mcr S.A.

Separate financial statements for the period from 1 April 2025 to 31 March 2026

prepared in accordance with International Financial Reporting Standards as adopted by the European Union

Gdańsk, 10 July 2026

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SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	NOTE	1 Apr 2025–31 Mar 2026 PLN '000	1 Apr 2024–31 Mar 2025 PLN '000
Continuing operations			
Revenue	3	23,022	19,236
Cost of sales	4	25,096	21,780
Gross profit/(loss)		**(2,074)**	**(2,544)**
Other operating income	5	318	313
Distribution costs	4	5,512	5,652
Administrative expenses	4	16,643	1,858
Other operating expenses	6	342	1,325
(Expected credit loss)/reversal of expected credit loss		(325)	(875)
Operating profit/(loss)		**(24,578)**	**(11,941)**
Finance income	7	321,224	3,514
Finance costs	8	12,379	1,108
Impairment losses on shares		-	-
Profit/(loss) before tax		**284,267**	**(9,535)**
Income tax	10	42,424	(1,447)
Net profit/(loss) from continuing operations		**241,843**	**(8,088)**
Net profit/(loss) from discontinued operations	30	**(16,758)**	**7,594**
Net profit/(loss)		**225,085**	**(494)**
Other comprehensive income		**-**	**-**
Total comprehensive income		**225,085**	**(494)**
Earnings/(loss) per share:	11		
From continuing operations:			
Basic		26.81	(0.52)
Diluted		26.81	(0.52)
From discontinued operations:			
Basic		(1.86)	0.49
Diluted		(1.86)	0.49

SEPARATE STATEMENT OF FINANCIAL POSITION

Assets

	NOTES	End of period 31 March 2026 PLN '000	End of period 31 March 2025 PLN '000
Non-current assets			
Intangible assets	12	6,135	15,654
Property, plant and equipment	13	29,946	56,807
Right-of-use assets		6,249	5,462
Other financial assets	14	62,018	98,426
Deferred tax assets	10	-	4,179
Non-current retentions receivable	15	482	3,274
Other non-current assets		131	189
		104,961	**183,991**
Current assets			
Inventories	16	10,197	37,239
Financial assets	17	93,141	-
Trade and other receivables	18	12,045	58,694
Contract assets	3	1,411	12,703
Current retentions receivable	15	431	1,927
Current tax assets		-	83
Forward contracts		-	-
Other current assets	19	933	3,039
Cash and cash equivalents	20	40,952	1,060
		159,110	**114,745**
Total assets		**264,071**	**298,736**

SEPARATE STATEMENT OF FINANCIAL POSITION

Equity and liabilities

	NOTES	End of period 31 March 2026 PLN '000	End of period 31 March 2025 PLN '000
Equity			
Share capital	21	3,830	3,892
Share premium		106,202	106,202
Capital reserves	21	11,407	17,037
Treasury shares		(135,523)	(6,215)
Retained earnings	21	233,740	34,975
Total equity		**219,656**	**155,891**
Non-current liabilities			
Non-current borrowings	22	-	82,023
Deferred tax liabilities	10	11,923	-
Provisions for liabilities	23	1,862	2,341
Deferred income	25	1,517	2,870
Lease liabilities	26	4,504	3,158
		19,806	**90,392**
Current liabilities			
Current borrowings	22	4,016	2,783
Trade and other payables	24	16,217	43,080
Contract liabilities	3	388	1,567
Current tax liabilities		399	-
Provisions for liabilities	23	1,605	1,616
Forward contracts		-	3
Deferred income	25	192	759
Lease liabilities	26	1,792	2,645
		24,609	**52,453**
Total equity and liabilities		**264,071**	**298,736**

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital reserves	Treasury shares	Retained earnings	Total equity
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
As at 1 April 2024	**3,892**	**106,202**	**7,037**	**(2,574)**	**57,256**	**171,813**
Net profit/(loss) for the reporting period	-	-	-	-	(494)	(494)
Total comprehensive income for the reporting year	**-**	**-**	**-**	**-**	**(494)**	**(494)**
Dividend payment	-	-	-	-	(11,787)	(11,787)
Creation of capital reserve	-	-	10,000	-	(10,000)	-
Share buyback	-	-	-	(3,641)	-	(3,641)
Transactions with owners recognised in equity	**-**	**-**	**10,000**	**(3,641)**	**(21,787)**	**(15,428)**
As at 31 March 2025	**3,892**	**106,202**	**17,037**	**(6,215)**	**34,975**	**155,891**
Net profit/(loss) for the reporting period	-	-	-	-	225,085	225,085
Total comprehensive income for the reporting year	**-**	**-**	**-**	**-**	**225,085**	**225,085**
Dividend payment	-	-	-	-	(27,233)	(27,233)
Cancellation of capital	(62)	-	(5,630)	5,692	-	-
Adjustments to retained earnings	-	-	-	-	913	913
Share buyback	-	-	-	(135,000)	-	(135,000)
Transactions with owners recognised in equity	**(62)**	**-**	**(5,630)**	**(129,308)**	**(26,320)**	**(161,320)**
As at 31 March 2026	**3,830**	**106,202**	**11,407**	**(135,523)**	**233,740**	**219,656**

SEPARATE STATEMENT OF CASH FLOWS

	1 Apr 2025–31 Mar 2026 PLN '000	1 Apr 2024–31 Mar 2025 PLN '000
Continuing operations		
Operating activities		
Profit/(loss) before tax	284,267	(9,535)
Adjustments for:		
Depreciation and amortisation	5,710	5,463
Interest paid	3,229	319
Dividends received	-	(1,831)
(Gains)/losses on investing activities	(429,194)	264
Change in inventories	7,735	193
Change in receivables	3,732	(9,929)
Change in liabilities and provisions	(6,832)	(2,171)
Change in contract assets and liabilities	10,113	298
Change in other assets	32,300	(561)
Total adjustments	**(373,207)**	**(7,955)**
Income tax paid	(21,909)	280
	(110,849)	**(17,210)**
Investing activities		
Payments for the purchase of property, plant and equipment and intangible assets	(4,896)	(1,649)
Payments for purchased financial assets	(1,730)	-
Proceeds from sale of property, plant and equipment	-	(264)
Proceeds from disposal of financial assets	429,330	
Loans repaid/(granted)	1,990	(166)
Government grants received for development projects	-	-
Dividends received	-	1,831
	424,694	**(248)**
Financing activities		
Proceeds from/(repayment of) borrowings	(80,790)	1,131
Principal lease payments	(4,601)	(894)
Dividend paid	(27,233)	(11,787)
Share buyback	(135,000)	(3,641)
Interest paid	(3,229)	(319)
	(250,853)	**(15,510)**
Change in cash from continuing operations	**62,992**	**(32,968)**
Change in cash from discontinued operations	**(23,100)**	**33,478**
Change in cash	**39,892**	**510**
Cash at beginning of period	1,060	550
Cash at end of period	**40,952**	**1,060**

NOTES

NOTE 1 – GENERAL INFORMATION

1. The Company

mcr S.A., formerly MERCOR S.A. (the "Company"), has operated as a joint-stock company since 21 September 2004. Prior to that date, the Company operated 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.
The Company's registered office is at ul. Juliusza Słowackiego 224, Gdańsk, Poland. The change of the registered office address was registered in October 2025. The Company's former address was ul. Grzegorza z Sanoka 2, Gdańsk. The Company conducts its operations at its registered office and also through sales offices and a manufacturing plant, none of which constitute separate self-balancing units. The Company is registered with the District Court for Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register, under entry No. KRS 0000217729.

Following the disposal on 1 October 2025 of the smoke and heat exhaust ventilation, rooflight and mechanical smoke ventilation systems business, the Company has focused on:
- ✓ the manufacture and sale of structural fire protection;
- ✓ the provision of solutions for active fire suppression using fixed water-based firefighting systems; and
- ✓ the provision of safety solutions based on Internet of Things (IoT) technologies and wireless communications, as well as modern building management systems.

2. Management Board

As at 31 March 2026 and as at the date of issue of these financial statements, the Management Board of the Company was composed of:

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

During the financial year, on 21 November 2025, Mr Tomasz Kamiński tendered his resignation as a member of the Company's Management Board.

3. Supervisory Board

As at 31 March 2026 and as at the date of issue of these financial statements, the Supervisory Board of the Company was composed of:

Arkadiusz Kęsicki – Chair of the Supervisory Board
Eryk Karski – Deputy Chair of the Supervisory Board
Tomasz Rutowski – Secretary of the Supervisory Board
Marian Popinigis – Member of the Supervisory Board
Pathy Timu Zenzo – Member of the Supervisory Board
Błażej Żmijewski – Member of the Supervisory Board
Tomasz Klaczyński – Member of the Supervisory Board

During the financial year, Mr Tomasz Klaczyński was appointed to the Company's Supervisory Board.

Since 19 July 2007, Company shares have been listed on the Warsaw Stock Exchange. In accordance with a relevant resolution of the General Meeting of Shareholders, as of the financial year beginning on 1 January 2007, the Company has prepared its financial statements in accordance with International Financial Reporting Standards.

These separate financial statements of the Company should be read in conjunction with the consolidated financial statements authorised for issue by the Management Board and published on the same day as these separate financial statements.

NOTE 2 – MATERIAL ACCOUNTING POLICY INFORMATION

1. Basis of preparation of the separate financial statements

The Company's financial year runs from 1 April to 31 March.

Financial data contained in these financial statements is presented in thousands of Polish złoty (PLN thousand), unless more accurate data is provided in specific cases.

The functional and presentation currency of the Company is the Polish złoty (PLN).

In the preparation of these financial statements, the same accounting policies and calculation methods were used as those applied by the Company in the preparation of its most recent separate full-year financial statements.

These financial statements have been prepared on a historical cost basis, except for derivative financial instruments measured at fair value.

2. Going concern assumption

These financial statements have been prepared on the assumption that the Company will continue as a going concern for at least 12 months from the reporting date. As at the date of preparation of these financial statements, the Management Board of the Company was not aware of any facts or circumstances that would indicate a threat to the Company continuing as a going concern in the period of at least 12 months from the reporting date, as a result of an intended or forced discontinuation or material limitation of its existing business. As part of the assumptions underlying this assessment, the Management Board also considered the potential impact of a recession resulting from the war in Ukraine. The Company will continue to monitor the current situation and implement all necessary measures to mitigate any adverse effects as the situation develops.

3. Impact of the war in Ukraine on the Company's business

Since 24 February 2022, that is, since the outbreak of the war in Ukraine, the Management Board of the Company has been analysing its impact on the business conducted by the Company and by the subsidiaries forming part of the Company's Group. The analysis covers market, financial and operational aspects, as well as applicable and changing local and international legislation; in particular, successive sanctions and restrictions imposed on countries, entities and individuals in connection with the conflict are monitored.
Based on the analyses performed, the Management Board of the Company identified no threat to the Company's and other Group companies' ability to continue as going concerns as at the date of these financial statements and for the foreseeable future.

4. Statement of compliance

These financial statements of mcr S.A. for the financial year ended 31 March 2026 have been prepared in accordance with the International Financial Reporting Standards effective as at 31 March 2026, as adopted by the European Union.

5. Changes in applied accounting policies

Effect of the application of new accounting standards and changes in accounting policies

The accounting policies applied in the preparation of these financial statements for the year ended 31 March 2026 are consistent with those applied in the preparation of the full-year financial statements for the previous financial year, except for the application of new or revised standards and interpretations effective for annual periods beginning on or after 1 January 2025.

The amended standards and interpretations which were applied for the first time in the financial year ended 31 March 2026 do not have a material effect on the Company's financial statements.

The Company did not elect to early adopt any of the standards, interpretations or amendments that have been published but are not effective as not yet endorsed by the European Union.

Standards not yet effective (new standards and interpretations)

The following standards and interpretations have been issued by the International Accounting Standards Board, but were not yet effective as at the reporting date:

- **IFRS 14 *Regulatory Deferral Accounts*** (issued on 30 January 2014) – pursuant to the European Commission’s decision, the process leading to the endorsement of a preliminary version of the standard will not be initiated until its final version is published; not endorsed by the EU as at the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after 1 January 2016.
- **Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*** (issued on 11 September 2014) − work on endorsing the amendments has been deferred indefinitely by the EU; effective date deferred indefinitely by the IASB.
- **Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*** (issued on 30 May 2024) – not endorsed by the EU as at the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after 1 January 2026.
- **Amendments to IFRS 9 and IFRS 7 – *Contracts Referencing Nature-dependent Electricity*** (issued on 18 December 2024), effective for annual periods beginning on or after 1 January 2026.
- **IFRS 18 *Presentation and Disclosure in Financial Statements*** (issued on 9 April 2024), effective for annual periods beginning on or after 1 January 2027.
- **IFRS 19 *Subsidiaries without Public Accountability: Disclosures*** (issued on 9 May 2024) – not endorsed by the EU as at the date of authorisation of these financial statements for issue, effective for annual periods beginning on or after 1 January 2027.

- **IFRS 19 *Subsidiaries without Public Accountability: Disclosures*** (issued on 21 August 2025) – not endorsed by the EU as at the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after 1 January 2027.
- **Amendments to IAS 21 – *Translation to a Hyperinflationary Presentation Currency*** (issued on 13 November 2025) – not endorsed by the EU as at the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after 1 January 2027.
- **IFRS 20 *Regulatory Assets and Regulatory Liabilities*** (issued on 27 May 2026) – not endorsed by the EU as at the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after 1 January 2029.
- **Annual Improvements to IFRS Accounting Standards – Volume 11** (issued on 18 July 2024) – not endorsed by the EU as at the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after 1 January 2026.

The effective dates are those set out in the text of the standards issued by the International Accounting Standards Board. The effective dates of the standards in the European Union may differ from those specified in the text of the standards and are announced on endorsement of a standard by the European Union. The Company will apply the amendments to the standards not earlier than the date determined by the European Union as the effective date of the standard.

As at the date of authorisation of these financial statements for issue, the Management Board does not expect the application of new standards and interpretations to have any material effect on the accounting policies applied by the Company.

6. Professional judgement of the Company's Management Board

When preparing the financial statements of the Company, the Management Board has to make judgements, estimates and assumptions which affect the presented income, expenses, assets, liabilities as well as related notes, and disclosures concerning contingent liabilities. Uncertainties associated with these assumptions and estimates have the potential to cause significant adjustments to the carrying amounts of assets and liabilities in subsequent periods.

When applying the accounting policies, the Management Board made the following judgements which most significantly affect the presented carrying amounts of assets and liabilities:

a) Revenue from contracts with customers

The Company determines the stage of completion of construction contracts by determining the proportion of costs incurred to date for a given project to the total estimated cost of that project.
Given the nature of the projects carried out and the possibility of previously unforeseen difficulties arising during their execution, the actual total costs of a project may differ from the estimates made. A change in the estimated total cost of projects may mean that the stage of completion determined as at the end of the reporting period, and consequently the revenue recognised, should be determined at a different amount.

b) Impairment of shares in related parties

Shares in subsidiaries and jointly-controlled entities are recognised at cost. In case of permanent impairment, the carrying amount of the shares is decreased through the recognition of impairment losses. As at the reporting date, the Company analyses indications of asset impairment. If indications of impairment are identified, impairment tests are performed and the effects of permanent impairment are recognised in profit or loss.

c) Impairment of non-current assets

The Company reviewed indications of potential impairment of non-current assets. In the case of property, plant and equipment and intangible assets for which indications of potential impairment were identified, impairment tests were performed. The tests required an estimation of the value in use of the cash-generating unit to which the assets were allocated. Estimating the value in use requires making an estimate of the expected future cash flows from the cash-generating unit and determining a suitable discount rate in order to calculate the present value of those cash flows. For information on the results of the tests, see Note 12.

Following a review of indications that the shares held might be impaired, indications of possible impairment of shares held in Elmech-ASE S.A. were identified. The shares were tested for impairment, and the results of the test are described in Note 14. No indications of impairment were identified with respect to the other equity interests.

d) Deferred tax assets

The Company recognises a deferred tax asset if it assumes that taxable profit will be generated in the future against which the asset can be used. A deterioration in the tax results achieved in future could render this assumption unjustified.

The Company carefully evaluates the nature and extent of evidence supporting the conclusion that it is probable that sufficient future taxable profit will be available to allow the deduction of unused tax losses, unused tax credits or other deductible temporary differences.

When assessing whether it is probable that future taxable profit will be achieved (probability above 50%), the Company takes into account all available evidence, both that supporting existence of the probability and that supporting its absence.

e) Leases – the Company as a lessee

The Company determines the lease term as a non-cancellable lease term, including periods covered by an option to extend the lease, if such option exists and it is reasonably certain that the option will be exercised, as well as periods covered by an option to terminate the lease if it is reasonably certain that the option will not be exercised.

The Company may extend the lease term of certain lease contracts. The Company applies judgement to assess whether there is reasonable certainty that the extension option will be exercised, which means that it takes into account all the relevant facts and circumstances that create an economic incentive to exercise the extension option, or an economic penalty for failing to do so. After the commencement date, the Company reassesses the lease term if a significant event or change in circumstances under its control occurs which affects its ability to exercise (or not to exercise) the extension option.

f) Gain or loss on disposal of business

The consideration for the sale of the natural and mechanical smoke ventilation business to the Kingspan Group, completed on 1 October 2025, was set at a maximum of PLN 420 million and comprises two components. PLN 330 million was paid on the transaction closing date. The remaining portion of the consideration, which will amount to a maximum of PLN 90 million, constitutes deferred consideration (earn-out) and is contingent on the level of consolidated EBITDA generated by the divested business in the period from 1 April 2025 to 31 March 2026. Based on information available at the transaction date, including in particular the current financial performance of the companies included in the transaction and their order books, the Company's Management Board estimated that the forecast level of EBITDA would be sufficient for the maximum amount of deferred consideration to become payable. This estimate reflects the Management Board's best assessment as at the date of these financial statements. As at the date of these financial statements, the Management Board has not identified any circumstances indicating a material risk that the assumptions adopted may not be achieved in respect of factors within its operational control. The uncertainty relates solely to the potential impact of weather conditions in January and February 2026, when, owing to low temperatures, snowfall and icy conditions, certain investment projects were temporarily suspended for safety reasons. As at the date of these financial statements, the Management Board is unable to assess reliably the impact of these circumstances on the final amount of the deferred consideration payable. Pursuant to the terms of the business sale agreement, the Company is due to receive a preliminary calculation of the earn-out amount from the Buyer by the end of July 2026. As at the date of these financial statements, this calculation has not been provided.

The deferred consideration was recognised as a financial asset at an amount equal to the best estimate of the amount expected to be received, taking into account an appropriate rate.

7. Uncertainty of estimates and assumptions

Set out below are the key assumptions concerning the future, and the other key sources of estimation uncertainty at the end of the reporting period, that carry a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company made the assumptions and estimates concerning the future based on its knowledge as at the time of preparation of these financial statements. The assumptions and estimates applied may change in the future as a result of future events arising from market changes or from changes beyond the Company's control. Any such changes are reflected in the estimates or assumptions at the time they occur.

a) Useful lives of non-current assets

The Company reviews the economic useful lives of non-current assets subject to depreciation and amortisation. The Management Board of the Company believes that as at 31 March 2025 the economic useful lives of assets assumed for depreciation purposes align with the expected periods of economic benefits for the respective assets. However, it is acknowledged that the actual periods of economic benefits may deviate from those assumptions.

Depreciation/amortisation rates are determined based on the expected useful lives of property, plant and equipment and intangible assets. Each year the Company reviews the useful lives of its assets based on current estimates.

b) Impairment of trade receivables

The Company uses a provision matrix to measure the allowance for expected credit losses in respect of trade receivables. In order to determine expected credit losses, trade receivables were grouped on the basis of the similarity of their credit risk characteristics. The Company uses its historical credit loss data, adjusted where appropriate for the impact of forward-looking information.

c) Provisions for employee benefits

In terms of employee benefits, the Company is not party to any wage agreements or collective bargaining agreements. Employee benefits expense includes salaries and wages payable in accordance with the terms of employment contracts with individual employees, post-employment benefit costs (retirement severance payments) paid to employees in accordance with applicable laws, and costs of contributions to Employee Capital Plans in the portion borne by the employer. Short-term employee benefit liabilities are measured in accordance with the general principles. Long-term benefits are estimated using actuarial methods. Applying these methods requires a range of assumptions, including appropriate discount rates and demographic assumptions.

Provisions for employee benefits (retirement severance payments) were estimated using actuarial methods. The underlying assumptions are presented in Note 22.

d) Fair value of financial instruments

The fair value of financial instruments for which no active market exists is determined using appropriate valuation techniques. When selecting appropriate methods and assumptions, the Company is guided by professional judgement.

e) Lessee's incremental borrowing rate

The Company is not able to readily determine the interest rate for lease contracts. Therefore, when measuring a lease liability, the Company uses the lessee's incremental borrowing rate. It is the rate of interest that the Company would have to pay to borrow – over a similar term, in the same currency and with a similar security – funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

f) Uncertainty related to tax settlements

Regulations on value added tax, corporate income tax, and social security contributions are subject to frequent changes, with the effect being lack of appropriate points of reference, conflicting interpretations, and scarcity of established precedents which could be followed. The applicable provisions also contain ambiguities, which give rise to differences of opinion as to the legal interpretation of the tax provisions, both among the public authorities themselves and between the public authorities and businesses.

Tax settlements and other areas of activity (e.g. customs or foreign exchange matters) may be subject to inspections by authorities empowered to impose substantial fines and penalties, and any additional tax liabilities arising from such inspections must be paid together with high interest. These conditions mean that the tax risk in Poland is higher than in countries with more mature tax systems.

The amounts presented and disclosed in financial statements may therefore change in the future as a result of a final decision by a tax inspection authority.

On 15 July 2016, the Tax Ordinance was amended to incorporate the provisions of the General Anti-Abuse Rule ('GAAR'). GAAR is intended to prevent the creation and use of artificial legal structures established for the purpose of avoiding the payment of tax in Poland. GAAR defines tax avoidance as measures taken primarily for the purpose of achieving a tax benefit which in the given circumstances is contrary to the object and purpose of tax laws. Under GAAR, such an act does not result in a tax benefit being obtained if the manner of acting was artificial. The occurrence of (i) unjustified splitting of transactions, (ii) engaging intermediaries where no business or economic rationale exists, (iii) mutually cancelling or offsetting elements, and (iv) other actions similar in nature to those referred to above may be treated as an indication of the existence of artificial acts subject to GAAR. The new regulations will require considerably greater judgement to be exercised when assessing the tax consequences of particular transactions.

GAAR is to be applied both to transactions carried out after its entry into force and to transactions carried out before its entry into force but in respect of which the tax benefits obtained continued, or continue, to be realised after that date. The implementation of these regulations will enable the Polish tax inspection authorities to challenge legal arrangements and agreements entered into by taxpayers, such as group restructurings and reorganisations.

The Company recognises and measures current and deferred tax assets or liabilities in accordance with the requirements of IAS 12 *Income Taxes,* based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, with due consideration given to uncertainties related to tax settlements.

When there is uncertainty as to whether and to what extent the tax authorities will accept individual tax settlements of transactions, the Company recognises these settlements taking into account the uncertainty assessment.

8. Material accounting policy information

Intangible assets

Intangible assets that are separately acquired, or internally generated (if they meet the recognition criteria for development costs), are measured on initial recognition at acquisition cost or production cost, respectively. The acquisition cost of intangible assets with finite useful lives acquired in a business combination equals their fair value as at the combination date. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. With the exception of capitalised development expenditure, expenditure on internally generated intangible assets is not capitalised and is recognised as an expense in the period in which it is incurred.

The Company determines whether intangible assets have finite or indefinite useful lives. Intangible assets with finite useful lives are amortised over their useful lives and tested for impairment whenever there is an indication that they may be impaired. The amortisation period and amortisation method for intangible assets with finite useful lives are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of the future economic benefits embodied in an asset are accounted for by changing the amortisation period or amortisation method, as appropriate, and are accounted for as changes in accounting estimates. Amortisation charges on intangible assets with finite useful lives are recognised in profit or loss in the category that corresponds to the function of a given intangible asset.

Intangible assets with indefinite useful lives and those that are not in use are tested for impairment annually, either individually or at the cash-generating unit level.

The useful lives are reviewed on an annual basis and adjusted – if required – with effect as of the beginning of the next financial year.

Research and development expenditure

To assess whether an intangible asset created by the Company meets the criteria for recognition, the Company divides the process of asset creation into a research stage and a development stage.

Research is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Research costs are recognised in profit or loss as incurred.

An intangible asset arising from development work is recognised by the Company when it can prove:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

b) its intention to complete the intangible asset and use or sell it;

c) its ability to use or sell the intangible asset;

d) how the intangible asset will generate probable future economic benefits;

e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure incurred on development work performed as part of a project is carried forward if it can be assumed that it will be recovered in the future. After initial recognition of development expenditure, the historical cost model is applied, under which assets are carried at acquisition cost less accumulated amortisation and accumulated impairment losses. Capitalised expenditure is amortised over the expected period during which revenue will be generated from the project concerned. Amortisation commences in the period when an intangible asset created as a result of development work starts to generate economic benefits.

Intangible assets are amortised at rates that reflect their expected useful lives. The Company does not hold any intangible assets with indefinite useful lives. For amortisation of intangible assets with a finite useful life, the straight-line amortisation method is used. The useful lives of the individual intangible assets are as follows:

Software licences	from 2 to 10 years
Development work	from 2 to 20 years

Gains or losses from derecognition of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss upon derecognition of the asset.

Property, plant and equipment

Property, plant and equipment is carried at acquisition cost/production cost less accumulated depreciation and any accumulated impairment losses. The initial value of property, plant and equipment comprises the acquisition cost plus all costs directly attributable to the purchase and to bringing the asset to a condition fit for use. Cost also includes the cost of replacing component parts of machinery and equipment, recognised as incurred where the relevant recognition criteria are met. Costs incurred after an asset has been brought into use, such as maintenance and repair costs, are recognised in profit or loss as incurred.

The cost of property, plant and equipment transferred by customers is measured at fair value at the date on which control of the assets is obtained.

Upon acquisition, items of property, plant and equipment are divided into components of material value to which separate useful economic lives can be assigned. The cost of overhauls is also deemed a component.

Depreciation is charged on a straight-line basis over the estimated useful life of the asset concerned, as follows:

Buildings and structures	from 10 to 45 years
Plant and equipment	from 3 to 10 years
Vehicles	from 4 to 7 years
Other property, plant and equipment	from 3 to 10 years

The residual value, useful life and method of depreciation of assets are reviewed periodically and adjusted if necessary from the beginning of the next financial year.

An item of property, plant and equipment may be derecognised upon disposal or when no future economic benefits are expected from its further use. Any gains or losses arising on the derecognition of an asset (calculated as the difference between the net proceeds from disposal, if any, and the carrying amount of the item) are recognised in profit or loss for the period in which the item is derecognised.

Assets under construction comprise items of property, plant and equipment in the course of construction or installation, and are measured at acquisition cost or cost of production less any impairment losses. An item of property, plant and equipment under construction is not depreciated until construction is completed and the item is brought into use.

Financial assets

Classification of financial assets
Financial assets are classified into the following measurement categories:
- financial assets measured at amortised cost,
- financial assets measured at fair value through profit or loss,
- financial assets measured at fair value through other comprehensive income.

The Company classifies financial assets on the basis of its business model for managing financial assets and the contractual cash flow characteristics of the financial asset (the SPPI criterion). The Company reclassifies investments in debt instruments when, and only when, its business model for managing those assets changes.

Measurement on initial recognition
Except for some trade receivables, on initial recognition financial assets are recognised at fair value which – in the case of financial assets other than those at fair value through profit or loss – is increased by transaction costs directly attributable to acquisition of the assets.

Derecognition
Financial assets are derecognised when:
- the contractual rights to the cash flows from the financial asset expire, or
- upon transfer of contractual rights to cash flows from the asset following a transaction whereby the Company transferred substantially all risks and rewards of ownership.

Measurement after initial recognition
For the purpose of measurement after initial recognition, financial assets are classified into one of the following four categories:
- debt instruments measured at amortised cost,
- debt instruments measured at fair value through other comprehensive income,
- equity instruments measured at fair value through other comprehensive income,
- financial assets measured at fair value through profit or loss.

Debt instruments – financial assets measured at amortised cost
A financial asset is measured at amortised cost if both of the following conditions are met:
a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company classifies the following types of financial assets as measured at amortised cost:
- trade receivables,
- loans granted that satisfy the SPPI classification test and that, in accordance with the business model, are recognised as held to collect cash flows,
- cash and cash equivalents.

Interest income is calculated using the effective interest method and disclosed in the statement of comprehensive income in the line item 'Finance income'.

Debt instruments – financial assets measured at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange gains and losses, and impairment gains and losses are recognised in profit or loss and are calculated in the same manner as for financial assets measured at amortised cost. Other changes in fair value are recognised in other comprehensive income. On derecognition of a financial asset, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

Interest income is calculated using the effective interest method and disclosed in the statement of comprehensive income in the line item 'Finance income'.

The Company has no debt instruments measured at fair value through other comprehensive income.

Equity instruments – financial assets measured at fair value through other comprehensive income
On initial recognition, the Company may make an irrevocable election to recognise in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor is contingent consideration recognised by the acquirer in a business combination to which IFRS 3 applies. Such election is made separately for each equity instrument. The cumulative gain or loss previously recognised in other comprehensive income is not reclassified to profit or loss. Dividends are recognised in the statement of comprehensive income when the Company's right to receive the dividend is established, unless the dividend clearly represents recovery of a portion of the investment cost.

The Company does not hold equity instruments measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss
Financial assets which are not measured at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss.

The Company classifies derivative financial instruments that have not been irrevocably designated for fair value through other comprehensive income as financial assets measured at fair value through profit or loss.
Gain or loss on measurement of those assets at fair value is recognised in profit or loss.
Dividends are recognised in the statement of comprehensive income when the entity's right to receive the dividend is established.

Impairment of financial assets

The Company assesses expected credit losses ("ECL") associated with debt instruments measured at amortised cost and fair value through other comprehensive income, regardless of whether there is any indication of impairment.
For trade receivables, the Company uses a simplified approach and measures the loss allowance at an amount equal to lifetime expected credit losses using a provision matrix. The Company uses its historical credit loss data, adjusted where appropriate for the impact of forward-looking information.
For other financial assets, the Company measures the expected credit loss allowance at an amount equal to 12-month expected credit losses. The Company measures the allowance for expected credit losses on a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk of that financial instrument has increased significantly since its initial recognition.
The Company estimates that the credit risk associated with a financial instrument has increased significantly since its initial recognition if the time past due is more than 30 days.
The Company considers the debtor to have defaulted if days past due exceed 180 days and the debt is not insured.

Shares in subsidiaries, associates and joint ventures

Shares in subsidiaries, associates and joint ventures are recognised at cost, net of impairment losses.

Subsidiaries are entities controlled by the Company.

The Company controls an investee if it:

- exercises power over the investee,
- is exposed to or has rights to variable returns from its involvement with the investee,
- has the ability to use its power over the investee to affect the amount of those returns.

The Company verifies whether it has control of other entities if there is an indication of change in one or more of the above conditions of control.

If the Company holds less than a majority of voting rights in an investee, but the voting rights held are sufficient to direct the relevant activities of the investee unilaterally, this means that the Company has power over the investee. When assessing whether the Company's voting rights at an investee are sufficient to give it power, the Company considers all relevant circumstances, including:

- the size of the voting interest held compared with the size of interests and the degree of dispersion of voting rights held by other shareholders;
- potential voting rights held by the Company, other shareholders and other parties;
- rights from other contractual arrangements and
- any additional facts and circumstances that indicate the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous general meetings of shareholders or members.

Associates are entities over which the Company has significant influence, other than subsidiaries or interests in the Company's joint ventures. Significant influence is the power to participate in the financial and operating policy decisions of the investee; however, it does not mean exercising control or joint control over that policy.

Joint ventures are arrangements under which two or more parties undertake a jointly controlled economic activity. Joint control is the contractually agreed sharing of control over an economic activity. Joint control exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the venturers.

Measurement at fair value

The Company measures financial instruments such as derivatives at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must have access to the principal (or most advantageous) market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed in the financial statements are classified in the fair value hierarchy as described below based on the lowest level input that is significant to the fair value measurement in its entirety:

- level 1: quoted (unadjusted) prices in an active market for identical assets or liabilities;

- level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement in its entirety is directly or indirectly observable;
- level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement in its entirety is unobservable.

At each reporting date, for assets and liabilities recognised in the financial statements at successive reporting dates, the Company assesses whether transfers between levels of the hierarchy have occurred by reassessing their classification to the individual levels, based on the lowest level input that is significant to the fair value measurement in its entirety.

Summary of material accounting policy information concerning fair value measurement

The Management Board determines the rules and procedures for systematic fair value measurement of such assets as investment property or unlisted financial assets, as well as non-recurring measurements such as assets held for sale in discontinued operations.

For the purposes of the disclosure of the results of measurement at fair value the Company has established classes of assets and liabilities based on the nature, characteristics and risks of the various components of assets and liabilities and the level in the fair value hierarchy as described above.

Inventories

Inventories are measured at the lower of cost and net realisable value.

The purchase price or cost of production of each inventory item includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition – both for the current and the prior year – and is determined as follows:

Materials	• at acquisition cost determined using the first-in, first-out (FIFO) method
Finished goods and work in progress	• at direct materials and labour costs plus an appropriate allocation of indirect production overheads determined on the basis of normal production capacity utilisation, excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Write-downs of inventories arising from prudent measurement, together with write-downs in respect of slow-moving items and any reversals thereof, are recognised in cost of sales.

Trade and other receivables

Trade receivables are recognised and carried at amounts initially invoiced, less allowances for lifetime expected credit losses.

Where the effect of the time value of money is material, receivables are measured by discounting the projected future cash flows to their present value using a discount rate that reflects current market assessments of the time value of money. Where discounting is applied, an increase in receivables as a result of the passage of time is recognised as finance income.

Other receivables include in particular prepayments made for future purchases of intangible assets and inventories. Prepayments are presented in accordance with the nature of the assets to which they relate, as non-current or current assets, respectively. As non-monetary assets, prepayments are not discounted.

Receivables from the state budget are presented within other non-financial assets, with the exception of corporate income tax receivable, which is presented as a separate line item in the statement of financial position.

Cash and cash equivalents

Cash and short-term deposits presented in the statement of financial position comprise cash at banks and short-term deposits with original maturities of up to three months.

Cash and cash equivalents presented in the statement of cash flows comprise the items specified above.

Bank borrowings

Bank borrowings are measured at amortised cost. Current-account overdrafts are the exception, as there are no fixed repayment schedules for them. For borrowings of this type, origination costs and other fees are recognised as finance costs in the period in which they are incurred. In other cases, finance costs, including fees payable on repayment or redemption and direct costs of borrowing, are recognised in the statement of comprehensive income using the effective interest method and adjusting the carrying amount of the instrument for repayments made in the current period.

Trade and other payables

Current trade payables are carried at the amount payable.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated as measured at fair value through profit or loss.

As at 31 March 2025 and 31 March 2024, no financial liabilities were classified as measured at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at fair value, taking into account their market value as at the reporting date and excluding transaction costs on sale. Changes in the fair value of these instruments are recognised in profit or loss as finance costs or finance income, except for changes in the fair value that are caused by changes in the entity's own credit risk on financial liabilities originally designated as at fair value through profit or loss, which are recognised in other comprehensive income.

Financial liabilities other than financial instruments measured at fair value through profit or loss are measured at amortised cost using the effective interest method.

The Company derecognises a financial liability when it is extinguished, that is when the obligation specified in the contract is either discharged or cancelled or expires.

Other non-financial liabilities include, in particular, amounts payable to the tax authorities in respect of value added tax, social security and health insurance contributions and personal income tax, together with liabilities in respect of advance payments received that will be settled through the supply of goods, services or property, plant and equipment. Other non-financial liabilities are measured at the amount payable.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) resulting from past events, and when it is probable that the discharge of this obligation will cause an outflow of funds representing economic benefits, and the amount of the obligation may be reliably estimated. Where the Company expects that the costs covered by a provision will be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when it is virtually certain to be received. Costs related to a given provision are disclosed in the statement of comprehensive income net of all reimbursements.

Where the effect of the time value of money is material, the amount of the provision is determined by discounting the projected future cash flows to their present value using a discount rate that reflects current market assessments of the time value of money and, where applicable, the risks specific to the liability. Where discounting is applied, any increase in the provision due to the passage of time is recognised as finance costs.

Employee benefits

Old-age and disability retirement severance payments are made as a single lump sum upon the employee's retirement or transition to a disability pension. The amount of retirement and disability severance pay depends on the employee’s years of service and average remuneration. The Company recognises a provision for future obligations in respect of retirement and disability severance payments in order to allocate the related costs to the relevant periods. Under IAS 19, retirement and disability severance payments are post-employment defined benefit plans. The present value of these obligations at each reporting date is calculated by an independent actuary. The obligations recognised are equal to the discounted value of future payments, taking into account employee turnover, and relate to the period up to the reporting date. Information on demographics and employee turnover is sourced from historical data.

The remeasurement of employee benefit liabilities relating to defined benefit plans, which includes actuarial gains and losses, is recognised in other comprehensive income and is not subsequently reclassified to profit or loss.

The Company recognises the following changes in net defined benefit obligations within cost of sales, administrative expenses and distribution costs, which consist of:

- service cost (including, but not limited to, current service cost and past service cost);
- net interest on the net defined benefit liability (asset).

The Company incurs costs related to the operation of the Employee Capital Plans (“PPK”) by making contributions to investment funds. They are post-employment benefits in the form of a defined contribution plan. Costs of PPK contributions are recognised in the same cost item as the cost of salaries and wages on which they are paid. PPK liabilities are presented within other non-financial liabilities.

Government grants

A government grant is recognised at fair value if there is reasonable assurance that the Company will comply with the conditions attached to it, and that the grant will be received.

Where a grant relates to a cost item, it is recognised as income on a systematic basis over the periods in which the costs it is intended to compensate are recognised. Where a grant relates to an asset, its fair value is recognised as deferred income and is subsequently released to profit or loss in equal annual instalments over the estimated useful life of the related asset.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded in the accounting records at the transaction date, using the following exchange rates:

- buy or sell exchange rates applied by the Company’s bank are used in the case of transactions to buy or sell currencies and transactions to pay receivables or payables;
- the average exchange rate quoted for the given currency by the National Bank of Poland for that date.

Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date at the average exchange rate quoted for the currency by the National Bank of Poland for that date. Exchange differences arising from the settlement of transactions denominated in foreign currencies, as well as those arising from the valuation as at the reporting date of items of assets and liabilities denominated in foreign currencies that relate to the Company's principal business, are recognised as finance costs or income.

The average exchange rates used to account for foreign currency items held by the Company as at the reporting date and the average annual rates during the periods covered by these financial statements were as follows:

Exchange rate	31 Mar 2026	1 Apr 2025–31 Mar 2026	31 Mar 2025	1 Apr 2024–31 Mar 2025
EUR	4.2894	4.2485	4.1839	4.2734
Czech koruna (CZK)	0.1749	0.1734	0.1677	0.1701
Ukrainian hryvnia (UAH)	0.0851	0.0871	0.0932	0.0969
Romanian leu (RON)	0.8413	0.8378	0.8405	0.8589
Russian rouble (RUB)	0.0456	0.0458	0.0458	0.0427
Hungarian forint (HUF 100)	1.1118	1.0822	1.0410	1.0702
Pound sterling (GBP)	4.9426	4.9135	5.0020	5.0873

Leases – the Company as a lessee

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a uniform approach to the recognition and measurement of all leases. At the commencement date of a lease, the Company recognises a right-of-use asset and a lease liability.

Right-of-use assets

The Company recognises right-of-use assets at the lease commencement date (i.e. the date when the underlying asset is made available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets comprises the amount of the lease liabilities recognised, the initial direct costs incurred, and any lease payments made at or before the commencement date, less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset by the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. Right-of-use assets are tested for impairment.

Lease liabilities

At the lease commencement date, the Company measures lease liabilities at the present value of lease payments then outstanding. Lease payments comprise fixed payments (including in-substance fixed lease payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease if the lease terms grant a termination option to the Company. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition triggering the payment occurs.

When calculating the present value of lease payments, the Company uses the lessee's incremental borrowing rate on the lease commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the interest, and reduced by lease payments made. Furthermore, the carrying amount of lease liabilities is remeasured if the lease term, in-substance fixed lease payments or judgement as to purchase of the underlying assets change.

Short-term leases and leases of low-value assets

The Company applies the exemption from short-term lease recognition to its short-term leases (i.e. leases with a term of 12 months or less from inception, with no purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Impairment of non-financial non-current assets

An assessment is made at the reporting date to determine whether there is any indication that any of its non-financial non-current assets, including right-of-use assets, may be impaired. If such indications exist, or where annual impairment testing is required, the Company estimates the recoverable amount of the asset or of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. The recoverable amount is determined for individual assets, unless a given asset does not generate cash inflows that are largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and is written down to its recoverable amount. In assessing value in use, the projected cash flows are discounted to their present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the expense categories consistent with the function of the impaired asset.

The Company assesses at the reporting date whether there is an indication that previously recognised impairment losses on a given asset no longer exist or should be reduced. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed if and only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In such a case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount may not exceed the carrying amount that would have been determined (net of accumulated depreciation and amortisation) had no impairment loss been recognised for that asset in prior years. Reversal of an impairment loss is immediately recognised as income. Following reversal of an impairment loss, in the subsequent periods the amortisation/depreciation charge related to a given asset is adjusted so that its revised carrying amount, less residual value, can be regularly written off over the remaining useful life of the asset.

Revenue from contracts with customers

The Company applies IFRS 15 *Revenue from Contracts with Customers* to all contracts with customers except financial instruments and other contractual rights or obligations within the scope of IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IAS 27 *Separate Financial Statements,* and IAS 28 *Investments in Associates and Joint Ventures*.

The fundamental principle of IFRS 15 is to recognise revenue when goods and services are transferred to the customer, at a value that reflects the price expected by the entity to be received in exchange for the transfer of the goods and services. The principle is applied using a five-step model:

- identifying the contract with the customer,
- identifying the performance obligations in the contract with the customer,
- determining the transaction price,
- allocating the transaction price to the individual performance obligations,
- recognising revenue when a performance obligation is satisfied.

Identifying the contract

The Company accounts for a contract with a customer only when all of the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- The Company can identify each party's rights regarding the goods or services to be transferred;
- The Company can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

When assessing whether the consideration is likely to be collected, the Company takes into account only the customer's ability and intention to pay that consideration when due. The consideration to which the Company will be entitled may be lower than the price specified in the contract if the consideration is variable as the Company may offer a price concession to the customer.

Identifying performance obligations

At contract inception, the Company assesses the goods or services promised in the contract with the customer and identifies as a performance obligation each promise to transfer to the customer either a good or service (or bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service promised to a customer is distinct if both of the following criteria are met:

- the customer can benefit from the good or service on its own or in conjunction with other readily available resources; and
- the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

Determining the transaction price

When making this determination, the Company considers the contract terms and its customary business practices. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for the transfer of promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, some sales taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Variable consideration
If the consideration defined in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer. The Company estimates an amount of variable consideration by using either of the following methods, depending on which method the Company expects to better predict the amount of consideration to which it is entitled:

- the expected value – the expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. The expected value may be an appropriate estimate of the amount of variable consideration if the Company has a large number of contracts with similar characteristics;
- the most likely amount – the most likely amount is the single most likely amount within a range of possible consideration amounts (that is, the single most likely outcome of the contract). The most likely amount may be an appropriate estimate of the amount of variable consideration if the contract has only two possible outcomes (for example, the Company either achieves a performance bonus or does not).

The Company includes in the transaction price some or all of the variable consideration only to the extent that it is highly probable that there will not be a significant reversal in the amount of cumulative revenue recognised when the uncertainty associated with the variable consideration is subsequently resolved.

Some contracts with customers contain elements of variable consideration arising as a result of discounts or penalties.

If the consideration defined in a contract includes a variable amount, the entity estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to the customer and includes in the transaction price all or part of the variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company estimates the amount of variable consideration using the expected value method.

Allocating the transaction price to performance obligations
The Company allocates the transaction price to each performance obligation (or to a distinct good or service) in an amount that reflects the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

Satisfying performance obligations

The Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good or service to the customer.

Principal versus agent considerations
When another entity is involved in providing goods or services to a customer, the Company determines whether the nature of its promise is a performance obligation to provide the specified goods or services to the customer itself (in this case the Company is the principal) or to arrange for them to be provided by another entity (in this case the Company is an agent).

The Company acts as the principal if it controls the promised good or service before transferring it to the customer. However, the entity is not necessarily acting as a principal if it obtains legal title to a specified good only momentarily before that legal title is transferred to the customer. A principal may satisfy its performance obligation to provide the specified good or service itself, or it may engage another party (for example, a subcontractor) to satisfy some or all of the performance obligation on its behalf. In such circumstances, the Company recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified goods or services transferred.

The Company acts as the agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In such a case, the Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Significant financing component

In the case of contracts with customers where the period between the transfer of the promised goods or services and payment by the customer exceeds one year, the Company has assessed that the contracts contain a significant financing component due to the time value of money. In order to determine the transaction price, the Company adjusts the promised amount of consideration for a significant financing component using the discount rate that would be reflected in a separate financing transaction between the entity and the customer at contract inception.

Warranties

The Company provides warranties on products sold that provide the customer with assurance that the product complies with the specifications agreed upon by the parties. The Company recognises such warranties in accordance with IAS 37.

Provisions, contingent liabilities and contingent assets

Some non-standard contracts with customers contain extended warranties. Such warranties constitute a separate service, recognised as a performance obligation to which a portion of the transaction price is allocated.

Capitalised costs to obtain a contract

The Company recognises incremental costs of obtaining a contract with a customer as an asset if the costs are expected to be recovered. The incremental costs of obtaining a contract are those costs incurred by an entity to obtain a contract with a customer that it would not have incurred had the contract not been obtained. Incremental costs of obtaining a contract include mainly design and architectural services. Costs of obtaining a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense when incurred, unless they are explicitly chargeable to the customer regardless of whether the contract is obtained.

Contract assets

As contract assets, the Company recognises the right to consideration in exchange for goods or services transferred to a customer when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The Company measures and recognises expected credit losses on the same basis as for a financial asset in accordance with IFRS 9.

Receivables

Under receivables, the Company recognises the right to consideration in exchange for goods or services transferred to a customer if the right is unconditional (only the passage of time is required before payment of that consideration is due.). The Company recognises receivables in accordance with IFRS 9. On initial recognition of a contract receivable, any difference between the measurement of the receivable in accordance with IFRS 9 and the corresponding amount of revenue previously recognised is recognised as an expense (impairment loss on trade receivables and other financial assets).

Contract liabilities

Under contract liabilities, the Company recognises such consideration received or receivable from a customer which relates to the obligation to transfer goods or services to the customer.

Right-of-return assets

Under right-of-return assets, the Company recognises the right to recover products from customers on settling the refund liability.

The Company generates revenue through several revenue streams. These are mainly:

- supply of products and provision of installation services – revenue recognised over time
- supply of products without installation services – revenue generally recognised at the date of transfer of goods to the customer
- supply of materials – revenue generally recognised at the date of transfer of goods to the customer,
- maintenance services – revenue recognised over time.

Revenue from the supply of products without installation and the supply of materials is recognised on the date of transfer of responsibility for the goods to the customer, as determined by the commercial terms and conditions of the contract, in accordance with the Incoterms 2020 international trade rules.

For the supply of products with installation services and for the provision of maintenance services, revenue is recognised over time using a cost-to-cost method, whereby the costs incurred in providing a given service are compared with its budgeted costs, and the stage of completion of the work is determined on that basis.

Borrowing costs

Borrowing costs are capitalised as part of the cost of property, plant and equipment that are qualifying assets. Borrowing costs comprise interest calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising on borrowings, to the extent of the corresponding adjustment to interest costs.

Taxation

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to, or recovered from, the tax authorities, using the tax rates and tax laws that were enacted or substantively enacted as at the reporting date.

For financial reporting purposes, deferred tax is calculated using the balance sheet liability method in respect of temporary differences existing at the reporting date between the tax base of assets and liabilities and their carrying amounts recognised in the financial statements.

A deferred tax liability is recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; and
- in the case of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled by the investor and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences, as well as unused tax credits and unused tax losses carried forward to subsequent years, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised,

- except where the deferred tax asset relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and which, at the time of the transaction, affects neither the accounting profit nor the taxable profit or tax loss; and
- in the case of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of a deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. An unrecognised deferred tax asset is reassessed at each reporting date and is recognised to the extent that it is probable that future taxable profits will be available to recover the asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or whose future effect is certain as at the reporting date.

Income tax relating to items recognised outside profit or loss is recognised outside profit or loss: in other comprehensive income for items recognised in other comprehensive income, or directly in equity for items recognised directly in equity.

The Company offsets deferred tax assets against deferred tax liabilities only if it has a legally enforceable right to set off current income tax assets against current income tax liabilities and the deferred income tax is attributable to the same taxable entity and the same taxation authority.

If, in the opinion of the Company, it is probable that the Company's tax treatment of a tax issue or group of tax issues will be accepted by a tax authority, the Company determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates taking into account the approach to taxation planned or applied in its tax return. In assessing this probability, the Company assumes that the tax authorities with the power to audit and challenge the tax treatment will conduct such an audit and will have access to all information.

If the Company determines that it is not probable that the tax authority will accept the Company's treatment of a tax issue or group of tax issues, the Company reflects the effect of the uncertainty in the accounting treatment of the tax in the period in which it determines it. The Company recognises an income tax liability using one of the following two methods, whichever better reflects the way in which the uncertainty is likely to materialise:

- The Company determines the most likely scenario – this is a single amount from among possible outcomes, or
- The Company recognises the expected amount – the sum of probability-weighted amounts from a range of possible outcomes.

Since 2024, the corporate income tax rate in Poland has been 19% of the tax base. The Company has evaluated the potential impact of changes to tax regulations concerning the local minimum tax and the implementation of the BEPS 2.0 directive on its financial performance. Based on its assessment, the Company believes these changes will not have a material impact on its financial results.
The Company's income, apart from tax-exempt income, is subject to taxation at this standard rate. The Company does not expect that global minimum tax regulations or the domestic minimum tax could lead to a higher income tax expense than currently incurred.

NOTE 3 – REVENUE

	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Revenue from sale of products and services	14,446	8,266
– including revenue recognised over time	*9,975*	*6,443*
Revenue from sale of goods for resale and materials	8,576	10,970
Total revenue	**23,022**	**19,236**
including:		
– to related parties	620	4,257

In the financial year from 1 April 2025 to 31 March 2026, the Company's business comprised:

- manufacture and sale of fire protection systems for building structures and the provision of related construction and installation services
- sale of active water mist systems and the provision of related construction and installation services.

In addition, the Company was completing work under contracts previously entered into for the sale of natural smoke ventilation and rooflight systems and mechanical smoke ventilation systems, together with related construction and installation services. Following the transfer of the business to a separate entity by way of an in-kind contribution on 1 April 2025 and the subsequent disposal of the shares in that entity, the business is classified as a discontinued operation.

Revenue from continuing operations, disaggregated by geographical market, was as follows:

	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Poland	22,582	18,364
Spain	-	168
Hungary	-	77
Other	440	627
Total revenue	**23,022**	**19,236**

The Company has a fragmented customer base. Sales to any single customer do not exceed 10% of the Company's revenue.

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Current contract assets	1,411	12,703
Current contract liabilities	388	1,567

Contract assets and contract liabilities comprise differences between the measurement of revenue recognised over time and the amounts invoiced to customers.

NOTE 4 – OPERATING EXPENSES

	For the period 1 Apr 2025–31 Mar 2026	For the period 1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Cost of sales	25,096	21,780
Distribution costs	5,512	5,662
Administrative expenses	16,643	1,858
Total operating expenses	**47,251**	**29,300**
including:		
Depreciation and amortisation	5,710	3,758
Raw materials, consumables and energy used	5,512	5,530
External services	10,406	7,445
Salaries and wages	6,113	5,458
Employee benefits	2,466	1,097
Taxes and charges	784	543
Other	5,223	1,912
Change in inventories of finished goods and work in progress	6,299	(3,720)
Cost of goods for resale and raw materials sold	4,738	7,277
	47,251	**29,300**

Administrative expenses

Administrative expenses were allocated between continuing and discontinued operations. Expenses that could be directly attributed to activities related to the disposal of the discontinued operation (such as transaction advisory, legal and virtual data room costs) were allocated to discontinued operations. The remaining administrative expenses, particularly for the comparative period, were allocated between the operations using appropriate allocation keys.

Personnel expenses

Salaries and wages

Salaries and wages comprise the remuneration payable under the terms of the employment contracts concluded with individual employees.

Employee benefits

Social security costs include pension, disability, and accident insurance benefits, as well as contributions to the Guaranteed Employee Benefits Fund and the Labour Fund. Based on the current regulations, the social security costs for the period from 1 April 2025 to 31 March 2026 and in the preceding year amounted to 19.74% of the contribution assessment base.

Pension benefits expense includes retirement severance payments paid to employees in accordance with applicable labour regulations. The Company incurs costs related to the operation of the Employee Capital Plans ("PPK") by making contributions to an investment fund. They are post-employment benefits in the form of a defined contribution plan. The Company recognises costs of payments to PPK as employee benefit expense. PPK liabilities are presented as part of other liabilities.

The Company is required to create a Company Social Benefits Fund ("ZFŚS"). Contributions to the fund are expensed and are ring-fenced in the fund's separate bank account. In these financial statements, the fund's assets and liabilities are disclosed at net amounts.

Other employee benefits include training aimed at upgrading employees' qualifications and other benefits prescribed by labour laws.

Development costs

	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Expensed development costs	594	640
Amortisation of capitalised development costs	722	586
	1,316	**1,226**

Development costs are recognised as an intangible asset only when the conditions for recognition are met and in accordance with the policies described in Note 2. Amortisation of capitalised development costs is charged to cost of sales, while research costs and expenditures that do not meet the criteria for capitalisation are presented in distribution costs.

NOTE 5 – OTHER OPERATING INCOME

	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Gain on disposal of property, plant and equipment	136	-
Reimbursement of court costs	15	11
Penalties and compensation received	16	55
Liabilities written off	56	160
Government grants for development projects	177	-
Other government grants	(82)	82
Other	-	5
	318	**313**

NOTE 6 – OTHER OPERATING EXPENSES

	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Loss on disposal of property, plant and equipment	-	73
Penalties, fines and damages paid	-	29
Litigation costs	70	24
Impairment loss on property, plant and equipment under construction	-	892
Other	272	307
	342	**1,325**

NOTE 7 – FINANCE INCOME

	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Dividends	-	1,830
Gain on disposal of financial assets	317,742	
Interest on bank deposits	2,397	-
Interest on loans	1,029	1,352
Interest on retentions	-	-
Interest on receivables	56	
Exchange differences	-	302
Other	-	30
	321,224	**3,514**

Dividend income in each reporting period was as follows:

	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Tecresa Protección Pasiva	-	1,830
	-	**1,830**

NOTE 8 – FINANCE COSTS

	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Interest on bank borrowings	2,417	234
Interest on loans	812	220
Interest on late payments	60	107

Interest on retentions and leases	338	254
Financial assets written off	-	-
Commission fees on bank borrowings and guarantees	273	293
Exchange differences	(77)	-
Loss allowances on loans	8,556	-
	12,379	**1,108**

NOTE 9 – IMPAIRMENT LOSSES ON SHARES IN SUBSIDIARIES

In the current financial year, the Company assessed whether there were any grounds for recognising impairment losses on its investments in subsidiaries. Potential indications of impairment of shares in Elmech-ASE S.A. were identified. Consequently, an impairment test was conducted, as described in more detail in Note 14. The analysis of indications of impairment of shares in the other companies did not reveal any need to perform impairment tests.

NOTE 10 – INCOME TAX

Tax expense is calculated based on the tax rates in effect for the financial year in individual jurisdictions. In Poland, the income tax rate of 19% of the tax base has been in force since 2004.

The Company is subject to general income tax laws. The Company is not part of a tax group, nor does it operate in a Special Economic Zone. The Company does not use income tax exemptions or other forms of public aid that would result in the application of tax base calculation rules different from the general regulations.

The main components of the income tax expense related to continuing operations in the reporting periods were as follows:

	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
Statutory tax rate	19%	19%
Current tax	PLN '000	PLN '000
Current tax expense	22,112	-
Withholding tax on corporate profit distribution income	-	21
	22,112	**21**
Deferred tax		
Related to recognition and reversal of temporary differences	20,312	(1,468)
	20,312	**(1,468)**
Tax expense disclosed in profit or loss	**42,424**	**(1,447)**

The differences between the nominal and effective tax rates were as follows:

Profit/(loss) before tax	284,267	(9,535)
Effective tax rate	14.92%	(15.18%)
Income tax at effective tax rate	**42,424**	**(1,447)**
Income tax at statutory tax rate	54,011	-
Tax effect of non-deductible expenses and non-taxable income according to tax regulations	(11,587)	(1,447)
Income tax at effective tax rate	**42,424**	**(1,447)**

Deferred tax is recognised for temporary differences between tax base and profit disclosed in the financial statements. As at 31 March 2026 and 31 March 2025, deferred income tax arose from the items presented in the table below.

	Statement of financial position		**Statement of comprehensive income**	
	End of period 31 March 2026	End of period 31 March 2025	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000	PLN '000	PLN '000
Deferred tax liabilities				
Differences between tax base and carrying amounts of property, plant and equipment and intangible assets	117	1,916	1,520	317
Effect of measurement of long-term contracts	194	2,307	2,113	114
Receivables from disposal of financial assets	17,100	-	(17,100)	-
Unrealised exchange differences and measurement of forward contracts	-	-	-	7
Accrued interest	220	341	121	(103)
Gross deferred tax liabilities	**17,631**	**4,564**	(13,346)	335
Deferred tax assets				
Effect of measurement of long-term contracts	115	1,292	(1,177)	291
Provision for employee expenses and employee benefit obligations	2,000	2,487	(487)	(430)
Loss allowances on receivables	1,251	1,427	(176)	103
Write-downs of inventories	2,085	3,376	(1,291)	633
Unrealised exchange differences and measurement of forward contracts	-	1	(1)	1
Accrued interest	257	160	97	(46)
Gross deferred tax assets	**5,708**	**8,743**	(3,035)	552
Net deferred tax assets/(liabilities)	**(11,923)**	**4,179**		
Deferred tax expense			**(16,381)**	**887**
Amounts recognised in equity			**-**	**-**

Deferred tax was recognised in the periods presented for all temporary differences between the profit or loss for accounting purposes and the tax base, except for deferred tax assets arising from the difference between the net carrying amounts and the tax base of equity interests in subsidiaries.

The Company does not intend to sell its shares in subsidiaries in the foreseeable future, and therefore the probability of realising the temporary difference is not high.

NOTE 11 – EARNINGS PER SHARE AND DIVIDENDS

Earnings (loss) per share

	For the period 1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
Number of shares (net of treasury shares)	9,020,433	15,444,769
Net profit/(loss) for the period (PLN '000)	225,085	(494)
Earnings per share (PLN)	24.95	(0.03)

Basic earnings per share are calculated by dividing the net profit for the year attributable to the Company's ordinary shareholders by the number of ordinary shares issued as at the end of the period, excluding treasury shares. There were no financial instruments that caused earnings dilution during the current or previous financial year. Therefore, the values of basic and diluted earnings per share are equal.

Dividends paid and declared

In the current financial year, the Company reported a net profit of PLN 225,085 thousand. The Company's Management Board will recommend to the General Meeting that the profit be allocated to a reserve designated to cover the share buyback carried out, with the remaining amount to be applied to cover the loss from the previous financial year and to statutory reserve funds. At the same time, the Management Board does not rule out the payment of a dividend, depending on the Company's liquidity position.

A dividend of PLN 1.58 per share, or a total of PLN 27,233 thousand, was paid for the previous financial year.

NOTE 12 – INTANGIBLE ASSETS

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Costs of completed development work	4,043	7,532
Capitalised costs of development work in progress	1,437	7,648
Concessions and licences	655	474
	6,135	**15,654**

Development expenditure at the Company includes the cost of certification processes for new products and technologies to be placed on the market. Development work is recognised as assets and amortised in accordance with the policies described in Note 2.

The Company conducted impairment tests for all completed development work and development work in progress, using the discounted cash flow method. For the assessment of impairment of completed development work and development work in progress, one cash-generating unit (CGU) was identified to which the respective assets were allocated. The discount rate applied in the tests was determined

using the weighted average cost of capital of 9.3%. The impairment tests did not indicate any need for recognising impairment losses.
Changes in the key assumptions, to the extent such changes can be reasonably estimated (+/- 10% change in EBITDA and +/- 1pp change in WACC), would not lead to the carrying amount of the cash-generating unit exceeding its recoverable amount.

Concessions and licences mainly include licences for computer systems and utility software used in the Company's operations.

None of the Company's intangible assets serve as collateral.

Changes in intangible assets in the period from 1 April 2025 to 31 March 2026

	Costs of completed development work	Costs of capitalised development work in progress	Acquired concessions, patents, licences and similar assets	Total
	PLN '000	PLN '000	PLN '000	PLN '000
Gross carrying amount				
As at 1 April 2025	**39,118**	**7,648**	**7,877**	**54,643**
Increases:				
- purchase and transfer from property, plant and equipment under construction	-	-	692	692
- internally generated	3,080	726	-	3,806
Decreases:				
- sale and write-off	-	-	-	-
- development work successfully completed	-	3,080	-	3,080
- in-kind contribution to related entity	28,811	3,857	4,726	37,394
As at 31 March 2026	**13,387**	**1,437**	**3,843**	**18,667**
Accumulated amortisation				
As at 1 April 2025	**31,586**	**-**	**7,403**	**38,989**
Increases:				
- amortisation	720	-	169	889
Decreases:				
- sale and write-off	-	-	-	-
- in-kind contribution to related entity	22,962	-	4,384	27,346
As at 31 March 2026	**9,344**	**-**	**3,188**	**12,532**
Net carrying amount as at 31 March 2026	**4,043**	**1,437**	**655**	**6,135**

Changes in intangible assets in the period from 1 April 2024 to 31 March 2025

	Costs of completed development work	Costs of capitalised development work in progress	Acquired concessions, patents, licences and similar assets	Total
	PLN '000	PLN '000	PLN '000	PLN '000
Gross carrying amount				
As at 1 April 2024	**37,770**	**4,480**	**7,827**	**50,077**
Increases:				
- purchase and transfer from property, plant and equipment under construction	-	-	50	50
- internally generated	1,348	4,516	-	5,864
Decreases:				
- sale and write-off	-	-	-	-
- development work successfully completed	-	1,348	-	1,348
As at 31 March 2025	**39,118**	**7,648**	**7,877**	**54,643**
Accumulated amortisation				
As at 1 April 2024	**29,091**	**-**	**7,143**	**36,234**
Increases:				
- amortisation	2,495	-	260	2,755
Decreases:				
- sale and write-off	-	-	-	-
As at 31 March 2025	**31,586**	**-**	**7,403**	**38,989**
Net carrying amount as at 31 March 2025	**7,532**	**7,648**	**474**	**15,654**

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Land	5,406	8,406
Buildings and structures	8,047	19,573
Machinery and equipment	14,022	23,433
Vehicles	2,116	2,306
Other	135	855
Property, plant and equipment	**29,726**	**54,573**
Property, plant and equipment under construction	168	1,982
Prepayments for property, plant and equipment	52	252
	29,946	**56,807**

The land disclosed as at 31 March 2026 and 31 March 2025 comprises Company's own land.

As at the reporting date, non-current assets were assessed by the Company for indications of possible impairment. A significant increase in the prices of energy commodities consumed in the manufacturing process was identified as an indication of possible impairment of assets associated with the manufacture and marketing of mcr Silboard fire protection boards at the Mirosław manufacturing plant, whereupon an impairment test was carried out.
The impairment test performed as at 31 March 2026 for assets involved in the manufacture of mcr Silboard fire protection boards was based on discounted cash flow projections for a period of five years from the reporting date, taking into consideration the projected residual value. The long-term growth rate adopted to calculate the value of the cash-generating unit beyond the projection period takes into account the specific characteristics of the entity and of the market in which it operates. Projections were prepared taking into account the specific characteristics of the relevant market and product group, drawing on past experience in respect of those markets. The cash flow projections with business rationale cover a period of five years, i.e., the financial years from 1 April 2026 to 31 March 2031.
The discount rate was determined based on the real weighted average cost of capital of 9.30% (the nominal WACC was 12.58%). The results of the test did not indicate any need to recognise an impairment loss on the assets used in the manufacture of mcr Silboard fire protection boards.

The Company's property, plant and equipment serves as collateral for bank borrowings and guarantee facilities. The value of the security established over the property, plant and equipment is presented in the table below.

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Value of property, plant and equipment serving as collateral for borrowings and guarantee facilities granted to the Company	12,153	12,440
	12,153	**12,440**

Changes in the value of property, plant and equipment are shown in the following tables.

Changes in property, plant and equipment in the period from 1 April 2025 to 31 March 2026

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other	Property, plant and equipment under construction	Total
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
Gross carrying amount							
As at 1 April 2025	**8,406**	**37,639**	**52,306**	**4,087**	**3,909**	**2,874**	**109,220**
Increases:							
- purchase and transfer from property, plant and equipment under construction	-	-	297	1,234	35	2,385	3,951
Decreases:							
- sale and write-off	-	-	7	489	-	-	496
- in-kind contribution to related entity	3,000	19,303	25,776	1,865	3,317	1,941	55,202
- transfer to property, plant and equipment from property, plant and equipment under construction	-	-	-	-	-	2,258	2,258
As at 31 March 2026	**5,406**	**18,335**	**26,820**	**2,967**	**627**	**1,060**	**55,215**
Accumulated depreciation							
As at 1 April 2025	**-**	**18,065**	**28,873**	**1,781**	**3,054**	**892**	**52,665**
Increases:							
- depreciation	-	732	1,941	466	44	-	3,183
- impairment	-	-	-	-	-	-	-
Decreases:							
- sale and write-off	-	-	7	131	-	-	138
- in-kind contribution to related entity	-	8,509	18,009	1,265	2,606	-	30,389
As at 31 March 2026	**-**	**10,288**	**12,798**	**851**	**492**	**892**	**25,321**
Net carrying amount as at 31 March 2026	**5,406**	**8,047**	**14,022**	**2,116**	**135**	**168**	**29,894**

Changes in property, plant and equipment in the period from 1 April 2024 to 31 March 2025

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other	Property, plant and equipment under construction	Total
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
Gross carrying amount							
As at 1 April 2024	**8,406**	**37,748**	**52,951**	**2,444**	**4,991**	**1,965**	**108,505**
Increases:							
- purchase and transfer from property, plant and equipment under construction	-	-	880	2,091	37	3,961	6,969
- transfer to property, plant and equipment	-	-	-	-	-	-	-
Decreases:							
- sale and write-off	-	110	1,525	448	1,119	-	3,202
- transfer to property, plant and equipment from property, plant and equipment under construction	-	-	-	-	-	3,052	3,052
As at 31 March 2025	**8,406**	**37,639**	**52,306**	**4,087**	**3,909**	**2,874**	**109,220**
Accumulated depreciation							
As at 1 April 2024	**-**	**16,331**	**26,724**	**1,590**	**3,782**	**-**	**48,427**
Increases:							
- depreciation	-	1,797	3,526	535	336	-	6,194
- transfer to property, plant and equipment	-	-	-	-	-	-	-
- impairment	-	-	-	-	-	892	892
Decreases:							
- sale and write-off	-	63	1,377	344	1,064	-	2,848
As at 31 March 2025	**-**	**18,065**	**28,873**	**1,781**	**3,054**	**892**	**52,665**
Net carrying amount as at 31 March 2025	**8,406**	**19,573**	**23,433**	**2,306**	**855**	**1,982**	**56,555**

NOTE 14 – OTHER NON-CURRENT FINANCIAL ASSETS

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Shares in subsidiaries and joint ventures (gross)	66,715	166,354
Loans to subsidiaries and joint ventures	10,044	19,332
Impairment losses on shares	(10,136)	(87,260)
Loss allowances on loans	(4,605)	-
	62,018	**98,426**

The shares in subsidiaries comprise equity interests in the following companies:

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Tecresa Protection Pasiva S.L.	-	52,584
Mercor Dunamenti Tűzvédelem Zrt	20,090	20,090
Mercor Fire Protection Systems s.r.l.	-	15
MHD1 sp. z o.o.	21	21
mcr HD sp. z o.o.	29	29
Mercor Czech Republic s.r.o.	-	33
Mercor Slovakia s.r.o.	-	21
TOB Mercor Ukraina	-	2,216
mcr Silboard sp. z o.o.	30	30
DFM Doors sp. z o.o.	82	82
mcr SOL ENERGY sp. z o.o.	5	5
mcr TECH-LAB sp. z o.o.	55	25
Mercor Centrum Usług Wspólnych sp. z o.o.	-	6
Mercor Light&Vent sp. z o.o.	-	5
mcr Isoprotec sp. z o.o.	5	5
mcr Tecresa S.L.	29,635	-
Ela-compil sp. z o.o.	2,700	-
	52,652	**75,167**

The shares in joint ventures comprise the following:

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Elmech-ASE S.A.	3,100	3,100
Mercor Proof LLC	827	827
	3,927	**3,927**

In the financial year, the Company took up:

- 100% of the new shares issued as part of an increase in the share capital of Mercor Light&Vent sp. z o.o. in exchange for a contribution in kind valued at PLN 85,335 thousand – the shares carried 100% of the voting rights at the general meeting of Mercor Light&Vent sp. z o.o.,
- 100% of the shares in the newly established mcr Tecresa S.L. – the shares carry 100% of the voting rights at the general meeting of mcr Tecresa S.L. – the acquisition resulted from the demerger of Tecresa Protección Pasiva S.L.,
- 45% of the shares in TOB Mercor Ukraina – following the transaction, the Company held 100% of the shares in the entity, carrying 100% of the voting rights at the general meeting of TOB Mercor Ukraina,
- 100% of the shares in Mercor Hungary kft – the shares carried 100% of the voting rights at the general meeting of Mercor Hungary,
- 49% of the shares in mcr Tech Lab sp. z o.o. – following the transaction, the Company held 100% of the shares in the entity, carrying 100% of the voting rights at the general meeting of mcr Tech Lab sp. z o.o.,
- 70% of the shares in Ela-compil sp. z o.o., carrying 70% of the voting rights at the general meeting of Ela-compil sp. z o.o.

Under an agreement entered into on 1 April 2025, the Company contributed its shares in Mercor Centrum Usług Wspólnych sp. z o.o. to Mercor Light&Vent sp. z o.o. by way of a contribution in kind.

Following a transaction entered into on 1 October 2025 with Kingspan Group entities, the Company disposed of:

- 100% of the shares in Mercor Light&Vent sp. z o.o.,
- 100% of the shares in Tecresa Protección Pasiva S.L.,
- 100% of the shares in TOB Mercor Ukraina,
- 100% of the shares in Mercor Czech Republic s.r.o.,
- 100% of the shares in Mercor Slovakia s.r.o.,
- 100% of the shares in Mercor Hungary kft,
- 100% of the shares in Mercor Fire Protection Systems srl,
- 100% of the shares in Mercor Fire Protection System LTD.

In the previous financial year, the Company took up:

- 100% of the shares in the newly established company Mercor Light&Vent sp. z o.o., for a total price of PLN 5 thousand – the shares represent 100% of voting rights at the general meeting of Mercor Light&Vent sp. z o.o.,
- 100% of the shares in the newly established MCR Isoprotec sp. z o.o., for a total price of PLN 5 thousand – the shares represent 100% of the voting rights at the general meeting of MCR Isoprotec sp. z o.o.

An impairment loss of PLN 10,136 thousand was recognised in prior years in respect of the shares held by the Company in MHD1 sp. z o.o.

Investment in Elmech-ASE S.A.

In relation to the investment in Elmech-ASE S.A., indications of possible impairment of the shares in that company were identified and, accordingly, an impairment test of the shares was carried out.
The impairment test carried out as at 31 March 2026 for shares in Elmech-ASE S.A. was based on discounted cash flow projections for a period of five years from the reporting date, taking into consideration the projected residual value. The long-term growth rate adopted to calculate the value of the cash-generating unit beyond the projection period takes into account the specific characteristics of the entity and of the market in which it operates. Projections were prepared taking into account the

specific characteristics of the relevant market and product group, drawing on past experience in respect of those markets. The cash flow projections with business rationale cover a period of five years, i.e., the financial years from 1 April 2026 to 31 March 2031.
The recoverable amount of the Elmech-ASE S.A. CGU was determined using the forecast value in use, which was calculated based on a cash flow projection derived from the five-year financial budgets approved by the senior management. The weighted average cost of capital of 10.11% was used to forecast the cash flows. Cash flows beyond the five-year period were estimated using a growth rate of 1.552%.
The impairment test did not indicate any need to adjust the existing impairment allowance on the shares held. A sensitivity analysis was carried out with respect to the above assumptions for a +/- 10% change in EBITDA and +/- 1pp change in WACC. It demonstrated that no change to any of the key assumptions referred to above, to the extent such change can be reasonably estimated, would lead to the carrying amount of the cash-generating unit exceeding its recoverable amount.

Loans to subsidiaries

The loans to subsidiaries disclosed in other financial assets comprise:

- a long-term loan granted to the subsidiary DFM Doors sp. z o.o. to finance its day-to-day operations, in the form of a limit of up to PLN 14,000 thousand. The amount drawn under the loan, including capitalised interest, as at 31 March 2026, was PLN 4,557 thousand,
- long-term portion of loans granted to the subsidiary mcr Sol Energy sp. z o.o. for business development – as at 31 March 2026, the value of the loans, including accrued interest, amounted to PLN 304 thousand,
- long-term portion of loans granted to the joint venture Elmech ASE S.A. to finance its day-to-day operations – as at 31 March 2026, the value of the loans, including accrued interest, amounted to PLN 867 thousand,
- loans granted to the subsidiary mcr Tech Lab sp. z o.o. for business development and day-to-day operations – as at 31 March 2026, the value of the loans, including accrued interest, amounted to PLN 4,302 thousand,
- loan granted to the subsidiary mcr Isoprotec sp. z o.o. to finance its day-to-day operations – as at 31 March 2026, the value of the loan, including accrued interest, was PLN 10 thousand,
- loan granted to the subsidiary mcr HD sp. z o.o. to finance its day-to-day operations – as at 31 March 2026, the value of the loan was PLN 5 thousand.

Following the identification of indicators of potential non-repayment of loans advanced to mcr Sol Energy sp. z o.o. and mcr Tech Lab sp. z o.o., loss allowances of PLN 4,605 thousand were recognised in respect of receivables arising under the loans.
Receivables in respect of loans advanced to Mercor Fire Protection UK for business development purposes, recognised in the financial statements as at 31 March 2025 in the amount of PLN 1,088 thousand, were transferred to Mercor Light&Vent sp. z o.o. under an in-kind contribution agreement dated 1 April 2025.

NOTE 15 – RETENTIONS RECEIVABLE

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Non-current retentions receivable	482	3,295
Current retentions receivable	1,031	3,833
Loss allowances	(600)	(1,927)
	913	**5,201**

Retentions held by counterparties represent a contractually defined percentage of invoiced services, typically between 5% and 10% of the contract value. Depending on the terms of the contract, these retentions are held by the investors for a period of between 6 and 120 months.

For revenue recognition purposes, the portion of revenue attributable to the retention held by the counterparty is recognised at fair value. The discount arising from fair value recognition is recognised within finance income using the amortised cost method. The Company measures the loss allowance for retentions at an amount equal to expected credit losses in accordance with IFRS 9.

NOTE 16 – INVENTORIES

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Materials	2,244	20,222
Work in progress	-	1,794
Finished goods	18,925	32,994
Write-downs	(10,972)	(17,771)
	10,197	**37,239**

Inventories are measured in accordance with the policies set out in Note 2. Recognised inventory write-downs and their reversals are accounted for in the statement of profit or loss under cost of sales. In the reporting period, the Company used an inventory write-down of PLN 5,151 thousand following the sale or disposal of inventories that had lost their economic usefulness. Inventory write-downs recognised during the financial year amounted to PLN 693 thousand.

The Company's inventories serve as collateral for its borrowings. The carrying amount of inventories transferred as collateral under a transfer-of-title security agreement is presented in the table below:

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Value of inventories serving as collateral for bank borrowings	10,197	23,424
	10,197	**23,424**

NOTE 17 – FINANCIAL ASSETS

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Receivables from disposal of financial assets	88,648	-
Loans to subsidiaries and joint ventures – short-term portion	8,445	-
Loss allowances	(3,952)	-
	93,141	**-**

Financial assets comprise a deferred receivable in respect of the disposal of the natural and mechanical smoke ventilation business to the Kingspan Group, as well as loans advanced to related entities, Elmech-ASE S.A. in the amount of PLN 4,493 thousand and mcr Sol Energy sp. z o.o. in the amount of PLN 3,952 thousand.
The deferred portion of the consideration for the disposal of the business will amount to a maximum of PLN 90 million and is contingent on the level of consolidated EBITDA generated by the disposed business over the period from 1 April 2025 to 31 March 2026. Based on information available as at the date of these financial statements, the undiscounted value of the earn-out was measured at its maximum amount of PLN 90,000 thousand.

NOTE 18 – TRADE AND OTHER RECEIVABLES

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Trade receivables from related entities	2,094	14,657
Trade receivables from other entities	9,002	47,932
Dividends receivable	84	228
Tax receivables	611	-
Prepayments for deliveries	5,445	380
Other receivables	70	1,082
Loss allowances	(5,261)	(5,585)
	12,045	**58,694**

Trade receivables are non-interest-bearing and typically mature in 14 to 60 days. The fair value of receivables does not differ materially from their carrying amounts.
Trade receivables were insured during the financial year. Seventy percent of receivables generated during the financial year were secured using this method; the insurance did not cover receivables from related parties.

Change in loss allowances on receivables

	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
At beginning of period	**5,585**	**5,217**
Loss allowances expensed in period	339	655
Unused loss allowance reversed	663	278
Loss allowances used	-	(9)
At end of period	**5,261**	**5,585**

NOTE 19 – OTHER CURRENT ASSETS

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Prepayments – expenditure representing costs of future periods	933	3,039
	933	**3,039**

Other current assets comprise expenditure relating to costs of future periods, including in particular prepayments for services to be delivered in the future. These assets are charged to operating expenses over time or in proportion to the amount of services performed, depending on their nature.

NOTE 20 – CASH AND CASH EQUIVALENTS

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Cash in hand and at banks	40,952	1,060
	40,952	**1,060**

Cash at banks earns interest at variable rates linked to overnight bank deposit rates. Short-term bank deposits are placed for various periods, from one day to three months, depending on the Company's immediate cash requirements, and earn interest at the respective rates set for them.

The fair value of cash and cash equivalents is equal to their net carrying amount. Other than funds held in separate VAT accounts, there are no restrictions on the use of the cash and cash equivalents reported above. Cash held in VAT accounts is not classified as restricted cash.

NOTE 21 – EQUITY

Share capital

Detailed information on individual series of shares comprising the Company's share capital as at 31 March 2026 is presented below.

Series	Number of shares	Nominal value	Date of registration	Dividend entitlement from	Method of payment for shares	Type of shares
AA	12,454,544	3,113,636.00	17 May 2007	17 May 2007	Cash/in-kind contribution*	ordinary
BB	1,442,569	360,642.25	9 August 2007	9 August 2007	Cash	ordinary
CC	1,423,503	355,875.75	15 September 2008	15 September 2008	Cash/in-kind contribution	ordinary
	15,320,616	3,830,154.00				

Nominal value per share (PLN):	0.25

* the share capital of mcr S.A. arose from the conversion of the share capital of PUH MERCOR sp. z o.o. as a result of the change of its legal form on 21 September 2004; the share capital of PUH MERCOR sp. z o.o. was paid up in cash up to PLN 100.00, with the remaining part of the capital, amounting to PLN 2,999,900.00, paid up by way of a non-cash contribution in the form of interests in MERCOR-Pro sp. z o.o., in accordance with notarial deed Rep. Rep. A No. 6477/99 dated 9 July 1999; shares with a nominal value of PLN 113,636.00 were paid for in cash.

As at 31 March 2026, there were no restrictions attached to the Company shares.

By resolution of the Extraordinary General Meeting of 6 February 2025, 248,661 Series BB treasury shares held by the Company, representing 1.59713% of its share capital, were cancelled. The cancellation of the shares and reduction of the Company's share capital to PLN 3,830,154.00 was registered by the District Court for Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register, on 6 June 2025.

The Company's shareholding structure as at 31 March 2026 was as follows:

	31 March 2026		31 March 2025	
Shareholder	Number of shares	%	Number of shares	%
Permag sp. z o.o.	2,250,943	14.69%	4,102,994	26.35%
Bangtino Limited	1,811,509	11.82%	3,322,000	21.34%
Nationale Nederlanden Otwarty Fundusz Emerytalny	765,359	4.99%	1,454,465	9.34%
Otwarty Fundusz Emerytalny PZU Złota Jesień	1,452,947	9.48%	1,452,947	9.33%
N50 Cyprus Limited	-	-	1,376,379	8.84%
PTE Allianz Polska S.A.	-	-	834,757	5.36%
Free float	9,039,858	59.02	3,025,735	19.44%
	15,320,616	100.00%	15,569,277	100.00%

The ownership interest presented above is equal to the interest in votes at the General Meeting of Shareholders.

As at the date of these financial statements, taking into account the change in the share capital level, shareholders holding 5% or more of the total number of votes at the General Meeting were as follows:

Shareholder	Number of shares	%
Permag sp. z o.o.	2,250,943	14.69
Bangtino Limited	1,811,509	11.82%
Otwarty Fundusz Emerytalny PZU Złota Jesień	1,452,947	9.48%

Capital reserves

The Company's capital reserve, created from profits earned in previous years, amounts to PLN 857 thousand and is earmarked for business development.
The Parent's capital reserve of PLN 857 thousand was created as a result of a business combination.
In previous financial years, the Parent created a capital reserve of PLN 23,500 thousand to be used for the share buyback. By resolution of the Annual General Meeting of 13 September 2021, the amount of the reserve allocated to the buyback was reduced by PLN 16,255 thousand, to PLN 7,245 thousand. Following the reduction of the share capital through the cancellation of treasury shares, the capital reserve created for that purpose was also reduced. The amount of the reduction was PLN 1,065 thousand.

By a resolution of the Parent's Extraordinary General Meeting of 6 February 2025, the capital reserve earmarked for the share buyback was increased by PLN 10,000 thousand. Following the reduction of the share capital through the cancellation of treasury shares, the capital reserve created for that purpose was also reduced. The amount of the reduction was PLN 5,630 thousand.
The capital reserve amounted to PLN 10,550 thousand as at 31 March 2026.

Treasury shares

Having fully utilised the allocated funds, the Company has completed the share buyback programme approved by the resolution of the Extraordinary General Meeting held on 30 June 2020. The Company currently holds 21,114 (twenty-one thousand one hundred and fourteen) treasury shares. The remaining treasury shares acquired by the Company have been cancelled.

By resolution of the Extraordinary General Meeting of 6 February 2025, the Company's Management Board was authorised to buy back the Company's shares. The maximum term of the new programme has been set to expire on 6 February 2030. As at the date of issue of the Report, the buyback has not yet commenced.

As at the date of issue of this report, the Company holds 6,279,069 treasury shares acquired under the Extraordinary General Meeting's Resolution of 7 January 2026 for the purpose of their cancellation and a reduction of the share capital. Following the lapse of three months from the publication of the announcement regarding the share capital reduction in the Court and Commercial Gazette (Monitor Sądowy i Gospodarczy), and in the absence of any claims, the Company submitted an application to the National Court Register to register the share capital reduction. The total nominal value of the shares to be cancelled amounts to PLN 1,569,767.25. Upon registration of the share capital reduction, the share capital will amount to PLN 2,260,386.75.

Retained earnings

Retained earnings from previous years consist entirely of profits retained by decision of the shareholders. Pursuant to Article 396(1) of the Commercial Companies Code, at least 8% of profit for a financial year should be contributed to statutory reserve funds held for the purpose of covering losses, until the funds reach at least one-third of the Company's share capital.
The structure of retained earnings from previous years is as follows:

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Retained earnings from previous years	34,975	57,256
Creation of capital reserve	-	(10,000)
Dividend declared	(27,233)	(11,787)
Adjustment to retained earnings	913	-
Profit for the current period	225,085	(494)
	233,740	**34,975**

NOTE 22 – BORROWINGS

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Bank borrowings	1,216	81,970
Borrowings from related entities	2,800	2,836
	4,016	**84,806**
including:		
Non-current portion	**-**	***82,023***
Bank borrowings	-	79,223
Borrowings from related entities	-	2,800
Current portion	***4,016***	***2,783***
Bank borrowings	1,216	2,747
Borrowings from related entities	2,800	36
Borrowings maturing:		
within 1 year	4,016	2,783
in 2 to 3 years	-	82,023
in 3 to 5 years	-	-
	4,016	**84,806**

The currency structure of the Company's borrowings is presented below.

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Borrowings in PLN	4,016	83,045
Borrowings in EUR	-	1,761
	4,016	**84,806**

The table below presents an analysis of the cash changes in the statement of cash flows.

	31 March 2025	Cash flows	Non-cash changes			31 March 2026
			Increases and reclassifications	Interest	Changes in fair value	
Non-current borrowings	82,083	(82,383)	(2,800)	3,100	-	-
Current borrowings	2,783	(1,702)	2,800	135	-	4,016
Lease liabilities	5,803	(5,334)	5,416	411	-	6,296

The table below presents details of the borrowings granted and the material terms of the credit facility agreements. The Company complied with all the terms of its credit facility agreements.

Borrowings as at 31 March 2026

Company name and legal form	Facility type -	Loan/borrowing amount as per agreement -		Outstanding loan/borrowing amount (PLN thousand) -		Interest rate	Maturity date	Security -
		thousand	currency	Current portion	Non-current portion			
BNP Paribas Bank Polska S.A.	Overdraft facility/working capital facility	17,500	PLN	-	-	1M WIBOR + margin	2 December 2026	a registered pledge over inventories together with an assignment of rights under the insurance policy, a blank promissory note, a power of attorney over the account held with the bank, and a joint contractual mortgage over a property in Mirosław
Erste Bank Polska S.A.	Overdraft facility	23,000	PLN	-	-	O/N WIBOR + margin	28 November 2026	a registered pledge over inventories together with an assignment of rights under the insurance policy, a joint contractual mortgage over a property in Mirosław, and a blank promissory note
Erste Bank Polska S.A.	Investment credit facility	10,000	PLN	1,216	-	1M WIBOR + margin	28 February 2027	a registered pledge over property, plant and equipment (the security having been established prior to the disbursement of successive tranches), and a notarised submission to enforcement
MHD1 sp. z o.o.	Loan	2,800	PLN	2,800	-	3M WIBOR + margin	20 June 2026	unsecured
Total borrowings				**4,016**	**-**			

Borrowings as at 31 March 2025

Company name and legal form	Facility type -	Loan/borrowing amount as per agreement -		Outstanding loan/borrowing amount (PLN thousand) -		Interest rate	Maturity date	Security -
		thousand	currency	Current portion	Non-current portion			
BNP Paribas Bank Polska S.A.	Overdraft facility/working capital facility	42,880	PLN	-	30,636	1M WIBOR + margin	2 December 2026	an assignment of receivables, a registered pledge over inventories and property, plant and equipment together with an assignment of rights under the insurance policy, a blank promissory note, a power of attorney over the account held with the bank, and a joint contractual mortgage over a property in Mirosław
BNP Paribas Bank Polska S.A.	Investment credit facility	10,000	PLN	1,501	1,100	1W WIBOR + margin	5 December 2026	registered pledge over property, plant and equipment with assignment of rights under insurance policy, blank promissory note, power of attorney over account held with the bank
Credit Agricole Bank Polska S.A.	Overdraft facility	28,560	PLN	-	22,780	O/N WIBOR + margin	30 October 2026	an assignment of receivables, a registered pledge over inventories and property, plant and equipment together with an assignment of rights under the insurance policy, a notarised submission to enforcement, and a joint contractual mortgage over a property in Mirosław
Santander Bank Polska S.A.	Overdraft facility	28,560	PLN	-	23,428	O/N WIBOR + margin	28 November 2026	assignment of receivables, registered pledge over inventories and property, plant and equipment with assignment of rights under insurance policy, joint contractual mortgage over property in Mirosław, blank promissory note
Santander Bank Polska S.A.	Investment credit facility	10,000	PLN	1,246	1,279	1M WIBOR + margin	28 February 2027	a registered pledge over property, plant and equipment (the security having been established prior to the disbursement of successive tranches), and a notarised submission to enforcement
MHD1 sp. z o.o.	Loan	2,800	PLN	36	2,800	3M WIBOR + margin	20 June 2026	unsecured
Total borrowings				**2,783**	**82,023**			

NOTE 23 – PROVISIONS FOR LIABILITIES

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Provisions for retirement severance payments	76	566
Provision for warranty repairs	3,391	3,391
	3,467	**3,957**
including:		
Non-current portion		
Provisions for retirement severance payments	76	555
Provision for warranty repairs	1,786	1,786
	1,862	2,341
Current portion		
Provisions for retirement severance payments	-	11
Provision for warranty repairs	1,605	1,605
	1,605	1,616

The Company typically provides a 24-month warranty for its products. Therefore, because the change in the time value of money does not have a material impact on the estimate of provisions for costs of warranty repairs, these provisions are not discounted. The amount of the provisions is estimated at each reporting date based on the historical ratio of warranty repair costs relating to prior periods. The provision amount is calculated on the basis of the prorated share of costs of warranty repairs in revenue, taking into account revenue growth.

Employees are entitled to retirement severance payments in accordance with Article 92[1] of the Labour Code. This entitlement amount corresponds to an employee's one-month pay on the date they become eligible for severance pay. Provisions for retirement severance payments are estimated using actuarial methods. Material actuarial assumptions for each reporting date were as follows:

	End of period 31 March 2026	End of period 31 March 2025
Discount rate	6.0%	6.0%
Salary growth rate	6.8%	6.8%
Salary growth rate for future years	6.5%	6.5%

Change in provisions

	Provision for employee benefit obligations	Provision for warranty repairs
	PLN '000	PLN '000
Provisions as at 31 March 2025	**566**	**3,391**
Recognition of provisions charged to expenses	-	-
Transfer as part of in-kind contribution of organised part of business	(490)	-

Use of provisions recognised in prior periods	-	-
Provisions as at 31 March 2026	**76**	**3,391**

NOTE 24 – TRADE AND OTHER PAYABLES

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Trade payables to related entities	1,404	2,524
Trade payables to other entities	5,104	24,380
Taxes and social security payable	806	3,219
Salaries and wages payable	70	10
Advances received for deliveries	1,159	1,529
Other liabilities and accruals, including:	7,674	11,418
accrued bonuses and overtime pay	1,025	7,121
accrued holiday entitlements	300	1,466
accruals for costs not yet invoiced	5,733	545
other liabilities	616	2,286
	16,217	**43,080**
including:		
non-current portion	-	-
current portion	16,217	43,080
	16,217	**43,080**

Trade payables are non-interest-bearing and typically mature in 7 to 90 days. The Company is not dependent on a small group of suppliers.

NOTE 25 – DEFERRED INCOME

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Government grants for development projects	1,689	3,609
Other income	20	20
	1,709	**3,629**
including:		
Non-current portion	1,517	2,870
Current portion	192	759
	1,709	**3,629**

The Company secured co-financing for development expenditure under an agreement signed in 2016 with the National Centre for Research and Development to co-finance a project executed as part of the Smart Growth operational programme. The total amount of co-financing that could be received during the five-year term of the agreement was PLN 10,319 thousand.
The Company received the amount of PLN 6,673 thousand in co-financing in previous years. The Company has completed the project, and therefore it will not receive any further tranches of the co-financing in subsequent financial years.
As at the date of these financial statements, the Company complied with all the terms and conditions of the agreement.

NOTE 26 – LEASES

The Company leases the built-up property where its production plant is located, machinery and equipment, vehicles, as well as office space and parking lots. The lease terms are as follows: 15 years for property (from January 2009), from 3 to 7 years for machinery and equipment, and from 3 to 5 years for vehicles. Office space is leased for periods from 3 to 5 years.
In addition, the Company uses land held in perpetual usufruct.

The lease contracts for vehicles did not include an initial payment clause. Most leases contain purchase option clauses, with the purchase price set at 0.1% to 1% of the initial value of the leased asset.

Movements in right-of-use assets were as follows:

	As at 1 April 2025	New lease contracts	Lease modifications	Transfer as part of in-kind contribution of organised part of business	Depreciation for the period	As at 31 March 2026
Perpetual usufruct of land	218	-	-	-	44	174
Buildings and structures	1,898	3,771	(899)	(524)	546	3,700
Machinery and equipment	13	2,432	-	(13)	540	1,892
Vehicles	3,333	163	-	(2,562)	451	483
Total	5,462	6,366	(899)	(3,099)	1,581	6,249

	As at 1 April 2024	New lease contracts	Lease modifications	Transfer to property, plant and equipment	Depreciation for the period	As at 31 March 2025
Perpetual usufruct of land	262	-	-	-	44	218
Buildings and structures	2,111	550	-	-	763	1,898
Machinery and equipment	839	-	(472)	-	354	13
Vehicles	4,264	654	-	-	1,585	3,333
Total	7,476	1,204	(472)	-	2,746	5,462

Movements in lease liabilities were as follows:

	As at 1 April 2025	New lease contracts	Lease modifications	Transfer as part of in-kind contribution of organised part of business	Lease payments	Interest	As at 31 March 2026
Perpetual usufruct of land	336	-	-	-	61	11	285
Buildings and structures	1,994	3,771	(950)	(568)	681	235	3,801
Machinery and equipment	14	2,432	-	(14)	797	110	1,745
Vehicles	3,459	163	-	(2,738)	474	55	465

Total	5,803	6,366	(950)	(3,320)	2,014	411	6,296

	As at 1 April 2024	New lease contracts	Lease modifications	Lease payments	Interest	As at 31 March 2025
Perpetual usufruct of land	385	-	-	61	12	336
Buildings and structures	2,204	550	-	867	107	1,994
Machinery and equipment	885	-	(504)	432	65	14
Vehicles	4,411	654	-	1,974	368	3,459
Total	7,885	1,204	(504)	3,334	552	5,803

NOTE 27 – CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets

The Company has no contingent assets.

Contingent liabilities

The Company has no contingent liabilities.

NOTE 28 – RELATED PARTIES

Identification of related parties

The related parties of the Company are listed below.

1. Entities in which the Company held equity interests as at 31 March 2026:

- ✓ MCR TECRESA S.L. of Madrid (Spain), a subsidiary – mcr S.A. holds 100% of the share capital,
- ✓ MCR Dunamenti Zrt of Sződ (Hungary), a subsidiary – mcr S.A. holds 100% of the share capital,
- ✓ Dunamenti CZ s.r.o. of Prague (Czech Republic), a subsidiary of MCR Dunamenti Zrt – mcr S.A. holds 100% of the share capital,
- ✓ Dunamenti s.r.o. of Kolárovo (Slovakia), a subsidiary of MCR Dunamenti Zrt – mcr S.A. holds 100% of the share capital,
- ✓ DFM Doors sp. z o.o. of Gdańsk (Poland), a subsidiary – mcr S.A. holds 82% of the share capital,
- ✓ MCR SOL ENERGY sp. z o.o. of Gdańsk (Poland), a subsidiary – mcr S.A. holds 100% of the share capital,
- ✓ MCR TECH LAB sp. z o.o. of Gdańsk (Poland), a subsidiary – mcr S.A. holds 100% of the share capital,
- ✓ Ela-compil sp. z o.o. of Poznań (Poland), a subsidiary – mcr S.A. holds 70% of the share capital,
- ✓ mcr Silboard sp. z o.o. of Gdańsk (Poland), a subsidiary – mcr S.A. holds 100% of the share capital,
- ✓ MHD1 sp. z o.o. of Gdańsk (Poland), a subsidiary – mcr S.A. holds 100% of the share capital,
- ✓ mcr HD sp. z o.o. of Gdańsk (Poland), a subsidiary – mcr S.A. holds 100% of the share capital,
- ✓ MCR IsoProtec sp. z o.o. of Gdańsk (Poland), a subsidiary – mcr S.A. holds 100% of the share capital,
- ✓ Elmech-ASE S.A. of Pruszcz Gdański (Poland), a joint venture – mcr S.A. holds 50% of the share capital,

- ✓ OOO Mercor-PROOF of Moscow (Russia), a joint venture – mcr S.A. holds 55% of the share capital,
- ✓ MKRP Systems Unitary Production Enterprise of Minsk (Belarus), a subsidiary of OOO Mercor-PROOF – mcr S.A. holds 55% of the share capital,
- ✓ TOO MKR – Astana of Almaty (Kazakhstan), a subsidiary of OOO Mercor-PROOF – mcr S.A. holds 55% of the share capital,
- ✓ DEFENDOOR s.r.o. of Bratislava (Slovakia), a subsidiary of DFM DOORS sp. z o.o – mcr S.A. holds 20% of the share capital.

On 1 October 2025, the Company sold entities in which it held equity interests, engaged in the natural and mechanical smoke ventilation business. The sale involved the shares in:

- ✓ 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)

2. Major shareholders

For information on major shareholders, see Note 20 to these financial statements.

3. Other related parties

Other related parties of the Company include members of its management and supervisory bodies (including senior officers), as well as individuals who are close family members of such persons (i.e., domestic partner, children, children of the domestic partner, and dependents of the person or their domestic partner), and other businesses where members of the Management Board of the Company hold management positions or are shareholders.
The Company does not operate any post-employment benefit plans for its employees.

Transactions with entities in which the Company holds equity interests

Sales to and purchases from related parties are transacted at normal market prices. Outstanding payables and receivables at the end of a financial year are unsecured and are settled in cash. Receivables from related parties are not secured by any guarantees provided or received by the Company.

Mutual transactions with entities in which the Company held, directly and indirectly, equity interests in the periods covered by these financial statements included:

- trade transactions involving purchase and sale of goods, materials, services, and items of property, plant and equipment,
- sureties provided as security for bank borrowings,
- loans granted and loans received, and
- dividends paid.

The value and scope of the transactions are presented in the tables below.

Related party	Financial year	Sales to related parties	Purchases from related parties	Interest on loans granted	Interest on borrowings	Dividend income	Sale of financial assets
mcr Tecresa S.L. (after separation from Tecresa Protección Pasiva)	2025/2026	-	2,226	-	-	-	-
	2024/2025	168	2,924	-	-	1,830	-
TOB Mercor Ukraina	2025/2026	-	-	-	-	-	-
	2024/2025	13	-	-	-	-	-
Mercor Slovakia s.r.o.	2025/2026	6	-	-	-	-	-
	2024/2025	25	-	-	-	-	-
mcr Dunamenti Zrt	2025/2026	136	189	-	-	-	-
	2024/2025	77	1,414	-	-	-	-
mcr Silboard sp. z o.o.	2025/2026	1	-	-	-	-	-
	2024/2025	1	-	-	-	-	-
DFM Doors sp. z o.o.	2025/2026	280	36	408	-	-	-
	2024/2025	3,773	72	717	-	-	-
MHD1 sp. z o.o.	2025/2026	1	-	-	188	-	-
	2024/2025	1	-	-	220	-	-
mcr HD sp. z o.o.	2025/2026	1	-	-	-	-	-
	2024/2025	1	-	-	-	-	-
MCR SOL ENERGY sp. z o.o.	2025/2026	1	-	222	-	-	-
	2024/2025	1	-	273	-	-	-
MERCOR CUW sp. z o.o.	2025/2026	1	-	-	-	-	-
	2024/2025	58	-	-	-	-	-
MCR TECH LAB sp. z o.o.	2025/2026	111	470	107	-	-	-
	2024/2025	91	327	33	-	-	-
Mercor Light&Vent sp. z o.o.	2025/2026	61	-	-	624	-	-
	2024/2025	1	-	-	-	-	-
MCR Isoprotec sp. z o.o.	2025/2026	1	-	-	-	-	-
	2024/2025	-	-	-	-	-	-
Elmech-ASE S.A.	2025/2026	6	-	292	-	-	-
	2024/2025	39	-	278	-	-	-
	2025/2026	**606**	**2,921**	**1,029**	**812**	**-**	**-**
	2024/2025	**4,249**	**4,737**	**1,301**	**220**	**1,830**	**-**

Related party		Trade receivables from related parties	Trade payables to related parties	Receivables under loans granted	Liabilities under borrowings	Dividends receivable
mcr Tecresa S.L. (after separation from Tecresa Protección Pasiva)	31 March 2026	-	1,126	-	-	-
	31 March 2025	-	686	-	-	-
MHD1 sp. z o.o.	31 March 2026	-	-	-	2,800	-
	31 March 2025	-	-	-	2,836	-
DFM Doors sp. z o.o.	31 March 2026	116	-	4,557	-	-
	31 March 2025	1,596	-	8,148	-	-
OOO Mercor-Proof	31 March 2026	1,576	-	-	-	-
	31 March 2025	1,537	-	-	-	-
MCR SOL ENERGY sp. z o.o.	31 March 2026	-	-	4,255	-	-
	31 March 2025	-	-	4,083	-	-
mcr Dunamenti Zrt	31 March 2026	-	258	-	-	-
	31 March 2025	2,637	174	-	-	-
MCR TECH-LAB sp. z o.o.	31 March 2026	333	-	4,302	-	-
	31 March 2025	223	-	645	-	-
Elmech-ASE S.A.	31 March 2026	69	20	5,360	-	-
	31 March 2025	48	-	5,068	-	-
mcr HD sp. z o.o.	31 March 2026	-	-	5	-	-
	31 March 2025	-	-	-	-	-
MCR Isoprotec sp. z o.o.	31 March 2026	-	-	-	-	-
	31 March 2025	1	-	-	-	-
	31 Mar 2026	**2,094**	**1,404**	**18,489**	**2,800**	**-**
	31 Mar 2025	**6,042**	**860**	**17,944**	**2,836**	**-**

Guarantees and sureties granted

In the financial year 2025/2026, the Company provided performance bonds and defects liability bonds under trade contracts.

In October 2018, the Company issued a surety for future debt of its subsidiary DFM Doors sp. z o.o. in connection with the subsidiary executing an amendment to the Credit Limit Agreement with Raiffeisen Bank Polska S.A. (now BNP Paribas Bank Polska S.A.). The surety of up to PLN 6 million was valid until December 2020. Under an agreement of 20 December 2020, the surety was converted into the Company's accession to the debt as a joint and several debtor, and under an amendment to the credit agreement, the credit availability period was extended to 30 November 2023. Under further amendments, the bank granted a credit limit of PLN 9 million to DFM Doors sp. z o.o. for the financing of its day-to-day operations, and the credit availability period was extended until 2 December 2026.

In the previous financial years, the Company issued sureties for DFM Doors sp. z o.o. in respect of lease contracts with a value of:

- EUR 99 thousand – the lease contract expires in November 2028;
- PLN 379 thousand – the lease contract expires in February 2029.

In October 2019, the Company provided a surety for DFM Doors sp. z o.o.'s liabilities to BP Europa SE. The surety was granted for up to PLN 10 thousand and was valid until 31 December 2022. A surety for a fuel card agreement between DFM Doors sp. z o.o., BP Europe SE, and B2Mobility GmbH, granted in June 2022, is currently in force, with a value of up to PLN 10 thousand and valid until June 2027.

The Company also provided sureties for its subsidiary MCR TECH LAB sp. z o.o. in respect of:

- overdraft facility agreement with Santander Bank Polska S.A. (currently Erste Bank Polska S.A.) in the amount of PLN 2,000 thousand (valid until November 2025). As at the reporting date, the liability under the facility had been repaid and both the credit facility agreement and the related surety had expired;
- vehicle lease contracts concluded under a Master Agreement and service agreements entered into under a Master Service Agreement with Toyota Leasing Polska sp. z o.o. The total amount of sureties provided is PLN 693 thousand.

As at the reporting date, the Company had not issued any other guarantees or sureties for its subsidiaries.

Transactions with shareholders and members of the Company's governing bodies

During the periods covered by these financial statements, the Company engaged in business transactions with members of the Company's Management Board, as well as members of the Company's other governing bodies and their family members. The value and scope of the trade transactions are presented in the table below:

Related party	Year	Sales to related parties	Purchases from related parties	Interest on borrowings from related parties	Receivables from related parties	Liabilities to related parties
		PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
Krzysztof Krempeć	2025/2026	14	-	-	-	-
	2024/2025	8	-	-	3	-
	2025/2026	**14**	**-**	**-**	**-**	**-**
	2024/2025	**8**	**-**	**-**	**3**	**-**

The transactions shown above involved the recharging of costs incurred.

Transactions with other related parties

Trade transactions

Transactions with other entities included transactions between the Company and Ambient-System sp. z o.o., in which one of the current members of the Company's Supervisory Board holds 100% of shares, and with Periban Poland sp. z o.o. spółka komandytowa and Jeździecki Klub Sportowy Barłomino sp. z o.o., which are related to the Company through one of its Management Board members. The value and scope of the trade transactions are presented in the table below:

Related party	Year	Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
		PLN '000	PLN '000	PLN '000	PLN '000
Ambient System sp. z o.o.	2025/2026	-	-	-	-
	2024/2025	4	-	-	-
Periban Poland sp. z o.o. sp. k.	2025/2026	-	-	-	-
	2024/2025	-	568	-	-
Jeździecki Klub Sportowy Barłomino sp. z o.o.	2025/2026	-	-	-	-
	2024/2025	-	-	-	-
	2025/2026	**-**	**-**	**-**	**-**
	2024/2025	**4**	**568**	**-**	**-**

The transactions shown above included sales and purchases of materials, products and services.

Remuneration of key management personnel

Remuneration of key management personnel comprises the remuneration of members of the Management Board, members of the Supervisory Board, and directors of the Company. The remuneration paid to this group of personnel, broken down by principal type of benefit, is set out in the table below:

	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Short-term employee benefits	1,245	3,904
	1,245	**3,904**

The total short-term employee benefits presented above relate to remuneration paid under employment relationships and for the functions performed, and comprise:

	1 Apr 2025–31 Mar 2026	1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Management Board	**524**	**3,239**
- Krzysztof Krempeć	252	1,048
- Jakub Lipiński	97	841
- Tomasz Kamiński	175	1,350
Supervisory Board	**721**	**665**
- Lucjan Myrda	-	109
- Tomasz Rutowski	100	89
- Marian Popinigis	100	89
- Eryk Karski	101	89
- Błażej Żmijewski	100	89
- Arkadiusz Kęsicki	178	111
- Pathy Timu Zenzo	100	89
- Tomasz Klaczyński	42	-
	1,245	**3,904**

NOTE 29 – FINANCIAL INSTRUMENTS

The main financial instruments used by the Company include borrowings (Note 22), cash and bank deposits (Note 20). The primary purpose of these financial instruments is twofold: firstly, to secure funding for the Company's ongoing operations, and secondly, to invest any cash surplus as it occurs. In addition to the aforementioned instruments, the Company also holds other financial instruments, such as trade receivables and payables (as detailed in Notes 18 and 24), as well as forward contracts. These financial instruments arise directly in the ordinary course of the Company's business.

The Company is exposed to several key risks stemming from its financial instruments, which include interest rate risk, foreign exchange risk, credit risk and liquidity risk.

The interest rate risk arises mainly from non-current liabilities, including borrowings and lease liabilities. The nature of lease liabilities, due to the way they are recognised under IFRS 16, means that their entire balance can be treated as a fixed-rate liability. Therefore, with respect to these instruments, the Company is not directly exposed to interest rate risk.

Bank borrowings bear interest at variable rates based on local interbank market rates, resulting in the Company's exposure to interest rate risk. The Company does not use any hedging instruments for interest rate risk.

As regards foreign exchange risk, the Company's exposure to this type of risk arises from sale or purchase transactions conducted in currencies other than its functional currency. The Company does not engage in any investment activities that would expose it to foreign exchange risk. Exchange differences arising from operating activities are recognised as either finance costs or finance income, as appropriate. The Company regularly monitors foreign exchange risk for both on- and off-balance-sheet items. Due to the large share of foreign sales, the Company uses forward contracts to hedge against foreign exchange risk.

The Company does not apply hedge accounting.

Throughout the reporting period, the Company managed credit risk by engaging in transactions with entities of strong credit standing. Cooperation with such entities is preceded by internal pre-verification procedures. Additionally, the balances of receivables are monitored on an ongoing basis and are insured, so the Company's exposure to significant bad debt risk remains immaterial. The Company's other financial assets, such as cash, bank deposits, and investments in other financial assets, primarily expose the Company to the risk of counterparty default. The maximum potential exposure arising from this risk is equivalent to the net carrying amount of the respective financial instrument.

The fair value of individual financial instruments does not differ from the net carrying amounts disclosed in these financial statements.

Net carrying amount of financial instruments

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Classes of financial instruments		
Retentions receivable under construction contracts	913	5,201
Receivables from disposal of financial assets	88,648	-
Loans granted	9,932	19,332
Contract assets	1,411	12,703
Trade and other receivables	12,045	58,694
Cash and cash equivalents	40,952	1,060
Forward hedging transactions	-	-
Total assets	***153,901***	***96,990***
Borrowings	4,016	84,806
Trade and other payables	16,217	43,080
Contract liabilities	388	1,567
Forward hedging transactions	-	3
Lease liabilities	6,296	5,806
Total liabilities	***26,917***	***135,262***

End of period 31 March 2026	fair value	carrying amount	measured at fair value through profit or loss	measured at fair value through other comprehensive income
	thousand	thousand	thousand	thousand
Non-current assets	**5,920**	**5,920**	**-**	**-**
Trade and other receivables	5,920	5,920	-	-
Current assets	**147,981**	**147,981**	**-**	**-**
Trade and other receivables	107,029	107,029	-	-
Cash and cash equivalents	40,952	40,952	-	-
Derivative financial instruments	-	-	-	-
Total	**153,901**	**153,901**	**-**	**-**

End of period 31 March 2026	fair value	carrying amount	measured at fair value through profit or loss	measured at amortised cost	measured at fair value through other comprehensive income
	thousand	thousand	thousand	thousand	thousand
Non-current liabilities	**4,504**	**4,504**	**-**	**4,504**	**-**
Borrowings	-	-	-	-	-
Lease liabilities	4,504	4,504	-	4,504	-
Current liabilities	**22,413**	**22,413**	**-**	**22,413**	**-**
Borrowings	4,016	4,016	-	4,016	-
Trade payables and contract liabilities	16,605	16,605	-	16,605	-
Lease liabilities	1,792	1,792	-	1,792	-
Derivative financial instruments	-	-	-	-	-
Total	**26,917**	**26,917**	**-**	**26,917**	**-**

Fair value of financial instruments

The carrying amount of the presented financial instruments does not differ from their fair value.

Derivatives (forward contracts) are recognised as assets when their fair value is positive. Where the fair value of an instrument is negative, the Company recognises a corresponding liability. The measurement of financial instruments is presented on a gross basis, and the measurements of similar financial instruments are not offset.

Fair value hierarchy

The Company does not have any financial instruments at fair value through profit or loss for which there is an active market and whose fair value is determined based on market quotations (Level 1). For financial instruments at fair value through profit or loss (Level 2), fair value is determined on the basis of directly or indirectly observable inputs. Forward contracts are recognised based on valuations presented by the banks whose services are used by the Company.

As at the end of the reporting period, the value of the financial instruments measured at fair value through profit or loss, analysed by fair value hierarchy level, was as follows:

	Level 1		Level 2	
	End of period 31 March 2026	End of period 31 March 2025	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000	PLN '000	PLN '000
Forward hedging transactions	-	-	-	3
Total financial assets	***-***	***-***	***-***	***3***
Forward hedging transactions	-	3	-	-
Measurement of financial instruments	-	-	-	-
Total financial liabilities	***-***	***3***	***-***	***-***

There were no transfers between the fair value hierarchy levels during the reporting period.

Security for liabilities

The net carrying amount of assets serving as collateral for repayment of liabilities as at the reporting date is presented below.

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Property, plant and equipment	12,153	12,440
Trade receivables and retentions	-	62,205
Inventories	10,147	23,424
Total assets serving as security for liabilities	***22,300***	***98,069***

Net gains or losses on financial assets and liabilities

	For the period 1 Apr 2025–31 Mar 2026	For the period 1 Apr 2024–31 Mar 2025
	PLN '000	PLN '000
Loans and receivables	3,509	798
- accrued interest on bank deposits	2,397	-
- accrued interest on late payment	56	-
- expected credit loss	27	(554)
- interest on non-bank borrowings	1,029	1,352
Cash and cash equivalents (exchange differences)	-	-
Positive valuation of derivative instruments – valuation as at the reporting date	-	-
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	(4,016)	(4,649)
- exchange differences on liabilities	77	695
- interest on bank borrowings	(2,417)	(3,898)
- interest on non-bank borrowings	(812)	(220)
- interest on late payment	(60)	(107)
- interest on leases	(338)	(509)
- commission fees on bank borrowings and guarantees	(466)	(610)
Derivative instruments with a negative fair value	-	-
Total	**(507)**	**(3,851)**

Assessment of foreign exchange risk and interest rate risk

The table below presents an analysis of the impact of changes in interest rates and exchange rates on profit or loss and equity (fair value reserve). The analysis covers the financial assets and financial liabilities in the Company's statement of financial position.

Methodology and assumptions

The Company has assets and liabilities denominated in foreign currencies.
Based on past historical developments and market predictions and forecasts, there is a realistic possibility of a +/-5% fluctuation in the PLN exchange rate against foreign currencies and a +/-50 basis point change in interest rates.

	Net carrying amount PLN '000	Interest rate risk		Foreign exchange risk			
		±50 bps interest rate PLN/EUR		+5% (appreciation of PLN)		-5% (depreciation of PLN)	
		Effect on profit (loss)	Effect on profit (loss)	Effect on profit (loss)	Changes in equity	Effect on profit (loss)	Changes in equity
Financial assets							
Cash and cash equivalents	40,952	205	(205)	-	-	-	-
Trade and other receivables	12,045	-	-	(272)		272	-
Currency forwards	-	-	-	-	-	-	-
Effect on financial assets before tax	**-**	**205**	**(205)**	**(272)**	**-**	**272**	**-**
Tax (19%)	-	(39)	39	52	-	(52)	-
Effect on financial assets after tax	**-**	**166**	**(166)**	**(220)**	**-**	**220**	**-**
Financial liabilities							
Borrowings	4,016	(20)	20	-	-	-	-
Trade and other payables	16,217	-	-	24	-	(24)	-
Currency forwards	-	-	-	-	-	-	-
Effect on financial liabilities before tax	**-**	**(20)**	**20**	**24**	**-**	**(24)**	**-**
Tax (19%)	-	(4)	4	(5)	-	5	-
Effect on financial liabilities after tax	**-**	**(16)**	**16**	**19**	**-**	**19**	**-**
Total	**-**	**150**	**(150)**	**(201)**	**-**	**201**	**-**

Interest rate risk

As at 31 March 2026, the Company's net profit would be higher by PLN 150 thousand if interest rates in PLN and EUR were to increase by 50 basis points, assuming all other parameters remained constant. This result reflects the high level of accumulated cash combined with a low balance of borrowings. If interest rates fell and all other factors remained constant, the net profit would be PLN 150 thousand lower.

Foreign exchange risk

As at 31 March 2026, the Company's net profit would be lower by PLN 201 thousand if the Polish currency appreciated by 5% (mainly against EUR), assuming all other relevant parameters remained constant. This reflects the high proportion of receivables denominated in foreign currencies, primarily arising from prepayments made in foreign currencies for deliveries.

Foreign exchange risk management

The Company engages in transactions denominated in foreign currencies, and their share in total revenue has been consistently increasing over time. These transactions are subject to foreign exchange risk, so the Company has adopted an active policy of hedging such exposures by entering into forward contracts. The volume of the forward hedging transactions is proportional to the open currency position.

Below is presented the notional amount of the forward contracts denominated in the currency of the respective transactions as at the end of the reporting period.

	Assets		Liabilities	
	End of period 31 March 2026	End of period 31 March 2025	End of period 31 March 2026	End of period 31 March 2025
	thousand	thousand	thousand	thousand
EUR	-	-	-	-
RON	-	-	-	500
CZK	-	-	-	-

The table below presents undiscounted inflows and outflows from derivatives to be settled in subsequent periods.

The values are presented according to the rates of forward contracts held as at the end of the reporting period, which are the only foreign currency derivatives held by the Company.

	Up to 1 month	From 1 to 3 months	Over 3 months
	PLN '000	PLN '000	PLN '000
Maturity of currency forward contracts (inflows)	-	-	-
Maturity of currency forward contracts (outflows)	-	-	-

Liquidity risk

The Company monitors projected inflows and outflows related to its cash assets and liabilities on an ongoing basis. It also optimises cash flows at its related companies. The Company uses overdraft facilities to ensure it satisfies its payment obligations in a timely manner. The Management Board of the Company reviews profitability and working capital indicators where there are negative deviations from levels assumed to be standard thresholds. The factor with the most significant impact on these indicators as at the reporting date was the level of borrowings and lease liabilities.

The maturities of financial liabilities are presented below.

	End of period 31 March 2026	End of period 31 March 2025
	PLN '000	PLN '000
Up to 1 month	11,352	14,727
From 1 to 3 months	8,805	29,453
Over 3 months to 1 year	2,256	4,071
Over 1 year	4,504	84,806
Total liabilities	**26,917**	**133,057**

Credit risk

The Company mitigates the credit risk arising from its receivables by insuring them. The credit risk on insured receivables is 10% (i.e. up to the amount of the deductible). Furthermore, where allowed under the respective contracts, the Company provides bank guarantees to its customers for the duration of contract performance and post-sale warranty. This practice results in a reduction of the receivables retained by trading partners in the form of retentions. Credit risk is further mitigated due to the diversified customer base of the Company. The level of receivables from any individual counterparty does not exceed 10% of the Company's total receivables.

For trade receivables, in addition to a statistical method that estimates the amount of the loss allowance based on a provision matrix, the Company also applies a case-by-case approach. For each past due trade receivable where the case-by-case approach has been applied, management exercises professional judgement based on the ageing of the receivables, analysis of the counterparty's financial condition, type of collateral, status of contract performance, and other relevant facts and circumstances.
The procedure for recognising an additional loss allowance beyond the amounts determined directly from the provision matrix serves as an additional verification mechanism employed within the Company. This mechanism enables the Company to identify receivables with a higher risk of non-payment than statistical averages.

The amount of expected credit losses, calculated using both the provision-matrix approach and the case-by-case approach as at 31 March 2026, is set out in the table below. The analysis was performed solely for trade receivables.

	Gross carrying amount	Matrix approach		Case-by-case approach	Total loss allowance
		Weighted average ECL rate	Expected credit loss	Loss allowance	
	PLN '000	%	PLN '000	PLN '000	PLN '000
not past due	4,268	5.00	213	-	213
past due up to 30 days	594	10.00	59	-	59
past due 31–60 days	25	15.00	4	-	4
past due 61–90 days	813	20.00	163	-	163
past due over 90 days	5,396	25.00	1,349	3,473	4,822
Total	**11,096**		**1,788**	**3,473**	**5,261**

Capital management

The Company has established a capital management policy with the primary objective of ensuring long-term liquidity. This objective is achieved by attaining the desired financing structure at Group level. The financing structure is monitored by analysing the debt-to-equity ratio, calculated as the ratio of net debt to equity. Net debt includes bank borrowings and finance lease liabilities less cash and cash equivalents.

NOTE 30 – PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS

On 1 April 2025, the Company's natural and mechanical smoke ventilation business was transferred to a separate entity, Mercor Light&Vent sp. z o.o. Subsequently, on 1 October 2025, following the disposal of shares in Mercor Light&Vent sp. z o.o. and in other subsidiaries to entities within the Kingspan Group, the business was sold outside the Group.
The financial information presented below (including comparative data) relates to the Company's discontinued operations.

	For the period 1 Apr 2025–31 Mar 2026 PLN '000	1 Apr 2024–31 Mar 2025 PLN '000
Revenue	24,904	285,660
Cost of sales	26,825	219,269
Gross profit/(loss)	**(1,921)**	**66,391**
Other operating income	-	35
Distribution costs	2,972	28,131
Administrative expenses	15,487	26,624
Other operating expenses	7	219
(Expected credit loss)/reversal of expected credit loss	352	321
Operating profit/(loss)	**(20,035)**	**11,773**
Finance income	884	2,836
Finance costs	193	5,234
Impairment losses on shares	1,345	-
Profit/(loss) before tax	**(20,689)**	**9,375**
Income tax	(3,931)	1,781
Net profit/(loss) from discontinued operations	**(16,758)**	**7,594**
Earnings/(loss) per share from discontinued operations	**(1.86)**	**0.49**
Cash flows from operating activities	(22,933)	26,322
Cash flows from investing activities	(167)	(2,874)
Cash flows from financing activities	-	10,030
Total cash flows from discontinued operations	**(23,100)**	**33,478**
Result on discontinued operations	**(16,758)**	**-**
Gain on disposal of financial assets	**317,742**	**-**
Amount receivable (financial asset)	**90,000**	**-**

NOTE 31 – EVENTS AFTER THE REPORTING PERIOD

In April 2026, the Company repaid its liability under an investment credit facility granted by Erste Bank Polska S.A. ahead of its contractual maturity date.

In June 2026, the Company received findings of two audits conducted from December 2024 by the Head of the Wielkopolska Customs and Tax Office in Poznań concerning the Parent's compliance, in its capacity as a withholding agent, with its obligations relating to corporate income tax withholding on income referred to in Articles 21 and 22 of the Corporate Income Tax Act of 15 February 1992, for the period from 1 April 2022 to 31 March 2023 and from 1 April 2023 to 31 March 2024.
According to the tax authority, the Company failed to fulfil its obligations to withhold and remit tax on dividends paid to one of the Company's shareholders. According to the tax authority's findings, the Company should have withheld and remitted a 19% tax in the following amounts:

- PLN 469,883.00 for the period from 1 April 2022 to 31 March 2023,
- PLN 1,054,502.00 for the period from 1 April 2023 to 31 March 2024.

The Company does not agree with these findings and has submitted explanations to the Head of the Greater Poland Customs and Tax Office in Poznań. As at the date of authorisation for issue of these financial statements, the Company has not received any notification that tax proceedings have been initiated in connection with the audit findings.

As at the date of issue of this report, the Company holds 6,279,069 treasury shares acquired under the Extraordinary General Meeting's Resolution of 7 January 2026 for the purpose of their cancellation and a reduction of the share capital. The Company has completed the convocation procedure carried out in connection with the planned reduction of the share capital, with no claims submitted in the course of the procedure. Accordingly, an application to register the reduction of the share capital has been filed with the registry court. As at the date of preparation of these financial statements, the application for registration of the reduction of the share capital remains under examination. Upon registration of the share capital reduction, the share capital will amount to PLN 2,260,386.75.

No significant events other than those recognised in these financial statements have occurred after the reporting period.

NOTE 32 – AUDITOR'S FEES

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 auditor was passed by the Supervisory Board of mcr S.A. as the competent corporate body under Section 12(3)(b) of the Company's Articles of Association.

The Company had not previously engaged the firm to provide any services.

The auditor's fees were agreed as follows:

	2025/2026	2026/2027
	(PLN)	(PLN)
Audit of the separate annual financial statements of the Company	85,000	67,000
Audit of the consolidated annual financial statements of the Group	85,000	53,500
Review of condensed separate half-year financial statements of the Company	38,500	27,000
Review of the condensed consolidated half-year financial statements of the Group	38,500	24,500
Audit of consolidation packages of mcr Group companies	134,000	102,000
Audit of the compliance of the consolidated financial statements with the requirements of the ESEF Regulation	9,500	9,500
Total auditor's fees	**390,500**	**283,500**

Furthermore, in accordance with the terms of the agreement, the audit firm is entitled to reimbursement of reasonable expenses incurred in connection with the performance of the engagement.

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

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

NOTE 33 – DIFFERENCES RELATIVE TO PREVIOUSLY PUBLISHED FINANCIAL STATEMENTS

In the current financial year, the Company recognised revenue from grants received for research and development work relating to prior reporting periods. An amount of PLN 913 thousand was recognised as an adjustment to retained earnings.

In the financial year, the Company did not correct any other errors relating to previous periods.

These financial statements were authorised for issue by the Management Board of mcr S.A. on 10 July 2026.

Management Board
mcr S.A.

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

Gdańsk, 10 July 2026