

## Change in approach to consolidation of subsidiary

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The Management Board of MERCOR S.A. (the "Company") announces a change in the Company's approach to accounting for its Russian subsidiary OOO Mercor-Proof of Moscow ("OOO Mercor-PROOF"), in which the Company holds a 55% equity interest, in the consolidated statements.

During the preparation of the half-year report, reasonable doubts arose regarding control over the Russian company OOO Mercor-Proof. Consequently, the Company sought an opinion from a reputable independent expert specialising in IFRS. Given the complexity and multifaceted nature of this issue, the Company also obtained opinions from a reputable legal and tax law firm, as well as a lawyer specialising in Russian law.

The legal opinion concludes that the Company met the criteria outlined in IFRS 10 and, by exercising control over the Russian subsidiary in accordance with the contractual terms of cooperation, was justified in continuing its consolidation using the full method. This view is consistent with the Company's existing approach and supporting arguments. A different view was expressed in the opinions prepared by the IFRS expert and the lawyer specialising in Russian law. According to these opinions, the Company has not had control over OOO Mercor-Proof since its establishment in December 2009.

Having analysed the arguments presented by each of the above entities and having confirmed this position with the auditor of the Company's consolidated financial statements, as well as considering the reputation and expertise of the IFRS expert, the Company's auditor, and the lawyer specialising in Russian law, the Company's Management Board has decided to change its position regarding the consolidation principles for OOO Mercor-Proof. Consequently, the subsidiary will now be consolidated using the equity method.

The first periodic report reflecting this change will be the report for the first half of the 2024/2025 financial year covering the period from 1 April 2024 to 30 September 2024. The report will contain appropriately restated historical data.

*Legal basis: Article 17(1) of MAR – Inside information*

MANAGEMENT BOARD OF MERCOR S.A.:

Krzysztof Krempeć

President of the Management Board

Jakub Lipiński

First Vice President of the Management Board