



**CONSOLIDATED FINANCIAL STATEMENTS  
BORYSZEW CAPITAL GROUP  
FOR THE PERIOD BETWEEN  
1 JANUARY AND 31 DECEMBER 2025**

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## CONSOLIDATED PROFIT AND LOSS STATEMENT

	Note	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Continuing operations</b>			
Revenues from sale	6	4 836 501	5 116 006
Cost of sales	7	4 436 810	4 747 519
<b>Gross profit on sales</b>		<b>399 691</b>	<b>368 487</b>
Selling costs		116 623	107 041
Administrative expenses		276 230	291 743
Other operating revenue	8	150 283	311 367
Other income liquidation of company		4 867	-
Other operating expenses	9	48 802	102 570
Other expenses exclusion of companies from consolidation		12 242	-
<b>Operating income</b>		<b>100 944</b>	<b>178 500</b>
Financial revenues	10	35 023	28 061
Financial expenses	11	90 488	100 479
Share in profit of affiliates		(2 061)	(2 553)
<b>Profit before taxation</b>		<b>43 418</b>	<b>103 529</b>
Income tax	12	8 442	(17 276)
<b>Net profit on continuing operations</b>		<b>34 976</b>	<b>120 805</b>
<b>Net profit/loss on discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Net profit on continuing and discontinued operations including attributable to:</b>		<b>34 976</b>	<b>120 805</b>
<i>to shareholders of the parent</i>		23 623	110 485
<i>non-controlling interests</i>		11 353	10 320

## 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)	0.12	0.55
Earnings per share on continuing operations	0.12	0.55
Earnings per share on discontinued operations	-	-
Diluted net profit (loss) per share (PLN/share)	0.12	0.55
Diluted on continuing operations	0.12	0.55
Diluted on discontinued operations	-	-

**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.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Net profit</b>	<b>34 976</b>	<b>120 805</b>
<b>Earnings recognised in equity</b>		
<i>Earnings recognised in equity, to be transferred to income statement (before tax)</i>	<b>(53 135)</b>	<b>(65 323)</b>
Hedge accounting	(2 401)	(10 110)
Exchange differences on translating foreign operations	(50 734)	(55 213)
<i>Income tax expense (-provision/+asset)</i>	456	1 921
<i>Earnings recognised in equity, not to be transferred to income statement (before tax)</i>	<b>(636)</b>	<b>840</b>
Gains/losses on valuation and disposal of equity instruments	-	-
Employee benefit capital reserve	(636)	840
<i>Income tax expense (-provision/+asset)</i>	121	(160)
<b>Total earnings recognised in equity</b>	<b>(53 194)</b>	<b>(62 722)</b>
<i>to shareholders of the parent</i>	<b>(53 191)</b>	<b>(62 720)</b>
<i>non-controlling interests</i>	<b>(3)</b>	<b>(2)</b>
<b>Total comprehensive income, including attributable:</b>	<b>(18 218)</b>	<b>58 083</b>
<i>to shareholders of the parent</i>	<b>(29 568)</b>	<b>47 765</b>
<i>non-controlling interests</i>	<b>11 350</b>	<b>10 318</b>

## CONSOLIDATED BALANCE SHEET

<b>ASSETS</b>	Note	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>Non-current assets</b>		<b>1 798 539</b>	<b>1 933 438</b>
Tangible fixed assets	13	1 206 621	1 309 995
Investment property	14	164 614	148 127
Goodwill	15	6 418	6 418
Intangible assets	16	34 600	39 081
Lease and right-of-use assets	17	201 268	245 862
Shares in affiliates	18	22 089	26 304
Financial assets	19	27 092	36 089
Long-term derivative financial instruments	20	-	128
Long-term receivables	22	69 922	66 456
Deferred tax assets	12.2	65 915	54 978
<b>Current assets</b>		<b>1 631 981</b>	<b>1 700 131</b>
<b>Current assets other than assets held for sale</b>		<b>1 540 153</b>	<b>1 647 388</b>
Inventories	21	745 187	749 426
Trade receivables and other receivables	22	619 673	672 220
Short-term financial assets	19	4 376	1
Derivative financial instruments	20	7 743	8 590
Current tax receivables	12.1	4 088	8 445
Cash and cash equivalents	23	159 086	208 706
<b>Assets classified as held for sale</b>	24	<b>91 828</b>	<b>52 743</b>
<b>Total assets</b>		<b>3 430 520</b>	<b>3 633 569</b>

**Boryszew Capital Group Consolidated financial statements for the period  
between 1 January and 31 December 2025**

(amounts expressed in PLN '000 unless specified otherwise)



<b>LIABILITIES AND EQUITY</b>	Note	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>Equity of the parent company</b>		<b>1 421 764</b>	<b>1 582 337</b>
Share capital		248 906	248 906
Share premium		114 435	114 435
Own shares		(236 753)	(236 753)
Hedge accounting capital		4 886	6 831
Capital reserve on translating employee payables		(624)	(112)
Revaluation reserve and gain on disposal of financial assets		-	-
Exchange differences on translating foreign entities		(91 235)	(103 159)
Retained earnings		1 382 149	1 552 189
<b>Equity of non-controlling shareholders</b>		<b>35 190</b>	<b>39 452</b>
<b>Total equity</b>	25	<b>1 456 954</b>	<b>1 621 789</b>
<b>Liabilities and long-term provisions</b>		<b>484 952</b>	<b>587 375</b>
Bank loans, borrowings, factoring	27	165 449	204 166
Lease and right-of-use liabilities	28	193 882	215 458
Deferred tax provision	12.2	16 179	37 320
Derivative financial instruments	20	-	430
Employee benefit provisions	29	12 595	13 412
Other provisions	30	37 462	49 647
Other liabilities	31	75	75
Other long term equity and liabilities	32	59 310	66 867
<b>Liabilities and short-term provisions - total</b>		<b>1 488 614</b>	<b>1 424 405</b>
<b>Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale</b>		<b>1 476 357</b>	<b>1 417 084</b>
Bank loans, borrowings, factoring	27	653 768	571 654
Lease and right-of-use liabilities	28	28 089	26 619
Trade payables and other liabilities	31	712 653	704 934
Derivative financial instruments	20	13 670	1 884
Current tax liabilities	12	3 534	7 036
Employee benefit provisions	29	26 226	28 438
Other provisions	30	24 214	35 367
Other short-term liabilities	32	14 203	41 152
<b>Liabilities directly associated with assets classified as discontinued operations</b>	24	<b>12 257</b>	<b>7 321</b>
<b>Total liabilities and provisions</b>		<b>1 973 566</b>	<b>2 011 780</b>
<b>Total equity and liabilities</b>		<b>3 430 520</b>	<b>3 633 569</b>

## CONSOLIDATED CASH FLOW STATEMENT

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>43 418</b>	<b>103 529</b>
<b>Adjustments for</b>	<b>166 030</b>	<b>(16 924)</b>
Depreciation	150 918	158 668
Gains/losses on financing activities	50 322	87 161
Profit / loss on investment activities	(23 070)	(126 385)
Change in receivables	10 711	(50 734)
Change in inventories	4 239	136 696
Change in liabilities	72 349	(36 678)
Provision for employee benefits	(3 029)	(14 498)
Change in provisions	(56 997)	(128 921)
Other items	(9 978)	(5 286)
Income tax paid	(29 435)	(36 947)
<b>Net cash from operating activities</b>	<b>209 448</b>	<b>86 605</b>
<b>Cash flows from investment activities</b>		
Proceeds from disposal of fixed assets	13 927	128 964
Proceeds from disposal of shares and stocks	172	-
Proceeds from repayment of loans granted	10 120	5 100
Expenses on acquisition of fixed assets	(101 666)	(134 144)
Acquisition of shares and stocks	(5)	(23 815)
Loans granted	(7 219)	-
Interest received	2 673	-
Other investment inflows and expenditure	(4 478)	1 220
<b>Net cash from investing activities</b>	<b>(86 476)</b>	<b>(22 675)</b>
<b>Cash flows from financial activities</b>		
Incomes on credit and loan facilities	156 565	231 127
Dividends paid	(86 525)	(93 151)
Repayment of loans, borrowings and reverse factoring	(122 211)	(149 539)
Interest paid on loans, borrowings and leasing	(60 830)	(56 427)
Payments of liabilities under lease agreements	(23 426)	(31 123)
Other financial inflows/expenses	(8 583)	27 316
<b>Net cash from financing activities</b>	<b>(145 010)</b>	<b>(71 797)</b>
<b>Net change in cash and cash equivalents (before impact of foreign exchange rates)</b>	<b>(22 038)</b>	<b>(7 867)</b>
Translation reserve	(588)	(2 686)
Cash opening balance	208 706	219 259
Cash of units sold/acquired	(26 994)	-
<b>Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)</b>	<b>(49 620)</b>	<b>(10 553)</b>
<b>Cash closing balance</b>	<b>159 086</b>	<b>208 706</b>
<i>Including restricted cash</i>	<i>68 005</i>	<i>64 962</i>

**Boryszew Capital Group Consolidated financial statements for the period between 1 January and 31 December 2025**

(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
<b>Balance on 01.01.2025</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>6 831</b>	<b>(112)</b>		<b>(103 159)</b>	<b>1 552 189</b>	<b>1 582 337</b>	<b>39 452</b>	<b>1 621 789</b>
Other comprehensive income				(1 945)	(512)		(50 734)		(53 191)	(3)	(53 194)
Profit/loss for 2025								23 623	23 623	11 353	34 976
<b>Total comprehensive income for 2025</b>				<b>(1 945)</b>	<b>(512)</b>		<b>(50 734)</b>	<b>23 623</b>	<b>(29 568)</b>	<b>11 350</b>	<b>(18 218)</b>
Dividends paid and declared								(70 913)	(70 913)	(15 612)	(86 525)
Other changes (*)											
Change in Group structure							62 658	(122 750)	(60 092)		(60 092)
Disposal of subsidiary											
Changes in equity				(1 945)	(512)		11 924	(170 040)	(160 573)	(4 262)	(164 835)
<b>Balance on 31.12.2025</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>4 886</b>	<b>(624)</b>		<b>(91 235)</b>	<b>1 382 149</b>	<b>1 421 764</b>	<b>35 190</b>	<b>1 456 954</b>

	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
<b>Balance on 01.01.2024</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>15 020</b>	<b>(794)</b>	<b>3 433</b>	<b>(47 946)</b>	<b>1 527 419</b>	<b>1 623 720</b>	<b>33 137</b>	<b>1 656 857</b>
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
<b>Total comprehensive income for 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8 189)</b>	<b>682</b>		<b>(55 213)</b>	<b>110 485</b>	<b>47 765</b>	<b>10 318</b>	<b>58 083</b>
Dividends paid and declared								(89 148)	(89 148)	(4 003)	(93 151)
Other changes (*)						(3 433)		3 433			
Change in Group structure											
Disposal of subsidiary											
Changes in equity	-	-	-	(8 189)	682	(3 433)	(55 213)	24 770	(41 383)	6 315	(35 068)
<b>Balance on 31.12.2024</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>6 831</b>	<b>(112)</b>		<b>(103 159)</b>	<b>1 552 189</b>	<b>1 582 337</b>	<b>39 452</b>	<b>1 621 789</b>

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



## **NOTES**

### **to the consolidated financial statements for the period between 1 January and 31 December 2025**

#### **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 Department

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.**

Between 1 January 2025 and the date of publication of the report, the following persons were members of the Supervisory Board of Boryszew S.A.:

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

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

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

On 1 January 2025, the following persons were members of the Management Board of Boryszew S.A.:

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

On 16 April 2025, the Supervisory Board of the Company, decided to appoint Mr Maciej Korniluk as a Member of the Management Board, Chief Operating Officer, effective 18 April 2025.

On the date of the report, the following persons were members of the Management Board of Boryszew S.A.:

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



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

## 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
<i>Head Offices</i>	Warsaw			Unallocated
<i>Elana Branch</i>	Toruń			Chemical products
<i>Boryszew Energy Branch</i>	Toruń			Energy
<i>Maflow Branch</i>	Tychy			Automotive
<i>Boryszew ERG Branch</i>	Sochaczew			Chemical products
Elimer Sp. z o.o.	Sochaczew	52,44	Boryszew S.A.	Chemical products
Boryszew Maflow Sp. z o.o.	Tychy	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.	Motoryzacja
Boryszew Automotive Mexico S.DE R.L.DE C. V	Mexico	100.00	Maflow Spain Automotive S.L. (90.00%), Maflow Poland Sp. z o.o. (10.00%)	Motoryzacja
Maflow France Automotive SAS.	France	100.00	Boryszew S.A.	Automotive
Maflow Plastics Poland Sp. z o.o.	Ostaszewo	100.00	Boryszew S.A.	Automotive
Boryszew HR Service Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Motoryzacja
Maflow India Private Limited	India	100.00	Boryszew S.A. (99.99%), Maflow Polska Sp. z o.o. (0.01%)	Motoryzacja
Maflow do Brasil Ltda	Brazil	100.00	Boryszew S.A. (79%), Maflow Polska Sp. z o.o. (21%)	Motoryzacja
Maflow Polska Sp. z o.o.	Tychy	100.00	Boryszew S.A.	Motoryzacja
MAFMEX S.DE R.L.DE C. V <sup>(1)</sup>	Mexico	100.00	Maflow Polska Sp. z o.o. (96.66%), Maflow Spain Automotive S.L. (3.34%)	Motoryzacja
Maflow Components Dalian Co. Ltd.	China	100.00	Maflow Polska Sp. z o.o. (80,56%) Boryszew S.A. (19,44%)	Motoryzacja
Boryszew Automotive Plastics Sp. z o.o.	Tychy	100.00	Maflow Polska Sp. z o.o.	Motoryzacja
Boryszew Deutschland GmbH in liquidation <sup>(2)</sup>	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
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	Motoryzacja
NPA Skawina Sp. z o.o.	Skawina	100.00	Boryszew S.A.	Metals
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	100.00	Boryszew S.A.	Metals
ZM SILESIA S.A.	Katowice	100.00	Boryszew S.A.	Metals
Metal Zinc Sp. z o.o.	Katowice	100.00	ZM SILESIA S.A.	Metale
Alchemia S.A.	Warsaw	100.00	Boryszew S.A.	Metals

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
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.	Metale
Zakład Utylizacji Odpadów Sp. z o.o.,	Konin	59.97	Boryszew S.A.	Circular Economy
Polski Cynk Sp. z o.o.	Oława	100.00	Boryszew S.A.	Circular Economy
Baterpol S.A.	Katowice	100.00	Polski Cynk Sp. z o.o.	Circular Economy
Baterpol Recycler Sp. z o.o.	Oława	100.00	Polski Cynk Sp. z o.o.	Circular Economy
Boryszew Green Energy & Gas Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Energy
Boryszew Inwestycje Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Energy
Boryszew Assets Sp. o.o.	Warsaw	100.00	Boryszew S.A.	Unallocated
Boryszew Property Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Unallocated
Boryszew Nieruchomości Sp. z o.o.,	Warsaw	100.00	Boryszew Property Sp. z o.o.	Unallocated

(1) Maflow Spain Automotive S.L. 3.34%, 1 share worth MXN 100, 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.

(2) The company was deleted from the commercial register of the Brunswick District Court on 20.11.2025 (completion of liquidation).

#### Group companies measured using the equity method

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
RAPZ Sp. z o.o. <sup>(1)</sup>	Dąbrowa Górnicza	42.67	Huta Bankowa Sp. z o.o.	Metale
"onesano" S.A. <sup>(2)</sup>	Chorzów	42.50	Boryszew S.A.	Unallocated

<sup>(1)</sup>RAPZ Sp. z o.o., in which the parent company holds 42.67% of shares, is valued in these consolidated financial statements using the equity method.

<sup>(2)</sup>"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.



**Group companies until 30.04.2025 - loss of control.**

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Motoryzacja
Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy	Motoryzacja
Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy	Motoryzacja
Boryszew Plastic RUS Sp. z o.o.	Russia	100.00	Boryszew S.A. (10.9%), Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy (89.1%)	Motoryzacja

**COMPANIES THAT WERE NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

Exclusion from consolidation was on the grounds of lack of materiality, and the applied simplification has no impact from the perspective of the total consolidated statements and the assessment of the Group's financial position.

Company name	Seat	share of the parent company in capital (%)	share in votes (%)	Core activity
Elana Ukraina Sp. z o.o.	Ukraine	90	90	dormant company
Brasco Inc	the US	100	100	dormant company
Zavod po pererabotke vtorichnykh resursov "Vostochny" Sp. z o. o.	Belarus	30	30	trade, production of secondary raw materials
ZPIOE BRS WISE Spółka z o.o.	Poland	50	50	dormant company
ZPO BRS WISE Spółka z o.o.	Poland	50	50	dormant company
AGICORP-BOR Sp. z o.o.	Oświęcim	25	25	dormant company expenses
Hornet – Polskie Drony Spółka z o.o.	Poland	48	48	dormant company

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 2025 are Zakład Utylizacji Odpadów S p. z o.o. and Elimer Sp. z o.o.

Selected company data	Zakład Utylizacji Odpadów Sp. z o.o.,	Elimer Sp. z o.o.
Property, plant and equipment	30 078	25
Current assets	73 356	1 080
Long-term liabilities	9 089	58
Short-term liabilities	7 542	474
Net assets	86 803	573
non-controlled shares	40.03%	47.56%
<b>Net assets attributable to non-controlling interests</b>	<b>34 747</b>	<b>273</b>
Revenues from sale	63 825	3 609
Net profit	28 490	(110)
Other comprehensive income	-	(6)
non-controlled shares	40.03%	47.56%
<b>Comprehensive income attributable to non-controlling interests</b>	<b>11 405</b>	<b>(55)</b>
non-controlled shares	40.03%	47.56%
Net cash from operating activities	10 469	(34)
Net cash from investing activities	502	-
Net cash from financing activities	(15 886)	-

### Changes in the Group structure

#### Alchemia S.A.

On 20 May 2024 the Management Board of Alchemia S.A. decided to commence the liquidation of Alchemia S.A. branch Walcownia Rur Andrzej Branch in Zawadzkie. Production and sales at the Branch ended in September 2024.

On 4 November 2024, the Management Board of Alchemia S.A. decided to commence liquidation of the Company's branch, i.e., Alchemia. Alchemia S.A. Rurexpol Branch in Częstochowa. The production operations of Rurexpol Branch, due to the ongoing liquidation process, was terminated on 28 February 2025. Administrative support, maintenance of energy infrastructure, and maintenance of other machinery and equipment are still in progress.

#### Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy

On 3 March 2025 the Management Board of indirect subsidiary of Boryszew S.A., Boryszew Oberflächentechnik Deutschland GmbH (BKD) filed a petition of bankruptcy of this company with competent court.

The proposal is for ordinary bankruptcy, in accordance with German bankruptcy law.

On 1 May 2025, the German bankruptcy court based in Stendal declared the opening of the bankruptcy of Boryszew Kunststofftechnik Deutschland GmbH (BKD) and appointed a receiver. The company's existing Management Board, upon the opening of bankruptcy, was no longer able to manage and dispose of BKD's assets, including shares in BKD's subsidiaries (BKD holds 100% of shares in Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration, Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration, and 89.11% of shares in Boryszew Plastic Rus Sp. z o.o.)

#### Exclusion of subsidiaries from consolidation

Due to the loss of control, the Management Board of Boryszew S.A. decided to exclude BKD and BKD's the following subsidiaries from consolidation as of 1 May 2025: Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy

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under self-administration, Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration, and Boryszew Plastic Rus Sp. z o.o.

Impact of de-consolidation of subsidiaries

Group companies: Boryszew Formenbau Deutschland GmbH Boryszew Kunststofftechnik Deutschland GmbH Boryszew Oberflächentechnik Deutschland GmbH Boryszew Plastic RUS Sp. z o.o.	
<b>Assets of Companies in which control was lost</b>	<b>263 868</b>
<b>Liabilities of Companies in which control was lost</b>	<b>566 452</b>
Short term	405 084
Long term	161 368
Net assets of Companies in which control was lost shares of BCG Companies	(302 584)
<b>Net assets of Companies, effect on result due to exclusion of Companies from consolidation as of 30.04 2025</b>	<b>302 584</b>
<b>Consolidation adjustments attributed to excluding Companies from consolidation</b>	<b>(314 826)</b>
<b>Effect on the result of the period due to the exclusion of Companies - loss of control</b>	<b>(12 242)</b>
Write-off of receivables from excluded companies against other operating expenses	(3 775)
<b>Total impact of de-consolidation of subsidiaries</b>	<b>(16 017)</b>



### **Boryszew Inwestycje Spółka z o.o.**

On 12 May 2025, Boryszew Inwestycje Spółka z o.o. acquired:

1. 50 shares in ZPIOE BRS WISE Spółka z o.o., total nominal value PLN 2 500.00, representing 50% of the share capital and the total number of votes at the shareholders' meeting, for a price of PLN 2 500.00;
2. 50 shares in ZPO BRS WISE Spółka z o.o., total nominal value PLN 2 500.00, representing 50% of the share capital and the total number of votes at the shareholders' meeting, for a price of PLN 2 500.00;

### **Hornet – Polskie Drony Spółka z o.o.**

On 30 July 2025, the Management Board of Boryszew S.A. established a company under the business name Hornet - Polskie Drones Spółka z o.o. with its seat in Warsaw, at: Aleje Jerozolimskie 92, 00-807 Warsaw, in which Boryszew S.A. holds 100% of shares. The share capital of the newly formed company is PLN 50.000 and is divided into 50 shares with a nominal value of PLN 1 000.00 each. The Company will be established for an indefinite period of time.

On 17 October 2025, Boryszew S.A. and the Air Force Institute of Technology (ITWL) concluded a conditional agreement, based on which ITWL acquired from Boryszew S.A. 52% of shares in the special-purpose vehicle Hornet - Polskie Drones Spółka z o.o. ("Special-purpose Vehicle"). The SPV was registered in the Register of Entrepreneurs of the National Court Register in August 2025. The remaining 48% of shares in the SPV is held by the Issuer. On 28 November 2025, the President of the Office of Competition and Consumer Protection approved the formation of a joint venture by the Issuer and ITWL. The joint venture will be formed on the basis of an existing company, i.e. Hornet - Polskie Drony sp. z o.o. with its registered office in Warsaw.

### **Events after the balance sheet date concerning the group structure**

#### **Alchemia S.A. Walcownia Rur Andrzej branch w Zawadzkie**

On 2 March 2026 the Management Board of Alchemia S.A., a subsidiary based in Warsaw, concluded a final agreement for the sale of the right of perpetual usufruct of movable and immovable property, surface area approximately 25.7 ha located in Zawadzkie, owned by Walcownia Rur Andrzej Branch, for a total net price of PLN 43.0 million. The sale included all the assets remaining in the liquidated Branch.

The right of perpetual usufruct of the real estate along with the ownership of the buildings located on it is transferred to the purchaser as of the date of entries in the land and mortgage registers, with such entries having retroactive effect from the date of conclusion of the final agreement.

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 2025 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2024, 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 new or revised standards and interpretations effective for annual periods beginning on or after 1 January 2025:

- **Amendment to IAS12 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 S.A. Boryszew Group will benefit from a "safe harbor" based on CBCR reports for 2025 and 2026.

- **Amendments to IAS21 *Impact of foreign exchange rate changes*:** Lack of exchangeability of currencies (published 15 August 2023) - The changes concern the way to assess whether a currency is convertible into another currency, as well as the rules for determining the exchange rate in the absence of such convertibility.

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:

- **IFRS18 *Presentation and Disclosures in Financial Statements*** (published 9 April 2024)  
The new standard will replace IAS 1 and will apply for the first time to annual periods beginning on or after 1 January 2027. The new standard is the result of the so-called primary financial statements project and aims to improve the way in which entities communicate information in their financial statements.  
The main changes in the new standard compared to the earlier IAS 1 requirements include:
  - 1) Introduction of categories and defined subtotals/rows in the income statement (statement of comprehensive income), which are intended to provide additional relevant information and ensure an income statement structure that is more comparable between entities. In particular, income and expense items must now be classified into one of the following categories in the income statement: Operating, Investing, Financing, Income Taxes, and Discontinued Operations. Entities will also be required to present the following subtotals: operating profit or loss, earnings or loss before interest and income tax (EBIT), profit or loss.
  - 2) Introducing requirements to improve aggregation and disaggregation to obtain additional relevant information and ensure that important information is not cluttered. In particular, IFRS 18 provides guidance on whether the information should be in the primary financial statements (whose role is to provide a useful structured summary) or in the notes. Entities will be required to identify assets, liabilities, equity, income and expenses per individual transactions or other events and classify them into groups based on common features, thus leading to the recognition of a grouped item in the primary financial statements that share at least one common feature. These groups will then be separated based on further distinct features, resulting in separate disclosure of material items in the notes. Irrelevant items with different features may need to be aggregated to avoid cluttering relevant information. Entities should use appropriate headings with a description or, if this is not possible, provide information on the composition of such aggregated items in the notes.
  - 3) The new standard introduces stricter guidelines on whether the analysis of operating costs is to be based on their type or function/place of origin. The way the information is presented must provide the most useful structured summary of operating costs by considering several factors.
  - 4) Introduction of disclosures on Management-Defined Performance Measures (MPMs) in the notes to the financial statements, which aim to provide transparency and discipline in the application of such measures and disclosures in one place. In particular: MPMs are defined as subtotals of income and expenses that are used in information provided to public users of financial statements outside the financial statements, they supplement the totals or subtotals in IFRS and convey management's view of an aspect of company's financial performance. MPM disclosures that will be mandatory: a description of why the MPM represents management's view of performance; a description of how the MPM was calculated; a description of how the measure/indicator provides useful information about the entity's financial performance; a reconciliation of the MPM to the most directly comparable IFRS-defined subtotal or total; a statement that the MPM represents management's view of an aspect of the entity's financial performance; the impact of tax and non-controlling interests separately for each of the differences between the MPM and the most directly comparable IFRS-defined subtotal or total; if the calculation of the MPM has changed, an explanation of the reasons for and effect of the change.In addition to the above changes, the standard introduces changes to IAS 7: the use of operating profit as a single starting point for the indirect method of reporting cash flows from operating activities; and the removal of presentation alternatives for interest and dividends.



The Group will not apply the new standard until 1 January 2027 at the earliest. On the date of drafting of these financial statements, it is not possible to reliably estimate the full impact of application of the new standard.

- **IFRS 19 Subsidiaries without public accountability. Disclosure** (effective for annual periods beginning on or after 1 January 2027).  
IFRS 19 standard "Subsidiaries without public accountability: Disclosure" permits limited disclosures by subsidiaries when applying IFRS in their financial statements. IFRS 19 is optional for qualifying subsidiaries and specifies disclosure requirements for subsidiaries that choose to apply it. The new standard is effective for reporting periods beginning on or after 1 January 2027, with early adoption permitted.  
The Group will be exempt from applying the requirements of the standard by virtue of being an entity subject to public oversight.
- **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. The Group will apply the amended standards as of 1 January 2026. On the date of drafting of these financial statements, it is not possible to reliably estimate the impact of the amended standards.
- **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.  
The Group will apply the amended standards as of 1 January 2026. On the date of drafting of these financial statements, it is not possible to reliably estimate the full impact of the amended standards.
- **Amendments to IFRS 9 and IFRS 7** Contracts referencing nature-dependent electricity published on 18 December 2024.  
The changes to the standards are intended to facilitate reporting financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). Amendments include: clarification of the application of "own-use" requirements, permitting hedge accounting if these contracts are used as hedging instruments, and adding new disclosure requirements to enable investors to understand the impact of these contracts on a company's financial results and cash flows.  
The Group will apply the amended standards as of 1 January 2026. On the date of drafting of these financial statements, it is not possible to reliably estimate the impact of the amended standards.
- **Amendments to IAS 21** The effects of changes in foreign exchange rates: Conversion to hyperinflationary presentation currency published on 13 November 2025.  
The amendments clarify the procedures for converting financial statements in specific situations related to hyperinflation – where entities whose functional currency is not the currency of a hyperinflationary economy, but whose presentation currency is a hyperinflationary currency.  
The amendments are effective for annual periods beginning on or after 1 January 2027. They will have no impact on the Group's financial statements.

### **3. ACCOUNTING PRINCIPLES APPLIED**

Information included in this Report was prepared in accordance with the Regulation of the Minister of Finance of 6 June 2025 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 2025.755 of 10.06.2025) 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.

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.

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

In addition to the policies described below, the Group discloses selected accounting policies in relevant notes.

### **Business combinations**

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

The merger may create non-controlling interests in the acquired entity representing capital in the subsidiary that cannot be directly or indirectly attributed to the parent. 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.

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.

### **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.



### Exceptional events

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

### 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 valued 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 of the National Bank of Poland on the last balance sheet date was used to convert balance sheet items, and the average exchange rate of the National Bank of Poland during the period was used for items from the income statement and other comprehensive income and the cash flow statement.

	average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01 - 31.12.2024	4.3042	4.2730
01.01 - 31.12.2025	4.2372	4.2267

### 3.1. Restatement of comparable data

The Group did not restate comparable data in the 2025 Consolidated Financial Statements affecting the financial result and consolidated statement of financial position.

The Group has restated the presentation of comparable data in these Consolidated Financial Statements with regard to information by business segment. Two new segments are now separated, i.e. the Energy segment, which includes: Boryszew S.A. Energy branch, Boryszew Green Energy & Gas sp. z o.o., Boryszew Inwestycje Sp. z o.o., These companies in comparable periods were presented as other unassigned to industry segments; the Circular Economy segment was separated from the Metals segment and it includes: Zakład Utylizacji Odpadów Sp. z o.o., Baterpol S.A., Baterpol Recycler Sp. z o.o., Polski Zinc Sp. z o.o.



#### **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, Maciej Korniluk represent that to the best of their knowledge the consolidated financial statements 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.

## **5. OPERATING SEGMENTS (continuing operations)**

### **Selected accounting principles**

The Group's organisational and management system is based on separate operating segments. The division into operating segments is based on factors that take into consideration the type of business. The body making key decisions in the Group is the Management Board of Boryszew S.A. Assessments of the financial performance of operating segments and decisions on allocation of resources are made mainly on the basis of operating result before depreciation and amortisation - EBITDA. EBITDA is one measure of business performance that is not defined in IFRS. The Group defines EBITDA as operating profit for the reporting period determined in accordance with IFRS before depreciation and amortisation expenses.

The transaction prices used for transactions between operating segments are set on an arm's length basis similar to those for transactions with unrelated parties. 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 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 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 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 be 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.

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(amounts expressed in PLN '000 unless specified otherwise)

<b>Continuing operations 01.01.2025 - 31.12.2025</b>	Chemical products	Automotive	Metals	Circular Economy	Energy	Other non-allocated	Total	exclusions between segments	Total
Revenues from sale	149 211	1 347 953	2 335 436	448 510	720 482	32 377	5 033 969	(197 468)	4 836 501
Segment costs of sales	121 370	1 201 567	2 211 394	372 744	701 550	12 908	4 621 533	(184 723)	4 436 810
<b>Result on sales within segment</b>	<b>27 841</b>	<b>146 386</b>	<b>124 042</b>	<b>75 766</b>	<b>18 932</b>	<b>19 469</b>	<b>412 436</b>	<b>(12 745)</b>	<b>399 691</b>
General, administrative and sales expenses	28 368	149 411	164 895	23 646	6 457	25 888	398 665	(5 812)	392 853
Other operating profit/loss	18 836	23 148	43 443	2 446	8 260	12 455	108 588	(14 482)	94 106
<b>Segment profit/loss</b>	<b>18 309</b>	<b>20 123</b>	<b>2 590</b>	<b>54 566</b>	<b>20 735</b>	<b>6 036</b>	<b>122 359</b>	<b>(21 415)</b>	<b>100 944</b>
Depreciation	4 071	84 336	51 182	11 344	529	5 337	156 799	(5 881)	150 918
EBITDA *)	22 380	104 459	53 772	65 910	21 264	11 373	279 158	(27 296)	251 862
Segment assets	150 398	1 208 756	1 719 488	410 285	147 580	1 552 196	5 188 703	(1 850 011)	3 338 692
Segment liabilities	90 999	1 822 955	739 137	67 620	118 416	177 237	3 016 364	(1 055 055)	1 961 309

<b>Sales revenue by geographies 01.01.2025 - 31.12.2025</b>	Chemical products	Automotive	Metals	Circular Economy	Energy	Other non-allocated	Total	exclusions between segments	Total
<b>Continuing operations</b>									
Domestic sales	104 224	104 379	786 795	266 578	720 482	28 200	2 010 658	(192 957)	1 817 701
Sales to EU countries	35 992	919 803	1 368 032	181 932	-	367	2 506 126	(701)	2 505 425
Sales to other European countries	8 995	61 485	84 873	-	-	-	155 353	-	155 353
Export outside Europe	-	262 286	89 813	-	-	3 810	355 909	(3 810)	352 099
Hedging instruments	-	-	5 923	-	-	-	5 923	-	5 923
<b>Total (revenues from continuing operations)</b>	<b>149 211</b>	<b>1 347 953</b>	<b>2 335 436</b>	<b>448 510</b>	<b>720 482</b>	<b>32 377</b>	<b>5 033 969</b>	<b>(197 468)</b>	<b>4 836 501</b>

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

**Boryszew Capital Group**  
**Notes to the consolidated financial statements for 2025.**



(amounts expressed in PLN '000 unless specified otherwise)

<b>Continuing operations 01.01.2024 - 31.12.2024</b>	Chemical products	Automotive	Metals	Circular Economy	Energy	Other non-allocated	Total	exclusions between segments	Total
Revenues from sale	157 687	1 567 864	2 411 749	414 415	738 467	33 185	5 323 367	(207 361)	5 116 006
Segment costs of sales	128 858	1 446 527	2 299 021	345 604	715 944	11 261	4 947 215	(199 696)	4 747 519
<b>Result on sales within segment</b>	<b>28 829</b>	<b>121 337</b>	<b>112 728</b>	<b>68 811</b>	<b>22 523</b>	<b>21 924</b>	<b>376 152</b>	<b>(7 665)</b>	<b>368 487</b>
General, administrative and sales expenses	30 012	168 113	151 735	20 515	7 027	27 129	404 531	(5 747)	398 784
Other operating profit/loss	5 171	29 810	137 484	6 329	(7 372)	29 036	200 458	8 339	208 797
<b>Segment profit/loss</b>	<b>3 988</b>	<b>(16 966)</b>	<b>98 477</b>	<b>54 625</b>	<b>8 124</b>	<b>23 831</b>	<b>172 079</b>	<b>6 421</b>	<b>178 500</b>
Depreciation	5 573	87 734	53 639	11 133	548	5 589	164 216	(5 548)	158 668
EBITDA *)	9 561	70 768	152 116	65 758	8 672	29 420	336 295	898	337 193
Segment assets	137 803	1 446 581	1 718 195	421 619	169 843	1 523 983	5 418 024	(1 837 198)	3 580 826
Segment liabilities	105 818	2 286 988	486 436	65 860	151 934	123 869	3 220 905	(1 216 446)	2 004 459

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

<b>Sales revenue by geographies 01.01.2024 - 31.12.2024</b>	Chemical products	Automotive	Metals	Circular Economy	Energy	Other non-allocated	Total	exclusions between segments	Total
<b>Continuing operations</b>									
Domestic sales	109 757	100 569	971 516	261 799	738 467	29 236	2 211 344	(201 931)	2 009 413
Sales to EU countries	36 239	1 147 227	1 288 141	152 616	-	331	2 624 554	(1 813)	2 622 741
Sales to other European countries	11 284	82 170	83 541	-	-	-	176 995	-	176 995
Export outside Europe	407	237 898	61 043	-	-	3 618	302 966	(3 617)	299 349
Hedging instruments	-	-	7 508	-	-	-	7 508	-	7 508
<b>Total (revenues from continuing operations)</b>	<b>157 687</b>	<b>1 567 864</b>	<b>2 411 749</b>	<b>414 415</b>	<b>738 467</b>	<b>33 185</b>	<b>5 323 367</b>	<b>(207 361)</b>	<b>5 116 006</b>

<b>Assets by geographies</b>	<b>Balance on 31.12.2025</b>				<b>Balance on 31.12.2024</b>			
	<b>EUROPE</b>	<b>ASIA</b>	<b>America, North and South</b>	<b>Total</b>	<b>Europe</b>	<b>ASIA</b>	<b>America, North and South</b>	<b>Total</b>
Total assets of which:	2 936 261	129 995	272 436	3 338 692	3 238 441	71 464	270 921	3 580 826
Property, plant and equipment	1 558 826	58 838	180 875	1 798 539	1 693 744	57 221	182 473	1 933 438

In 2025 Boryszew Group operated in five business segments.

## OPERATING SEGMENTS

	Companies	Sources of revenue
Automotive	Boryszew S.A. Oddział Maflow w Tychach, Maflow Spain Automotive S.L.U., Maflow France Automotive S.A.S., Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Boryszew Automotive Mexico S.DE R.L.DE C.V., MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., ICOS GmbH in bankruptcy under self-administration, Theysohn Kunststoff GmbH in bankruptcy under self-administration, Theysohn Formenbau GmbH in bankruptcy under self-administration, Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy (*), 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.	air conditioning tubes, power steering tubes, rubber tubes, brake tubes and active suspension tubes, plastic components, injection moulding production
Metals	Walcownia Metali Dziedzice S.A., ZM SILESIA S.A., NPA Skawina 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., RAPZ Sp. z o.o.,	aluminium and alloy wire rods, non-conductor wire rods, wires and bare aluminium conductors/wires, brass alloy and multicomponent alloy tubes, brass alloy rods and wires, zinc-titanium plate, zinc and zinc-aluminium wire, cast alloys for metallurgy, zinc oxides, lead oxides, long rolled products, forged and rolled rings and rims, forged products, seamless steel tubes, steel ingots and steel processing services
Circular Economy	Polski Cynk Sp. z o.o., Baterpol S.A., Baterpol Recycler Sp. z o.o., Zakład Utylizacji Odpadów Sp. z o.o.,	battery recycling, lead processing, waste storage and disposal
Chemical products	Boryszew S.A. Elana branch, Boryszew S.A. Oddział Boryszew ERG, Elimer Sp. z o.o.	manufacture of chemical products, de-icing fluids, building materials, packaging, fibre production, elball, reworking services
Energy	Boryszew S.A. Boryszew Energy branch, Boryszew Green Energy & Gas Sp. z o.o., Boryszew Inwestycje Sp. z o.o.,	sale and distribution of electricity and gas
Other non-allocated	Boryszew S.A. - Head Office, Boryszew Real Estate Sp. z o.o., Boryszew Assets Sp. z o.o., Boryszew Property Sp. z o.o., "onesano" S.A.	trademark fees, dividends, charges for guarantees and interest on loans granted, rental of office space, warehouses and land

(\*) Group companies until 30.04.2025- loss of control

(\*\*) The company was deleted from the commercial register of the Brunswick District Court on 20.11.2025 – completion of liquidation.

## 6. REVENUES FROM SALE

### Selected accounting principles

Revenues from sales of products and services and goods and materials are recognised in accordance with IFRS 15. 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).

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 tax on goods and services. 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.

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Revenues from sales of products	4 089 520	4 365 117
Revenues from sales of services	152 230	128 295
Revenues from the sale of goods and materials	552 600	582 153
Other revenues from contracts	42 151	40 441
<b>Total (revenues from continuing operations)</b>	<b>4 836 501</b>	<b>5 116 006</b>

### REVENUES FROM SALE BY DESTINATION MARKET

Revenues from sales by geographies	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Continuing operations</b>		
Domestic sales	1 817 701	2 009 413
Sales to EU countries	2 505 425	2 622 741
Sales to other European countries	155 353	176 995
Export outside Europe	352 099	299 349
Hedging instruments	5 923	7 508
<b>Total (revenues from continuing operations)</b>	<b>4 836 501</b>	<b>5 116 006</b>

### SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES

Share of EU member states in intra-Community sales:	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Germany	30%	35%
Czech Republic	25%	21%
Italy	9%	8%
Sweden	6%	4%

## 7. OPERATING EXPENSES

### Selected accounting principles

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.

Costs of operating activities by type	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Depreciation	150 918	158 668
Consumption of materials and energy	2 995 593	3 121 670
Third party services	341 657	339 416
Taxes and charges	50 562	47 720
<b>Costs of employee benefits, including:</b>	<b>758 000</b>	<b>883 217</b>
<i>costs of remuneration</i>	605 295	704 614
<i>costs of social insurance</i>	115 609	134 444
<i>other employee benefits</i>	37 096	44 159
Other expenses	42 150	56 271
Value of sold goods and materials	527 387	552 126
<b>Total expenses by type</b>	<b>4 866 267</b>	<b>5 159 088</b>
Movements in products	(34 658)	5 988
Capitalised costs by type, consumption for own needs	(1 946)	(18 773)
<b>Total operating expenses</b>	<b>4 829 663</b>	<b>5 146 303</b>
Selling costs	(116 623)	(107 041)
General and administrative expenses	(276 230)	(291 743)
<b>Cost of sales</b>	<b>4 436 810</b>	<b>4 747 519</b>

## 8. OTHER OPERATING REVENUES

### Selected accounting principles

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.
- dividends - recognised upon determination of rights of shareholders to obtain them.
- royalties - recognised upon determination of rights of shareholders to obtain them.

Other operating revenues	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Profit on sale of fixed assets and investment property	17 788	43 049
<b>Valuation of assets, including</b>	<b>36 524</b>	<b>52 892</b>
<i>fair value revaluation of investment real properties</i>	12 266	35 022
<i>value impairment write-offs for inventories</i>	21 708	12 012
reversal of revaluation write-offs on fixed assets	2 550	5 858
Reversal of provisions of which:	16 273	132 484
on tax proceedings	9 419	123 272
Dividends and other revenue from capital investments	8	8
Revaluation of trade and other receivables	2 732	4 949
Other income, of which:	64 626	66 724
<i>revenues from compensations</i>	6 904	5 887
<i>write-off of liabilities</i>	12 645	178
<i>white certificates received</i>	681	629
<i>divestment of emission rights</i>	6 259	5 602
<i>stock count surplus</i>	9 371	13 451
<i>gains on hedging instruments</i>	6 367	4 926
<i>aid to energy-intensive sectors</i>	-	457
<i>reimbursement of costs incurred</i>	6 623	13 598
<i>other</i>	15 776	21 996
Grants (*)	12 332	11 261
<b>Total</b>	<b>150 283</b>	<b>311 367</b>

(\*) Group's companies received received in previous years 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.

## 9. OTHER OPERATING EXPENSES

### Selected accounting principles

Other operating expenses 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.

Other operating expenses	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Loss on sale of fixed assets</b>	<b>4 708</b>	<b>23 933</b>
<b>Revaluation write-offs on non-financial assets including:</b>	<b>6 524</b>	<b>19 148</b>
inventory impairment write-offs	6 304	11 514
revaluation write-offs of property, plant and equipment as well as intangible assets	-	7 634
fair value revaluation of investment real properties	220	-
<b>Revaluation of trade and other receivables</b>	<b>7 498</b>	<b>2 148</b>
<b>Provisions, including</b>	<b>1 443</b>	<b>22 610</b>
provisions for restructuring costs	-	19 087
provisions for disputed claims	127	1 018
provisions for complaints and guarantees	92	1 324
provisions for loss-making contracts	1 224	1 181
<b>Other expenses, including:</b>	<b>28 629</b>	<b>34 731</b>
<i>cancellation and write-off of receivables</i>	258	508
<i>compensations and penalties paid</i>	678	1 290
<i>stock count shortage</i>	11 079	15 438
<i>recalculation of material purchase prices</i>	1 081	-
<i>re-invoicing costs</i>	668	-
<i>costs of court and enforcement proceedings</i>	1 874	821
<i>donations</i>	954	672
<i>stock scrapping costs</i>	6 643	5 318
<i>loss on hedging instruments</i>	1 063	398
other expenses	4 331	10 286
<b>Total</b>	<b>48 802</b>	<b>102 570</b>

## 10. FINANCIAL REVENUES

### Selected accounting principles

**Financial income** primarily represents interest income and net foreign exchange gains on receivables and payables denominated in foreign currencies.

Interest income is recognised on an ongoing basis as it accrues in accordance with the effective interest rate method.

Financial revenues	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Interest income	14 901	2 689
FX gains	16 688	20 209
Profit on derivative financial instruments	1 181	840
Other financial revenues	2 253	4 323
<b>Total</b>	<b>35 023</b>	<b>28 061</b>

## 11. FINANCIAL EXPENSES

### Selected accounting principles

**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.

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.

Financial expenses	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Interest expense	68 392	70 976
Loss on derivative financial instruments	868	3 784
FX losses	9 957	16 349
Charges for guarantees and sureties received	3 281	3 623
Revaluation of financial assets	3 251	251
Other financial costs	4 739	5 496
<b>Total</b>	<b>90 488</b>	<b>100 479</b>
<b>Interest expense</b>		
Interest on loans	55 646	58 485
Interests on loans	542	205
Interest on lease	10 166	11 252
Interest on treasury liabilities	86	124
Interest on trade liabilities and other interest	1 952	910
<b>Total</b>	<b>68 392</b>	<b>70 976</b>

## 12. INCOME TAX

### Selected accounting principles

#### Deferred income tax

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.

#### 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.

Income tax	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Current tax	31 785	32 306
Deferred tax	(23 343)	(49 582)
<b>Total tax</b>	<b>8 442</b>	<b>(17 276)</b>

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

### 12.1. Current corporate income tax

Income tax	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Gross profit (loss)</b>	<b>43 418</b>	<b>103 529</b>
Adjustment by expenses non-deductible for tax	(54 876)	545 089
Adjustment by non-taxable revenues	52 354	(669 877)
<b>Income after permanent and temporary differences</b>	<b>40 896</b>	<b>(21 259)</b>
Donations	(213)	(502)
Deductions from the tax base (R&D relief)	(3 488)	(15 001)
Deductions from income due to tax losses	(27 174)	(18 650)
<b>Income tax base</b>	<b>10 021</b>	<b>(55 412)</b>
<b>Income tax by rates</b>	<b>30 156</b>	<b>31 329</b>
Tax deductions (additions)	(250)	(42)
Difference on tax settlement of operating or capital part Minimum tax	-	849
Adjustment of tax of previous years	1 879	170
Current income tax reported in the result	31 785	32 306
Deferred income tax reported in the result	(23 343)	(49 582)
<b>Total current and deferred tax</b>	<b>8 442</b>	<b>(17 276)</b>
Effective tax rates	19%	(17%)
Income through comprehensive income	-	-
<b>Current year income tax reported in comprehensive income</b>	<b>-</b>	<b>-</b>

## 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 31.12.2024	Deferred tax in the income statement	Deferred tax in other comprehens ive income	Other changes including foreign exchange differences on translation	Balance on 31.12.2025
<b>DEFERRED TAX ASSETS</b>					
Employee benefit provisions	10 547	(475)	104	114	10 290
Other provisions	10 428	1 318	-	66	11 812
Impairments	10 031	5 183	-	3	15 217
Unpaid interest on loans and borrowings	285	38	-	-	323
Unrealised currency exchange rate differences	10 895	1 714	-	(54)	12 555
Depreciation (difference between depreciation for tax and balance sheet purposes)	61 425	6 144	-	67	67 636
Right-of-use liabilities	12 315	(1 556)	-	(3)	10 756
Valuation of derivative instruments	113	(182)	300	-	231
Asset for tax loss and investment relief due	53 691	24 076	-	(391)	77 376
Other	9 586	3	-	3	9 592
<i>Compensation for presentation purposes</i>	(124 338)	-	-	(25 535)	(149 873)
<b>Deferred tax assets</b>	<b>54 978</b>	<b>36 263</b>	<b>404</b>	<b>(25 730)</b>	<b>65 915</b>
<b>DEFERRED INCOME TAX PROVISION</b>					
Measurement of non-current assets	15 379	1 568	-	427	17 374
Valuation of derivative instruments	1 593	210	(160)	371	2 014
Valuation of shares and stocks	-	-	-	-	-
Unrealised currency exchange rate differences	7 945	(2 999)	-	165	5 111
Depreciation (difference between depreciation for tax and balance sheet purposes)	111 517	4 017	-	(32)	115 502
Unpaid interest on loans and borrowings	4 352	7 797	-	-	12 149
Other	20 872	2 327	(13)	737	23 923
De-consolidation (loss of control)	-	-	-	(10 021)	(10 021)
<i>Compensation for presentation purposes</i>	(124 338)	-	-	(25 535)	(149 873)
<b>Deferred income tax provision</b>	<b>37 320</b>	<b>12 920</b>	<b>(173)</b>	<b>(33 888)</b>	<b>16 179</b>
<b>Deferred tax assets/liability</b>	<b>(17 658)</b>	<b>(23 343)</b>	<b>(577)</b>	<b>(8 158)</b>	<b>(49 736)</b>

	Balance on 31.12.2023	Movement in the period			Balance on 31.12.2024
		Deferred tax in the income statement	Deferred tax in other comprehens ive income	Other changes including foreign exchange differences on translation	
<b>DEFERRED TAX ASSETS</b>					
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
<i>Compensation for presentation purposes</i>	<i>(86 428)</i>	-	-	<i>(37 910)</i>	<i>(124 338)</i>
<b>Deferred tax assets</b>	<b>45 066</b>	<b>51 060</b>	<b>(201)</b>	<b>(40 947)</b>	<b>54 978</b>
<b>DEFERRED INCOME TAX PROVISION</b>					
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
<i>Compensation for presentation purposes</i>	<i>(86 428)</i>	-	-	<i>(37 910)</i>	<i>(124 338)</i>
<b>Deferred income tax provision</b>	<b>76 579</b>	<b>1 478</b>	<b>(1 962)</b>	<b>(38 775)</b>	<b>37 320</b>
<b>Deferred tax assets/liability</b>	<b>31 513</b>	<b>(49 582)</b>	<b>(1 761)</b>	<b>2 172</b>	<b>(17 658)</b>

(\*) 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..

## 13. NON-CURRENT ASSETS

### Selected accounting principles

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.

Depreciation is recognised as an expense for the period, except when it is included in the value of another asset (such as self-produced fixed asset, development work, finished goods).

Depreciation rates applied for individual groups of tangible fixed assets:

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

### Investment outlays

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

### Impairment of property, plant and equipment

On each balance sheet date, the Group reviews its net tangible and 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. 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.

### Estimates of the Management Board

The purpose of the estimate 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 in case of any external or internal indications of non-recovery of the carrying amount of tangible fixed assets. If the carrying amount of assets exceeds their recoverable amount, the value of assets is lowered to the recoverable amount by appropriate impairment charge and recognition of the costs in the income statement.

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.

Tangible fixed assets (by type groups)	Balance on 31.12.2025	Balance on 31.12.2024
<b>Fixed assets by type:</b>	<b>1 201 293</b>	<b>1 304 109</b>
land	18 897	25 818
buildings, premises, civil and water engineering structures	326 588	362 831
technical equipment and machines	819 518	875 187
vehicles	9 685	9 223
other tangible fixed assets	26 605	31 050
<b>Advances for tangible fixed assets</b>	<b>5 328</b>	<b>5 886</b>
<b>Total property, plant and equipment (*)</b>	<b>1 206 621</b>	<b>1 309 995</b>

(\*) Outlays on fixed assets under construction as at 31.12.2025 amount to PLN 64 162 thousand and respectively in the comparable period PLN 30 849 thousand

	Balance on 31.12.2025	Balance on 31.12.2024
Fixed assets provided as collateral to loan repayment	560 174	523 774



in the period 01.01.2025 - 31.12.2025	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	vehicles	Other tangible fixed assets	Total
<b>Gross value of fixed assets at the beginning of the period</b>	<b>26 220</b>	<b>681 226</b>	<b>2 206 802</b>	<b>34 208</b>	<b>129 369</b>	<b>3 077 825</b>
Increase - due to acquisition (+)	-	16 823	93 145	3 408	4 015	117 391
Fixed assets redeemed after lease end	-	-	8 969	-	-	8 969
Decrease due to disposal	-	(461)	(4 837)	(709)	(220)	(6 227)
Tangible fixed assets under construction	-	10 103	(36 274)	(637)	(135)	(26 943)
Liquidation	-	(614)	(14 174)	(639)	(1 915)	(17 342)
Impact of exchange rate differences	48	1 096	(6 941)	77	(936)	(6 656)
Other	(7 259)	(119 231)	(219 101)	(3 074)	(27 444)	(376 109)
<b>Gross value of fixed assets at the end of the period</b>	<b>19 009</b>	<b>588 942</b>	<b>2 027 589</b>	<b>32 634</b>	<b>102 734</b>	<b>2 770 908</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>-</b>	<b>281 271</b>	<b>1 245 958</b>	<b>24 508</b>	<b>97 362</b>	<b>1 649 099</b>
Planned depreciation of own fixed assets	-	16 345	88 975	1 629	4 924	111 873
Decrease due to disposal	-	(419)	(1 948)	(595)	(1 079)	(4 041)
Liquidation	-	(589)	(11 970)	(492)	(1 109)	(14 160)
Reclassification to assets held for sale	-	(11 725)	(88 651)	(187)	(1 404)	(101 967)
Disposal of subsidiary and others	-	(26 182)	(70 108)	(1 825)	(21 445)	(119 560)
Impact of exchange rate differences	-	605	(5 098)	77	(604)	(5 020)
Other	-	(2 628)	688	(370)	(407)	(2 717)
<b>Accumulated depreciation at the end of the period</b>	<b>-</b>	<b>256 678</b>	<b>1 157 846</b>	<b>22 745</b>	<b>76 238</b>	<b>1 513 507</b>
<b>Impairment write-offs at the beginning of the period</b>	<b>402</b>	<b>37 124</b>	<b>85 657</b>	<b>477</b>	<b>957</b>	<b>124 617</b>
Reversal of write-offs recognised in the profit/loss for the current period	-	(116)	(312)	-	1	(427)
Decrease due to disposal	-	-	-	-	(1 053)	(1 053)
Disposal of subsidiary and others	(290)	(31 369)	-	(219)	-	(31 878)
Impact of exchange rate differences	-	-	(41)	-	-	(41)
Other	-	37	(35 079)	(54)	(14)	(35 110)
<b>Impairment write-offs at the end of the period</b>	<b>112</b>	<b>5 676</b>	<b>50 225</b>	<b>204</b>	<b>(109)</b>	<b>56 108</b>
<b>Net fixed assets as at the end of period</b>	<b>18 897</b>	<b>326 588</b>	<b>819 518</b>	<b>9 685</b>	<b>26 605</b>	<b>1 201 293</b>



in the period 01.01.2024 - 31.12.2024	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	vehicles	Other tangible fixed assets	Total
<b>Gross value of fixed assets at the beginning of the period</b>	<b>22 905</b>	<b>724 878</b>	<b>2 146 249</b>	<b>34 997</b>	<b>124 717</b>	<b>3 053 746</b>
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
<b>Gross value of fixed assets at the end of the period</b>	<b>26 220</b>	<b>681 226</b>	<b>2 206 802</b>	<b>34 208</b>	<b>129 369</b>	<b>3 077 825</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>-</b>	<b>286 586</b>	<b>1 210 718</b>	<b>25 014</b>	<b>91 638</b>	<b>1 613 956</b>
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
<b>Accumulated depreciation at the end of the period</b>	<b>-</b>	<b>281 271</b>	<b>1 245 958</b>	<b>24 508</b>	<b>97 362</b>	<b>1 649 099</b>
<b>Impairment write-offs at the beginning of the period</b>	<b>410</b>	<b>37 583</b>	<b>89 187</b>	<b>538</b>	<b>1 097</b>	<b>128 815</b>
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)
<b>Impairment write-offs at the end of the period</b>	<b>402</b>	<b>37 124</b>	<b>85 657</b>	<b>477</b>	<b>957</b>	<b>124 617</b>
<b>Net fixed assets as at the end of period</b>	<b>25 818</b>	<b>362 831</b>	<b>875 187</b>	<b>9 223</b>	<b>31 050</b>	<b>1 304 109</b>

## 14. INVESTMENT PROPERTY

### Selected accounting principles

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.

Change	Balance on 31.12.2025	Balance on 31.12.2024
<b>Balance brought forward</b>	<b>148 127</b>	<b>178 622</b>
<b>Additions</b>	<b>20 656</b>	<b>37 492</b>
acquisition of investment real estate	2 610	622
valuation to fair value (-)	12 265	35 025
reclassification (from fixed assets, inventories)	5 753	1 845
other	28	-
<b>Reductions</b>	<b>(4 169)</b>	<b>(67 987)</b>
sale/disposal	(3 448)	(55 737)
valuation to fair value (-)	-	(2 842)
reclassification (to fixed assets, inventories)	-	(7 691)
other	(721)	(1 717)
<b>Balance carried forward</b>	<b>164 614</b>	<b>148 127</b>

Investment real estate property at fair value	Balance on 31.12.2025	Balance on 31.12.2024
Real estate properties Boryszew Nieruchomości Sp. z o.o. (formerly Eastside Bis Sp. z o.o.) in Toruń	137 926	125 280
Properties of Boryszew S.A. in Toruń and Konin	13 473	11 180
Nieruchomości Walcownia Metali Dziedzice S.A.	2 580	2 500
Property of ZM Silesia S.A.	10 488	9 020
Nieruchomości Alchemia S.A.	147	147
<b>Total</b>	<b>164 614</b>	<b>148 127</b>

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

	Balance on 31.12.2025	Balance on 31.12.2024
Income from disposal of real estate	7 667	42 056
Revenues from investment property (rental agreements)	23 524	20 535
Maintenance cost of investment property	12 759	12 428

Part of investment properties included in the books of Boryszew Nieruchomości Sp. z o.o. is used by Boryszew Capital Group companies. For the purposes of consolidation, these investment properties were recognised as fixed assets in 2025 in the amount of PLN 44 037 thousand and in 2024 in the amount of PLN 56 369 thousand, respectively. Rental income from these properties was eliminated from consolidation in 2025 in the amount of PLN 9 631 thousand and in 2024 in the amount of PLN 9 708 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 annually.

## 15. GOODWILL AND ASSET IMPAIRMENT

### Selected accounting principles

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.

Accumulated goodwill arisen as a result:	Balance on 31.12.2025	Balance on 31.12.2024
Baterpol S.A.	6 418	6 418
<b>Total</b>	<b>6 418</b>	<b>6 418</b>

As at 31 December 2025, 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 2025,
- change in discount rates following a reduction in reference interest rates,
- failure to meet the 2025 budget presented for impairment testing in 2024.

At the end of 2025 Boryszew Capital Group carried out impairment tests for fixed assets of the following cash-generating units including selected subsidiaries, using discounted cash flow method.

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 2026 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 2025, 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 resulted in write-offs recognised in the Issuer's consolidated financial statements, adjusting the value of "onesano" S.A.

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 31.12.2025. 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 31.12.2025 is PLN 691 thousand.

Entity name	Growth rate after the forecast period	WACC for the forecast period	pre-tax WACC for the forecast period	WACC for the RV period	pre-tax WACC for the RV period	Result of the test	Sensitivity analysis 1 bps increase in WACC. Growth rate in the residual period + 1% p.p.	Sensitivity analysis 5% decrease in EBITDA
ZM Silesia S.A. Branch Katowice	2.50%	9.94%	12.27%	8.69%	10.73%	No write-off necessary	No write-off necessary	No write-off necessary
ZM Silesia S.A. Branch Olawa	2.50%	9.94%	12.27%	8.69%	10.73%	No write-off necessary	No write-off necessary	No write-off necessary
Alchemia S.A.	2.50%	10.73%	13.24%	9.48%	11.70%	No write-off necessary	No write-off necessary	Write-offs PLN (7 419) thousand
Huta Bankowa Sp. z o.o.	2.50%	10.01%	12.35%	8.76%	10.82%	No write-off necessary	No write-off necessary	No write-off necessary
Walcownia Metali Dziedzice S.A.	2.50%	8.93%	11.03%	7,68%	9.49%	No write-off necessary	No write-off necessary	No write-off necessary
Boryszew ERG Branch	2.50%	10.83%	13.37%	9.61%	11.86%	No write-off necessary	No write-off necessary	No write-off necessary
Boryszew Maflow Branch	2.50%	8.75%	10.81%	7,54%	9.31%	No write-off necessary	No write-off necessary	No write-off necessary
Maflow do Brasil Ltda	3.00%	22.75%	34,48%	17.02%	25.78%	No write-off necessary	No write-off necessary	No write-off necessary
Boryszew Maflow Sp. z o.o.	2.50%	9.45%	11.67%	8.24%	10.18%	No write-off necessary	Write-offs PLN (2 520) thousand	Write-offs PLN (8 471) thousand
MAFMEX S.DE R.L.DE C. V	3.00%	19,38%	27.69%	16.19%	23.12%	No write-off necessary	No write-off necessary	No write-off necessary
"onesano" S.A.	2.50%	12.05%	14.88%	10.79%	13.32%	Write-off on shares: PLN (9 026) thousand	N/A	N/A

(\*) Forecasts are made in nominal terms and include a five-year period and residual values.

## 16. INTANGIBLE ASSETS

### Selected accounting principles

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.

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. On balance sheet date the Group has no intangible assets with indefinite useful lives.

Limited life assets are amortised on a straight-line basis over their useful life. 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.

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.

### 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.

### Loss of value

For each balance sheet date the Group reviews the net value of intangible assets in order to determine if premises exist that would suggest any loss of value of these assets.

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 amount of impairment loss is immediately recognised as a cost for the period.

For 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 ceased to exist 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.

Intangible assets	Balance on 31.12.2025	Balance on 31.12.2024
R&D expenses	8 367	10 931
Patents, licenses, software	19 048	20 622
Other intangible assets	6 754	7 528
<b>Total</b>	<b>34 169</b>	<b>39 081</b>
<i>Advances for intangible assets</i>	431	-
<b>Total Intangible assets</b>	<b>34 600</b>	<b>39 081</b>

in the period 01.01.2025 - 31.12.2025	R&D expenses	Patents, concessions, licence, software	Other intangible assets	Total
<b>Gross value at the beginning of the period</b>	<b>34 483</b>	<b>63 825</b>	<b>14 132</b>	<b>112 440</b>
Additions (purchase)	1 024	4 484	667	6 175
Excluding entities from consolidation	-	(3 466)	-	(3 466)
Liquidation	-	(341)	(479)	(820)
Impact of exchange rate differences	(9)	(39)	(93)	(141)
Other	487	(2 883)	(2 217)	(4 613)
<b>Gross value of intangible assets at the end of the period</b>	<b>35 985</b>	<b>61 580</b>	<b>12 010</b>	<b>109 575</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>23 158</b>	<b>43 203</b>	<b>6 596</b>	<b>72 957</b>
Scheduled depreciation of intangible assets	3 936	3 354	142	7 432
Inclusion of entities in consolidation	-	(219)	-	(219)
Liquidation	-	(337)	(479)	(816)
excluding an entity from consolidation	-	(2 914)	-	(2 914)
Impact of exchange rate differences	(2)	(97)	(24)	(123)
Other	132	(458)	(989)	(1 315)
<b>Accumulated depreciation at the end of the period</b>	<b>27 224</b>	<b>42 532</b>	<b>5 246</b>	<b>75 002</b>
<b>Impairment write-offs at the beginning of the period</b>	<b>394</b>	<b>-</b>	<b>8</b>	<b>402</b>
Write-off provision recognised in the profit/loss for the current period	-	-	1	1
other	-	-	1	1
<b>impairment write-offs at the end of the period</b>	<b>394</b>	<b>-</b>	<b>10</b>	<b>404</b>
<b>Net value of intangible assets at the end of the period</b>	<b>8 367</b>	<b>19 048</b>	<b>6 754</b>	<b>34 169</b>



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



## 17. RIGHT-OF-USE ASSETS

### Selected accounting principles

#### 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 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.

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.

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.



<b>in the period 01.01.2025 - 31.12.2025</b>	<i>Buildings and structures</i>	<i>Technical equipment and machines</i>	<i>Vehicles</i>	<i>Other tangible fixed assets</i>	<i>Intangible assets - software</i>	<i>Land - SMA</i>	<i>The Lease Agreement</i>	<i>Total</i>
<b>Gross value at the beginning of the period</b>	-	<b>149 095</b>	<b>18 084</b>	-	<b>2 033</b>	<b>99 209</b>	<b>126 357</b>	<b>394 778</b>
Acceptance for use under new lease agreements signed during the current year (+)	574	8 417	2 767	-	-	42	42	<b>11 842</b>
Disposal	-	-	-	-	-	(371)	-	<b>(371)</b>
Reduction due to end of lease term	-	(54 275)	(671)	-	-	(9 093)	-	<b>(64 039)</b>
Excluding an entity from consolidation	-	-	(2 980)	-	-	-	-	<b>(2 980)</b>
Other changes	-	-	-	-	-	-	4 640	<b>4 640</b>
Impact of exchange rate differences	-	(264)	(10)	-	(22)	-	(2 860)	<b>(3 156)</b>
<b>Gross value at the end of the period</b>	<b>574</b>	<b>102 973</b>	<b>17 190</b>	-	<b>2 011</b>	<b>89 787</b>	<b>128 179</b>	<b>340 714</b>
<b>Accumulated depreciation at the beginning of the period</b>	-	<b>67 530</b>	<b>9 247</b>	-	<b>2 033</b>	<b>4 499</b>	<b>64 261</b>	<b>147 570</b>
Planned depreciation of own fixed assets	230	8 850	3 048	-	-	979	14 854	<b>27 961</b>
Reduction due to termination of lease	-	(11 599)	(569)	-	-	(276)	(20)	<b>(12 464)</b>
Disposal	-	-	-	-	-	(11)	-	<b>(11)</b>
Excluding an entity from consolidation	-	(18 899)	(2 933)	-	-	-	-	<b>(21 832)</b>
Other changes	-	-	-	-	-	260	-	<b>260</b>
Impact of exchange rate differences	-	(242)	(9)	-	(22)	-	(2 235)	<b>(2 508)</b>
<b>Accumulated depreciation at the end of the period</b>	<b>230</b>	<b>45 640</b>	<b>8 784</b>	-	<b>2 011</b>	<b>5 451</b>	<b>76 860</b>	<b>138 976</b>
<b>Impairment write-offs at the beginning of the period</b>	-	<b>602</b>	<b>296</b>	-	-	<b>448</b>	-	<b>1 346</b>
Write-off provision recognised in the profit/loss for the current period	-	(57)	-	-	-	-	-	<b>(57)</b>
Reversal of write-offs recognised in the profit/loss for the current period	-	-	-	-	-	(4)	-	<b>(4)</b>
Reduction due to termination of lease	-	(545)	-	-	-	-	-	<b>(545)</b>
Other changes	-	-	-	-	-	(261)	-	<b>(261)</b>
Impact of exchange rate differences	-	-	(9)	-	-	-	-	<b>(9)</b>
<b>impairment write-offs at the end of the period</b>	-	-	<b>287</b>	-	-	<b>183</b>	-	<b>470</b>
<b>Net value of fixed assets at the end of period</b>	<b>344</b>	<b>57 333</b>	<b>8 119</b>	-	-	<b>84 153</b>	<b>51 319</b>	<b>201 268</b>



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

## 18. SHARES IN AFFILIATES

### Selected accounting principles

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.

	Balance on 31.12.2025	Balance on 31.12.2024
<b>Carrying amount of investments in associates - beginning of the year</b>	<b>26 304</b>	-
Acquisition of shares during the year	50	28 857
Disposal of shares during the year	(26)	-
<b>Value at cost at year-end</b>	<b>26 328</b>	<b>28 857</b>
Cumulative valuation of associates acquired	(2 178)	-
Share in profit	(2 061)	(2 553)
<b>Carrying amount of investments in associates</b>	<b>22 089</b>	<b>26 304</b>

## 19. FINANCIAL ASSETS

### Selected accounting principles

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:

- measured at fair value through other comprehensive income,
- measured at amortised cost,
- 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.

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:

- the purpose is to keep it in order to obtain both contractual cash flows as well as to sell it;
- 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.

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.

#### **Loss of value**

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.

<b>Financial assets</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
Shares at fair value through other comprehensive income	23 842	23 838
Shares at fair value through profit and loss	84	79
Loans granted	7 542	12 173
	<b>31 468</b>	<b>36 090</b>
<i>Long-term assets</i>	27 092	36 089
<i>Short-term assets</i>	4 376	1

<b>Borrowings</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
"onesano" S.A.	1 405	-
Hornet – Polskie Drony Spółka z o.o.	2 506	-
Loan to a personally related individual	2 789	12 173
Other	842	-
	<b>7 542</b>	<b>12 173</b>



<b>Change in financial assets from 01.01.2025 to 31.12.2025</b>	<b>Bonds</b>	<b>Borrowings</b>
<b>Carrying amount - beginning of the period</b>	-	<b>12 173</b>
Reduction in assets- redeemed /paid during the year	-	(10 120)
Bonds purchased / loans granted during the current year	-	7 209
Interest on loans recognised in P&L during the current year	-	1 481
Interest received	-	(3 033)
Impairment losses recognised in P&L of the current year	-	(1 073)
Reversal of asset write-off (de-consolidation)	-	344 058
Bonds/loans cancelled in the current year	-	(1 073)
Deletion of an asset (de-consolidation)	-	(342 562)
FX gains/losses	-	482
<b>Carrying amount of loans at the end of the period</b>	-	<b>7 542</b>

<b>Change in financial assets from 01.01.2024 to 31.12.2024</b>	<b>Bonds</b>	<b>Borrowings</b>
<b>Carrying amount - beginning of the period</b>	-	<b>17 063</b>
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)
<b>Carrying amount of bonds - end of the period</b>	-	<b>12 173</b>

## 20. DERIVATIVE FINANCIAL INSTRUMENTS

### Selected accounting principles

As provided in 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 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.

#### **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.

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.

Balance on 31.12.2025	assets	liabilities
<b>Cash flows hedging instruments</b>	<b>7 743</b>	<b>1 325</b>
<i>Commodity swaps</i>	5 681	1 053
<i>Foreign exchange contracts</i>	2 062	272
<b>Fair value hedges</b>	-	<b>12 345</b>
<i>Interest rate swaps</i>	-	46
<i>Foreign exchange contracts</i>	-	-
<i>Commodity swaps</i>	-	12 299
<b>Instruments held for trading</b>	-	-
<i>Foreign exchange contracts</i>	-	-
<i>Commodity swaps</i>	-	-
	<b>7 743</b>	<b>13 670</b>
<i>long-term part</i>	-	-
<i>short-term part</i>	7 743	13 670
<b>balance</b>	<b>(5 927)</b>	



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

Presentation of derivative instruments in the income statement	Balance on 31.12.2025	Balance on 31.12.2024
<b>Income statement items</b>		
<b>Revenues from sale</b>	<b>15 143</b>	<b>21 052</b>
<b>Manufacturing cost of products sold</b>	<b>4 806</b>	<b>2 096</b>
<b>Other operating revenues</b>	<b>6 367</b>	<b>4 926</b>
<b>Other operating expenses</b>	<b>2 117</b>	<b>409</b>
<b>Financial income, including:</b>	<b>1 701</b>	<b>825</b>
<i>profit on trading in derivatives</i>	381	510
<i>exchange rate differences - correction by the effective portion</i>	1 320	315
<b>Financial expenses, including:</b>	<b>81</b>	<b>655</b>
<i>loss on trading in derivatives</i>	(27)	(27)
<i>exchange rate differences - correction by the effective portion</i>	108	682
<b>Impact on profit/loss</b>	<b>16 207</b>	<b>23 643</b>

**Commodity derivatives as at 31.12.2025**

currency	<1 month	1-3 months	3-12 months	1-3 years	total
USD	(4 162)	(5 780)	(284)		(10 226)
EUR	1 238	555	201	561	2 555
<b>Total</b>	<b>(2 924)</b>	<b>(5 225)</b>	<b>(83)</b>	<b>561</b>	<b>(7 671)</b>

**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
<b>Total</b>	<b>327</b>	<b>1 280</b>	<b>1 240</b>	<b>-</b>	<b>2 847</b>



**Commodity derivatives as at 31.12.2025**

currency	<1 month	1-3 months	3-12 months	1-3 years	total
USD	36	23	(382)	(10)	(333)
EUR	1 090	921	103	15	2 129
GBP	(63)	57	-	-	(6)
<b>Total</b>	<b>1 063</b>	<b>1 001</b>	<b>(279)</b>	<b>5</b>	<b>1 790</b>

**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
<b>Total</b>	<b>450</b>	<b>2 260</b>	<b>1 149</b>	<b>-</b>	<b>3 859</b>

## 21. INVENTORIES

### Selected accounting principles

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.

### Goods and materials

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

The difference between the higher cost and lower net selling price is recognised as an inventory write-off. If it is not possible to determine the net selling price of an asset, the 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.

### Products and work in progress

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

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

The effects of write-downs on the finished products and their reversal, refers to the cost of sales. Various methods of determining the issue in case of inventories with a different nature and purpose are allowed. Items in the work in progress are measured at the direct manufacturing cost.

### Inventory impairment write-offs

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

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

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

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

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

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

#### Estimates of the Management Board

For inventories the allowance is estimated on the basis of the difference between net realizable amount and expected amount of future cash-flows.

Structure of inventories	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Materials and raw materials	280 769	291 585
Work in progress	163 930	147 924
Finished products	288 870	291 102
Traded goods	10 779	14 903
Energy certificates	839	3 912
<b>Carrying value of inventories</b>	<b>745 187</b>	<b>749 426</b>
Valuation to fair value	843	533
Impairments	31 247	59 658
<b>Gross value of inventories</b>	<b>777 277</b>	<b>809 617</b>

	01.01.2025 – 31.12.2025	01.01.2024 – 31.12.2024
<b>Revaluation write-offs for inventories at the beginning of the period</b>	<b>59 658</b>	<b>62 302</b>
Increase of impairments in the period	6 304	11 514
Reversal of write-offs in the period	(21 708)	(12 012)
Exclusion of entities	(5 468)	-
Impact of exchange rate differences	306	173
Other decrease of write-downs in the period (written down with inventories)	(7 845)	(2 319)
<b>Revaluation write-offs for inventories at the end of the period</b>	<b>31 247</b>	<b>59 658</b>
Impairment write-offs in manufacturing cost	344	528
Impairment write-offs in other operating expenses	6 304	11 514
Deferred tax assets on inventory write-offs	(21 708)	(12 012)

Inventories are used as collateral for the repayment of liabilities in the amount of PLN 434 742 thousand.

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

## 22. TRADE AND OTHER RECEIVABLES

### Selected accounting principles

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.

### Estimates of the Management Board

The 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.

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Trade receivables and other receivable</b>		
Trade receivables from sale of products, goods and services	440 593	521 628
Valuation of credit risk	(653)	(662)
Receivables from sale of fixed assets and intangible assets	161	-
Receivables from sale of shares	129	-
Budget receivables	95 034	70 689
Advances on supplies	3 739	133
Other debtors	60 464	58 306
<b>Trade receivables and other receivables</b>	<b>599 467</b>	<b>650 094</b>
<i>long-term</i>	5 241	6 971
<i>short-term</i>	594 226	643 123
<i>Trade receivables and other long-term receivables</i>	5 241	6 971
<i>Costs recognised on accrual basis long-term portion</i>	64 681	59 485
<b>Long-term receivables</b>	<b>69 922</b>	<b>66 456</b>
<i>Trade receivables and other short-term receivables</i>	594 226	643 123
<i>Costs recognised on accrual basis short-term portion</i>	25 447	29 097
<b>Trade receivables and other receivables</b>	<b>619 673</b>	<b>672 220</b>
	<b>01.01.2025 – 31.12.2025</b>	<b>01.01.2024 – 31.12.2024</b>
Receivables securing loan repayments	70 645	105 345



	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Cumulative revaluation write-offs on receivables</b>		
Write-offs on trade receivables	33 664	35 138
Write-offs for estimated credit risk (IFRS 9)	653	662
Write-offs on other receivables (except trade receivables)	10 135	9 613
<b>Total allowances</b>	<b>44 452</b>	<b>45 413</b>
<b>Gross accounts receivable</b>	<b>643 919</b>	<b>695 507</b>

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

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>Write-offs on trade receivables and expected credit loss at beginning of period</b>	<b>35 800</b>	<b>54 264</b>
<b>of which:</b>		
<i>write-offs on trade receivables</i>	35 138	53 696
<i>expected credit loss</i>	662	568
<b>movement in the period</b>	<b>(1 483)</b>	<b>(18 464)</b>
<i>write-offs on trade receivables</i>	(1 474)	(18 558)
- write-offs on overdue receivables	6 590	1 896
- reversal of write-off together with the receivable as irrecoverable/overdue	(3 488)	(13 619)
Write-offs derecognized from recovered receivables	(2 577)	-
- exclusion of entities	279	-
Reversal of write-offs on overdue receivables	(2 325)	(4 935)
- impact of exchange rate differences	47	(1 900)
<i>expected credit loss</i>	(9)	94
<b>Write-offs on trade receivables and expected credit loss at period end</b>	<b>34 317</b>	<b>35 800</b>
<b>of which:</b>		
<i>write-offs on trade receivables</i>	33 664	35 138
<i>expected credit loss</i>	653	662



### Trade receivables aging

Aging of net trade receivables	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<b>net receivables by payment terms</b>	<b>353 457</b>	<b>419 777</b>
up to 3 months	339 858	396 508
up to 6 months	9 243	14 214
up to 1 year	4 018	8 115
above 1 year	338	940
<b>outstanding receivables by payment date</b>	<b>86 483</b>	<b>101 189</b>
up to 3 months	56 027	77 407
up to 6 months	7 164	4 985
up to 1 year	7 590	12 057
above 1 year	16 355	7 402
Valuation of credit risk	(653)	(662)
<b>total trade receivables</b>	<b>439 940</b>	<b>520 966</b>

### Accrued costs

OTHER ASSETS	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Prepayments	11 493	18 198
Prepayments - financial expenses	582	916
Fee settlements	20 932	23 791
Capitalised costs of new projects	57 121	45 677
<b>Total</b>	<b>90 128</b>	<b>88 582</b>
<i>Long-term part</i>	<i>64 681</i>	<i>59 485</i>
<i>Short-term part</i>	<i>25 447</i>	<i>29 097</i>

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.

## 23. CASH

### Selected accounting principles

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.

Cash and cash equivalents	Balance on 31.12.2025	Balance on 31.12.2024
Cash in hand and at bank	91 081	143 744
Restricted cash(*) <i>of which: Cash in transit</i>	68 005 -	64 962 -
<b>Total</b>	<b>159 086</b>	<b>208 706</b>

(\*) mainly segregated VAT accounts

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

### Selected accounting principles

The Group recognises a non-current asset item 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

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.

Assets held for sale	Balance on 31.12.2025	Balance on 31.12.2024
Non-current assets	63 224	41 145
Intangible assets	995	-
Land in perpetual use	19 587	11 037
Inventories	8 022	561
<b>Total assets</b>	<b>91 828</b>	<b>52 743</b>



Property, plant and equipment held for sale	Balance on 31.12.2025	Balance on 31.12.2024
Buildings, premises, civil and water engineering structures	40 938	30 693
Technical equipment and machines	21 615	9 281
Vehicles	7	24
Other tangible fixed assets	664	1 147
<b>Total property, plant and equipment held for sale</b>	<b>63 224</b>	<b>41 145</b>

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

	Balance on 31.12.2025	Balance on 31.12.2024
Other liabilities	12 257	7 321
<b>Total liabilities</b>	<b>12 257</b>	<b>7 321</b>

As at the balance sheet date, Alchemia S.A. separated assets held for sale from the company's assets, which include fixed assets (PLN 83 760 thousand) and part of inventories (PLN 8 022 thousand) of company's branches that ceased their production, i.e. Alchemia S.A. Kuźnia Batory Branch in Chorzów, Alchemia S.A. Walcownia Rur Andrzej in Zawadzkie and Alchemia S.A. Rurexpol Branch in Częstochowa. As the above assets were earmarked for sale, related liabilities in the total amount PLN 12 257 000 were also identified.

## 25. RESERVES

### Selected accounting principles

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. 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.



The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 31.12.2025 and the date of submitting the report for publication:

Shareholders	Number of shares	% of capital	Number of votes	% of votes
<b>Roman Krzysztof Karkosik (*)</b>	<b>156 832 020</b>	<b>65,35%</b>	<b>156 832 020</b>	<b>65,35%</b>
including:				
<i>Boryszew S.A. (**)</i>	<i>34 795 000</i>	<i>14.50%</i>	<i>34 795 000</i>	<i>14.50%</i>
<i>RKKK Investments Sp. z o.o.</i>	<i>119 998 000</i>	<i>49.99%</i>	<i>119 998 000</i>	<i>49.99%</i>
<b>Unibax Spółka z o.o. (***)</b>	<b>20 374 160</b>	<b>8.49%</b>	<b>20 374 160</b>	<b>8.49%</b>
<b>Others</b>	<b>62 793 820</b>	<b>26.16%</b>	<b>62 793 820</b>	<b>26.16%</b>
<b>Total</b>	<b>240 000 000</b>	<b>100.00%</b>	<b>240 000 000</b>	<b>100.00%</b>

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

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

(\*\*\*) Unibax Spółka z o.o., together with its subsidiary (Susmed Spółka z o.o.), as per notification of 24 June 2025.

Change in equity	Balance on 31.12.2025	Balance on 31.12.2024
<b>Number of shares as at the balance sheet date</b>	<b>240 000 000</b>	<b>240 000 000</b>
<i>number of own shares</i>	<i>38 000 000</i>	<i>38 000 000</i>
<i>number of shares entitled to dividend</i>	<i>202 000 000</i>	<i>202 000 000</i>
<i>Nominal value of shares is PLN 1.</i>		
<b>Share capital</b>		
<b>Balance at beginning of year (nominal value)</b>	<b>240 000</b>	<b>240 000</b>
<b>Hyperinflationary revaluation at beginning of year (*)</b>	<b>8 906</b>	<b>8 906</b>
<b>Share capital/shareholding at year-end</b>	<b>248 906</b>	<b>248 906</b>
<b>Share premium at beginning of period</b>	<b>114 435</b>	<b>114 435</b>
<b>Balance carried forward</b>	<b>114 435</b>	<b>114 435</b>
<b>Own shares</b>		
<b>Balance at period beginning</b>	<b>(236 753)</b>	<b>(236 753)</b>
<b>Balance carried forward</b>	<b>(236 753)</b>	<b>(236 753)</b>
<b>Reserve capital - hedge accounting</b>		
<b>Balance at period beginning</b>	<b>6 831</b>	<b>15 020</b>
Profit/loss for the current period	(2 401)	(10 110)
Income tax (+/-)	456	1 921
<b>Balance carried forward</b>	<b>4 886</b>	<b>6 831</b>
<b>Share revaluation reserve</b>		
<b>Balance at period beginning</b>	<b>-</b>	<b>3 433</b>
Transfer to reserve capital of profit on disposal of equity instruments	-	(3 433)
<b>Balance carried forward</b>	<b>-</b>	<b>-</b>
<b>Restatement of employee benefits</b>		
<b>Balance at period beginning</b>	<b>(112)</b>	<b>(794)</b>



Change in equity	Balance on 31.12.2025	Balance on 31.12.2024
Profit/loss for the current period	(632)	842
Income tax (+/-)	120	(160)
<b>Balance carried forward</b>	<b>(624)</b>	<b>(112)</b>
<b>Exchange differences on translation of overseas subsidiaries</b>		
<b>Balance at period beginning</b>	<b>(103 159)</b>	<b>(47 946)</b>
Profit/loss for the current period	(50 734)	(55 213)
Change due to change in Capital Group structure	62 658	-
<b>Balance carried forward</b>	<b>(91 235)</b>	<b>(103 159)</b>
<b>Retained earnings</b>		
<b>Balance at period beginning</b>	<b>1 552 189</b>	<b>1 527 419</b>
Result of the current year	23 623	110 485
Dividends paid and declared	(70 913)	(89 148)
transfer to reserve capital of profit on disposal of equity instruments	-	3 433
Change due to change in Capital Group structure	(122 750)	-
<b>Balance carried forward</b>	<b>1 382 149</b>	<b>1 552 189</b>
<b>Total equity of the parent company</b>	<b>1 421 764</b>	<b>1 582 337</b>
<b>Equity of non-controlling interest</b>		
<b>Balance at period beginning</b>	<b>39 452</b>	<b>33 137</b>
Result of the current year	11 353	10 320
Dividend distribution	(15 612)	(4 003)
Valuation of employee benefits	(3)	(2)
<b>Balance carried forward</b>	<b>35 190</b>	<b>39 452</b>
<b>Total equity</b>	<b>1 456 954</b>	<b>1 621 789</b>

(\*) 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 2025 result**

The Management Board of the Company recommends that the net profit for 2025 in the amount of PLN 125 633 177.93 be allocated to the Company's reserve capital.

#### **Dividend**

On 21 May 2025 the Ordinary General Meeting of Boryszew S.A. passed a resolution to pay a dividend to shareholders (from reserve capital, which, according to art. 348 § the commercial companies code may be allocated for distribution) in the amount of PLN 0.35 per share entitled to dividend, that is, in the total amount of PLN 71 821 750.00.

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 was paid in accordance with resolution No. 19 of the Ordinary General Meeting of Boryszew S.A., which established:

- dividend date: 28 May 2025
- dividend payment date: 4 June 2025



Part of the dividend paid by Boryszew S.A. remained in the Group, the value of the dividend paid outside the Group amounted to PLN 70 913 thousand.

	2025	2024
Dividends recognised as distributions to owners per share	0.35	0.44
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

## **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 '2025 to the date of publication of the annual report for 2025, 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.

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

### Selected accounting principles

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.

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.

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

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.

External financing liabilities	Balance on 31.12.2025	Balance on 31.12.2024
Bank credits	720 297	653 098
Loans received	8 884	3 286
Factoring including:	90 036	119 436
<i>factoring with recourse</i>	86 422	113 565
<b>Total loans, including:</b>	<b>819 217</b>	<b>775 820</b>
<i>Long-term</i>	165 449	204 166
<i>Short-term</i>	653 768	571 654

## 27.1. Bank loans and factoring with recourse

<b>Bank loans and factoring with recourse</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
Investment bank loans	186 245	215 941
Working capital facility	482 095	414 160
Revolving loans (including unpaid interest)	51 957	22 997
Factoring with recourse	3 614	5 871
<b>In total, including:</b>	<b>723 911</b>	<b>658 969</b>
<i>Long-term</i>	<i>157 784</i>	<i>201 408</i>
<i>Short-term</i>	<i>566 127</i>	<i>457 561</i>

	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>interest expense</b>		
interest expense in P&L	55 646	58 485
interest expense (fixed assets)	-	149
capitalised interest expense (intangible assets)	-	-
capitalised interest expense (shares)	-	-
<b>total interest expenses</b>	<b>55 646</b>	<b>58 634</b>

## Change in loans

<b>Change in loans and factoring with recourse</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>nominal value at the beginning of the year</b>	<b>658 969</b>	<b>589 597</b>
proceeds from new loans received	156 565	231 127
repayment of loans	(86 355)	(149 051)
repayment of interest	(35 556)	(31 413)
<b>total cash change</b>	<b>34 654</b>	<b>50 663</b>
<b>non-cash changes</b>		
compensations	(60)	640
impact of exchange rate differences	(5 587)	(3 921)
unpaid interest at the end of the period recognised in the balance sheet	39 342	36 423
other non-cash changes	(3 407)	(14 433)
<b>sum of non-cash changes</b>	<b>30 288</b>	<b>18 709</b>
<b>carrying amount of loans</b>	<b>723 911</b>	<b>658 969</b>

Free credit limits (refers to overdrafts and revolving working capital loans) amounted in 2025 to PLN 171 095 thousand and PLN 304 697 thousand at the end of 2024, respectively.



**Change in factoring with recourse**

<b>Change in factoring with recourse</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>nominal value of loans at the beginning of the year</b>	<b>113 565</b>	70 648
<b>separation of factoring with recourse</b>		
repayment of factoring liabilities	(403 868)	(384 424)
repayment of interest	(3 556)	(4 570)
other cash changes	2 251	15 253
<b>total cash change</b>	<b>(405 173)</b>	<b>(373 741)</b>
<b>non-cash changes</b>		
increases due to factoring	380 334	412 075
impact of exchange rate differences	40	(112)
accrued interest during the period	3 557	4 778
other non-cash changes	(5 901)	(83)
<b>sum of non-cash changes</b>	<b>378 030</b>	<b>416 658</b>
<b>carrying amount of loans</b>	<b>86 422</b>	<b>113 565</b>

**Change in the balance of loans in between 1 January and 31 December 2025**

<b>Loan details</b>	<b>Loan liabilities 31.12.2025</b>	<b>Loan liabilities 31.12.2024</b>	<b>Change</b>
ALIOR	81 719	71 115	10 604
BANCA BPER	524	996	(442)
BANCA INTENSA SANPAOLO	5 546	10 456	(4 910)
BANK POPULAR	4 786	4 710	76
BBVA	1 331	1 205	126
BGK	103 632	99 133	4 499
BNP	135 046	163 916	(28 870)
CAIXA	630	196	434
CREDIT AGRICOLE	58 496	36 355	22 141
ČSOB	-	472	(472)
HSBC	63 170	77 281	(14 111)
ING	32 126	3 868	28 258
LIBERBANK	672	2 243	(1 571)
MILLENIUM	9 332	7 549	1 783
PEKAO	36 945	6 342	30 603
PKO BP	178 540	159 847	18 693
UNICREDIT	7 802	7 444	358
<b>Total Boryszew Capital Group</b>	<b>720 297</b>	<b>653 098</b>	<b>67 199</b>

Loan interest rates based on a variable rate.

### Currency structure of loan liabilities

balance on 31.12.2025 original currency (in '000)		balance on 31.12.2025 in PLN thousand	% share in 2025	balance on 31.12.2024 original currency (in '000)		balance on 31.12.2024 in PLN '000	% share in 2024
337 961	PLN	337 961	46.9%	225 910	PLN	225 910	34,6%
79 103	EUR	334 347	46.4%	76 491	EUR	326 847	50,0%
8 876	USD	31 967	4.4%	20 335	USD	83 398	12.8%
31 093	CNY	16 022	2.2%	30 143	CNY	16 943	2.6%
<b>Total</b>		<b>720 297</b>				<b>653 098</b>	

### Expected discounted cash flows on committed loans

Expected discounted cash flows on committed loans	Balance on 31.12.2025	Balance on 31.12.2024
up to 3 months	96 296	36 638
up to 6 months	123 340	46 660
up to 1 year	346 491	374 263
between 1 year and 3 years	100 626	127 701
from 3 years to 5 years	57 158	73 096
over 5 years	-	611
<b>Total</b>	<b>723 911</b>	<b>658 969</b>

All loans are secured. Loan collaterals include:

- investment properties, note 14
- fixed assets, note 13
- inventories, note 21
- receivables from customers, note 22
- 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 covenants and breach of material provisions of credit or loan agreements

As at 31 December 2025 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,
- Huta Bankowa Sp. z o.o. - net debt/ EBITDA ratio, debt service coverage ratio (DSCR).
- Walcownia Metali Dzierżycze S.A. - net debt/ EBITDA ratio and the level of accounts receivable.
- Alchemia S.A. - net debt/EBITDA ratio and meeting the sales forecast.

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

<b>Loan liabilities</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
Loans from related parties	-	-
Loans from other entities	8 884	3 286
<b>Total loans, including:</b>	<b>8 884</b>	<b>3 286</b>
Long-term loans	7 665	2 758
<i>Bank loans - short-term</i>	1 219	528

<b>Change in loans</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>nominal value of loans at the beginning of the year</b>	<b>3 286</b>	<b>10 117</b>
proceeds from loans	5 409	-
repayment of loans	(22 700)	(488)
repayment of interest	(199)	(190)
<b>total cash change</b>	<b>(17 490)</b>	<b>(678)</b>
<b>non-cash changes</b>		
compensations	(234)	-
impact of exchange rate differences	4 159	2 728
valuation at amortised cost	(507)	(6 432)
other non-cash changes	19 670	(2 449)
<b>sum of non-cash changes</b>	<b>23 088</b>	<b>(6 153)</b>
<b>carrying amount of loans</b>	<b>8 884</b>	<b>3 286</b>

<b>interest expenses on loans</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
interest expense in P&L	542	205
<b>total interest expenses</b>	<b>542</b>	<b>205</b>

## Expected undiscounted cash flows from borrowings

	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
up to 3 months	976	63
up to 6 months	-	61
up to 1 year	243	404
between 1 year and 3 years	7 487	1 767
from 3 years to 5 years	178	991
over 5 years	-	-
<b>Total</b>	<b>8 884</b>	<b>3 286</b>

## 28. RIGHT-OF-USE LIABILITIES

### Selected accounting principles

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.

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.

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, an adjustment is made in later periods for the revaluation of the leasing liability.

in the period 01.01.2025 - 31.12.2025	<i>Leasing of tangible and intangible assets</i>	<i>Land - SMA</i>	<i>The Lease Agreement</i>	<i>Total</i>
<b>Balance brought forward of lease liabilities</b>	<b>45 968</b>	<b>129 278</b>	<b>66 831</b>	<b>242 077</b>
new discounted lease liabilities	11 328	42	3 279	14 649
Excluding entities from consolidation	(577)			(577)
repayment of capital lease instalments	(14 863)	(6)	(7 446)	(22 315)
interest payment, which was included in the balance brought forward	(604)		(5 140)	(5 744)
Derecognition due to sale	(13)	(5 195)		(5 208)
unpaid interest at the end of the period recognised in the balance sheet	-	-	1 059	1 059
Revaluation of lease liabilities	(548)	-	(782)	(1 330)
impact of exchange rate differences	301		(941)	(640)
<b>Carrying value of lease liabilities</b>	<b>40 992</b>	<b>124 119</b>	<b>56 860</b>	<b>221 971</b>

in the period 01.01.2024 - 31.12.2024	<i>Leasing of tangible and intangible assets</i>	<i>Land - SMA</i>	<i>The Lease Agreement</i>	<i>Total</i>
<b>Balance brought forward of lease liabilities</b>	<b>56 040</b>	<b>127 628</b>	<b>76 148</b>	<b>259 816</b>
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)
<b>Carrying value of lease liabilities</b>	<b>45 968</b>	<b>129 278</b>	<b>66 831</b>	<b>242 077</b>

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

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

<b>Undiscounted finance lease liabilities</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
3 months	4 450	6 610
from 4 to 6 months	3 680	4 361
above 7 month and up to 12 months	9 454	6 772
between 1 year and 3 years	20 816	26 481
from 3 years to 5 years	6 844	6 215
over 5 years	-	-
<b>Total undiscounted lease payments until the end of the lease term</b>	<b>45 244</b>	<b>50 439</b>
future interest payments	(4 252)	(4 471)
<b>Balance sheet value of lease liabilities</b>	<b>40 992</b>	<b>45 968</b>

<b>Non-discounted liabilities due to SMA</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
annual SMA fee	2 600	2 437
between 1 year and 3 years	5 229	5 715
from 3 years to 5 years	5 509	5 480
between 5 years and 10 years	13 075	13 701
between 10 years and 20 years	20 004	22 277
over 20 years	108 476	117 209
<b>Total undiscounted lease payments until the end of the lease term</b>	<b>154 893</b>	<b>166 819</b>
future interest payments	(92 730)	(99 575)
<b>Value of lease liabilities</b>	<b>62 163</b>	<b>67 244</b>
Liabilities to SMA recognised as investment property	61 956	62 034
<b>Balance sheet value of SMA liabilities</b>	<b>124 119</b>	<b>129 278</b>

	<b>01.01.2025 – 31.12.2025</b>	<b>01.01.2024 – 31.12.2024</b>
Lease interest costs recognised in profit or loss of current period	2 812	2 752

<b>Liability to SMA - investment property</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>Liability</b>		
long-term liabilities	61 660	61 599
short-term liabilities	296	435
<b>Total liabilities</b>	<b>61 956</b>	<b>62 034</b>
Lease interest costs recognised in profit or loss of current period	228	170

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.



<b>Change in liabilities</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>Liabilities at the beginning of the period</b>	<b>62 034</b>	<b>57 277</b>
new liabilities	42	-
repayment of capital instalments	(15)	(22)
decrease in liabilities due to disposal of investment property	(105)	(663)
revaluation of lease liabilities	-	5 442
<b>Carrying value of lease liabilities</b>	<b>61 956</b>	<b>62 034</b>

<b>Undiscounted liabilities under lease agreements</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>monthly undiscounted rent under the agreement</b>	<b>1 224</b>	<b>1 265</b>
from 2 to 6 months	6 194	6 907
above 7 month and up to 12 months	10 457	7 989
between 1 year and 3 years	16 926	29 185
from 3 years to 5 years	12 624	19 095
over 5 years	16 479	17 004
<b>Total undiscounted payments remaining until the end of the lease term</b>	<b>63 904</b>	<b>81 445</b>
future interest payments	(7 044)	(14 614)
<b>Balance sheet value of lease liabilities</b>	<b>56 860</b>	<b>66 831</b>

## 29. PENSION AND SIMILAR EMPLOYEE BENEFITS LIABILITIES

### Selected accounting principles

#### 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.



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

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.

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 31.12.2025 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 1-13%, depending on age, the rate of return on investment at 5.2% and wage growth rate at 2.9% in the first year and 2.5% in further years, depending on the region of employment.



<b>Provision for employee benefits</b>	Retirement severance pay	Disability severance pay	Death benefits	Long-service benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	<b>Total</b>
<b>Balance on 01.01.2025</b>	<b>8 080</b>	<b>1 014</b>	<b>786</b>	<b>5 983</b>	<b>18 669</b>	<b>7 318</b>	<b>41 850</b>
<b>Movement:</b>	<b>1 135</b>	<b>(12)</b>	<b>28</b>	<b>(1 581)</b>	<b>(271)</b>	<b>(2 328)</b>	<b>(3 029)</b>
Exclusion of entities	(90)	-	-	(970)	(1 128)	(465)	(2 653)
Interest expense	357	45	41	143	-	-	586
Current employment costs	882	133	48	219	5 074	4 154	10 510
Past employment costs	(6)	-	-	(773)	(1 759)	-	(2 538)
Benefits paid	(1 199)	(36)	(184)	(583)	(2 491)	(5 988)	(10 481)
impact of exchange rate differences and other	(38)	-	-	(21)	33	(29)	(55)
Actuarial gains and losses - demographic changes	82	(6)	(36)	6	-	-	46
Actuarial gains and losses - financial changes	1 147	(148)	159	398	-	-	1 556
<b>Balance on 31.12.2025</b>	<b>9 215</b>	<b>1 002</b>	<b>814</b>	<b>4 402</b>	<b>18 398</b>	<b>4 990</b>	<b>38 821</b>
<b>Change</b>	<b>1 135</b>	<b>(12)</b>	<b>28</b>	<b>(1 581)</b>	<b>(271)</b>	<b>(2 328)</b>	<b>(3 029)</b>
change recognised in P&L (- cost, + decrease in cost)	(94)	142	(95)	(1 985)	(271)	(2 328)	(4 631)
Change included in equity (gain+/lose-)	1 229	(154)	123	404	-	-	1 602

long-term provisions	12 595
short-term provisions	26 226



<b>Provision for employee benefits</b>	Retirement severance pay	Disability severance pay	Death benefits	Long-service benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	<b>Total</b>
<b>Balance on 01.01.2024</b>	<b>9 863</b>	<b>1 095</b>	<b>823</b>	<b>8 201</b>	<b>22 192</b>	<b>14 174</b>	<b>56 348</b>
<b>Movement:</b>	<b>(1 783)</b>	<b>(81)</b>	<b>(37)</b>	<b>(2 218)</b>	<b>(3 523)</b>	<b>(6 856)</b>	<b>(14 498)</b>
<i>Interest expense</i>	350	40	36	170	(139)	-	457
<i>Current employment costs</i>	(573)	54	48	286	3 850	7 160	10 825
<i>Past employment costs</i>	2	-	-	(1 115)	(2 544)	(2 397)	(6 054)
<i>Benefits paid</i>	(1 172)	(59)	-	(590)	(4 441)	(11 486)	(17 748)
<i>impact of exchange rate differences and other</i>	188	-	-	(258)	(249)	(133)	(452)
<i>Actuarial gains and losses - demographic changes</i>	61	(38)	(94)	34	-	-	(37)
<i>Actuarial gains and losses - financial changes</i>	(639)	(78)	(27)	(745)	-	-	(1 489)
<b>Balance on 31.12.2024</b>	<b>8 080</b>	<b>1 014</b>	<b>786</b>	<b>5 983</b>	<b>18 669</b>	<b>7 318</b>	<b>41 850</b>
<b>Change</b>	<b>(1 783)</b>	<b>(81)</b>	<b>(37)</b>	<b>(2 218)</b>	<b>(3 523)</b>	<b>(6 856)</b>	<b>(14 498)</b>
<i>change recognised in P&amp;L (- cost, + decrease in cost)</i>	(1 205)	35	84	(1 507)	(3 523)	(6 856)	(12 972)
<i>Change included in equity (gain+/lose-)</i>	(578)	(116)	(121)	(711)	-	-	(1 526)

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



### **30. OTHER PROVISIONS**

#### **Selected accounting principles**

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.

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

Provisions for expected liabilities due to the business activities- they are established in the amount representing the best estimate of the expenditure required to settle the present obligation or substantiation of the future obligation at the end of the reporting period.

**Boryszew Capital Group**  
**Notes to the consolidated financial statements for 2025.**



(amounts expressed in PLN '000 unless specified otherwise)

<b>Change in provisions 01.01.2025 - 31.12.2025</b>	Balance on 01.01.2025	<i>creation of provision</i>	provisions used during the year	reversal of unused provision	exchange differences on translation and other	Provisions of acquired/disposed entities	Balance on 31.12.2025
Provisions for restructuring costs	<b>14 800</b>	-	(5 280)	(2 299)	(203)	-	<b>7 018</b>
Provisions for liquidation of fixed assets	<b>5 599</b>	209	-	(46)	-	-	<b>5 762</b>
Provisions for waste disposal and land reclamation	<b>11 710</b>	299	(324)	(3 486)	-	-	<b>8 199</b>
Provisions for non-execution of contracts	<b>16 085</b>	3 425	(1 324)	(105)	168	(5 388)	<b>12 861</b>
Provisions for court proceedings	<b>6 793</b>	3 559	(2 169)	(3 202)	(7)	-	<b>4 974</b>
Provisions for warranty repairs, complaints	<b>7 711</b>	3 782	(564)	(123)	6	(461)	<b>10 351</b>
Provision for tax risks and fiscal claims	<b>22 020</b>	-	151	(9 420)	(6)	(1 034)	<b>11 711</b>
Provisions for loss-making contracts (onerous contracts)	<b>296</b>	552	-	-	(48)	-	<b>800</b>
<b>Total</b>	<b>85 014</b>	<b>11 826</b>	<b>(9 510)</b>	<b>(18 681)</b>	<b>(90)</b>	<b>(6 883)</b>	<b>61 676</b>
long-term provisions	49 647						37 462
short-term provisions	35 367						24 214

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

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



### 31. TRADE PAYABLES AND OTHER LIABILITIES

#### Selected accounting principles

The group's other liabilities include, among others, liabilities for the purchase of property, plant and equipment, liabilities to the state budget with the exclusion of corporate tax liabilities, deposits, advances and payroll liabilities.

TRADE PAYABLES AND OTHER LIABILITIES	Balance on 31.12.2025	Balance on 31.12.2024
Trade liabilities due to purchase of materials, services and goods	577 620	555 550
Trade liabilities accrued on purchase of materials, services and goods	11 765	14 978
Liabilities due to purchase of fixed assets, intangible assets and organised part of an enterprise	6 304	7 038
Liabilities to state budget (excluding income tax)	49 560	52 852
Other liabilities (except for deposits, advance payments listed above)	32 928	32 621
Payroll liabilities	34 394	41 949
Other	157	21
<b>In total, including:</b>	<b>712 728</b>	<b>705 009</b>
<i>long-term liabilities</i>	75	75
<i>short-term liabilities</i>	712 653	704 934

### 32. OTHER LIABILITIES AND EQUITY

#### Selected accounting principles

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.

DEFERRED INCOME	Balance on 31.12.2025	Balance on 31.12.2024
Grants and other deferred income	<b>73 513</b>	<b>108 019</b>
<i>long-term</i>	59 310	66 867
<i>short-term</i>	14 203	41 152



The Group received grants in the form of cash as subsidies for fixed assets (project funding from NCRD fund). 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 37 746 thousand, mainly involve the construction of continuous casting, the construction of P3 rolling mill and the inspection testing line,
- 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 13 730 thousand.

The companies met all the conditions to receive these grants and as of 31.12.2025 there is no risk of reimbursement.

### 33. FINANCIAL INSTRUMENTS

#### Selected accounting principles

Financial assets by category are described in note 19 and financial liabilities in note 27.

#### Financial assets per balance sheet on 31.12.2025

	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	-	84		23 842	23 926
Trade receivables, factoring	423 207	16 733			439 940
Derivative financial instruments		-	7 743		7 743
Loans granted	7 542				7 542
Other debtors	64 493				64 493
Cash and cash equivalents	159 086				159 086
<b>Total</b>	<b>654 328</b>	<b>16 817</b>	<b>7 743</b>	<b>23 842</b>	<b>702 730</b>

#### 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
<b>Total</b>	<b>771 305</b>	<b>29 058</b>	<b>8 718</b>	<b>23 838</b>	<b>832 919</b>

### Financial liabilities on 31.12.2025

	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	819 217			819 217
Derivative financial instruments	-	-	13 670	13 670
Lease liabilities	40 992			40 992
Right-of-use liabilities	119 023			119 023
Trade and other liabilities	616 852			616 852
<b>Total</b>	<b>1 596 084</b>	<b>-</b>	<b>13 670</b>	<b>1 609 754</b>

### 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
<b>Total</b>	<b>1 550 997</b>	<b>-</b>	<b>1 884</b>	<b>1 552 881</b>

## 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.

<b>Net debt to equity ratio</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
Loan, lease, borrowings debt	860 209	821 788
Cash and cash equivalents	(159 086)	(208 706)
<b>Net debt</b>	<b>701 123</b>	<b>613 082</b>
<b>Equity</b>	<b>1 456 954</b>	<b>1 621 789</b>
Net debt to equity	48%	38%

<b>Debt ratio</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
Liabilities	1 973 566	2 011 780
Assets	3 430 520	3 633 569
Debt rate	58%	55%

<b>Liquidity ratios</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
current ratio	1.10	1.26
quick ratio	0.57	0.69
current ratio	0.11	0.16

<b>Cumulative revaluation write-offs on receivables</b>	<b>Balance on 31.12.2025</b>	<b>Balance on 31.12.2024</b>
<b>Impairment write-off for receivables</b>		
impairment write-offs on trade receivables	33 664	35 138
risk related to granting guarantees	2 809	2 809
expected credit loss on trade receivables	653	662
doubtful debt allowance on other receivables	10 135	9 613
<b>Total</b>	<b>47 261</b>	<b>48 222</b>

### 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 31.12.2025**

	1-3 m-cy	4-6 m-cy	7-12 months	1-3 lata	3-5 lat	>5 years	Total	Carrying value
Bank loans maturities	96 296	123 340	342 877	100 626	57 158	-	720 297	<b>720 297</b>
Maturity dates of factoring	90 036						90 036	<b>90 036</b>
Maturities of borrowings	976	-	243	7 487	178	-	8 884	<b>8 884</b>
Maturities of leasing liabilities	4 450	3 680	9 454	20 816	6 844		45 244	<b>40 992</b>
Maturities of liabilities of leased rental services	1 224	6 194	10 457	16 926	12 624	16 479	63 904	<b>56 860</b>
Maturity of PMA fees	2 600			5 229	5 509	141 555	154 893	<b>62 163</b>
payment of trade liabilities and other items	712 082	128	409	109			712 728	<b>712 728</b>
<b>Total</b>	<b>907 664</b>	<b>133 342</b>	<b>363 440</b>	<b>151 193</b>	<b>82 313</b>	<b>158 034</b>	<b>1 795 986</b>	<b>1 691 960</b>

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

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

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 2025 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 2025 to hedge the aforementioned risks.

Currency	Exchange rate as at 31.12.2025 (PLN)	5% exrate change (PLN)
EUR	4.2267	0.2113
USD	3.6016	0.1801

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



**Analysis of sensitivity to risk of foreign exchange rates changes 2025**

<b>Receivables and liabilities in foreign currencies</b>	<b>Value in currency</b>	<b>effect of increase in exchange rate 5%</b>	<b>effect of decrease in exchange rate 5%</b>
<b>Receivables and payables in EUR</b>			
trade and other receivables	45 449	9 603	(9 603)
other liabilities	73 515	(15 534)	15 534
credits, factoring and loans	87 975	(18 589)	18 589
leasing	10 391	(2 196)	2 196
<b>Result</b>		<b>(26 716)</b>	<b>26 716</b>
<b>Receivables and payables in USD</b>			
trade receivables	8 688	1 565	(1 565)
other liabilities	20 509	(3 694)	3 694
credits, factoring, loans, leasing	15 911	(2 866)	2 866
<b>Result</b>		<b>(4 995)</b>	<b>4 995</b>

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

<b>Receivables and liabilities in foreign currencies</b>	<b>Value in currency</b>	<b>effect of increase in exchange rate 5%</b>	<b>effect of decrease in exchange rate 5%</b>
<b>Receivables and payables in EUR</b>			
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
<b>Result</b>		<b>(16 434)</b>	<b>16 434</b>
<b>Receivables and payables in USD</b>			
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
<b>Result</b>		<b>(6 838)</b>	<b>6 838</b>

**Market risk - metal prices and currency exchange rates**

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

**Description of exposure**

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

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

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

Operational risk in terms metal prices was identified at: 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., 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 31.12.2025	Interest rate increase by 0.5 p.p.	Interest rate decrease by 0.5 p.p.
<b>Interest-bearing (variable %) financial assets</b>	<b>7 542</b>	<b>38</b>	<b>(38)</b>
Loans granted	7 542	38	(38)
<b>Interest-bearing (variable %) financial liabilities</b>	<b>860 209</b>	<b>(4 300)</b>	<b>4 300</b>
Loans	720 297	(3 601)	3 601
Factoring	90 036	(450)	450
Borrowings	8 884	(44)	44
Financial leasing of fixed assets	40 992	(205)	205
<b>Impact on future profit/loss before tax</b>		<b>(4 262)</b>	<b>4 262</b>
<b>Impact on future net profit/loss</b>		<b>(3 452)</b>	<b>3 452</b>

	Balance on 31.12.2024	Interest rate increase	Interest rate decrease
		by 0.5 p.p.	by 0.5 p.p.
<b>Interest-bearing (variable %) financial assets</b>	<b>12 173</b>	<b>61</b>	<b>(61)</b>
Loans granted	12 173	61	(61)
<b>Interest-bearing (variable %) financial liabilities</b>	<b>821 788</b>	<b>(4 108)</b>	<b>4 108</b>
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
<b>Impact on future profit/loss before tax</b>		<b>(4 047)</b>	<b>4 047</b>
<b>Impact on future net profit/loss</b>		<b>(3 278)</b>	<b>3 278</b>

### 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.

- With regard to the proceedings involving ZM SILESIA S.A. (ZMS) regarding VAT liabilities for 2013 and 2014 (described in the Issuer's current and periodic reports) in the amount of PLN 97.3 million (plus interest on overdue tax), on 9 October 2025, the Supreme Administrative Court issued a ruling dismissing the cassation appeal of the Head of the Fiscal Administration Chamber in Katowice and the cassation appeal of ZMS, holding that the statute of limitations on all tax liabilities sought under the proceedings in question had expired. The SAC upheld the earlier position of the PAC, questioned the correctness and effectiveness of the tax authorities' efforts to possibly suspend or interrupt the course of the disputed tax liabilities.

#### **The above ruling definitively ends ZM SILESIA S.A.'s VAT dispute for the years 2013 - 2014.**

In tax proceedings for 2013- 2014, the Head of the First Silesian Tax Office in Sosnowiec submitted requests to land and mortgage departments of district courts for the registration of compulsory mortgages. Following the SAC judgment of 9 October 2025, the Head of the First Silesian Tax Office in Sosnowiec proceeded to make declarations of extinguishment of liabilities, which consequently leads to the deletion of compulsory mortgages.

- With regard to the proceedings involving ZM SILESIA S.A. (ZMS) regarding VAT liabilities for the first half of 2025 (described in the Issuer's current and periodic reports) in the amount of PLN 34.9 million plus interest on overdue tax, on 9 October 2025, the Supreme Administrative Court issued a ruling dismissing the cassation appeal of the Head of the Małopolskie Customs and Fiscal Office in Krakow and the prosecutor's cassation appeal, holding that there had been no effective suspension of the statute of limitations for all tax liabilities sought under the proceedings in question. Thus, the NSA upheld the ruling of the PAC in Krakow of 26 June 2024 revoking the appealed decision in its entirety on the grounds that tax liabilities were time-barred.

On 5 February 2026, the Head of the Małopolska Customs and Fiscal Office in Kraków, in appeal proceedings, issued a decision revoking the decision of the first instance authority in its entirety and discontinued the aforementioned tax proceedings.

#### **The above decision finally ends ZM SILESIA S.A.'s VAT dispute for the first half of 2015.**



**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 revoked the decision of the 1st instance body in its entirety and referred the case for re-examination. On 15 May 2025 the Company received the result of an audit by the Head of Mazovian Tax and Customs Office, stating no irregularities resulting in a tax loss.

**The outcome of the audit marks the final termination of the audit proceedings and brings a definitive end to the dispute in this regard.**

In addition, on 8 July 2025, the company received a refund of PLN 578 thousand of interest due on a previously refunded overpayment.

With regard to the proceedings involving Hutmen Spółka z o.o. regarding VAT liabilities for October and November of 2012 in the amount of PLN 1.14 million (described in the Issuer's current and periodic reports) plus interest on overdue tax, on 17 March 2025, in a letter 448000-CKK10-3.5001.62.2024.205, the Head of Mazowiecki Tax and Customs Office withdrew from issuing a decision imposing a VAT liability on Boryszew S.A. for October and December 2012. The above decision finally ended the tax dispute.

- On 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 revoked the decision of the 1st Instance Body in its entirety and referred the case for re-examination. On 16 November 2021, the Fiscal Administration Chamber issued a decision securing the amount of the tax liability. On 2 December 2021, a security deposit was placed in the Office's account. On 20 December 2021, the company again received a decision on the validity of the tax liability. On 3 January 2022, the company filed an appeal against the aforementioned decision. On 2 January 2023 the company received the decision of the Head of the Fiscal Administration Chamber in Wrocław of 27 December 2022, upholding the decision of the 1st instance body, determining overdue VAT liability of Hutmen for Oct-Dec 2014 in the amount of PLN 3.0 million, plus interest on outstanding tax liability. The company filed a complaint with the Provincial Administrative Court against the above decision.

On 20 June 2024 the Provincial Administrative Court in Wrocław revoked the appealed decision and the preceding decision of the first instance authority. The ruling is not final. On 23 August 2024 the Director of the Fiscal Administration Chamber in Wrocław filed a cassation appeal with the Supreme Administrative Court.

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

- On 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 revoked the decision of the 1st Instance Body in its entirety and referred the case for re-examination. On 14 October 2021, Hutmen received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków ("Decision") securing future VAT liabilities for the period January 2015 - June 2015. On 22 October 2021 a security deposit in the amount of PLN 11.7 million was established on the account of the Fiscal Office following the decision of 14 October 2021 on Hutmen's assets the state budget liabilities associated with pending customs and fiscal proceedings. On 23 December 2021, the Head of the Małopolska Customs and Fiscal Office in Kraków again issued a decision on the validity of the tax liability, which was appealed by the company.

On 2 January 2023 the company received the decision of the Head of the Fiscal Administration Chamber in Wrocław of 28 December 2022 determining overdue VAT liability of Hutmen for H1 2015 in the amount of PLN 7.8 million, plus interest on outstanding tax liability. The company filed a complaint with the Provincial Administrative Court against the

above decision. On 29 February 2024, the Provincial Administrative Court revoked the appealed decision and the preceding decision of the first instance authority.

On 6 May 2024 the Head of the Fiscal Administration Chamber in Wrocław filed a cassation complaint. On 7 June 2024, the Company filed a response to the cassation complaint. Until the date of publication of the report, the NSA had not scheduled a hearing date.

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

- On 12 April 2021 the Company received a notification from the Head of Mazovian Tax and Customs Office in Warsaw on the initiation of VAT settlements audit for the period December 2015 - March 2016.

On 3 August 2022, the Company received an Audit Result following the audit of tax books, in which the Head of Mazovian Tax and Customs Office in Warsaw stated that Boryszew ERG Branch had failed to exercise due diligence in documenting transactions, which was recognised by the Authority as irregularities in the settlement of the tax on goods and services.

The Head of the Mazovian Customs and Fiscal Office in Warsaw questioned, in the Audit Result submitted to the Company, the right to apply 0% rate in intra-Community deliveries of goods to foreign entities and indicated that, given the facts, these deliveries should be taxed at 23% rate of the tax on goods and services in the period between December 2015 and March 2016 in the amount of PLN 9 817 220. According to the National Revenue Administration Boryszew S.A. also wrongfully deducted input VAT from invoices issued for the purchase of rapeseed oil, in the period December 2015 to March 2016, thereby overstating it by a total amount of PLN 12 435 798.

The total amount of the overdue 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 23 034 553, together with interest in the amount of PLN 18 964 384, 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. On 3 December 2024, the Company received a decision from the Head of the Fiscal Administration Chamber in Warsaw (appeal authority) upholding the decision of the Head of Mazowiecki Tax and Customs Office in Warsaw of 27 October 2023, determining the overdue VAT liabilities for the period December 2015 to March 2016.

The company appealed the aforementioned decision of the appeal authority to the Provincial Administrative Court in Warsaw.

On 28 May 2025, the Provincial Administrative Court in Warsaw issued a ruling revoking the appealed decision in its entirety.

In the substantiation of the decision, the Provincial Administrative Court questioned the tax authority's ability to consider transactions of intra-Community delivery of goods as domestic transactions and tax them at 23% instead of the 0% rate applied by the Company.

The judgment is not final. The parties have filed cassation complaints with the Supreme Administrative Court. The Issuer decided to correct the liability to the tax authority recognised earlier in the total amount of PLN 22.4 million (including PLN 10.6 million of other operating income) and recognise it in the financial statements for Q3 '2025

#### **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 statute 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 S.A./Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration**

- Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration (BOD) received a decision from the investment bank Investitionsbank des Landes Brandenburg (ILB) revoking the decision received in 2015 on the support of an investment involving the construction of a new production plant, due to failure to meet the condition of maintaining the investment's sustainability period, set for the period until 16 January 2026 (due to the filing of a bankruptcy petition). The amount of funding received was EUR 4 176 thousand (PLN 17 844 thousand). The decision is not yet final. BOD - after exhausting the administrative route - filed a lawsuit with VG Potsdam Administrative Court. ILB filed a claim in the amount of EUR 5 645 208.27 in the BOD's bankruptcy proceedings. In 2015 Boryszew S.A. granted a surety for BOD's obligations to ILB under the grant up to the amount of EUR 5.1 million for the life of the project, i.e. originally until 12 February 2021 (extended until January 2026). The company identifies a potential risk of ILB pursuing claims against Boryszew S.A. if the decision to revoke the subsidy is upheld. 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.

##### **Boryszew S.A.**

- 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. On 10 October 2025, the Regional Administrative Court revoked the decision of the President of the OCCP. The President of the OCCP filed a cassation appeal with the Supreme Administrative Court. No hearing date has been designated.

##### **Boryszew S.A. (cases involving the former NPA Skawina Branch):**

- 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 (in total approx.: PLN 8.12 million), filed on 17 January 2018. The case is pending.
  - the lawsuit by Boryszew S.A. for the payment of USD 0.33 million (ca. PLN 1.35 million) with incidental receivables and the amount of USD 1.34 million (ca. PLN 5.50 million) with with incidental receivables (currently the amount of USD 1.46 million, i.e. ca. PLN 5.99 million) from SILKADA LTD, Cyprus. The case concerns the collection of receivables under purchase agreements that the company then Nowoczesne Produkty Aluminiowe "Skawina" Sp. z o.o., whose legal successor is Boryszew S.A., concluded in 2009 with SH TRADE, s.r.o., Košice. It is essential to

determine whether or not payment of receivables was satisfied, following transfers to the bank account of Komerční banka Bratislava, a.s. under the registered pledge of receivables. On 17 January 2024 the court of first instance dismissed the lawsuit. SILKADA LTD appealed timely the judgement of the Kosice City Court of 17 January 2024. SILKADA LTD assigned the aforementioned receivables to OSP real, s.r.o. In July 2024 the case file was forwarded the Kosice District Court. No hearing date has yet been determined.

- lawsuit by Boryszew S.A. for payment of USD 1.46 million (PLN 5.99 million) with incidental receivables from Komerční banka, a.s., for possible unjust enrichment, conducted in the Bratislava City Court, because it was the bank account of this bank that Nowoczesne Produkty Aluminiowe "Skawina" Sp. z o.o. made transfers to in 2010 and 2011. The proceedings relate to the payment of USD 1.46 million (approx. PLN 5.99 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 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.

#### **Baterpol S.A.**

Following the investigation by the Provincial Inspectorate for Environmental Protection in Katowice, doubts were revealed in 2023 as to the proper conduct of one of the Company's waste collection contractors. The company filed a notice of possible criminal offense following the start of cooperation with the above-mentioned entity with the District Prosecutor's Office in Katowice. An indictment was filed in the case and it is pending before the court of first instance. The company is acting as an auxiliary prosecutor in the case. Notwithstanding the above, the Company filed a summons for a settlement attempt and named the aforementioned contractor as a participant in these proceedings - no settlement was reached. Given the complexity of the case, neither the direction of the ongoing proceedings nor the possible consequences, including financial consequences for the Company, can be assessed at this time.

On 7 March 2025 the Company received a notice from the Chief Inspector of Environmental Protection that administrative proceedings had been opened by the Chief Inspector of Environmental Protection regarding the illegal shipment of waste disclosed at the site of a recipient of waste produced by the Company. Due to the stage of the proceedings by the authority or the factual and legal circumstances that need to be clarified, the Company is currently unable to indicate both the directions of the proceedings by the authority and the possible consequences, including those of a financial nature, for the Company.

On 30 June 2025 the Company received a protocol of inspection carried out by the Silesian Regional Inspector of Environmental Protection in Katowice. The company disagrees with the contents and findings of the protocol, and has therefore submitted its written position on the matter.

On 10 February 2026 the Company was notified that the collection of evidence in the proceedings had been completed and had again been given a deadline to take action in the case. The Company reviewed the documentation collected by the authority and filed a letter in the case within the indicated timeframe.

On 16 April 2026 the Company received a decision from the Chief Inspector of Environmental Protection to discontinue the proceedings as without merit.

#### **Boryszew S.A.**

On 27 May 2025 the Supreme Administrative Court revoked the judgement of the Provincial Administrative Court, as well as the decision of the Kujawsko-Pomorskie Governor and the decision of the Minister of Development, Labour and Technology refusing to allow Boryszew S.A. to confirm the acquisition by operation of law of the perpetual usufruct of the land in Toruń at Bukowa street No. 20-22, Klonowa street No. 1-7, 9 and Wierzbowa street, marked in the land register as plots No. 180/1 of 0.4259 ha, No. 180/2 of 0.8166 ha, No. 189 of 0.0132 ha and No. 99 of 3.7027 ha, recorded in the land and mortgage register No. TO1T/00015747/6.

Boryszew S.A. applied for a statement of acquisition by operation of law of the perpetual usufruct of the above-mentioned land in December 2015.

The aforementioned administrative decisions refusing to confirm the acquisition of perpetual usufruct indicated that land sale agreements concluded as a notarial deed before 1 February 1989 - such as those concluded by Elana in 1977 (whose legal successor is Boryszew S.A.) - could be considered as evidence confirming the right of management to the above-mentioned property, and thus, could be the basis for the governor to issue a decision confirming the right of perpetual usufruct.

The SAC pointed out that contracts entered into in the form of a notarial deed before 1 February 1989 could provide evidence of the right of management to the property. Thus, the interpretation of the regulations by the Court of First Instance and the administrative authorities proved to be incorrect.

The governor should then issue a decision taking into consideration the conclusions of the NSA's ruling. By the date of publication of the report the decision had not been issued.

#### **Boryszew S.A. / Boryszew Maflow Spółka z o.o.**

On 19 August 2025, an automotive customer submitted to an arbitration institution, Judicial Arbitration and Mediation Services ("JAMS") a request for arbitration against Boryszew S.A. and Boryszew Maflow Sp. z o.o. for the delivery of automotive parts as per the order and specification, indicating in the request that the amount of the claims sought is USD

37 million (approx. PLN 134 million). On 25 September 2025, Boryszew S.A. and Boryszew Maflow Sp. z o.o. filed a response to the request for arbitration, in which they indicated that the plaintiff was not entitled to receive any compensation in the aforementioned proceedings. On the basis of the technical evidence gathered to date, the alleged damage is not due to a defect in the workmanship of the goods supplied.

The parties have been referred to mediation proceedings which are ongoing. The date for a possible arbitration hearing has been tentatively set for December 2026.

The company holds a relevant insurance policy that can be exercised if a potential claim materializes.

The company considers the potential risk of an outflow of funds as low and therefore no provision has been made for the risk and the company does not recognise the potential claim as a contingent liability.

#### **Boryszew S.A.**

On 16 October 2025, Boryszew S.A. filed a lawsuit with the competent commercial court in Russia to exclude Boryszew Kunststofftechnik Deutschland GmbH (BKD) in bankruptcy from Boryszew Plastics Rus LLC (BPRus), due to BKD's lack of involvement as a shareholder in the operations of BPRus and the resulting threat to the operations of this company. On 26 February 2026 the court issued a ruling excluding BKD as a shareholder. The decision is not final and can be appealed to a higher court. If the ruling becomes final, the shares belonging to BKD will be given to BPRus, which will be required to sell them within 12 months.

Boryszew SA holds 10.89% and Boryszew Kunststofftechnik Deutschland GmbH holds 89.11% of the share capital of BPRus.

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

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

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

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

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

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

The balance of provisions for all tax risks in the consolidated financial statement of Boryszew S.A. on the balance sheet date ended on 31 December 2025 is PLN 11,711 thousand (high risk), the Group does not recognise a contingent liability (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 on the Stock Exchange are recognised based on the closing price on the date ending the reporting period.
Level 2	Derivative commodity financial instruments - commodity swaps	The fair value of commodity transactions is calculated based on the prices of contracts for the timely distribution of individual metals as at valuation date and the exchange rates. Data for the valuation obtained from Reuters.
	Derivative currency financial instruments - currency forwards	The fair value of the foreign currency term symmetrical transactions was determined based on the model for the valuation of forward contracts which uses NBP rates as at the valuation date and term interest rates for individual currencies.

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

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

	Fair value as at		Hierarchy of fair value
	Balance on 31.12.2025	Balance on 31.12.2024	
<b>Financial assets</b>			
Listed shares	-	-	Level 1
Derivative financial instruments	7 743	8 718	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	13 670	1 884	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		Hierarchy of fair value
	Balance on 31.12.2025	Balance on 31.12.2024	
<b>Financial assets</b>			
Shares (*)	23 926	23 917	Level 3
Borrowings	7 542	12 173	Level 3
Trade and other receivables	504 433	579 405	Level 3
Cash and cash equivalents	159 086	208 706	Level 1
<b>Financial obligations</b>			
Borrowings and loans	819 217	775 820	Level 2
Trade and other liabilities	616 852	595 134	Level 3
Lease liabilities	40 992	45 968	Level 2
Liabilities to SMA and due to right-of-use assets	119 023	134 075	Level 2
Liabilities to SMA - investment property	61 956	62 034	Level 2

(\*) shares are presented at cost, they are not measured at fair value on an ongoing basis. No impairment occurred.

### Climate and energy transition risks and issues

Boryszew Group consciously and responsibly participates in the energy transition and considers as key both the issues of adaptation to climate change, as well as climate risk management.



The Management Board identifies and evaluates climate-related risks on an ongoing basis as part of the strategic management, each time also identifying mitigations of individual risks. These issues are described in detail in the Sustainability Report, which is part of the Report on the activities of Boryszew Capital Group.

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

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

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

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

Sustainable business development, active participation in the energy transition and consistent reduction of emissions and improvement of Boryszew Group's energy efficiency have been included in the 2025 - 2029 strategy as an important aspect of business initiatives.

### **Insurance of risks**

Boryszew S.A. and subsidiaries had insurance policies for 2025 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**

### **Ukraine**

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. Currently predicting the outcome of these talks is not possible.

Poland's location as a neighbouring 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.

### **Conclusions**

In the period up to the end of 2025 no disruptions to Boryszew S.A. operations occurred resulting from the war in Ukraine; the risks described above were mitigated by proactive measures at the operational level and decisions of the Parent Company's Management Board. In addition, companies of Boryszew Capital Group participate in the energy transition, which enables greater independence and lower prices for energy raw materials.

In 2026 we do not expect significant disruptions due to the situation in the Middle East.

Spending on the defence 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 defence capabilities and the investment in Shield East and the development of the Narew program.

Boryszew Capital Group, during the revision of the Strategy for 2025-2029, in reference to the development of the arms industry sector in Poland, indicated the development of a special production offer, currently being implemented by concluding a conditional agreement with the Air Force Institute of Technology, launching cooperation in the special purpose vehicle Hornet – Polskie Drony spółka z o.o. in the production of unmanned aerial weapon systems.

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 Parent Company's 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

### Selected accounting principles

#### Contingent liabilities

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%. This category includes contingent receivables from CO2 emission rights.

### CONTINGENT RECEIVABLES

#### CO2 emission rights - EUA units

Information on the allocation of free emission rights

- Under Art. 4(1) of Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances under Art. 10a of Directive 2003/87/EC (OJ UE L 59 of 27.02.2019, p. 8), Alchemia S.A. and Huta Bankowa Sp. z o.o. applied to the National Centre for Emissions Management for free emission rights for the period between 1 January 2021 and 31 December 2025.
- Rights were allocated based on the "Report on basic data for the 4th EU ETS period", covering data on the level of operation of installations as well as CO<sub>2</sub> emissions for 2014-2018. The report was verified independently by BSI Group Poland Sp. z o.o.. Allocation takes place upon assessment of the report by the National Centre for Emissions Management and approved at the European Union level, in particular by the European Commission.
- Under Art. 64b(6) of the Act of 15 April 2021 on greenhouse gases emissions trading system, the National Centre for Emissions Management 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 is published in the Public Information Bulletin on the website of the office of the Minister.

Contingent items	Balance on 31.12.2025	Balance on 31.12.2024	change
Contingent assets/ CO2 emission rights	16 139	20 333	(4 194)

The decrease in contingent assets as at 31.12.2025 against 2024 is due to remeasurement on the reporting date, disposal of emission rights held, redemption of emission for 2024 and allocation of allowances for 2025. The market value of CO2 emission rights held as at 31.12.2025 is PLN 16.14 million [44 541 units x EUR 85.73 (average quote for CO2 emission futures) x 4.2267 (average NBP exchange rate as at 31.12.2025)]

The fair value of EUA units received free of charge (remaining as of the reporting date) as at the acquisition date is PLN 13.2 million.

## CONTINGENT LIABILITIES

### Guarantees and sureties as at 31.12.2025

Entity to which surety was granted or guarantee	Entity on whose behalf the surety was granted or guarantee	Value of surety	Expiry date of surety
AB Volvo	MAFMEX S. de R.L. de C.V.	21 134	term of the agreement
BMW AG	Maflow Components (Dalian) Co. Ltd.	25 360	contract period + 15 years
	MAFMEX S. de R.L. de C.V.	25 360	contract period + 15 years
Investitionsbank des Landes Brandenburg	Boryszew Oberflächentechnik Deutschland GmbH	21 185	until the expiry of the obligation
PKO Leasing	"onesano" S.A.	457	23.09.2028
Innova Dintel	MAFMEX S. de R.L. de C.V.	9 194	30.06.2030
<b>Total</b>		<b>102 690</b>	

### Guarantees and sureties as at 31.12.2024

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

Contingent items	Balance on 31.12.2025	Balance on 31.12.2024	change
<b>Contingent liabilities</b>	<b>102 690</b>	<b>106 283</b>	<b>(3 593)</b>
<b>resulting from granted guarantees, sureties and other liabilities</b>	<b>102 690</b>	<b>106 283</b>	<b>(3 593)</b>
- guarantees and sureties associated with performance of contracts	81 048	84 866	(3 818)
- guarantees and sureties in favour of financial institutions	21 642	21 417	225
<b>Increases / decreases in the period of 12 months ended on 31.12.2025, including:</b>			<b>(3 593)</b>
<b>Additions</b>			<b>457</b>
- Increase due to valuation of sureties			-
- Increase in surety amount			457
<b>Reductions</b>			<b>(4 050)</b>
- Reduction due to valuation of sureties			(1 019)
- Decrease in the amount of existing sureties due to expiration, reduction			(3 031)

The decrease in the value of sureties granted was mainly due to a reduction in the value of the guarantee granted to Mafmex S. de R.L. de C.V. for liabilities to Innova Dintel (PLN 3.0 million) and the granting of a surety to PKO Leasing for liabilities to "onesano" S.A. (PLN 0.4 million), with the change in the value of the other sureties mainly due to exchange rate differences.

(amounts expressed in PLN '000 unless specified otherwise)

	Balance on 31.12.2025	Balance on 31.12.2024
Guarantees and sureties for repayment of financial liabilities granted to subsidiaries and jointly-controlled companies	102 690	106 283
Liability for tax risks on proceedings in Silesia S.A.	-	171 954
Potential liability under concluded contract	14 793	14 956
	<b>117 483</b>	<b>293 193</b>

### 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

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Revenues from sales (of products, services, goods)	7 499	6 274
Interest income	-	34
Other revenue	5	-
Purchase of goods and services	6 762	7 472
Share acquisition	1 620	932
Other transactions	1 568	561

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Trade receivables	768	556
Trade liabilities	2 484	739

<b>Remuneration of Management Board and Supervisory Board</b>	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Remuneration of the Management Board for the Parent Company	4 683	4 757
Remuneration for the Supervisory Board of the Parent Company	546	532

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 2025.

### 37. REMUNERATION OF THE AUDITOR

According to the Agreement, the amount of remuneration for audit services for 2025 of the key auditor is as follows:

Activity (net amount)	year 2025	year 2024
Remuneration for the review of separate financial statements as at 30.06.2025/30.06.2024.	PLN 83 000	PLN 79 094
Remuneration for the review of consolidated financial statements as at 30.06.2025/30.06.2024.	115 750 zł	116 270 zł
Remuneration for the audit of separate financial statements as at 31.12.2025/31.12.2024.	PLN 183 500	174 898 zł
Remuneration for the audit of consolidated financial statements as at 31.12.2025/31.12.2024, including the assessment of the conformity of the annual financial statements and the annual consolidated financial statements as at 31.12.2025/31.12.2024 in the European Single Electronic Format (ESEF/XBRL format).	PLN 208 200	PLN 217 172
<b>Total</b>	<b>PLN 590 450</b>	<b>PLN 587 434</b>

Remuneration for non-research services	year 2025	year 2024
Evaluation of the report on remuneration of the Management Board and Supervisory Board of Boryszew S.A.	PLN 14 500	PLN 14 482

#### Auditor's fees for audit services to subsidiaries:

Audit activities	year 2025	year 2024
Attestation service for Group sustainability reporting	150 000 zł	PLN 166 500
Cost of audit services provided to the parent company and Group companies	PLN 872 010	989 623 zł

Total value of all audit services	year 2025	year 2024
Audit services provided to the parent company and Group companies	1 626 960 zł	1 758 039 zł

The auditor was selected by the Supervisory Board in accordance with the Company's Articles of Association. The company used the services of the aforementioned auditor for the audit and review of financial statements for 2018-2021, with further contracts in place for 2022-2024 and 2025-2027.

### 38. EMPLOYMENT

	Balance on 31.12.2025	Balance on 31.12.2024
<b>Employment structure (in full-time equivalents)</b>		
Blue-collar workers	4 816	5 725
White-collar workers	1 329	1 555
<b>Total</b>	<b>6 145</b>	<b>7 280</b>



## 39. SIGNIFICANT EVENTS

### Boryszew S.A.

#### Adoption of the revision of Boryszew Capital Group Strategy

Following the resolution of the Supervisory Board of Boryszew S.A. of 23 June 2025 on approval of the "Business Strategy for Boryszew Group for 2025–2029" (Strategy), the Company adopted the development strategy of Boryszew Capital Group until 2029, which is a revision of the 2024–2028 business strategy of Boryszew Group" adopted by the Company in April 2024.

The strategy assumes, among other things:

1. maintaining a high growth rate of year-on-year EBITDA (operating profit plus depreciation and amortisation) in 2025-2029, and reaching an EBITDA level of app. PLN 570 million in 2029.
2. growth rate of revenue over the Strategy period at a level of 4 - 13%, which is associated with the planned development of new segments and the commercialisation of investments currently in progress.

According to the Strategy, Boryszew Group strives to become a strong leader in global Automotive and Metals sectors and to develop the Energy and Waste Recycling sector (Circular Economy) with an innovative product offering and a diversified customer base. The main assumptions of Strategy include:

1. implementing innovative production processes and optimising them at the same time, as well as increasing production capacity through, among other things, production consolidation;
2. segment, product and geographic diversification;
3. utilising the potential of local markets (including a focus on local suppliers and customers), significant business growth in India and Brazil;
4. development of a new business line – special production;
5. increasing capacity for hazardous waste and upgrading infrastructure;
6. constructing 3 energy storage facilities and development of a strategic customer portfolio;
7. in the Automotive segment: implementation of MES, ML, AI technologies; vertical integration – sensor production, capacity expansion in China, automation and digitalisation of current production lines and industrial processes, regionalisation of rubber hose production, segment strategy: SpeedUp Mafrow;
8. in the Metals segment: increase in wire production capacity and introduction of higher value-added products, expansion of production capacity and offer of brass and copper alloy products, expanding the "EG Brass DG" offer, development and "greening" Huta Oława offer, special production;
9. in the Energy segment: constructing photovoltaic plants, constructing electricity storage facilities, investment in green assets;
10. in the Circular Economy segment: increasing the capacity of hazardous waste thermal treatment facilities, constructing new thermal treatment facilities.

In terms of climate risks and adaptation to climate change, Boryszew Capital Group will continue to actively participate in both the development of electromobility and the energy transition, will establish emission reduction targets and continue to invest in the implementation of circular economy and participate in market protection instruments.

The updated Strategy is a response to the rapidly changing market environment and the challenges of the energy transition. The strategy extends the time horizon of the outlined strategic goals indicated in "Business Strategy for the Boryszew Group for 2024-2028" adopted by the Company in April 2024, sets new goals and the dynamics of achieving them, so formally the Strategy replaces the aforementioned document.

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

The adopted Strategy is currently being implemented. Due to macroeconomic conditions (including lower economic growth) and competition from the Far East as well as the postponement of asset sales in the Steel segment, the Group's results are below plans. However, the introduction of indirect duties (CBAMs) and quotas on steel should enable reverting to the assumptions made in the strategy.

The Company does not see any threats to the implementation of the Strategy in the assumed time horizon until 2029.



### **Selection of an auditor to audit the financial statements of Boryszew S.A. and attest sustainability reporting for 2025 - 2027**

On 10 June 2025 the Supervisory Board, acting under § 15 of the Articles of Association of Boryszew S.A. appointed BDO Spółka z ograniczoną odpowiedzialnością sp. k. with registered office in Warsaw to:

- conduct review of separate interim financial statements of Boryszew S.A. drafted in accordance with the International Financial Reporting Standards and regulations on public trading in securities for the periods of 6 months ended 30 June 2025, 30 June 2026 and 30 June 2027,
- conduct review of consolidated financial statements of Boryszew Capital Group drafted in accordance with the International Financial Reporting Standards and regulations on public trading in securities for the periods of 6 months ended 30 June 2025, 30 June 2026 and 30 June 2027, respectively,
- conduct audit of separate annual financial statements of Boryszew S.A. drafted in accordance with the International Financial Reporting Standards and regulations on public trading in securities for the periods ending on 31 December 2025 - 2027.
- conduct audit of the annual consolidated financial statements of Boryszew Capital Group drafted in accordance with the International Financial Reporting Standards and regulations on public trading in securities for the periods ending on 31 December 2025 - 2027.

On 7 July 2025 the Supervisory Board, acting under § 15 of the Articles of Association of Boryszew S.A. appointed BDO Spółka z ograniczoną odpowiedzialnością sp. k. with registered office in Warsaw to attest the sustainability reporting of the Company and Boryszew Capital Group for the periods ending 31 December in 2025 - 2027.

### **Conclusion of cooperation agreement**

On 17 October 2025, Boryszew S.A. and the Air Force Institute of Technology (ITWL) signed a cooperation agreement, based on which the Issuer will provide financing to the extent necessary to commission and cover the costs of research and development work and the implementation of the BPSU trial batch, as well as lease to the special-purpose vehicle an industrial site for production in Boryszew ERG Branch in Sochaczew.

The detailed rules of cooperation, including the mutual obligations of the parties regarding the target production of BPSU will be included in a separate investment agreement, with ITWL planning to make a contribution to the SPV in the form of know-how involving the production of BPSU, and the Issuer planning to provide financing for the company's operations and support based on the existing infrastructure of Boryszew ERG Branch.

On 28 November 2025, the President of the Office of Competition and Consumer Protection approved the formation of a joint venture by the Issuer and ITWL. The joint venture will be formed on the basis of an existing company, i.e. Hornet - Polskie Drony sp. z o.o., based in Warsaw, and will be involved in the production of unmanned aerial weapon systems. Hornet – Polskie Drony Spółka z o.o. is scheduled to launch operations in the second quarter of 2026.

### **Decision on collective redundancies**

In 2025 the Management Board of Boryszew S.A. made a decision to conduct collective redundancies based on the Act of 13 March 2003 on specific rules applying to termination of employment contracts for reasons not due to the employees ("Act") in Boryszew S.A. Maflow Branch in Tychy. Given the planned reorganisation of the business of Boryszew S.A. Maflow Branch in Tychy, involving optimisation of processes and consolidation of production facilities, actions were undertaken in order to adapt the organisational structure to the present needs of Maflow Group, including through a gradual extinguishing of production in Chelmek 1 Plant. As a consequence of the above, a decision was made to conduct group layoffs relating in particular to Chelmek 1 Plant. The employer, Boryszew S.A. Maflow Branch in Tychy, has established regulations for group layoffs on 4 June 2025 and 30 June 2025, respectively.

The projects implemented as for now in Chelmek 1 plant will be transferred to facilities in Tychy and Toruń.

Group layoffs will be completed by 31 December 2026. If employees accept job offers at other facilities of the Group, the layoffs will involve no more than 273 employees in different occupational groups and will apply in particular to the reorganised Chelmek 1 facility. In the absence of acceptance of proposals to continue employment at other facilities, more employees will have to be laid off and, consequently, the number of people mentioned above may increase to some 50 employees. Where possible, employees of the reorganised facility will be offered jobs in other areas of the company. The Parent Company's Management Board believes that the maximum amount of severance payments for employees made redundant will amount to some PLN 6 million, the amount of severance payments for employees made redundant in 2026 depends on the extent to which the circumstances described above materialise. Accordingly, the Company will recognise severance payments when they are actually paid.

### **Boryszew Capital Group**

#### **Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy**

On 3 March 2025 the Management Board of indirect subsidiary of Boryszew S.A., Boryszew Oberflächentechnik Deutschland GmbH (BKD) in bankruptcy filed a petition with competent court to announce bankruptcy of this company. According to the proposal, the petition is for ordinary bankruptcy, in accordance with German bankruptcy law.

The aforementioned decision results from the deteriorating situation in the execution of existing contracts (decline in volumes) which caused major decrease of sales and a reduction in new orders from major customers. An additional factor negatively affecting the situation of the aforementioned entity 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 the potential of achieving self-financing of the business by BKD in a reasonable time perspective.

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

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

Considering the above, the Management Board of Boryszew S.A. decided to deconsolidate Boryszew Kunststofftechnik Deutschland GmbH in bankruptcy, Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration, Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration and Boryszew Plastic Rus Spółka z o.o.

On 1 May 2025, the German bankruptcy court based in Stendal declared the opening of the bankruptcy of Boryszew Kunststofftechnik Deutschland GmbH (BKD) and appointed a receiver. The company's existing Management Board, upon the opening of bankruptcy, was no longer able to manage and dispose of BKD's assets, including shares in subsidiaries.

Considering the above, the Management Board of Boryszew S.A. decided to exclude BKD and BKD's the following subsidiaries from consolidation as of 1 May 2025: Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration, Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration, and Boryszew Plastic Rus Spółka z o.o.

The exclusion of the aforementioned companies from consolidation as of 30 April 2025 led to a decrease in the consolidated financial result of Boryszew Capital Group in 2025 as described in point 1 on page 13 of this report.

#### **Alchemia S.A.**

##### **Rurexpol branch with headquarters in Częstochowa**

On 25 August 2025, the Management Board of Alchemia SA, a subsidiary with registered office in Warsaw ("Alchemia"), signed a letter of intent with a foreign entity ("Purchaser") concerning the sale of an organised part of an enterprise (OPE) i.e. Rurexpol Branch with registered office in Częstochowa, which includes real estate, movable property (including machinery and equipment), certificates, concessions, licenses and permits, intellectual property rights, inventories of spare parts, documents on business operations, in particular, technical and process as well as service documentation of a set of equipment, part of OPE process line for an assumed sale price of PLN 71.5 million net (\$19.5 million). OPE is in liquidation and has no production operations. The Purchaser will conduct a detailed, end-to-end due diligence of the OPE before concluding the sale agreement.

On 24 October 2025 the Management Board of Alchemia S.A., following the failure to conclude an OPE sales agreement (or preliminary OPE sales agreement) by the date originally agreed between the parties, i.e. 15 October 2025, submitted a statement declaring the letter of intent to be ineffective. Due to the ineffectiveness of the letter of intent, neither party has any claims against the other party. Notwithstanding the above, the parties intend to continue discussions regarding the potential sale of OPE. Alchemia S.A. is planning to dispose of assets in 2026.

##### **Walcownia Rur Andrzej Branch with registered seat in Zawadzkie**

On 27 August 2025, the Management Board of Alchemia S.A., based in Warsaw, concluded a preliminary agreement to sell Alchemia's real estate and movables, located in Zawadzkie, belonging to Walcownia Rur Andrzej Branch, surface area of approx. 25.7 hectares, for a net price of PLN 42 million. The final agreement is scheduled to be concluded by 30 November 2025.

On 9 October 2025 the Management Board of Alchemia S.A. decided to withdraw from the preliminary agreement for the sale of the above-mentioned real estate and also the ownership of movable property. The reason for the withdrawal was the purchaser's failure to secure funds for the contract.

On 2 March 2026 the Management Board of Alchemia S.A., a subsidiary based in Warsaw, concluded a final agreement for the sale of the right of perpetual usufruct of movable and immovable property, surface area approximately 25.7 ha located in Zawadzkie, owned by Walcownia Rur Andrzej Branch, for a total net price of PLN 43.0 million. The sale included all the assets remaining in the liquidated Branch.

The right of perpetual usufruct of the real estate along with the ownership of the buildings located on it is transferred to the purchaser as of the date of entries in the land and mortgage registers, with such entries having retroactive effect from the date of conclusion of the final agreement.



### **Maflow Group**

In 2025 the reorganisation of production processes and consolidation of production facilities continued in the operations of Boryszew S.A. Maflow Branch in Tychy. This included the gradual phasing out of the production activities of Zakład Chelmek 1, which required adapting organisational structures to changing production needs and cost optimisation of the Maflow Group.

In September 2025, Boryszew S.A. joined, on a joint and several liability basis, the investment loan agreement with BNP Paribas Bank Polska S.A. This loan was originally granted to Boryszew Maflow Sp. z o.o. and Mafmex S. de R.L. de C.V. for financing the e-cars project and guaranteed by Boryszew SA.

The total amount of the acquired liability after conversion to EUR was EUR 10 744 053.10 (approx. PLN 45.99 million).

In the reporting period no other events occurred than described that would be significant for the assessment of human resources, property, financial standing, financial result and the Capital Group's ability to meet its obligations.

### **REAL ESTATE TRANSACTIONS**

#### **Boryszew Nieruchomości Spółka z o.o.**

On 19 June 2023 Boryszew Nieruchomości Spółka z o.o. signed a preliminary agreement with Boryszew S.A. for the acquisition of real estate at M. Skłodowska-Curie street No. 73 in Toruń, for a net price of PLN 50 000 000.00. Part of the price in the amount of PLN 25 000 000.00 was paid on 16 June 2023. The second tranche of PLN 10 000 000.00 was paid on 14 June 2024. The third tranche of PLN 10 000 000.00 was paid on 17 June 2025.

On 24 September 2025, Boryszew Nieruchomości Sp. z o.o. and Boryszew S.A. decided to conclude an Agreement on termination of the preliminary sales agreement; the down payments were reclassified as a loan in the amount of PLN 45 000 000.00.

On 28 January 2025, Boryszew Nieruchomości Spółka z o.o. purchased from Boryszew S.A. real estate located in Konin district for the net amount of PLN 833 361.00.

On 5 February 2025, Boryszew Nieruchomości Spółka z o.o. acquired real estate located in Toruń for the net amount of PLN 2 600 000.00.

On 27 November 2025, Boryszew Nieruchomości Spółka z o.o. acquired real estate in the Konin district from Boryszew S.A. for the net amount of PLN 974 975.00.

#### **BORYSZEW ERG BRANCH OF BORYSZEW S.A. IN SOCHACZEW**

On 27 November 2025 Boryszew ERG Branch sold land of a total surface area of 0.5892 ha and shares in roads for a total net price of PLN 4 267 288.00.

On 26 February 2026, the Boryszew ERG Branch sold land of a total surface area of 0.2393 ha and shares in roads for a total net price of PLN 850 000.

In 2025 and until the date of publication of the report, Boryszew S.A. acquired or disposed of no other significant real estate.



## **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 up to 15 800 tonnes.

The implementation of the additional thermal treatment line will improve the environment through the 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.

In January 2026 ZUO obtained the final decision of the Mayor of the city of Konin on the approval of the construction project for the investment "Construction of a new thermal waste conversion facility," planned for implementation in Konin. The construction of a thermal waste conversion facility is one of the elements of the Boryszew Group's Business Strategy for 2025 - 2029. The facility under construction is scheduled to be operational by the end of 2028.

### **Boryszew Nieruchomości Spółka z o.o.**

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

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

The capacity of the processing line in the new plant will be sufficient to process more than 23 thousand 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.

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.

In 2025 the Company obtained a final decision on the construction permit for the thermal transformation facility. It is currently in the process of selecting a contractor on the basis of specifications.

### **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.**

NPA Skawina is pursuing further development the production of overhead conductors due to planned investments and modernisations of the power grid in many European countries (Poland, Germany, Austria). These operations are related to the development and implementation of overhead conductors and the certification of NPA Skawina Sp. z o.o. as a qualified supplier to transmission and distribution system operators. Owing to these measures the Company will be able to participate in public tenders, especially long-term tenders (so-called framework agreements). 2025 marked the start of work on product certification with operators from countries such as Germany, Austria and Sweden. The positive results of these activities are the reason for the decision and further investment in capacity development - the development of the wire division.

### **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 12.3 million.

The company is mainly focused on the possibility of expanding its product portfolio to include lead-free alloys. The introduction of the new grades is intended to better tailor the offer to the needs of customers, to meet increasing



environmental requirements and to improve the Company's competitiveness in the domestic and overseas markets. The development of this product is the most important element of assortment diversification.

In addition, the company also places great emphasis on consistently increasing the share of brass tubes in the sales structure, i.e. technologically more processed and thus higher-margin products.

No other material events took place after the balance sheet date.

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

##### **Selected accounting principles**

Events after the balance sheet date that do not require adjustment if they are material are disclosed by the Group in the following note, together with the nature of the event and its financial effect or a statement that such effect is impossible or unreliable to determine.

##### **Zakład Utylizacji Odpadów Spółka z o.o.**

In January 2026 ZUO obtained the final decision of the Mayor of the city of Konin on the approval of the construction project for the investment "Construction of a new thermal waste conversion facility," planned for implementation in Konin.

##### **Walcownia Rur Andrzej Branch with registered seat in Zawadzkie**

On 2 March 2026 the Management Board of Alchemia S.A., a subsidiary based in Warsaw, concluded a final agreement for the sale of the right of perpetual usufruct of movable and immovable property, surface area approximately 25.7 ha located in Zawadzkie, owned by Walcownia Rur Andrzej Branch, for a total net price of PLN 43.0 million.

The right of perpetual usufruct of the real estate along with the ownership of the buildings located on it is transferred to the purchaser as of the date of entries in the land and mortgage registers, with such entries having retroactive effect from the date of conclusion of the final agreement.

##### **Impact of war in the Middle East on situation of Boryszew Capital Group**

The attack by the United States and Israel on Iran launched on 28 February 2026 and the general situation in the Middle East as well as the resulting consequences may have a potential impact on the situation of Boryszew S.A. due to possible increases in the prices of energy carriers, including gas.

However, Boryszew Capital Group actively pursues a hedging policy and for companies with high gas consumption, supplies for 2026 have been in part secured (contracted levels vary from company to company).

Given the current geopolitical situation, the Management Board of Boryszew S.A. in its assessment does not expect any significant impact on the activities of the Group Companies. Depending on changes in the current situation, the Board's assessment may change.

#### **41. STATEMENT BY THE MANAGEMENT BOARD**

The report presents the situation of Boryszew Capital Group for the period between 1 January 2025 and 31 December 2025, 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 22 April 2026.

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 22 April 2026 and presents the situation of the Group pursuant to the legal requirements for the period between 1 January 2025 and 31 December 2025, 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 - Member of the Management Board -----

Maciej Korniluk - Member of the Management Board -----

Radosław Szorc - Chief Financial Officer -----

Agata Kęszczyk-Grabowska - Chief Accountant -----