mcr Group

Management Report on the operations of mcr S.A. and the mcr Group in the financial year from 1 April 2025 to 31 March 2026

Gdańsk, 10 July 2026

Contents

Letter from the President of the Management Board

I am pleased to present the Management Report of the mcr Group for the financial year 2025/2026.

The year was marked by the implementation of decisions of strategic importance. We completed the process, initiated two years earlier, to dispose of our Mechanical Smoke Ventilation and Natural Smoke Ventilation businesses. The transaction was completed on 1 October 2025.

This was the second disposal of a substantial, separately identifiable business in the Company's history. In 2013, we sold our fire doors and shutters business. This time, the transaction involved our mechanical and natural smoke ventilation operations.

We believe that this is the right model for the Group. Dividends, or share buybacks followed by cancellation, materially improve shareholders' long-term returns.

Moreover, continuing to operate a business in which the Group already holds a very substantial market share exposes it to market volatility, legislative change, substitute products and challenges from global players. In such circumstances, we believe that the better course is to realise the value of the existing business and invest in the development of new, technologically advanced operations, while retaining our strategic focus on fire protection.

1. Shareholders

The sale of the natural and mechanical smoke ventilation businesses to the Kingspan Group is expected to generate proceeds of up to PLN 420 million. Of this amount, PLN 330 million has already been received, while up to PLN 90 million remains payable as deferred consideration, subject to the achievement of specified consolidated EBITDA thresholds by 31 March 2026. Final settlement is expected in September 2026. The Management Board intends to recommend the payment of a dividend from the proceeds of the transaction.

The largest portion of the proceeds was allocated to the share buyback completed in January 2026, conducted by way of a tender offer. The Company acquired a total of 6.28 million shares, intended for cancellation, at a price of PLN 21.50 per share, for an aggregate consideration of nearly PLN 135 million.

A further approximately PLN 90 million was used to repay debt.

2. Business model

The transaction with the Kingspan Group also included the sale of the Mercor brand. As a consequence, the Company changed its name to mcr and adopted a new tagline: "TECHNOLOGIES FOR A SAFER TOMORROW".

The mcr Group operates a proven business model founded on high-quality specialist and engineering expertise across both passive and active fire protection.

The principal change is the extension of the Group's operations into active fire protection systems. The Company can already point to reference installations of water mist and sprinkler systems for recognised clients. We see considerable potential in this market.

3. Market

The construction market has yet to experience the recovery that was expected to result from the deployment of EU funds. At the same time, we are seeing a marked slowdown in the construction of single-volume buildings, including warehouses and production facilities. The number of new office developments has also declined.

4. Performance

In the financial year 2025/2026, the Group generated revenue of PLN 181.2 million and reported a net loss of PLN 10 million.

It should be emphasised that the results for the year partly reflect the transitional stage through which the Group is currently progressing. They include the effects of the disposal and associated transaction costs of approximately PLN 14 million.

Revenue generated in the Polish market amounted to PLN 94.7 million, representing 52.3% of the Group's total revenue. Revenue from international markets amounted to PLN 86.5 million, or 47.7% of the total.

5. Solutions

We expect the building safety sector to follow the broader global trend towards digital transformation.

In our view, the future of the industry lies in prevention increasingly supported by electronic systems, advanced data analytics and intelligent networks.

Fire protection equipment will become progressively more integrated with the Internet of Things (IoT) and with overarching building management platforms, including PSIM and BMS systems. Individual fire protection components will need to communicate continuously with a building's digital infrastructure, automating emergency procedures and anticipating potential failures.
Under its updated mission, mcr S.A. regards this technological evolution as both an absolute strategic priority and a significant opportunity. It is the essence of our new tagline: "TECHNOLOGIES FOR A SAFER TOMORROW."

The mcr Group is currently focused on developing solutions in the following areas:

- structural fire protection,
- fire compartmentation products,
- active fire suppression (fixed water-based firefighting systems) – a product line initiated in the past financial year,

– and on bringing Industry 4.0 technologies into these products —
– our subsidiaries mcr Tech Lab and Ela-compil are developing innovative BMS/PSIM systems.

6. Structure

Following completion of the transaction with Kingspan, the Group employs approximately 350 people. The Group conducts manufacturing operations in Poland, Spain, Hungary and Russia. Despite holding a 55% interest in the Russian operation, the Group does not exercise control over it owing to the geopolitical situation. The investment is therefore accounted for using the equity method rather than being fully consolidated.

7. Debt

At the end of the financial year, consolidated bank and other borrowings amounted to PLN 23.6 million, or PLN 33.4 million including lease liabilities.

It should be recalled that approximately PLN 90 million of the proceeds from the disposal to the Kingspan Group was used to repay debt.

At the same time, the Group's leverage ratio was affected by an increase in lease liabilities relating to the new office and its IT infrastructure, as well as by an investment loan at Dunamenti.

8. People

The mcr Group's strength continues to lie in its highly qualified workforce. We support the development of our people's capabilities and build the flexibility of our team in a rapidly changing market environment. We continue to seek and welcome young engineers across the broad field of fire protection.

9. Overall assessment

The financial year 2025/2026 was marked by action of strategic importance. Significant challenges remain ahead of us. Some arise from changes in the external environment, while others are a natural consequence of the disposal of a substantial part of the Group's operations.

Yours faithfully,

Krzysztof Krempeć

President of the Management Board of mcr S.A.

Financial highlights

Consolidated financial highlights

Financial highlights	PLN '000		EUR '000	
	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
Revenue from continuing operations	181,159	163,719	42,611	38,341
Operating profit/(loss) from continuing operations	(16,061)	(562)	(3,778)	(132)
Profit/(loss) before tax from continuing operations	(12,735)	4,181	(2,995)	979
Net profit/(loss) from continuing operations	(10,029)	3,200	(2,359)	750
Net profit/(loss) from discontinued operations	232,343	13,358	54,650	3,128
Net profit/(loss)	222,314	16,558	52,291	3,878
Net profit/(loss) attributable to owners of the parent	221,671	16,148	52,139	3,782
Net cash flows from operating activities of continuing operations	34,932	6,793	8,216	1,591
Net cash flows from investing activities of continuing operations	(39,703)	(20,977)	(9,339)	(4,913)
Net cash flows from financing activities of continuing operations	(229,427)	52,979	(53,963)	12,407
Net cash flows from continuing operations	(234,198)	38,795	(55,086)	9,085
Net cash flows from discontinued operations	273,544	(34,496)	64,341	(8,078)
Total net cash flows	39,346	4,299	9,255	1,007
Total assets	382,708	404,905	89,222	96,777
Non-current liabilities	39,706	93,041	9,257	22,238
Current liabilities	55,011	93,314	12,825	22,303
Equity	287,991	218,550	67,140	52,236
Share capital	3,830	3,892	893	930
Equity attributable to owners of the parent	282,682	216,354	65,902	51,711
Number of shares	9,020,433	15,444,769	9,020,433	15,444,769
Earnings/(loss) per share from continuing operations	(1.18)	0.18	(0.28)	0.04
Earnings/(loss) per share from discontinued operations	25.76	0.87	6.06	0.20
Earnings/(loss) per share	24.58	1.05	5.78	0.24
Book value per share	31.34	14.01	7.31	3.35

Separate financial highlights

Financial highlights	PLN '000		EUR '000	
	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
Revenue from continuing operations	23,022	19,236	5,415	4,505
Operating profit/(loss) from continuing operations	(24,578)	(11,941)	(5,781)	(2,796)
Profit/(loss) before tax from continuing operations	284,267	(9,535)	66,863	(2,233)
Net profit/(loss) from continuing operations	241,843	(8,088)	56,884	(1,894)
Net profit/(loss) from discontinued operations	(16,758)	7,594	(3,942)	1,778
Net profit/(loss)	225,085	(494)	52,942	(116)
Net cash flows from operating activities of continuing operations	(110,849)	(17,210)	(26,073)	(4,030)
Net cash flows from investing activities of continuing operations	424,694	(248)	99,893	(59)
Net cash flows from financing activities of continuing operations	(250,853)	(15,510)	(59,003)	(3,632)
Net cash flows from continuing operations	62,992	(32,968)	14,816	(7,721)
Net cash flows from discontinued operations	(23,100)	33,478	(5,433)	7,840
Total net cash flows	39,892	510	9,383	119
Total assets	264,071	298,736	61,564	71,401
Non-current liabilities	19,806	90,392	4,617	21,604
Current liabilities	24,609	52,453	5,806	12,537
Equity	219,656	155,891	51,209	37,260
Share capital	3,830	3,892	893	930
Number of shares	9,020,433	15,444,769	9,020,433	15,444,769
Earnings/(loss) per share from continuing operations	26.81	(0.52)	6.31	(0.12)
Earnings/(loss) per share from discontinued operations	(1.86)	0.49	(0.44)	0.11
Earnings/(loss) per share	24.95	(0.03)	5.87	(0.01)
Book value per share	24.35	10.09	5.68	2.41

Items in the statement of financial position were translated into euro at the average exchange rates published by the National Bank of Poland as at the respective reporting dates: PLN 4.2894 to EUR 1 as at 31 March 2026 and PLN 4.1839 to EUR 1 as at 31 March 2025.

Items in the statement of comprehensive income, the statement of changes in equity and the statement of cash flows were translated into euro at exchange rates representing the arithmetic mean of the average exchange rates published by the National Bank of Poland on the last day of each month in the respective reporting period: PLN 4.2515 to EUR 1 for the period from 1 April 2025 to 31 March 2026 and PLN 4.2701 to EUR 1 for the period from 1 April 2024 to 31 March 2025.

Management Report on the operations of the mcr Group

General information on the Company and the Group

mcr S.A., formerly MERCOR S.A. (the "Company" or the "Parent"), has operated in the form of a joint-stock company since 21 September 2004. Before that date, the Company operated as a limited liability company under the name Przedsiębiorstwo Usługowo-Handlowe MERCOR sp. z o.o. The Company has operated under the name mcr S.A. since 20 November 2025. mcr S.A. is the Parent of the mcr Group.

The Company's registered office is located at ul. Juliusza Słowackiego 224, Gdańsk, Poland. The change of registered office address was entered in the register in October 2025. The Company's previous registered office address was ul. Grzegorza z Sanoka 2, Gdańsk, Poland. The Company operates from its registered office and through sales offices and a manufacturing facility, none of which constitutes a separately reporting or self-accounting unit. The Company is entered in the register of entrepreneurs of the National Court Register maintained by the District Court for Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register, under KRS No. 0000217729.

Following the disposal, on 1 October 2025, of the businesses comprising smoke and heat control systems, roof-light systems and mechanical smoke ventilation systems, the Company and the Group focused their operations on:

- ✓ the manufacture of fire compartmentation products;
- ✓ the manufacture and sale of structural fire protection;
- ✓ the provision of active fire suppression solutions using fixed water-based firefighting systems; and
- ✓ the provision of safety solutions based on Internet of Things (IoT) technologies, wireless communications and advanced building management systems.

The Group's portfolio will also include industrial energy storage systems for manufacturing facilities and critical infrastructure.

A team of experienced engineers and technicians supports customers at every stage, from initial concept through to maintenance and servicing.

The Group's objective has always been, and remains, to provide safety.

Subsidiaries

As at 31 March 2026, the following entities were consolidated:

Entities consolidated using the full consolidation method:

- ✓ MCR TECRESA S.L. of Madrid (Spain)
- ✓ MCR Dunamenti Zrt of Sződ (Hungary)
- ✓ Dunamenti CZ s.r.o. of Prague (Czech Republic) (subsidiary of MCR Dunamenti Zrt)
- ✓ Dunamenti s.r.o. of Kolárovo (Slovakia) (subsidiary of MCR Dunamenti Zrt)
- ✓ DFM DOORS sp. z o.o. of Gdańsk (Poland)
- ✓ MCR SOL ENERGY sp. z o.o. of Gdańsk (Poland)
- ✓ MCR TECH LAB sp. z o.o. of Gdańsk (Poland)
- ✓ Ela-compil sp. z o.o. of Poznań (Poland)
- ✓ mcr Silboard sp. z o.o. of Gdańsk (Poland)
- ✓ MHD1 sp. z o.o. of Gdańsk (Poland)
- ✓ mcr HD sp. z o.o. of Gdańsk (Poland)
- ✓ MCR IsoProtec sp. z o.o. of Gdańsk (Poland)

Entities accounted for using the equity method:

- ✓ Elmech-ASE S.A. of Pruszcz Gdański (Poland)
- ✓ OOO Mercor-PROOF of Moscow (Russia)
- ✓ MKRP Systems Unitary Production Enterprise of Minsk (Belarus) (subsidiary of OOO Mercor-PROOF)
- ✓ TOO MKR – Astana of Almaty (Kazakhstan) (subsidiary of OOO Mercor-PROOF)
- ✓ DEFENDOOR s.r.o. of Bratislava (Slovakia) (subsidiary of DFM DOORS sp. z o.o.)

On 1 October 2025, the Company disposed of its subsidiaries operating in the natural and mechanical smoke ventilation business. The sale involved:

- ✓ Mercor Light&Vent sp. z o.o. of Gdańsk (Poland)
- ✓ Tecresa Protección Pasiva S.L. of Madrid (Spain)
- ✓ Mercor Hungary Kft of Budapest (Hungary)
- ✓ Mercor Czech Republic s.r.o. of Ostrava (Czech Republic)
- ✓ Mercor Slovakia s.r.o. of Bratislava (Slovakia)
- ✓ Mercor Fire Protection Systems S.R.L. of Chitila (Romania)
- ✓ MERCOR FIRE PROTECTION UK LTD of Salford (England)
- ✓ TOB Mercor Ukraina of Drohovyzh (Ukraine)
- ✓ MERCOR Centrum Usług Wspólnych sp. z o.o. of Gdańsk (Poland)

The divested entities were included in the consolidation up to 30 September 2025, during which period the Company exercised control over them.

On 18 December 2025, the Company acquired a 70% interest in Ela-compil sp. z o.o., based in Poznań, Poland. Ela-compil specialises in the installation of safety systems and building automation systems. It currently focuses on developing solutions for the control of fire protection equipment and the integration of systems.

In December 2025 and January 2026, the Company entered into agreements to acquire shares from the remaining shareholders of MCR TECH LAB sp. z o.o., as a result of which it became the sole shareholder of that entity.

During the reporting period, the Hungarian entity changed its name and registered office. The former name, Mercor Dunamenti Tűzvédelem Zrt., was changed to MCR Dunamenti Zrt., and its registered office was relocated from Göd to Sződ. After the end of the reporting period, two further Group companies changed their names: Mercor Silboard sp. z o.o. was renamed mcr Silboard sp. z o.o., while Mercor HD sp. z o.o. was renamed mcr HD sp. z o.o. The changes were made as a consequence of the disposal of part of the Group's business.

Following the disposal in October 2025 of part of the Company's business to the Kingspan Group, a global provider of insulation technologies and integrated building solutions, the Company changed its name from MERCOR to mcr. The new mcr brand was also incorporated into the names of the subsidiaries.

Organisational or equity links between the Company and other entities and information on the Company's principal investments

Other than its investments in consolidated entities, the Company holds no equity investments.

Changes in key management principles

No changes were made to the key principles governing the management of the Company or the Group during the period from 1 April 2025 to 31 March 2026.

Management and supervisory bodies

Remuneration

Information on the remuneration, awards and other benefits received by members of the Management Board and Supervisory Board is presented in Note 28 to the consolidated financial statements.

Agreements with members of the Management Board providing for compensation in the event of resignation or removal from office

No agreements have been entered into with members of the Management Board or Supervisory Board providing for compensation in the event of their resignation or removal from office without valid cause, or where such removal or dismissal occurs as a result of a merger by acquisition.

Obligations to former members of the Management Board and Supervisory Board

The Company has no obligations to former members of the Management Board or Supervisory Board in respect of pensions or benefits of a similar nature.

Shares in mcr S.A. and shares or interests in related entities held by members of the Management Board and Supervisory Board as at the date of this report

Management Board

	Number of shares held at the issue date of this report
Krzysztof Krempeć	15,608

Supervisory Board

To the best of the Company's knowledge, none of the members of the Supervisory Board directly held any shares in mcr S.A. as at the date of this report.

Indirect holdings of Company shares by members of the Management Board and Supervisory Board

Shareholder	Member of the Supervisory Board or Member of the Management Board of the Company: indirectly holding Company shares – through a Shareholder or related entities	Number of shares held by the Shareholder in the Company's share capital as at the date of issue of this report
PERMAG sp. z o.o.	Krzysztof Krempeć	2,250,943
N50 Cyprus Limited	Marian Popinigis	755,095
Value Fund Poland Activist FIZ	Eryk Karski	298,913

Related entities

To the best of the Company's knowledge, none of the members of the Management Board or Supervisory Board held any shares or interests in related entities as at the date of this report.

Results of operations and financial position

Discussion of key economic and financial data

Financial results from continuing operations for mcr S.A. and the Group

mcr Group	**1 Apr 2025 31 Mar 2026**	**1 Apr 2024 31 Mar 2025**
Total revenue	**181,159**	**163,719**
Cost of sales	149,640	132,369
Gross profit	31,519	31,350
% margin (gross profit/total revenue)	17.4%	19.1%
Distribution costs and administrative expenses	**46,637**	**29,351**
Net other operating income/(expenses)	(943)	(2,561)
Operating profit/(loss) (EBIT)	**(16,061)**	**(562)**
% margin (EBIT/total revenue)	(8.9%)	(0.3%)
Net finance income/(costs)	3,326	4,743
Profit/(loss) before tax	**(12,735)**	**4,181**
% margin (profit before tax/total revenue)	(7.0%)	2.6%
Income tax	(2,706)	981
Net profit/(loss)	**(10,029)**	**3,200**
% margin (net profit/(loss)/total revenue)	(5.5%)	1.9%

mcr S.A.	1 Apr 2025 31 Mar 2026	1 Apr 2024 31 Mar 2025
Total revenue	**23,022**	**19,236**
Cost of sales	25,096	21,780
Gross profit	(2,074)	(2,544)
% margin (gross profit/total revenue)	(9.01%)	(13.2%)
Distribution costs and administrative expenses	**22,155**	**7,510**
Net other operating income/(expenses)	(349)	(1,887)
Operating profit/(loss) (EBIT)	**(24,578)**	**(11,941)**
% margin (EBIT/total revenue)	(106.8%)	(62.1%)
Net finance income/(costs)	308,845	2,406
Profit/(loss) before tax	**284,267**	**(9,535)**
% margin (profit before tax/total revenue)	1,234.8%	(49.6%)
Income tax	42,424	(1,447)
Net profit/(loss)	**241,843**	**(8,088)**
% margin (net profit/(loss)/total revenue)	1,050.5%	(42.0%)

For mcr S.A., the gross margin on continuing operations for the year ended 31 March 2026 was 4.2 percentage points higher than in the previous financial year. For the Group as a whole, the gross margin decreased by 1.7 percentage points. In absolute terms, mcr S.A. reported a gross loss in both reporting periods, although the loss narrowed by 18.5%. For the mcr Group as a whole, gross profit was slightly higher.

Factors and non-recurring events having a material impact on the Group's operations in the financial year from 1 April 2025 to 31 March 2026

The signing by the Company in November 2024 of a preliminary agreement for the sale of part of its existing business, as announced in Current Report No. 59/2024 of 25 November 2024, formed part of a longer process that affected the results of subsequent reporting periods. The disposal of the Company's subsidiaries holding the assets associated with the natural and mechanical smoke ventilation business was completed on 1 October 2025. The following Group companies were divested: Mercor Light&Vent sp. z o.o. of Gdańsk, Poland, Tecresa Protección Pasiva S.L. of Madrid, Spain, Mercor Hungary Kft of Budapest, Hungary, Mercor Czech Republic s.r.o. of Ostrava, Czech Republic, Mercor Slovakia s.r.o. of Bratislava, Slovakia, Mercor Fire Protection Systems S.R.L. of Chitila, Romania, MERCOR FIRE PROTECTION UK LTD of Salford, England, TOB Mercor Ukraina of Drohovyzh, Ukraine, and MERCOR Centrum Usług Wspólnych sp. z o.o. of Gdańsk, Poland.

The transaction was completed following the execution, on 1 October 2025, of an addendum to the sale agreement which, among other things, modified the method specified in that agreement for calculating the price of the shares in the Company's subsidiaries covered by the transaction. Under the sale agreement and the addendum, the maximum sale price for the shares in the divested companies was set at PLN 420 million. Payment of up to PLN 90 million of the consideration was deferred and made conditional on the business covered by the transaction achieving a specified consolidated EBITDA threshold for the twelve-month period ended 31 March 2026. As at the date of issue of this report, the parties had not yet confirmed the result on which the amount of deferred consideration would be based.

Structure of assets and equity and liabilities in the consolidated statement of financial position

	31 Mar 2026	31 Mar 2025	Change	% change	Structure	
					31 Mar 2026	31 Mar 2025
Non-current assets	146,046	198,575	(52,529)	(26.5%)	38.1%	49.0%
Current assets	236,662	206,330	30,332	14.7%	61.8%	51.0%
TOTAL ASSETS	**382,708**	**404,905**	**(22,197)**	**(5.5%)**	**100.0%**	**100.0%**
Equity	287,991	218,550	69,441	31.8%	75.2%	54.0%
Non-current liabilities	39,706	93,041	(53,335)	(57.3%)	10.4%	23.0%
Current liabilities	55,011	93,314	(38,303)	(41.0%)	14.4%	23.0%
TOTAL EQUITY AND LIABILITIES	**382,708**	**404,905**	**(22,197)**	**(5.5%)**	**100.0%**	**100.0%**

As at 31 March 2026, the Group's total assets amounted to PLN 382,708 thousand, a decrease of PLN 22,197 thousand, or 5.5%, compared with the end of the previous financial year.

The decrease was attributable mainly to lower non-current assets, including intangible assets and property, plant and equipment, and to lower current assets in the form of inventories and receivables. This was partly offset by an increase in cash and cash equivalents within current assets. On the equity and liabilities side, both non-current and current liabilities decreased significantly, while equity increased. These changes were driven mainly by the transfer out of the mcr Group of the natural smoke ventilation, rooflight and mechanical smoke ventilation business, together with the gain recognised on its disposal.

Off-balance-sheet items

There were no material off-balance-sheet items during the reporting period.

Actual results versus previously published forecasts

The Company did not previously publish any forecasts of financial results for the financial year from 1 April 2025 to 31 March 2026, for either the Company or the Group.

Sales and purchases

Sales of products and services

The Group generated revenue from two principal streams: construction services and product sales. Profitability was therefore measured separately for construction contracts, which comprised both products and services, and for sales of individual products. Given the different methods used to measure profitability, uniform quantitative sales data were not used for day-to-day management purposes.

For construction services, the unit of sale was an individual construction contract; for product sales, it was an individual product sold.

Sales markets, including a breakdown between domestic and foreign markets and information on dependence on one or more customers

The Group has a diversified customer base. The Company's and the Group's sales are diversified, and neither is dependent on any single customer or group of customers, including any customer accounting for more than 10% of total sales.

Following the disposal of the natural and mechanical smoke ventilation business, the mcr Group's sales are concentrated principally in Poland and in the local markets served by the foreign subsidiaries remaining within the Group. A breakdown of sales by geographical market is presented in Note 3 to the consolidated financial statements.

Sources of supply, including information on dependence on one or more suppliers

The principal raw materials used in the manufacturing process during the financial year under review were:

- steel and aluminium sheet;
- aluminium profiles; and
- mineral wool.

Purchases from no individual supplier exceeded 10% of revenue.
The Company and the Group maintain a diversified supplier base to safeguard continuity of supply. The Company continually monitors the market and seeks to secure alternative suppliers for its key materials.

Management of financial resources

During the financial year from 1 April 2025 to 31 March 2026, the Company and the Group had sufficient financial resources to service their debt as it fell due. The key ratios used to assess the performance of the Company and the Group were calculated for continuing and discontinued operations combined. The ratios for the year ended 31 March 2026 are not fully comparable with those for the previous financial year because of changes in carrying amounts, revenue and operating costs following the disposal of the natural and mechanical smoke ventilation business.

The ratios were as follows:

mcr Group

	31 Mar 2026	31 Mar 2025
Liquidity ratio	4.30	2.20
Average payment period	56 days	58 days
Average collection period	120 days	89 days
Inventory turnover period	55 days	55 days
Debt ratio	25%	46%

mcr S.A.

	31 Mar 2026	31 Mar 2025
Liquidity ratio	6.47	2.20
Average payment period	120 days	57 days
Average collection period	317 days	85 days
Inventory turnover period	177 days	57 days
Debt ratio	17%	48%

Financial instruments

The main financial instruments used by the Group were:

- bank and other borrowings;
- cash and deposits;
- receivables and liabilities; and
- foreign exchange derivatives.

The main risks arising from these instruments were:

- interest rate risk;
- foreign exchange risk;
- liquidity risk; and
- credit risk.

The Group used no hedging instruments against interest rate risk.

The Group hedged foreign exchange risk by entering into forward contracts. The Group systematically monitored foreign exchange risk for both on- and off-balance-sheet items.

The Group did not have material exposure to the risk of uncollectible receivables, as it monitored its receivables on an ongoing basis and insured them.

The Group mitigated credit risk by entering into transactions with entities of good credit standing, following preliminary verification of prospective counterparties under its internal procedures.

Borrowing agreements entered into and terminated

mcr S.A. used bank borrowings and borrowings from related entities to finance its day-to-day operations and investments.

Following the sale of part of its business, the Company repaid the following outstanding investment credit facilities:

- on 10 October 2025, a credit facility from BNP Paribas Bank Polska S.A., contracted under an agreement entered into in December 2020 and described in the periodic report for the financial year from 1 April 2020 to 31 March 2021;
- on 7 April 2026, a credit facility from Erste Bank Polska S.A. (formerly Santander Bank Polska S.A.), contracted under an agreement entered into in February 2021 and described in the periodic report for the financial year from 1 April 2020 to 31 March 2021.

Between April 2025 and the end of March 2026, the following amendments were made to the Company's credit facility agreements:

- upon receipt of the proceeds from the sale of part of the Company's business, the overdraft facility granted to the Company under an agreement with Credit Agricole Bank Polska S.A. of Wrocław was repaid in full, and the agreement between the parties terminated on 9 October 2025;
- in September 2025, the Company entered into an amendment to the receivables limit agreement with BNP Paribas Bank Polska S.A. of Warsaw, reducing the available limit from PLN 42,880,000 to PLN 17,500,000;
- in March 2026, the Company and its subsidiary DFM Doors sp. z o.o. entered into a multi-purpose credit facility agreement with BNP Paribas Bank Polska S.A. The facility limit is PLN 4,000,000, and the agreement remains in force until 2 December 2027. As at the end of the reporting period, the agreement had not yet become effective. The facility will become available once the required collateral has been established. At the same time, the other agreement between the parties, under which a limit of PLN 17,500,000 was made available, will cease to have effect;
- an amendment signed in October 2025 to the overdraft facility agreement with Erste Bank Polska S.A. (formerly Santander Bank Polska S.A.) of Warsaw reduced the credit limit from PLN 28,560,000 to PLN 17,500,000. Under a further amendment dated 23 December 2025, the subsidiaries DFM Doors sp. z o.o. and Elmech-ASE S.A. became parties to the agreement, and the credit limit was increased to PLN 23,000,000. The term of the agreement was also extended until 28 November 2026.

In connection with ongoing projects, the Company's subsidiaries DFM Doors sp. z o.o. and MCR Dunamenti Zrt. of Hungary entered into agreements for non-revolving investment credit facilities:

- under an agreement dated 10 February 2026, BNP Paribas Bank Polska S.A. of Warsaw granted DFM Doors sp. z o.o. a facility of PLN 4,800,000 to finance the purchase of land. The term of the facility is 36 months;
- under an agreement dated 17 June 2025, as subsequently amended, K&H Bank Zrt. of Budapest made EUR 1,810,000 available to MCR Dunamenti Zrt. The maturity date is 3 June 2033.

For information on the financing terms and collateral, see Note 22 to the consolidated financial statements.

mcr S.A. shares

Agreements that may result in future changes in the shareholdings of existing shareholders

As at the date of filing of this report, the Company was not aware of any agreements that could result in future changes in the proportions of Company shares held by its existing shareholders.

Following the full utilisation of the funds allocated to the programme, the Company completed the share buyback programme approved by a resolution of the Extraordinary General Meeting held on 30 June 2020. The Company continues to hold 21,114 (twenty-one thousand one hundred and fourteen) treasury shares. The remaining treasury shares acquired by the Company were cancelled.

By a resolution of the Extraordinary General Meeting dated 6 February 2025, the Company's Management Board was authorised to buy back the Company's shares. The programme may remain in force until 6 February 2030. As at the date of issue of this report, the buyback had not yet commenced.

As at the date of issue of this report, the Company held 6,279,069 treasury shares acquired pursuant to the resolution of the Extraordinary General Meeting dated 7 January 2026 for cancellation and the corresponding reduction of the share capital. Following the expiry of three months from the publication in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy) of the announcement concerning the share capital reduction, and as no claims had been submitted, the Company filed an application with the National Court Register for registration of the reduction. The aggregate nominal value of the shares to be cancelled is PLN 1,569,767.25. Following registration of the reduction, the Company's share capital will amount to PLN 2,260,386.75.

On 26 January 2023, the Extraordinary General Meeting of the Company passed a resolution to establish an incentive scheme, issue registered subscription warrants and conditionally increase the Company's share capital in connection with the issue of ordinary bearer shares. The scheme has not yet been implemented. No agreements have yet been entered into under the scheme, and the list of persons eligible to participate in the scheme has not yet been determined.

Treasury stock transactions

From 13 to 16 January 2026, pursuant to the resolution of the Extraordinary General Meeting dated 7 January 2026, the Company acquired 6,279,069 shares for cancellation and the corresponding reduction of the share capital.

Use of issue proceeds

In the financial year from 1 April 2025 to 31 March 2026, mcr S.A. did not issue any securities.

Control system for employee share schemes

On 26 January 2023, the Extraordinary General Meeting of the Company passed a resolution to establish an incentive scheme. As at the date of issue of this report, the scheme had not yet been implemented.

Investments

During the reporting period, the Hungarian subsidiary relocated its existing manufacturing operations to a newly acquired facility near Budapest, which has been adapted for its operational needs.

DFM Doors sp. z o.o. acquired land for the construction of a new manufacturing facility. At its existing site, the company expanded its machinery and equipment, improving manufacturing processes. The production line for gate panels and the assembly line for flush doors were expanded and modernised. Work also continued on the development of the plant's IT systems.

Feasibility of capital expenditure plans

The available funds, including those retained from the disposal of the natural and mechanical smoke ventilation business, are sufficient to support the implementation of the Group's development plans as defined by the Company.

Other information

Research and development

Following the sale of the natural and mechanical smoke ventilation business, the section on research and development covers only the activities that remain within the Group.

The R&D team at Group company DFM Doors worked on improving the performance of its products, adding new features to the existing range, and developing new types of fire compartmentation. The acoustic performance of the DFM DS 60 and DFM DS 120 doors was improved, while smoke leakage resistance was added to the DFM SG sliding fire door. New door types were introduced, including the DFM DSE 120 and DFM DS RC4, with EI 60 fire resistance, burglar resistance, Rw = 45 dB acoustic performance and, additionally, FB4 bullet resistance.

The structural fire protection division worked on further applications for the mcr Silboard board. New market introductions included ventilation and smoke control ducts of above-standard dimensions and fire protection for reinforced concrete and masonry smoke shafts.

Material agreements

- On 1 October 2025, the sale to Kingspan Group companies of the shares in the Group companies holding the assets used in the manufacture and sale of natural and mechanical smoke ventilation systems was completed. Under the sale agreement and the related addendum, the buyers are obliged to pay to mcr S.A. a total of PLN 420 million as the maximum sale price for the shares in the divested companies. Payment of up to PLN 90 million of the price was deferred, conditional on the business covered by the sale achieving a specified consolidated EBITDA threshold for the twelve months ended 31 March 2026. (As at the date of issue of this report, the parties had not yet confirmed the result on which the amount of the deferred consideration will be based.)
- In December 2025, the Company entered into a grant agreement with the National Centre for Research and Development under the European Funds for Smart Economy Programme. The project, entitled *Conducting R&D work to develop an innovative fire protection spray*, comprises the

development of formulations, laboratory testing, fire resistance testing and optimisation of the spray application technology. Under the agreement, the total project value is PLN 14,754,186.93, including co-financing of PLN 9,116,768.60. The project will be carried out by a consortium.

- Credit facility agreements material to the Company are described in this report under "Borrowing agreements entered into and terminated".

- The term of the bank guarantee facility agreement concluded by the Company with Erste Bank Polska S.A. has been extended. The facility is available until 30 December 2026, while the available amount remains unchanged at PLN 8,000,000.00. Under the bank guarantee facility agreement concluded with BNP Paribas Bank Polska S.A., the available limit has been reduced from PLN 10,500,000.00 to PLN 8,500,000.00.

Related party transactions

Related party transactions were executed on an arm's length basis. For details of related party transactions, see Note 28 to the consolidated financial statements.

Loans advanced (including loans to related entities)

During the reporting period, the Company granted loans to its subsidiaries (or extended the maturity of previously granted loans) with the following amounts and repayment dates:

Company	Amount	Final maturity date
MCR Tech Lab sp. z o.o.	PLN 700,000.00	22 Jul 2027
MCR Tech Lab sp. z o.o.	PLN 700,000.00	26 Nov 2030
MCR Tech Lab sp. z o.o.	PLN 2,000,000.00	23 Dec 2030
MCR SOL Energy sp. z o.o.	PLN 500,000.00	30 Nov 2028
Elmech-ASE sp. z o.o.	PLN 800,000.00	21 Jan 2028
mcr HD sp. z o.o.	PLN 5,000.00	30 Mar 2031

A Group company, MHD1 sp. z o.o. of Gdańsk granted a loan to Tech Lab sp. z o.o. in an amount of PLN 600,000.00, with repayment due by 3 April 2027.

Sureties and guarantees issued or received (including sureties and guarantees issued for related parties)

In the financial year 2025/2026, the Company and other Group companies issued performance bonds and defects liability bonds under commercial contracts.

The Company provided surety for the following vehicle rental agreements entered into by its subsidiary mcr Tech Lab sp. z o.o.:

Company	Surety for	Contract No.	Surety amount	Surety valid until

MCR TECH LAB sp. z o.o.	lease contract	TSP/2025/12/S5/2261	115,504.48	11 Dec 2028
MCR TECH LAB sp. z o.o.	service contract	TSP/2025/12/S5/2261	7,382.54	11 Dec 2028
MCR TECH LAB sp. z o.o.	lease contract	TSP/2023/6/S5/2665	130,650.00	15 Dec 2026

Expenses incurred to sponsor cultural projects, sports, charities, media and social organisations

The financial year 2025/2026 saw further outcomes of the Company's collaboration with the Museum of Gdańsk, including a new album, "Dom gdański" ("The Gdańsk House"), and a calendar, "Portrety gdańskości" ("Portraits of Gdańsk Identity"). Donations to the Museum in connection with these publications amounted to PLN 140,000 and PLN 4,302, respectively.

As cultural patron, mcr contributed PLN 10,000 as a Partner of the ORGANy PLUS+ 2025 Festival, one of the leading events presenting modern interpretations of early music. The Company also donated PLN 3,000 towards prizes for the winners of the 16th National Aleksandra Januszajtis Violin Competition organised by the Association of Friends of the Feliks Nowowiejski Primary and Secondary Music School in Gdańsk. Staying close to its home city of Gdańsk, the Company contributed PLN 15,000 as patron of a photographic session featuring the women of the football academy Akademia Piłkarska 2010 Orlen Gdańsk. The session was set against places important to the city, each with a short note on its history and significance.

In support of young people and sport, mcr donated a total of PLN 60,000 to the Projekt Warszawa Volleyball Academy Foundation, including funding for publicly accessible summer volleyball activities for children organised under the *"Projekt Plaża"* programme. The Academy trains young athletes, and focuses on coaching children and young people, developing their skills and passion for the game, and promoting this beautiful sport.

The Company again supported the Szczecin Province Unit of the Union of Volunteer Fire Brigades of the Republic of Poland, which organises camps for youth fire brigades attended by children from Ukrainian volunteer fire brigades and children whose firefighter-rescuer parents were killed in the war. The Company contributed PLN 15,000 for this cause.

As part of its involvement in industry associations, the Company contributed PLN 3,000 to the Polish Ventilation Association, PLN 7,000 to the Main Board of the Association of Fire Protection Engineers and Technicians (SITP), and PLN 4,000 to its Gdańsk Branch. It also supported the organisation of fire protection training and industry events, including the Fire Safety Forum (PLN 13,000); a technical WOSP meeting concerning fire protection, to which it contributed PLN 4,000; and a fire protection seminar, "PALI SIĘ", held in Gdańsk and supported with a donation of PLN 2,400.

The Volunteer Fire Brigade in Łęgowo (a village in the Pruszcz Gdański municipality that was also home to one of the Company's manufacturing plants) received from the Company a donation of PLN 2,500 towards the purchase of a fire and rescue vehicle.

Material proceedings involving mcr S.A. or its subsidiaries

There were no material proceedings pending during the reporting period that would involve the Company or its subsidiaries.

After the reporting date, the Company received the findings of two customs and tax audits from the Head of the Poznań Province Customs and Tax Office in Poznań (the "Authority").
According to the Authority, the Company failed to comply with its withholding agent obligations under Articles 21 and 22 of the Corporate Income Tax Act by not withholding and remitting tax on dividends paid to one of its shareholders in November 2022 and September 2023, respectively. The audits covered the periods from 1 April 2022 to 31 March 2023 and from 1 April 2023 to 31 March 2024.
According to the Authority's findings, the total amount of tax not withheld is PLN 1,618,825.00.
The Company disagrees with the Authority's position and has set out its arguments in a letter to the Authority.

Significant events and factors relevant to the Group's business growth and description of its growth prospects until the end of the financial year following the financial year covered by this report

In the past financial year, the most significant event for the Group was the completion of the transaction involving the sale of part of the Company's and its subsidiaries' business related to natural smoke ventilation and mechanical smoke ventilation systems, which historically accounted for approximately two-thirds of the Group's revenue. The transaction constituted a key element of the Group's strategic transformation and marked the beginning of a new phase of development focused on highly specialised safety technologies. The Group is pursuing its new development direction under the slogan "TECHNOLOGIES FOR A SAFER TOMORROW", with the aim of building a strong position in the segment of advanced solutions for fire safety and infrastructure protection, based on modern automation, integration and management systems. It also includes the development of capabilities in high value-added areas and the creation of synergies across the Group's companies and business lines.

A key element in implementing the strategy was the Company's acquisition of shares in Ela-compil, a company specialising in advanced BMS (Building Management Systems), PSIM (Physical Security Information Management) systems and fire automation solutions. Ela-compil's capabilities represent an important extension of the Group's offering, enabling the delivery of integrated building safety management systems and the execution of comprehensive projects combining multiple technologies.

At the same time, the Company is developing a new area of operations related to active fire suppression systems, representing a natural extension of the Group's expertise in fire protection. This area offers strong growth potential and enables the Group to provide comprehensive solutions covering both detection and safety management systems as well as active fire suppression systems.

MCR Tech Lab also remains a key pillar of future development, responsible for the advancement of modern technologies. Its activities support the Group's competitive advantage through the development of innovative products, the integration of new technologies and the creation of solutions that respond to evolving market needs.

Following the sale of part of its business, the Group has also discontinued operating under the Mercor brand. Operations are now conducted under the mcr brand, whose recognition will be gradually built in the coming periods through the execution of new projects, the development of the product offering and the strengthening of the Group's position in the market for advanced safety technologies.

Material risk factors and threats

In light of the development direction adopted by the Company, the pace of technological transformation in the safety sector will play a significant role.

Other risks affecting the Company and the Group include:

- construction investment levels;
- availability of a qualified workforce;
- supply chain resilience;
- liquidity position of trading partners;
- geopolitical factors.

Agreements with statutory auditors

On 21 October 2025, the Company entered into an agreement with Moore Polska Audyt sp. z o.o. of Warsaw for the audit and review of financial statements for the reporting periods from 1 April 2025 to 31 March 2026 and from 1 April 2026 to 31 March 2027.
The resolution to appoint the audit firm was passed by the Supervisory Board of the Company as the competent corporate body under Section 12(3)(b) of the Company's Articles of Association.
The Company had not previously used the services of the above-mentioned firm.
The fees paid to the audit firm for the financial year 2025/2026 were as follows:

- review of the separate interim financial statements as at 30 September 2025: PLN 58,800.00 (exclusive of VAT);
- review of the condensed consolidated interim financial statements as at 30 September 2025: PLN 45,500.00 (exclusive of VAT);
- audit of the separate financial statements as at 31 March 2026: PLN 80,750.00 (exclusive of VAT);
- audit of the consolidated financial statements as at 31 March 2026: PLN 80,750.00 (exclusive of VAT);
- audit of consolidation packages of the Group companies as at 31 March 2026: PLN 91,200.00 (exclusive of VAT);
- expenses: PLN 832.52 (exclusive of VAT).

The following fees remain payable for the financial year 2025/2026 under the agreement between the parties:

- audit of the separate financial statements: PLN 4,250.00 (exclusive of VAT);
- audit of the consolidated financial statements: PLN 4,250.00 (exclusive of VAT);
- audit of consolidation packages: PLN 42,800.00 (exclusive of VAT).

The Company also entered into an agreement with Moore Polska Audyt sp. z o.o. of Warsaw for the audit of the compliance of the consolidated financial statements with the requirements of the ESEF Regulation. The value of the agreement is PLN 9,500.00.

For the financial year from 1 April 2024 to 31 March 2025, the Company had an agreement for the audit and review of financial statements with Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. of Warsaw. The fees paid to the audit firm were as follows:

- review of the separate interim financial statements as at 30 September 2024: PLN 50,000.00 (exclusive of VAT);

- review of the condensed consolidated interim financial statements as at 30 September 2024: PLN 50,000.00 (exclusive of VAT);
- audit of the separate financial statements as at 31 March 2025: PLN 115,000.00 (exclusive of VAT);
- audit of the consolidated financial statements as at 31 March 2025: PLN 238,100.00 (exclusive of VAT);
- expenses: PLN 14,367.00 (exclusive of VAT).

For the financial year ended 31 March 2025, the Company also obtained assurance on its sustainability report. The agreement to perform the assurance was entered into with Forvis Mazars Audyt spółka z ograniczoną odpowiedzialnością of Warsaw. The fee for the assurance engagement amounted to PLN 90,000.00 (exclusive of VAT).

Statement of compliance by mcr S.A. with corporate governance standards in the financial year from 1 April 2025 to 31 March 2026

Corporate governance standards

The Management Board of mcr S.A. represents that, since July 2021, the Company has complied with the corporate governance principles set out in the Best Practice for GPW Listed Companies 2021, as reported in Report No. 1/2025 published via the GPW Data Reporting Portal on 3 December 2025.

The corporate governance standards of the Best Practice for GPW Listed Companies 2021, attached as an appendix to WSE Supervisory Board Resolution No. 13/1834/2021 of 29 March 2021, were published on the website of the Warsaw Stock Exchange dedicated to best practice guidelines at https://www.gpw.pl/dobre-praktyki2021.

Information on compliance by mcr S.A. with the principles set out in the Best Practice

In the financial year 2025/2026, the Company did not comply with the following principles of the Best Practice 2021:

1.3 Companies integrate ESG factors in their business strategy, including in particular:

1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development;

The principle is not complied with.

<u>The Company's comment:</u> The Company has not adopted a strategy in the form of an approved document. Environmental matters are important to the organisation in its day-to-day operations.

1.3.2. social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations;

The principle is not complied with.

<u>The Company's comment:</u> The Company has not adopted a strategy in the form of an approved document. Social and employee matters are taken into account in the organisation's day-to-day operations. The Company guarantees all its employees equal access to professional development and promotion opportunities. It respects their rights and takes care to provide decent working conditions.

1.4. To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:

The principle is not complied with.

The Company's comment: The Company has not adopted a strategy in the form of an approved document. Once the organisation adopts a strategy document, it will be published on the Company's website.

1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

The principle is not complied with.

The Company's comment: The Company has not adopted a strategy in the form of an approved document.

1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target;

The principle is not complied with.

The Company's comment: The Company analysed the remuneration received by its employees and found that: 1) The base salaries received by employees depend on their respective positions and scope of duties. Regardless of gender, employees holding the same positions, performing the same duties and having the same qualifications receive the same level of base pay. 2) In addition, members of the sales teams participate in bonus schemes linked to the sales generated by each employee. Any differences in individuals' pay therefore come down to the bonuses earned in a given period. The technical nature of the Company's industry means that particular employee groups are dominated either by men (in areas requiring a construction background, for instance) or by women (in administration, for instance). The unequal representation of each gender across job groups mathematically distorts the resulting average. In view of the above, the Company decided not to present the pay equality indicators on its website, as they would not reflect the actual relationships between the remuneration received by employees.

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board or the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The principle is not complied with.

The Company's comment: Members of the Company's governing bodies are selected so as to ensure diversity of education, knowledge and professional experience, and candidates' suitability to the Company's business profile. As the Company's governing bodies are committed to the principle of non-discrimination, they base their decisions solely on candidates' qualifications. Writing gender or age guidelines into a diversity policy would itself imply unequal treatment of candidates.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The principle is not complied with.

<u>The Company's comment</u>: Applying diversity principles in selecting the members of the Company's governing bodies gives the Company access to a broad pool of talent and skills. The members of the Company's Management Board and Supervisory Board bring a wide range of education, knowledge, skills and professional experience, suited to the Company's business profile. Such a diverse team facilitates effective and efficient management of the organisation. Equal treatment, regardless of gender or age, matters to the organisation; it is not, however, what determines the selection of candidates. The key considerations in recruitment are knowledge, skills and experience. At present, 100% of the members of the Company's governing bodies are male.

3.3. Companies participating in the WIG20, mWIG40 or sWIG80 index appoint an internal auditor to head the internal audit function in compliance with generally accepted international standards for the professional practice of internal auditing. In other companies which do not appoint an internal auditor who meets such requirements, the audit committee (or the supervisory board if it performs the functions of the audit committee) assesses on an annual basis whether such person should be appointed.

<u>The Company's comment:</u> Following the Company's inclusion in the sWIG80 index, no internal auditor has been appointed to head the internal audit function. The Audit Committee's annual assessment did not confirm the need to establish such a function within the Company. The rules adopted by the Company and applied to date provide sufficient control.

3.4. The remuneration of persons responsible for risk and compliance management and of the head of internal audit should depend on the performance of delegated tasks rather than short-term results of the company.

The principle is not complied with.

<u>The Company's comment:</u> These functions have not been separated out within the Company. In the Company's view, the current approach to oversight of risk management, compliance and internal audit is sufficient. Should changes in its environment, or within the business, require these functions to be separated out, the Company does not rule out making such appointments.

3.5. Persons responsible for risk and compliance management report directly to the president or other member of the management board.

The principle is not complied with.

<u>The Company's comment</u>: These functions have not been separated out within the Company. In the Company's view, the current approach to oversight of risk management, compliance and internal audit is sufficient. Should changes in its environment, or within the business, require these functions to be separated out, the Company does not rule out making such appointments.

3.6. The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.

The principle is not complied with.

The Company's comment: This function has not been separated out within the Company. In the Company's view, the current approach to oversight of internal audit is sufficient. Should changes in its environment, or within the business, require this function to be separated out, the Company does not rule out making such an appointment.

6.4. As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of committee members, particularly Audit Committee members, should reflect the additional workload associated with serving on those committees.

The principle is not complied with.

The Company's comment: The remuneration of the Company's Supervisory Board members does not depend on the number of meetings held. However, the Supervisory Board members appointed to the committees receive no additional remuneration.

Internal control and risk management systems relating to the preparation of separate and consolidated financial statements

The Company's Management Board is responsible for the internal control system across the Company and the Group, and for its effectiveness in the preparation of financial statements and periodic reports, prepared in accordance with the Minister of Finance's Regulation of 6 June 2025 on current and periodic information to be published by issuers of securities and the conditions for recognising as equivalent information required under the laws of a non-member state. An effective system of internal control over financial reporting is intended to ensure that the financial information presented in the financial statements and periodic reports is accurate.

A core control in the preparation of the separate and consolidated financial statements is their review or audit by an independent auditor. The auditor's responsibilities include, in particular, reviewing the half-year separate and consolidated financial statements and performing the interim and final audit of the annual separate and consolidated financial statements. The independent auditor is appointed by the Parent's Supervisory Board. Once the independent auditor has completed the audit, the financial statements are submitted to the Company's Supervisory Board for its assessment.

The accounting and finance division, which reports to the Parent's Chief Financial Officer, is responsible for preparing the financial statements, periodic financial reports and ongoing management reports.

The financial data underlying the financial statements and periodic reports are drawn from the monthly financial and operating reporting of the Group companies. After each monthly close, senior and middle management, together with the accounting and finance division, analyse the results of the Company and of its operating divisions against the assumptions adopted in the budget.

Errors identified during the analysis of results are recognised in the accounting records on an ongoing basis, in accordance with the accounting policies adopted.

mcr S.A. undertakes an annual review of its business plans, covering the Company and every entity in the Group. The budgeting process, which covers every area of the business, involves senior and middle management. Once prepared, the separate and consolidated budgets are adopted by the Parent's

Management Board and subsequently approved by the Supervisory Board. During the financial year, the Company's Management Board analyses financial results against the approved budget.

The Parent applies its statutory-reporting accounting policies in budgeting and in periodic management reporting alike. The Company applies consistent accounting policies in presenting financial data in its financial statements, periodic financial reports and other reports provided to shareholders.

Based on its assessment of the procedures applied, the Parent's Management Board concludes that, as at 31 March 2026, there were no deficiencies that could materially affect the effectiveness of internal control over financial reporting.

Shareholders with major holdings

Shareholder	As at the date of issue of this report			
	Number of shares	% ownership interest	Number of voting rights	% voting interest
PERMAG sp. z o.o.	2,250,943	14.69%	2,250,943	14.69%
Bangtino Limited	1,811,509	11.82%	1,811,509	11.82%
Otwarty Fundusz Emerytalny PZU Złota Jesień	1,452,947	9.48%	1,452,947	9.48%
Nationale Nederlanden Otwarty Fundusz Emerytalny	765,359	4.99%	765,359	4.99%

On 6 June 2025, the District Court for Gdańsk-Północ in Gdańsk registered amendments to the Company's Articles of Association. 248,661 Company shares were cancelled. On 24 June 2025, the Central Securities Depository of Poland withdrew the shares from the depository system.

Holders of securities with special control rights

The Company did not issue any securities that would confer special control rights over the Company.

Restrictions on the transferability of securities and on voting rights

There are no restrictions on the transferability of any securities issued by the Company or restrictions on the exercise of voting rights attached to Company shares.

Rules governing the appointment and removal of Management Board members and their powers

Members of the mcr S.A. Management Board are appointed and removed by the Supervisory Board.

The Management Board manages the Company's business and represents the Company before third parties. Matters which fall within the ordinary course of the Company's business may be managed by any Management Board member individually. Matters which fall outside the ordinary course of business require a resolution of the Management Board. The Company is represented by two persons. Declarations of intent on behalf of the Company, including the incurrence of obligations, require the joint action of two Management Board members, at least one of whom must be the President or First Vice President of the Management Board. The President of the Management Board or a Vice President of the Management Board may also act jointly with a commercial proxy. The Management Board does not have the power to decide on the issue or buyback of shares.

Rules governing amendments to the Company's Articles of Association

In accordance with the Commercial Companies Code.

Operation and key powers of the General Meeting; shareholder rights and how they are exercised

KEY POWERS	METHOD OF OPERATION	SHAREHOLDER RIGHTS AND HOW THEY ARE EXERCISED
Powers of the General Meeting are as defined in: 1. the Commercial Companies Code, 2. the Company's Articles of Association*, 3. the Rules of Procedure for the General Meeting of the Company*, 4. the Best Practice for GPW Listed Companies.	The General Meeting operates pursuant to: 1. applicable laws, in particular the provisions of the Commercial Companies Code, 2. the Company's Articles of Association*, 3. the Rules of Procedure for the General Meeting of the Company*, 4. the Best Practice for GPW Listed Companies.	Shareholder rights and procedures for their exercise are defined in: 1. applicable laws, in particular the provisions of the Commercial Companies Code, 2. the Company's Articles of Association*, 3. the Rules of Procedure for the General Meeting of the Company*, 4. the Best Practice for GPW Listed Companies.

* The Company's Articles of Association and the Rules of Procedure for the General Meeting are available on the Company's website.

Composition and operation of the Company's Management and Supervisory Boards and their committees

COMPOSITION OF THE COMPANY'S MANAGEMENT AND SUPERVISORY BOARDS

Management Board (as at 31 March 2026)

Krzysztof Krempeć
Jakub Lipiński

During the reporting period, Tomasz Kamiński, a member of the Management Board, resigned with effect from 24 November 2025.

Supervisory Board (as at 31 March 2026)

Eryk Karski
Arkadiusz Kęsicki
Tomasz Klaczyński
Marian Popinigis
Tomasz Rutowski
Pathy Timu Zenzo
Błażej Żmijewski

On 30 September 2025, Tomasz Klaczyński was appointed to the Supervisory Board.

Members of the Audit Committee of the Supervisory Board (as at 31 March 2026)

Eryk Karski
Marian Popinigis
Błażej Żmijewski – independent member

Eryk Karski was appointed to the Audit Committee by resolution of 20 May 2025.

Eryk Karski is a graduate of the Faculty of Finance and Banking at the Warsaw School of Economics. In 1998, he completed a course for investment advisers, in 2002 passed the CFA First Level exam, and in 2004 completed a course for chief accountants run by the Accountants Association in Poland. He has many years of experience as Chief Financial Officer, including at Mennica Państwowa and Boryszew S.A. He has held management positions in Boryszew S.A., Narodowy Fundusz Inwestycyjny Zachodni NFI S.A., Lentex S.A. and Value Fund Poland Activist FIZ. Member (or former member) of supervisory boards, mainly of companies listed on the Warsaw Stock Exchange, appointed primarily on the initiative of open pension funds, investment fund companies and investment banks.

Marian Popinigis, a co-founder of the Company, served as President of its Management Board for two decades. For years, he has been involved in the work of trade associations and organisations connected with the fire protection industry, including as member of the Management Board of the Polish Association of Fire Protection and Rescue Equipment Manufacturers, Chairman of the Certification Committee in the Impartiality Council of the Building Research Institute, and member of the Construction Products Council, an advisory body of the Chief Building Inspection Officer.

Błażej Żmijewski is a graduate of the University of Gdańsk, Faculty of Transport Economics. Since 1992, he has run IMEX TOP 32 sp. z o.o., based in Gdańsk.

Audit Committee meetings

In the financial year 2025/2026, the Audit Committee held eight meetings.

OPERATION OF THE COMPANY'S MANAGEMENT AND SUPERVISORY BOARDS AND THEIR COMMITTEES

NO.	BODY	COMPOSITION	METHOD OF OPERATION
1	**MANAGEMENT BOARD**	As stipulated by Section 14(1) of the Company's Articles of Association, the Management Board is a body composed of two to three members.	The Management Board operates pursuant to and in accordance with: 1. applicable laws, in particular the provisions of the Commercial Companies Code, 2. the Company's Articles of Association, 3. the Rules of Procedure for the Management Board, 4. the Best Practice for GPW Listed Companies.
2	**SUPERVISORY BOARD**	As stipulated by Section 10(1) of the Company's Articles of Association, the Supervisory Board is composed of five to seven members.	The Supervisory Board operates pursuant to and in accordance with: 1. applicable laws, in particular the provisions of the Commercial Companies Code, 2. the Company's Articles of Association*, 3. the Rules of Procedure for the Supervisory Board*, 4. the Best Practice for GPW Listed Companies.
3	**AUDIT COMMITTEE**	Pursuant to Section 12(4)(2) of the Company's Articles of Association, the Audit Committee consists of at least three members of the Supervisory Board.	The Audit Committee operates pursuant to: 1. applicable laws, 2. the Company's Articles of Association*, 3. the Rules of Procedure for the Supervisory Board*, 4. the Rules of Procedure for the Audit Committee, 5. the Best Practice for GPW Listed Companies.
4	**REMUNERATION COMMITTEE**	As stipulated by Section 12(4)(1) of the Company's Articles of Association, the Remuneration Committee consists of at least two members of the Supervisory Board.	The Remuneration Committee operates pursuant to: 1. applicable laws, 2. the Company's Articles of Association*, 3. the Rules of Procedure for the Supervisory Board*, 4. the Rules of Procedure for the Remuneration Committee,

			5. the Best Practice for GPW Listed Companies.

* The Company's Articles of Association and the Rules of Procedure for the Management and Supervisory Boards are available on the Company's website.

Diversity policy

When appointing members to the Company's governing bodies and key managerial positions, mcr S.A. prioritises competencies, professional experience, education, and specific expertise essential for the respective roles. Our goal is to create a level playing field in access to professional development and advancement opportunities for all individuals, ensuring that neither gender nor age becomes a determinant in the candidate selection process.

Audit firm

Key principles underlying the audit firm selection policy:

- the appointment and removal of the entity responsible for auditing or reviewing financial statements and the conclusion of contracts with such entity or its affiliates require prior approval of the Supervisory Board (preceded by a relevant recommendation);
- the chosen statutory auditor or audit firm must provide confirmation of its independence to the Audit Committee;
- the Company may invite any statutory auditors or audit firms to submit proposals for statutory audit and/or sustainability reporting assurance services, provided that all the statutory requirements are complied with;
- the Company prepares tender documentation;
- the Company defines selection procedures;
- any findings or conclusions from the Audit Oversight Commission's report that may impact the audit firm selection are taken into account by the Company and the Audit Committee;
- the selection process aims to ensure impartiality and independence of the audit firm;
- neither the statutory auditor or audit firm carrying out the statutory audit of the Company and/or the assurance of its sustainability reporting, nor any entity related to them or any member of the network to which they belong, provides, directly or indirectly, any prohibited services to the Company or its related entities;
- the provision of permitted services is subject to approval by the Audit Committee following an appropriate risk assessment by the Committee;
- in specific cases, the Audit Committee issues guidelines on the provision of permitted non-audit services and permitted services other than sustainability reporting assurance.

The engagement letter for the audit of financial statements was executed in October 2025 for a term of two years, covering the reporting periods ended 31 March 2026 and 31 March 2027, respectively. The recommendation concerning the selection of the audit firm to carry out the audit met the applicable requirements and was prepared following a selection procedure organised by the Company that met the applicable criteria.

In the financial year 2025/2026, the audit firm auditing the Company's financial statements did not provide any non-audit services to the Company.

Statement by the Management Board of mcr S.A. on fair presentation of the financial statements for the financial year from 1 April 2025 to 31 March 2026

The Management Board of mcr S.A. represents that, to the best of their knowledge:

- ✓ the full-year separate financial statements of mcr S.A. and the full-year consolidated financial statements of the mcr Group covering the period from 1 April 2025 to 31 March 2026 and the comparative data have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, financial position and financial results of mcr S.A. and the mcr Group;
- ✓ the Management Report on the operations of mcr S.A. and the mcr Group gives a fair review of the development and performance of the business and the position of the Company, the Company's Group and the undertakings included in the consolidation, taken as a whole, including a description of the principal risks and uncertainties, and has been prepared in accordance with the applicable provisions of the Accounting Act.

Krzysztof Krempeć	Jakub Lipiński
President of the Management Board	First Vice President of the Management Board

Information from the Management Board of mcr S.A., prepared on the basis of the Supervisory Board's representation concerning the selection of the audit firm to audit the annual separate and consolidated financial statements

Based on a representation of the Supervisory Board, the Management Board of mcr S.A. hereby states that:

- ✓ the audit firm and the members of the engagement team met the conditions required to issue an impartial and independent auditor's report on the annual separate and consolidated financial statements in accordance with the applicable laws, professional standards and principles of professional ethics;
- ✓ the laws governing rotation of audit firms and lead auditors and mandatory cooling-off periods have been observed;
- ✓ the Company has in place a policy for the selection of an audit firm and a policy governing the provision to the Company of permitted non-audit services (including services conditionally exempt from the prohibition of being provided by the audit firm) by the audit firm or its affiliated network members.