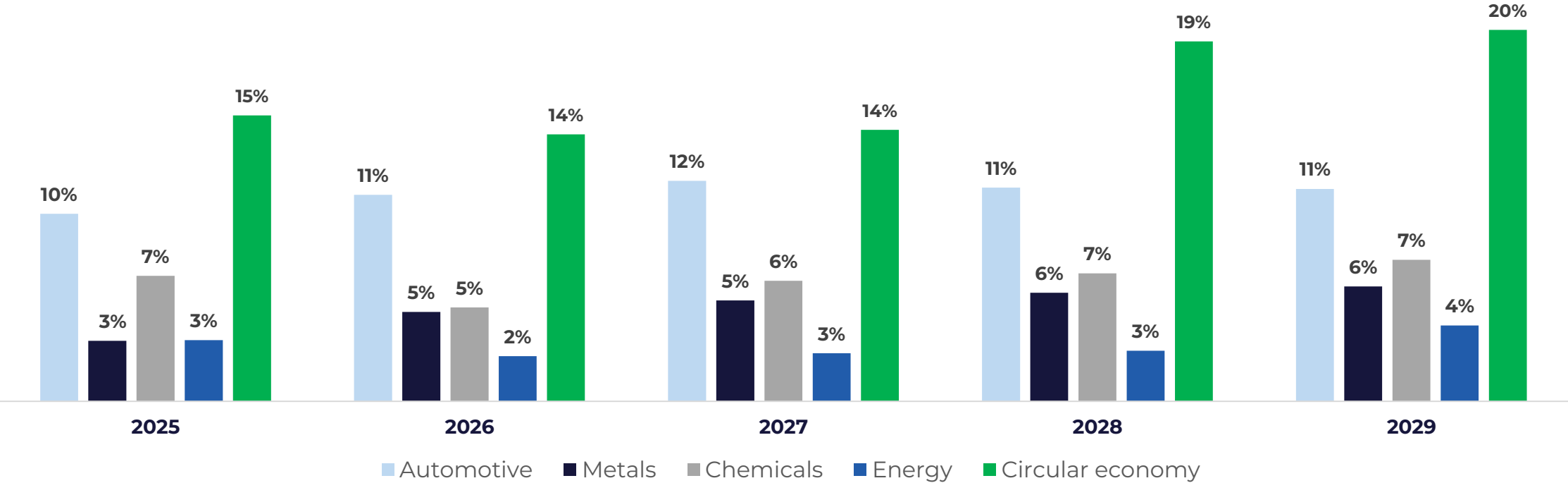
- **The growth rate of revenue** over the forecast period remains at a similar level of app. **4 – 13%**, which is related to the planned **development of new segments and commercialisation of investments**.
- **EBITDA margin and EBITDA growth rate** is a result of the change in operating profile and **focus of the Group on products with higher added value for Customers** as well as optimisation of Group's low-margin assets.
- **Increase of ROA** in 2029 to 5.66%.

*Revenue CAGR 2025-2029

EBITDA PROFITABILITY AT BORYSZEW CG SEGMENT LEVEL



EBITDA profitability in Boryszew CG in 2025-2029 (by business segments)

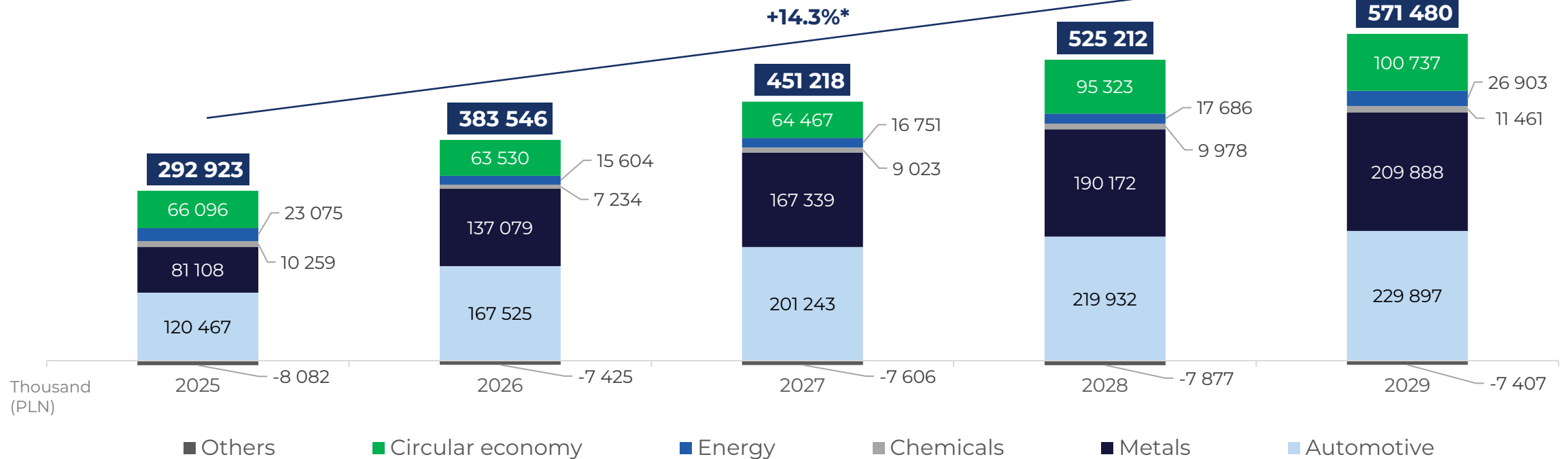


- During the forecast period, **EBITDA profitability ratios** in all segments of Boryszew CG remain at a stable level.
- The highest profitability is achieved by the new **Circular Economy Segment**, following investments in new waste processing facilities.

IN 2029 EBITDA WILL EXCEED PLN 570 MILLION



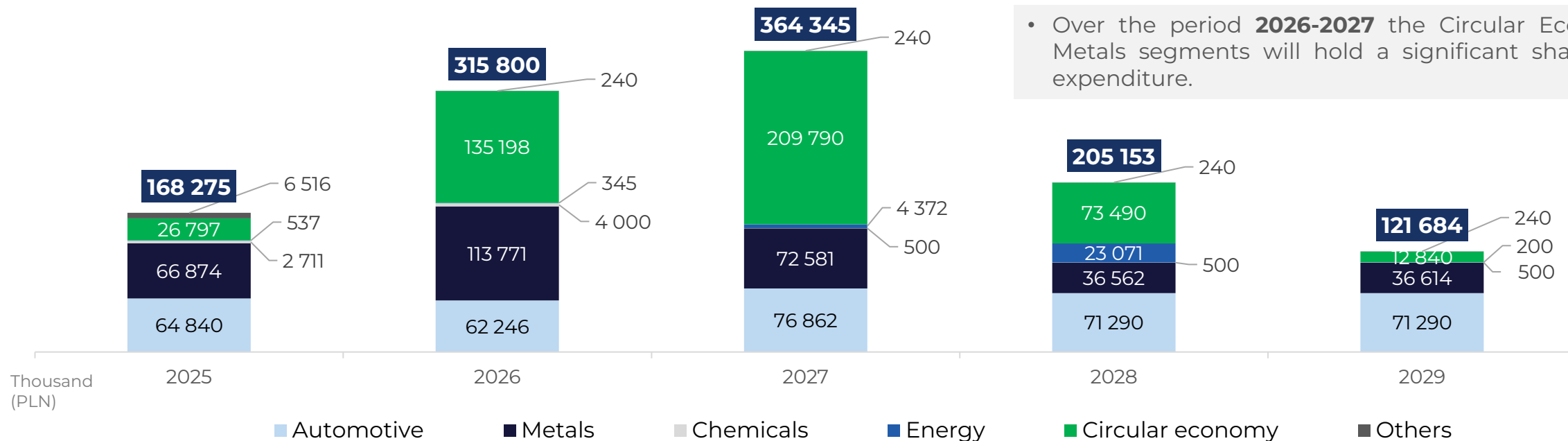
EBITDA in Boryszew CG in 2025-2029 (by business segments)



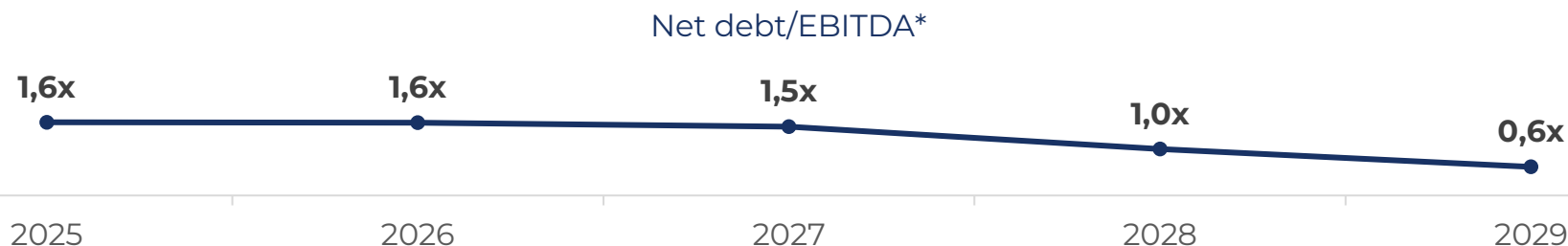
- A noticeable **increase in EBITDA** in the period 2028-2029 following the implementation of strategic initiatives.
- **EBITDA CARG of 14.3%** as a result of the focus on **innovative products with higher added value and higher margins**.
- Growing share of new business segments in 2027-2029.
- Plans do not include any sale of investment properties for PLN 150 million

LARGEST CAPITAL OUTLAYS ARE PLANNED FOR 2027

Investment expenditure in Boryszew CG in 2025-2029 (by business segments)



- Over the period **2026-2027** the Circular Economy and Metals segments will hold a significant share of capital expenditure.

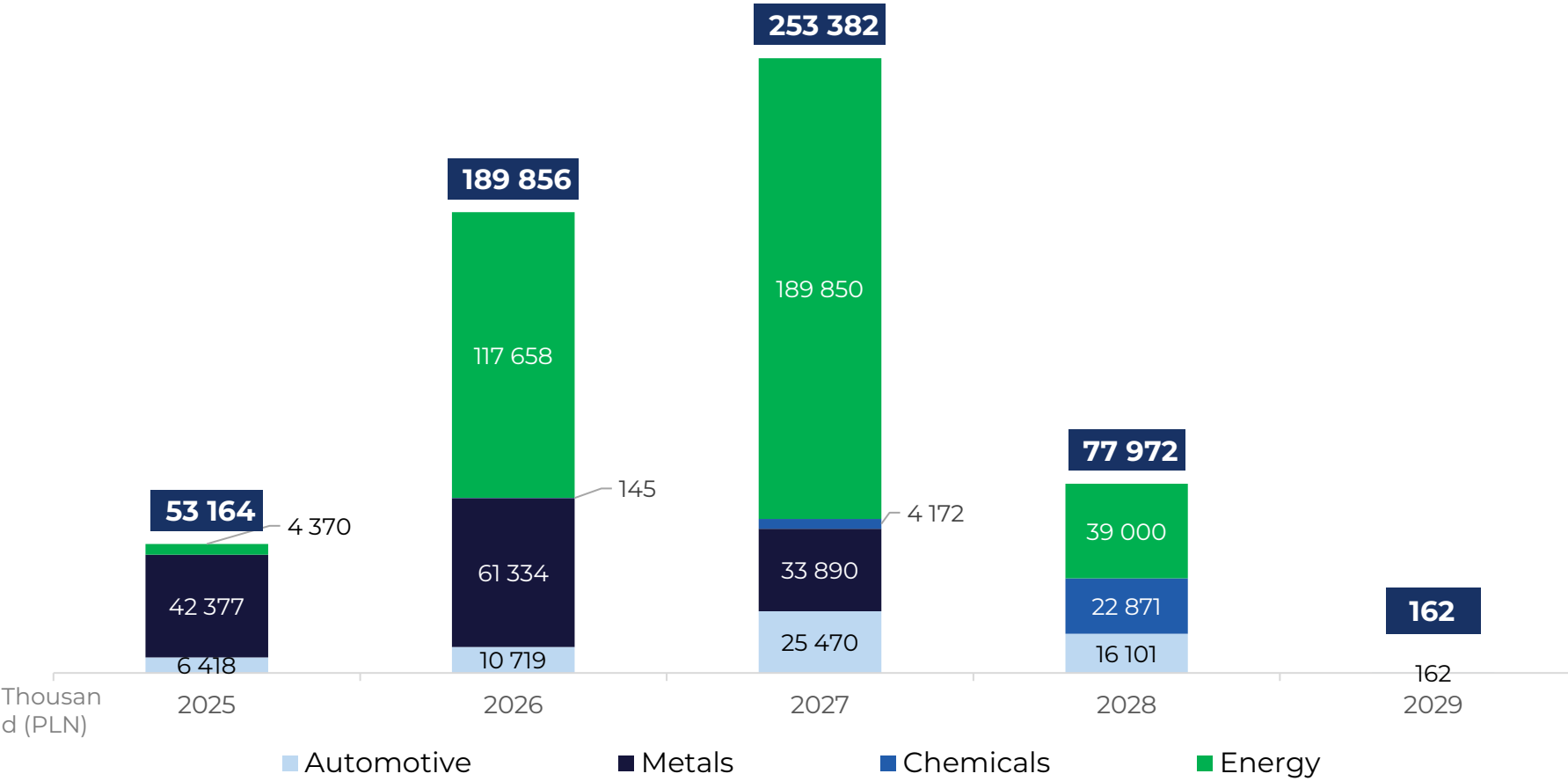


* the simulation is based on a dividend payment of 50% of the previous year's net profit. Range of current dividend policy 30%-70%

THE MAIN PORTION OF INVESTMENT EXPENDITURE ON STRATEGIC INITIATIVES WILL BE BORNE IN 2027



Capital expenditure on strategic initiatives in Boryszew CG in 2025-2029 (by business segments)



Major investment expenditure in segments:

Automotive

- Building new production capacity in China

Metals

- Increasing production capacity in high-temperature composite cables and aluminium cables
- Special production.
- New grade of zinc white dedicated for the tire industry - innovative and truly environmental friendly.

Energy

- Construction of 2x3 and 4 MW battery energy storage systems

Circular economy

- Construction of installation for thermal transformation of municipal and hazardous waste (Toruń).
- Construction of additional facility for thermal transformation of hazardous waste in Konin.

THE MAIN PORTION OF INVESTMENT EXPENDITURE ON STRATEGIC INITIATIVES WILL BE BORNE IN 2027



Capital expenditure on strategic initiatives in Boryszew CG in 2025-2029 (by business segments)

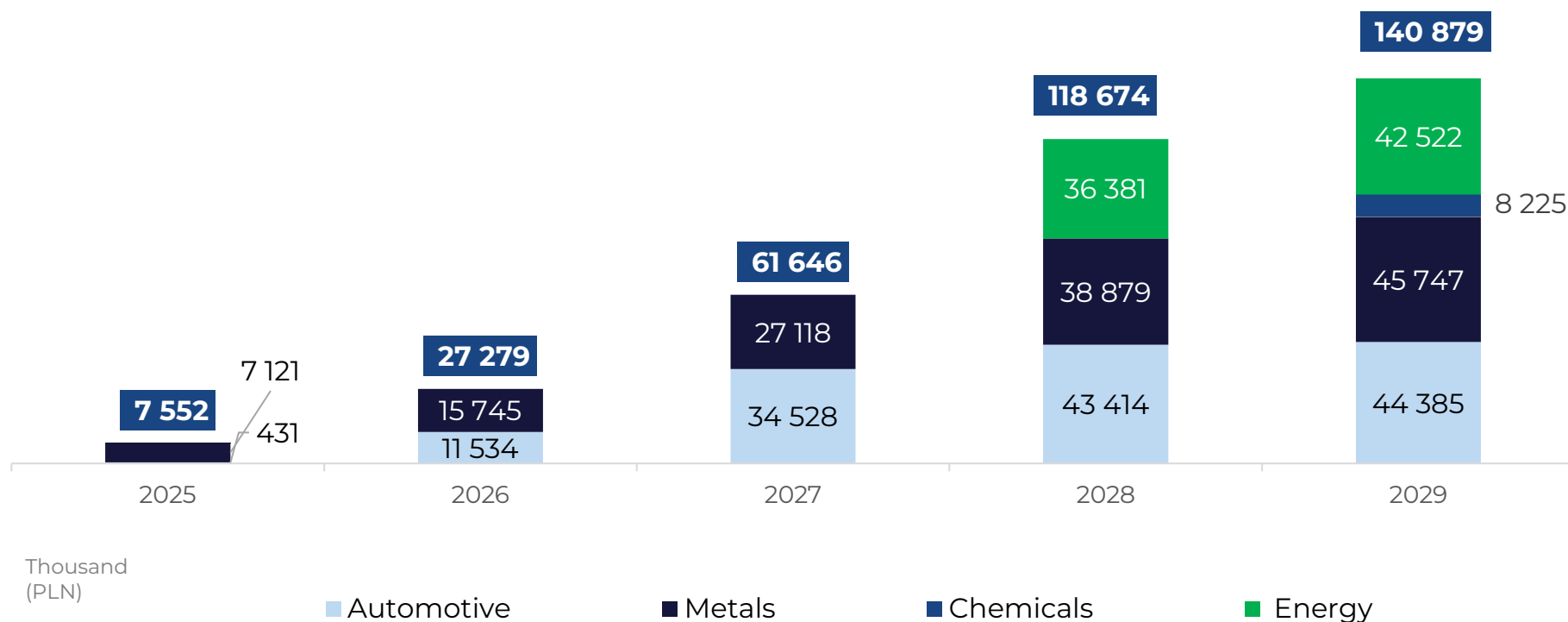
data in PLN '000		2025	2026	2027	2028	2029	Total	Sources of funding
Automotive	Maflow China - Hanon	2 563	3 060	3 834	3 230	0	12 686	60% of outlays in 2024, own funds 30%, loan 70%
Automotive	Maflow China BMW	3 855	7 659	21 637	12 871	162	46 182	loan 100%
Metals	NPA - KPT1 expansion	16 435	0	0	0	0	16 435	67% of outlays in 2024, own funds 20%, loan 80%
Metals	NPA - KPT2 expansion	4 654	37 956	10 013	0	0	52 624	own funds 20%, loan 80%
Metals	WMD - special production	17 908	17 908	23 877	0	0	59 693	loan 100%
Metals	ZM Silesia - Hard zincs	3 380	5 470	0	0	0	8 850	own funds 50%, grant 50%
Energy	BESS (2x3MW+4MW)	0	145	4 172	22 871	0	27 188	grant 45%, loan 55%
Circular economy	Incinerator (ZUO)	4 370	45 000	75 000	0	0	124 370	own funds 80%, loan 20%
Circular economy	Incinerator Toruń (ZPiOE)	0	0	21 000	39 000	0	60 000	own funds 20%, grant 40%, loan 40%
Circular economy	Incinerator Toruń (IPTOK)	0	72 658	93 850	0	0	166 508	grant 38%, loan 62%
Total		53 164	189 856	253 382	77 972	162	574 536	

IMPACT OF STRATEGIC INITIATIVES ON EBITDA IN NEW SEGMENTS WILL BE SEEN FROM 2027 ONWARDS



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*Impact of strategic initiatives on EBITDA in Boryszew Group in the period 2025-2029
(by business segments)*



- The largest share of additional **EBITDA** in **2025-2029** will be generated by Metals (**PLN 135 million**) and Automotive (**PLN 134 million**) Segments
- Projects in new segments will generate **PLN 87 million of EBITDA** in the period **2028-2029**

IMPLEMENTATION OF STRATEGIC INITIATIVES



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2022

2023

2024

2025

2026

2027

2028

2029

Boryszew Sustainability Horizon 2030:
Implementation of sustainable transformation goals consistent for the entire Boryszew Group

Implementation of MES, ML, AI technologies

Vertical integration – sensor
manufacturing

Automotive

Expanding production capacity in China

Automation and digitisation of existing production lines and industrial processes

Regionalisation of rubber hose
production

Segment strategy: SpeedUp Maflow

Expansion of wire production capacity and introducing products
featuring higher added value

Expansion of production capacity and range of brass and copper alloy products

Metals

Product development – "EG
Brass DG"

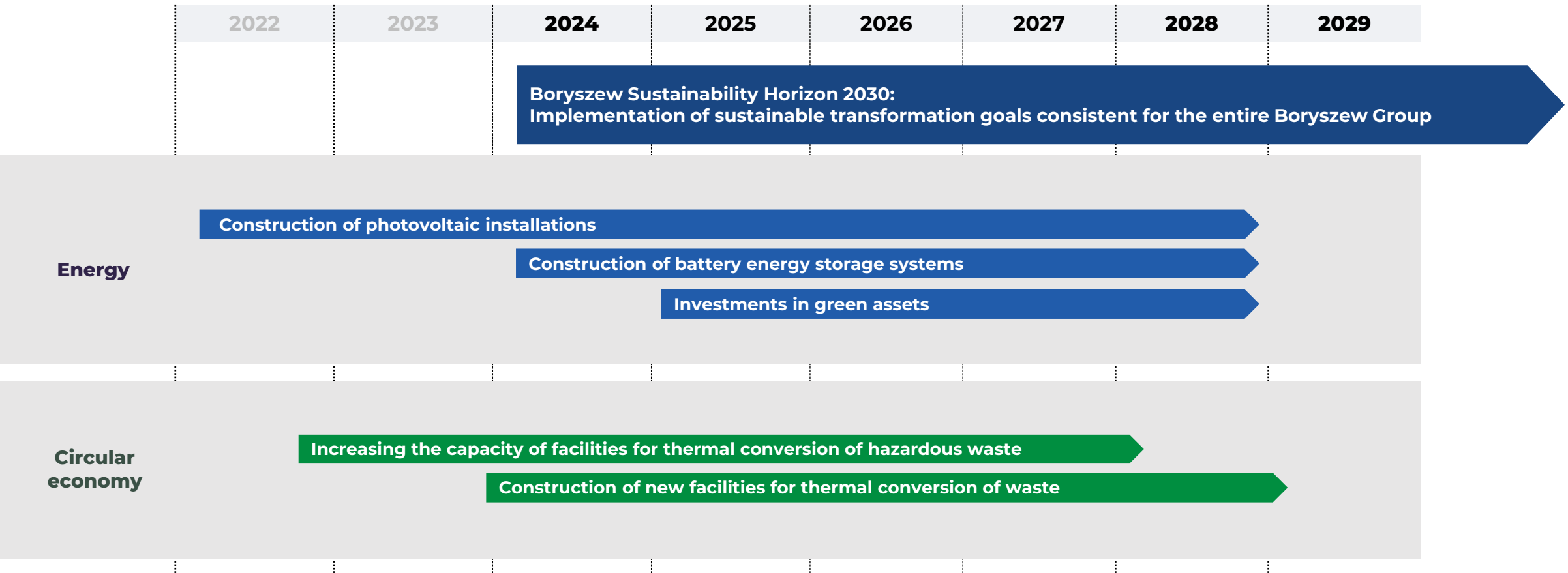
Development and "green" conversion of
the offer of Huta Oława

Special
production

IMPLEMENTATION OF STRATEGIC INITIATIVES



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GLOSSARY OF TERMS



AI	Artificial Intelligence	OEM	Original Equipment Manufacturer
BAP	Boryszew Automotive Plastics	RES	Renewable Energy Sources
BESS	Battery Energy Storage Systems	Offshore	Offshore wind farms
R&D	Research and Development activities	Onshore	Onshore wind farms
CAGR	Compound Annual Growth Rate	PEP 2040	"Energy Policy of Poland until 2040"
CAPEX	Capital Expenditure	PPA	Power Purchase Agreement
CF	Cash Flow		
Cross-selling:	Selling an additional product or service to a customer in a single transaction	Industry 4.0.	Digital transformation in industrial manufacturing, a process of technological and organisational transformation of enterprises, which involves value chain integration and digitisation of services
DSR	Demand Side Response		
EBITDA	Operating result plus depreciation and amortisation.	ROA	Return on total assets, defined as the profit/loss for the reporting period divided by total assets disclosed in the consolidated balance sheet at the end of the reporting period
EE	Electricity		
Elana	Boryszew S.A. Elana Branch in Toruń	ROE	Return on equity, defined as the consolidated net profit/loss for the reporting period divided by equity disclosed in the consolidated balance sheet at the end of the reporting period
ESG	E – Environment, S – Social responsibility, G – Corporate governance	RXP	Alchemia S.A. Rurexpol Branch
		ERP System	Enterprise Resource Planning
KWD	The corrected availability factor shows the availability of power sources depending on the technology used	Sustainability Horizon 2030	Proper name of the strategic sustainable transformation initiative pursued by Boryszew CG
Boryszew CG	Boryszew Capital Group	Traceability	traceability
HVAC	Heating, Ventilation, Air Conditioning	WMD	Walcownia Metali Dziedzice S.A.
Maflow	Boryszew S.A. Maflow Branch	WRA	Alchemia S.A., Walcownia Rur Andrzej Branch
MEE	BESS	ZUO Konin	Zakład Utylizacji Odpadów Spółka z o.o. in Konin
MES	Manufacturing Execution System		
ML	Machine learning		
NPA Skawina	Nowoczesne Produkty Aluminiowe Skawina Sp. z o.o.		

Boryszew Group is:

- one of the largest private industrial groups in Poland,
- one of the largest processors of non-ferrous metals in Central and Eastern Europe,
- leading manufacturer of automotive components in Poland.

The group operates through manufacturing facilities located in Europe, Asia and the Americas.

