



MERCOR Group

Interim financial statements for the three months ended 30 June 2025

Prepared in accordance with International
Financial Reporting Standards as endorsed by the
European Union

Gdańsk, 29 August 2025

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Consolidated financial highlights

<u>Financial highlights</u>	PLN '000		EUR '000	
	1 April 2025– 30 June 2025	1 April 2024– 30 June 2024	1 April 2025– 30 June 2025	1 April 2024– 30 June 2024
Revenue	124,257	124,978	29,190	29,060
Operating profit	2,959	9,106	695	2,117
Profit before tax	1,448	8,300	340	1,930
Net profit	742	6,076	174	1,413
Net profit attributable to owners of the parent	831	6,069	195	1,411
Net cash provided by (used in) operating activities	5,473	20,754	1,286	4,825
Net cash provided by (used in) investing activities	(11,646)	(2,849)	(2,736)	(662)
Net cash provided by (used in) financing activities	9,805	(14,627)	2,303	(3,401)
Total net cash flows	3,632	3,278	853	762
Total assets	478,649	404,905	112,838	96,777
Non-current liabilities	99,096	93,041	23,361	22,238
Current liabilities	157,643	93,314	37,163	22,303
Equity	221,910	218,550	52,314	52,236
Share capital	3,830	3,892	903	930
Equity attributable to owners of the parent	219,639	216,354	51,778	51,711
Number of shares	15,299,502	15,299,502	15,299,502	15,299,502
Net earnings per share	0.05	0.39	0.01	0.09
Book value per share	14.36	14.14	3.39	3.38

Separate financial highlights

<u>Financial highlights</u>	PLN '000		EUR '000	
	1 April 2025– 30 June 2025	1 April 2024– 30 June 2024	1 April 2025– 30 June 2025	1 April 2024– 30 June 2024
Revenue	19,312	71,386	4,537	16,599
Operating profit (loss)	(11,128)	2,480	(2,614)	577
Profit (loss) before tax	(11,262)	2,505	(2,646)	582
Net profit (loss)	(9,109)	1,836	(2,140)	427
Net cash provided by (used in) operating activities	(5,635)	13,459	(1,324)	3,129
Net cash provided by (used in) investing activities	541	(806)	127	(187)
Net cash provided by (used in) financing activities	4,924	(12,669)	1,157	(2,946)
Total net cash flows	(170)	(16)	(40)	(4)
Total assets	276,517	298,736	65,187	71,401
Non-current liabilities	77,511	90,392	18,273	21,604
Current liabilities	52,220	52,453	12,310	12,537
Equity	146,786	155,891	34,604	37,260
Share capital	3,830	3,892	903	930
Number of shares	15,299,502	15,299,502	15,299,502	15,299,502
Earnings (loss) per share	(0.60)	0.12	(0.14)	0.03
Book value per share	9.59	10.19	2.26	2.44

Items of the statement of financial position have been translated into the euro at the mid rate quoted by the National Bank of Poland for the reporting dates: 4.2419 for 30 June 2025 and 4.1839 for 31 March 2025.

Items of the statement of comprehensive income, statement of changes in equity and statement of cash flows have been translated into the euro at the arithmetic mean of the mid rates quoted by the National Bank of Poland for the last days of the months covered by this report: 4.2568 for the period 1 April–30 June 2025, and 4.3007 for the period 1 April–30 June 2024.

Interim condensed consolidated statement of comprehensive income

	For period 1 April– 30 June 2025	For period 1 April–30 June 2024
	unaudited	unaudited
Revenue	124,257	124,978
Cost of sales	93,478	91,490
Gross profit	30,779	33,488
Other income	258	513
Distribution costs	15,721	13,690
Administrative expenses	12,056	9,973
Other expenses	280	1,268
(Expected credit loss)/reversal of expected credit loss	(21)	36
Operating profit	2,959	9,106
Finance income	195	427
Finance costs	1,795	1,518
Share of profit (loss) of equity-accounted investees	89	285
Profit before tax	1,448	8,300
Income tax	706	2,224
Net profit	742	6,076
<i>Attributable to:</i>		
<i>owners of the parent</i>	831	6,069
<i>non-controlling interests</i>	(89)	7
	742	6,076
Other comprehensive income		
Exchange differences from translation of foreign operations	2,614	(3,937)
Total comprehensive income	3,356	2,139
<i>Attributable to:</i>		
<i>owners of the parent</i>	3,281	2,469
<i>non-controlling interests</i>	75	(330)
	3,356	2,139
Earnings (loss) per share:		
Basic	0.05	0.39
Diluted	0.05	0.39

Interim consolidated statement of financial position

Assets

	End of period 30 June 2025	End of period 31 March 2025
	unaudited	
Non-current assets		
Goodwill	46,560	45,887
Other intangible assets	30,894	31,680
Property, plant and equipment	77,840	68,688
Right-of-use assets	16,120	14,694
Deferred tax assets	8,883	4,816
Other financial assets	4,164	4,662
Equity-accounted investees	20,234	18,241
Long-term security deposits receivable	9,504	9,249
Other non-current assets	510	658
	214,709	198,575
Current assets		
Inventories	68,902	59,555
Financial assets	-	-
Trade and other receivables	121,551	99,198
Contract assets	38,625	21,842
Short-term security deposits receivable	3,869	3,461
Forward contracts	-	-
Current income tax assets	179	459
Other current assets	8,979	3,612
Cash and cash equivalents	21,835	18,203
	263,940	206,330
Total assets	478,649	404,905

Equity and liabilities

	End of period 30 June 2025	End of period 31 March 2025
	unaudited	
Equity		
Share capital	3,830	3,892
Share premium	106,202	106,202
Share buyback reserve	10,550	16,180
Merger reserve	857	857
Translation reserve	(14,759)	(17,209)
Treasury shares	(519)	(6,215)
Retained earnings	113,478	112,647
Equity attributable to owners of the parent	219,639	216,354
Non-controlling interests	2,271	2,196
Total equity	221,910	218,550
Non-current liabilities		
Long-term borrowings	81,153	79,223
Deferred tax liabilities	94	30
Provisions for liabilities	4,038	2,341
Deferred income	2,768	3,018
Right-of-use liabilities	11,043	8,429
	99,096	93,041
Current liabilities		
Short-term borrowings	17,901	6,856
Trade and other payables	121,120	74,513
Contract liabilities	6,623	1,567
Current income tax liabilities	2,176	577
Forward contracts	-	3
Provisions for liabilities	2,525	2,506
Deferred income	1,186	759
Right-of-use liabilities	6,112	6,533
	157,643	93,314
Total equity and liabilities	478,649	404,905

Interim condensed consolidated statement of changes in equity

	Share capital	Share premium	Share buyback reserve	Merger reserve	Translation reserve	Treasury shares	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
As at 1 April 2024	3,892	106,202	6,180	857	(7,450)	(2,574)	118,286	225,393	2,526	227,919
Net profit (loss) for reporting period	-	-	-	-	-	-	6,069	6,069	7	6,076
Other comprehensive income	-	-	-	-	(3,600)	-	-	(3,600)	(337)	(3,937)
Comprehensive income for period	-	-	-	-	(3,600)	-	6,069	2,469	(330)	2,139
Dividend payment	-	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
Buyback of shares	-	-	-	-	-	(2,506)	-	(2,506)	-	(2,506)
Transactions with owners recognised in equity	-	-	-	-	-	(2,506)	-	(2,506)	-	(2,506)
As at 30 June 2024	3,892	106,202	6,180	857	(11,050)	(5,080)	124,355	225,356	2,196	227,552
As at 1 April 2025	3,892	106,202	16,180	857	(17,209)	(6,215)	112,647	216,354	2,196	218,550
Net profit (loss) for reporting period	-	-	-	-	-	-	831	831	(89)	742
Other comprehensive income	-	-	-	-	2,450	-	-	2,450	164	2,614
Comprehensive income for period	-	-	-	-	2,450	-	831	3,281	75	3,356
Dividend payment	-	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	(62)	-	(5,630)	-	-	5,696	-	4	-	4
Buyback of shares	-	-	-	-	-	-	-	-	-	-
Transactions with owners recognised in equity	(62)	-	(5,630)	-	-	5,696	-	4	-	4
As at 30 June 2025	3,830	106,202	10,550	857	(14,759)	(519)	113,478	219,639	2,271	221,910

Interim condensed consolidated statement of cash flows

	For period 1 April– 30 June 2025	For period 1 April– 30 June 2024
	unaudited	unaudited
<i>Operating activities</i>		
Profit (loss) before tax	742	8,300
Adjustments for:		
Depreciation and amortisation	4,763	4,605
Interest accrued	1,599	1,256
(Gains) losses on investing activities	(1,141)	(1,390)
Change in inventories	(9,347)	229
Change in receivables	(23,016)	17,257
Change in liabilities and provisions	48,500	(6,436)
Change in contract assets and liabilities	(11,727)	1,084
Change in other assets	(6,096)	2,938
Other adjustments (including exchange differences on consolidation)	2,614	(3,937)
<i>Total adjustments</i>	6,149	15,606
Income tax paid	(1,418)	(3,152)
Net cash provided by (used in) operating activities	5,473	20,754
<i>Investing activities</i>		
Purchase of property, plant and equipment	(10,794)	(2,849)
Payments for purchased financial assets	(852)	-
Net cash provided by (used in) investing activities	(11,646)	(2,849)
<i>Financing activities</i>		
Increase in (repayment of) borrowings	12,975	(9,668)
Payment of right-of-use liabilities	(1,571)	(1,197)
Buyback of shares	-	(2,506)
Interest paid	(1,599)	(1,256)
Net cash provided by (used in) financing activities	9,805	(14,627)
Change in cash	3,632	3,278
Cash at beginning of period	18,203	13,904
Cash at end of period	21,835	17,182

Interim condensed separate statement of comprehensive income

	For period 1 April– 30 June 2025	For period 1 April–30 June 2024
	unaudited	unaudited
Revenue	19,312	71,386
Cost of sales	19,535	55,441
Gross profit (loss)	(223)	15,945
Other income	181	195
Distribution costs	2,802	8,047
Administrative expenses	8,067	5,576
Other expenses	196	73
(Expected credit loss)/reversal of expected credit loss	(21)	36
Operating profit (loss)	(11,128)	2,480
Finance income	1,199	1,172
Finance costs	1,333	1,147
Profit (loss) before tax	(11,262)	2,505
Income tax	(2,153)	669
Net profit (loss)	(9,109)	1,836
Net comprehensive income	(9,109)	1,836
Earnings (loss) per share:		
Basic	(0.60)	0.12
Diluted	(0.60)	0.12

Interim condensed separate statement of financial position

Assets

	End of period 30 June 2025	End of period 31 March 2025
	Unaudited	
Non-current assets		
Intangible assets	5,105	15,654
Property, plant and equipment	31,346	56,807
Right-of-use assets	1,324	5,462
Other financial assets	182,598	98,426
Deferred tax assets	6,610	4,179
Long-term security deposits receivable	-	3,274
Other non-current assets	-	189
	226,983	183,991
Current assets		
Inventories	14,814	37,239
Financial assets	-	-
Trade and other receivables	23,540	58,694
Contract assets	8,546	12,703
Short-term security deposits receivable	-	1,927
Current income tax assets	83	83
Forward contracts	-	-
Other current assets	1,661	3,039
Cash and cash equivalents	890	1,060
	49,534	114,745
Total assets	276,517	298,736

Equity and liabilities

	End of period 30 June 2025	End of period 31 March 2025
	unaudited	
Equity		
Share capital	3,830	3,892
Share premium	106,202	106,202
Capital reserves	11,407	17,037
Treasury shares	(519)	(6,215)
Retained earnings	25,866	34,975
Total equity	146,786	155,891
Non-current liabilities		
Long-term borrowings	71,673	82,023
Deferred tax liabilities	-	-
Provisions for liabilities	2,341	2,341
Deferred income	2,617	2,870
Right-of-use liabilities	880	3,158
	77,511	90,392
Current liabilities		
Short-term borrowings	20,000	2,783
Trade and other payables	23,543	43,080
Contract liabilities	5,516	1,567
Corporate income tax payable	-	-
Provisions for liabilities	1,616	1,616
Forward contracts	-	3
Deferred income	1,012	759
Right-of-use liabilities	533	2,645
	52,220	52,453
Total equity and liabilities	276,517	298,736

Interim condensed separate statement of changes in equity

	Share capital	Share premium	Capital reserves	Treasury shares	Retained earnings	Total equity
As at 1 April 2024	3,892	106,202	7,037	(2,574)	57,256	171,813
Net profit (loss) for reporting period	-	-	-	-	1,836	1,836
Comprehensive income for period	-	-	-	-	1,836	1,836
Dividends paid	-	-	-	-	-	-
Cancellation of treasury shares	-	-	-	-	-	-
Buyback of shares	-	-	-	(2,506)	-	(2,506)
Transactions with owners recognised in equity	-	-	-	(2,506)	-	(2,506)
As at 30 June 2024	3,892	106,202	7,037	(5,080)	59,092	171,143
As at 1 April 2025	3,892	106,202	17,037	(6,215)	34,975	155,891
Net profit (loss) for reporting period	-	-	-	-	(9,109)	(9,109)
Comprehensive income for period	-	-	-	-	(9,109)	(9,109)
Dividends paid	-	-	-	-	-	-
Cancellation of treasury shares	(62)	-	(5,630)	5,696	-	4
Buyback of shares	-	-	-	-	-	-
Transactions with owners recognised in equity	(62)	-	(5,630)	5,696	-	4
As at 30 June 2025	3,830	106,202	11,407	(519)	25,866	146,786

Interim condensed separate statement of cash flows

	For period 1 April–30 June 2025	For period 1 April–30 June 2024
	unaudited	unaudited
<i>Operating activities</i>		
Profit (loss) before tax	(11,262)	2,505
Adjustments for:		
Depreciation and amortisation	1,210	2,870
Interest	1,161	1,140
Dividends received	(884)	(517)
(Gains) losses on investing activities	-	(192)
Change in inventories	3,137	251
Change in receivables	(17,325)	8,113
Change in liabilities and provisions	9,649	1,245
Change in contract assets and liabilities	8,106	(545)
Change in other assets	573	357
<i>Total adjustments</i>	5,627	12,722
Income tax paid	-	(1,768)
Net cash provided by (used in) operating activities	(5,635)	13,459
<i>Investing activities</i>		
Purchase of property, plant and equipment	(343)	(1,515)
(Grant) repayment of loans	-	-
Proceeds from disposal of property, plant and equipment	-	192
Proceeds from disposal of financial assets	-	-
Dividends received	884	517
Grants for development projects	-	-
Net cash provided by (used in) investing activities	541	(806)
<i>Financing activities</i>		
Increase in/(repayment) of borrowings	6,867	(8,411)
Payment of right-of-use liabilities	(782)	(612)
Buyback of shares	-	(2,506)
Interest paid	(1,161)	(1,140)
Net cash provided by (used in) financing activities	4,924	(12,669)
Change in cash	(170)	(16)
Cash at beginning of period	1,060	550
Cash at end of period	890	534

Notes to the financial statements

General information about the Company and the Group

MERCOR S.A. (the Company, the Parent, MERCOR) has traded as a joint-stock company since 21 September 2004. Prior to that date, the Company traded as a limited liability company under the name of Przedsiębiorstwo Usługowo-Handlowe MERCOR sp. z o.o. MERCOR S.A. is the Parent of the MERCOR Group.

The Company's registered office is located in Gdańsk, at ul. Grzegorza z Sanoka 2, 80-408 Gdańsk, Poland. The Company operates from its registered office as well as through trade offices and production establishments, none of which prepares a separate set of accounts. The Company is registered with the District Court of Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register, under entry No. KRS 0000217729.

The principal business of the Company and the Group consists in the manufacture, sale, installation and maintenance of passive fire protection systems. The Group's product offering includes:

- ✓ smoke and heat exhaust systems, rooflight systems,
- ✓ fire ventilation systems,
- ✓ fire protections of building structures,
- ✓ fire partitions, fire-rated doors and gates.

MERCOR S.A. and companies of the MERCOR Group manufacture, deliver and install equipment components for fire protection systems. They also provide maintenance services to guarantee reliable long-term operation of such systems. In addition, the Company offers product advisory services and comprehensive assistance in designing tailor-made fire safety solutions, including CFD simulations, CAD and BIM materials. MERCOR employees participate in various industry events to share their considerable knowledge and experience in the fire protection of building structures.

The Group's objective is to provide safety. The primary role of fire protection is to facilitate the evacuation of people in the event of a fire, enable the efficient operation of emergency response teams, reduce the damaging effects of high temperatures on the building, and safeguard property.

The Group's products are primarily manufactured to order based on a client's desired specifications while adhering to safety standards and relevant regulatory requirements.

Management and supervisory bodies

Composition of the governing bodies of MERCOR S.A. as at 30 June 2025.

Management Board

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

Supervisory Board:

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.

There were no changes in the composition of the Management Board and the Supervisory Board of MERCOR S.A. during the reporting period.

Subsidiaries

As at 30 June 2025, the following entities were consolidated:

Subsidiaries consolidated using the full method:

- ✓ Mercor Light&Vent sp. z o.o. of Gdańsk (Poland)
- ✓ MCR Tecresa S.L. of Madrid (Spain)
- ✓ Tecresa Protección Pasiva S.L. of Madrid (Spain)
- ✓ Mercor Hungary Kft of Budapest (Hungary)
- ✓ Mercor Dunamenti Tűzvédelem Zrt of Göd (Hungary)
- ✓ Dunamenti CZ s.r.o. of Prague (Czech Republic) (subsidiary of Dunamenti Tűzvédelem Zrt)
- ✓ Dunamenti s.r.o. of Kolárovo (Slovakia) (subsidiary of Dunamenti Tűzvédelem Zrt)
- ✓ 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)
- ✓ DFM DOORS sp. z o.o. of Gdańsk (Poland)
- ✓ MCR SOL ENERGY sp. z o.o. of Gdańsk (Poland)
- ✓ MCR Tech Lab sp. z o.o. of Gdańsk (Poland)
- ✓ MERCOR Centrum Usług Wspólnych sp. z o.o. of Gdańsk (Poland)
- ✓ MERCOR SILBOARD sp. z o.o. of Gdańsk (Poland)
- ✓ MHD1 sp. z o.o. of Gdańsk (Poland)
- ✓ MERCOR HD sp. z o.o. of Gdańsk (Poland)
- ✓ MCR IsoProtec sp. z o.o. of Gdańsk (Poland)

Equity-accounted investees:

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

In June 2025, the subsidiary DFM DOORS acquired a 20% equity interest in DEFENDOOR s.r.o. of Slovakia. The acquisition of the commercial-law company is related to the Group's development in the area of fire separation.

Shareholding structure

Shareholders holding 5% or more of total voting rights in the Company

Shareholder	As at the issue date of this report				Change relative to data disclosed in the most recent periodic report			
	Number of shares	% ownership interest	Number of voting rights	% voting interest	Number of shares	% ownership interest	Number of voting rights	% voting interest
PERMAG sp. z o.o.	4,102,994	26.78%	4,102,994	26.78%	-	-	-	-
Bangtino Limited	3,322,000	21.68%	3,322,000	21.68%	-	-	-	-
Nationale Nederlanden Powszechnie Towarzystwo Emerytalne	1,454,465	9.49%	1,454,465	9.49%	-	-	-	-
Otwarty Fundusz Emerytalny PZU Złota Jesień	1,452,947	9.48%	1,452,947	9.48%	-	-	-	-
N50 Cyprus Limited	1,376,379	8.98%	1,376,379	8.98%	-	-	-	-
PTE Allianz Polska S.A.	834,757	5.45%	834,757	5.45%	-	-	-	-

MERCOR S.A. shares held by Management and Supervisory Board members as at the date of issue of this report

Management Board

	Number of shares held directly at the date of issue of this report	Change since issue of the most recent periodic report
Krzysztof Krempeć	15,608	-

Supervisory Board

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

Indirect holdings of Company shares by Management and Supervisory Board members

Shareholder	Member of the Supervisory Board, Member of the Management Board: holding Company shares indirectly – through a Shareholder / related parties	Number of shares held by the Shareholder in the Company's share capital as at the issue date of this report
PERMAG sp. z o.o.	Krzysztof Krempeć	4,102,994
N50 Cyprus Limited	Marian Popinigis	1,376,379
Value Fund Poland Activist FIZ	Eryk Karski	587,973

Treasury shares

Pursuant to a resolution passed by the Extraordinary General Meeting in June 2020, the Company implemented a share buyback programme, which was terminated on 22 November 2024. On 6 June 2025, the District Court for Gdańsk-Północ in Gdańsk registered an amendment to the Company's Articles of Association adopted by the General Meeting in September 2024. Under a resolution, 248,661 treasury shares held by the Company were cancelled. Following the change, the number of all outstanding Company shares is 15,320,616.

As at 30 June 2025, the Company held 21,114 treasury shares, representing 0.13781% of its share capital and the total vote at its General Meeting.

Other than the share buyback described above, there were no issues, redemptions or repayments of any debt or equity securities during the reporting period.

Policies applied in the preparation of the financial statements

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

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

Financial data contained in these condensed consolidated financial statements is presented in thousands of Polish złoty (PLN '000), unless more accurate data is provided in specific cases.

The functional currency is the same as the local currency of the country in which a given Group entity is located. Currently, the Group companies operate in Poland, the Czech Republic, Slovakia, Spain, Ukraine, Romania, Hungary, and the United Kingdom. The functional currency and the presentation currency of the Parent is the Polish złoty (PLN).

These condensed consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern for the foreseeable future. As at the date of the condensed consolidated financial statements, there are no circumstances indicating any threat to the Group continuing as a going concern.

These interim condensed consolidated financial statements of the MERCOR Group covering the period ended 30 June 2025 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as endorsed by the European Union.

These interim condensed consolidated financial statements cover the three months ended 30 June 2025 and contain comparative data for the three months ended 30 June 2024 with respect to the statement of comprehensive income, statement of changes in equity and statement of cash flows, and comparative data as at 31 March 2025 with respect to the statement of financial position.

These interim condensed consolidated financial statements do not include all the information and disclosures required by IFRS in full-year financial statements and should be read in conjunction with the Group's consolidated financial statements for the financial year ended 31 March 2025.

Seasonality or cyclicity of the Group's operations

The Group's operations are not highly cyclical or seasonal. Previous years' performance data suggest that the first half of the calendar year tends to have slower sales and earnings than the latter half.

Revenue

	For period 1 April–30 June 2025	For period 1 April–30 June 2024
Revenue from sale of products	113,251	113,300
Revenue from sale of merchandise and materials	11,006	11,678
Total revenue	124,257	124,978

Revenue by geographical markets:

	For period 1 April–30 June 2025	For period 1 April–30 June 2024
Poland	69,799	64,363
Czech Republic and Slovakia	8,302	9,414
Spain	13,682	11,264
Ukraine	444	677
Romania	2,507	2,401
Hungary	11,171	17,338
UK	2,951	3,109
Other	15,401	16,412
Total revenue	124,257	124,978

Operating expenses

	For period 1 April–30 June 2025	For period 1 April–30 June 2024
Cost of sales	93,478	91,490
Distribution costs	15,721	13,690
Administrative expenses	12,056	9,973
Total operating expenses	121,255	115,153
Depreciation and amortisation	4,763	4,605
Raw materials and consumables used	51,997	54,887
Services	21,265	20,177
Remuneration	21,434	19,317
Employee benefits	5,640	4,903
Taxes and charges	1,605	1,664
Other	3,404	2,146
Cost of merchandise and materials sold	11,147	7,454
Total expenses by nature	121,255	115,153

Other income and expenses

Other income

	For period 1 April–30 June 2025	For period 1 April–30 June 2024
Gain on disposal of property, plant and equipment	167	249
Grants for development projects	-	-
Liabilities cancelled	5	-
Compensation and penalties received	9	16
Other	77	248
Total	258	513

Other expenses

	For period 1 April–30 June 2025	For period 1 April–30 June 2024
Loss on disposal of property, plant and equipment	15	47
Compensation and penalties	2	9
Litigation costs	5	1
Other	258	1,211
Total	280	1,268

Finance income and costs

Finance income

	For period 1 April–30 June 2025	For period 1 April–30 June 2024
Interest on cash and bank deposits	9	5
Interest on loans	81	66
Foreign exchange gains	77	210
Other	28	146
Total	195	427

Finance costs

	For period 1 April–30 June 2025	For period 1 April–30 June 2024
Interest and commissions on bank borrowings	1,453	1,096
Interest on leases	237	281
Interest on liabilities	12	8
Foreign exchange losses	93	127
Other	-	6
Total	1,795	1,518

Income tax

The effective tax rate for the Group was 48.76%, 30 percentage points above the nominal tax rate for the Parent. This was mainly attributable to different tax rates applicable in various tax jurisdictions in which MERCOR Group companies are located and to permanent differences between profit/(loss) before tax and taxable income.

Deferred tax assets and liabilities

Deferred tax is recognised for temporary differences between tax base and profit or loss disclosed in the financial statements. As at 30 June 2025 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 30 June 2025	End of period 31 March 2025	For period 1 April– 30 June 2025	For period 1 April– 30 June 2024
Differences between tax base and carrying amounts of property, plant and equipment and intangible assets	(31)	1,946	171	(49)
Effect of measurement of long-term contracts	2,484	2,307	(177)	106
Exchange differences	-	-	-	7
Accrued interest	371	341	(30)	(27)
Deferred tax liabilities	2,824	4,594	(36)	37
Effect of measurement of long-term contracts	2,357	1,292	1,065	93
Differences between tax base and carrying amounts of property, plant and equipment and intangible assets	504	460	44	273
Provisions for employee expenses and employee benefit obligations	2,990	2,487	503	606
Impairment losses on receivables	1,429	1,427	2	(7)
Write-downs of inventories	2,857	3,376	(519)	152
Unrealised exchange differences and measurement of forward contracts	-	1	(1)	-
Deferred income	-	-	-	-
Accrued interest	160	160	-	(30)
Tax loss asset	1,316	177	1,139	(580)
Deferred tax assets	11,613	9,380	2,233	507
<i>including:</i>				
<i>deferred tax assets</i>	<i>8,883</i>	<i>4,816</i>		
<i>deferred tax liabilities</i>	<i>94</i>	<i>30</i>		
Deferred tax expense			2,197	544

Intangible assets

	End of period 30 June 2025	End of period 31 Mar 2025
Goodwill	46,560	45,887
Costs of completed development work	14,684	16,574
Capitalised costs of development work in progress	13,337	10,617
Concessions and licences	2,873	4,489
Total	77,454	77,567

Property, plant and equipment

	End of period 30 June 2025	End of period 31 Mar 2025
Land	4,836	4,836
Buildings and structures	23,659	23,427
Machinery and equipment	30,180	31,524
Vehicles	4,405	3,645
Other property, plant and equipment	1,496	1,153
Property, plant and equipment	64,576	64,585
Property, plant and equipment under construction	13,048	3,837
Prepayments for property, plant and equipment	216	266
Total	77,840	68,688

Purchase and sale of material items property, plant and equipment

In the first quarter, Dunamenti Tűzvédelem zrt of Hungary acquired a production property consisting of land and a production building with office space, for HUF 770 million. The Company will also incur expenditure on renovation and adaptation of the property to its needs in subsequent periods. Save for the property purchase described above, there were no other significant acquisitions or sales of property, plant and equipment.

Borrowings

	End of period 30 June 2025	End of period 31 March 2025
Bank borrowings	99,054	86,079
Borrowings from financial institutions	-	-
Total	99,054	86,079
<i>Long-term portion</i>		
Bank borrowings	81,153	79,223
Borrowings from financial institutions	-	-
Total	81,153	79,223
<i>Short-term portion</i>		
Bank borrowings	17,901	6,856
Borrowings from financial institutions	-	-
Total	17,901	6,856
<i>Borrowings maturing</i>		
within 1 year	17,901	6,856
in 2 to 3 years	81,153	79,223
in 3 to 5 years	-	-
in over 5 years	-	-
Total	99,054	86,079

Currency breakdown of the Group's bank borrowings (presented in PLN)

	End of period 30 June 2025	End of period 31 March 2025
Borrowings in PLN	83,487	83,927
Borrowings in EUR	15,567	2,152
Total	99,054	86,079

Credit default or breach of material credit covenants with respect to which no remedial action was taken by the end of the reporting period

In the three months to 30 June 2025, there were no defaults or material breaches under borrowing agreements.

Amount and type of items that affect assets, liabilities, equity, net profit, or cash flows, which are atypical due to their nature, value, or frequency.

In the three months to 30 June 2025, there were no non-recurring items that would affect the Company's assets, liabilities, equity, net profit, or cash flows.

Write-downs

Inventories

As at 30 June 2025, write-downs of inventories to net realisable value amounted to PLN 15,807 thousand. In the reporting period, the Parent reversed write-downs recognised in previous periods for an amount of PLN 2,302 thousand, while the amount of write-downs recognised in the reporting period was PLN 108 thousand.

Inventories at end of reporting period:

	<u>End of period</u> <u>30 June 2025</u>	<u>End of period</u> <u>31 March 2025</u>
Materials	34,003	41,770
Work in progress and semi-finished goods	8,191	2,026
Finished goods	42,515	34,297
Write-downs	(15,807)	(18,538)
Total	68,902	59,555

Receivables

	<u>End of period</u> <u>30 June 2025</u>	<u>End of period</u> <u>31 March 2025</u>	<u>Change in</u> <u>period</u>
Impairment losses on receivables	(9,706)	(9,468)	+238
Total	(9,706)	(9,468)	+238

Changes in economic environment and trading conditions with a material effect on the fair value of financial assets and liabilities, irrespective of whether such assets and liabilities are carried at fair value or adjusted acquisition cost

There were no changes in the economic situation that could have a material effect on the fair value of financial assets and financial liabilities of the Company and its Group, whether measured at fair value or at amortised cost.

Financial instruments

In the three months to 30 June 2025, there were no changes in the method of measuring the fair value of financial instruments.

In the three months to 30 June 2025, there were no changes in the classification of financial assets resulting from a change in their purpose or use.

Contingent assets and liabilities

In the three months to 30 June 2025, there were no material changes in the Company's contingent assets or contingent liabilities.

Related party transactions

Neither the Company nor any its subsidiaries entered into any related party transactions otherwise than on an arm's length basis.

Sureties or guarantees issued by the Company or its subsidiary if the aggregate value of outstanding sureties or guarantees issued to a single entity or its subsidiary is material

The Company and its subsidiaries did not provide any sureties or guarantees of material value.

Issue, redemption, cancellation and repayment of non-equity and equity securities

There were no issues, redemptions cancellations or repayments of any debt or equity securities during the reporting period.

Factors and events (including of non-recurring nature) having a material bearing on the condensed financial statements

In the three months to 30 June 2025, there were no factors or events (including of non-recurring nature) which would have a material bearing on the condensed financial statements.

Events after the reporting date which are not disclosed in the report but could significantly affect the Company's and its Group's future financial results

After the reporting period, there were no non-recurring events that could potentially impact the Company's and its Group's future performance.

Dividend paid or declared

During the reporting quarter, the Company did not pay or declare any dividends.

Management Board's position on the feasibility of published forecasts

No earnings guidance was published by the Company.

Material proceedings involving MERCOR S.A. or its subsidiaries

In the reporting period, there were no material proceedings pending against the Company or its subsidiaries.

Material settlements under court proceedings

In the reporting period, there were no material settlements under court proceedings.

Material achievements or failures and key events during the reporting period

In the three months to 30 June 2025, the MERCOR Group earned revenue of PLN 124,257 thousand, a year-on-year decrease of nearly 1% from PLN 124,978 thousand earned in the three months to 30 June 2024. In the Polish market, sales rose by more than 8%. In the foreign markets where the Group subsidiaries operate, sales growth was reported for Spain (21%) and Romania (4%). In the other markets, the Group recorded sales declines: more than 35% in the Hungarian market, nearly 12% in the Czech and Slovak markets, and about 5% in the UK market. There was also a decline of more than 34% in sales in the Ukrainian market.

Operating profit before depreciation and amortisation was PLN 7,722 thousand, down by more than 43% from PLN 13,711 thousand in the same period of the previous financial year. Operating profit for the period was PLN 2,959 thousand, representing a nearly 68% year-on-year decrease.

Net profit earned by the MERCOR Group in the three months to 30 June 2025 was PLN 742 thousand (three months to 30 June 2024: PLN 6,076 thousand).

Information relevant to the assessment of human resources, assets, financial condition and financial performance or any changes thereto, and the Company's ability to meet its obligations

The personnel, asset and financial position of the Company and the Group companies are stable and have not changed materially. The MERCOR Group has a stable workforce, uses its assets efficiently, and performs its obligations in a timely manner.

On 1 April 2025, the part of the Company's assets related to its natural smoke exhaust and fire ventilation businesses was transferred to its subsidiary Mercor Light&Vent sp. z o.o. This was one of the steps necessary to finalise the transaction related to the preliminary sale agreement concluded with Kingspan société à responsabilité limitée on 22 November 2024 (the Company announced the conclusion of the agreement in Current Report No. 59/2024 dated 25 November 2024). The closing of the transaction is subject to the fulfilment of conditions precedent. On 23 May 2025, the President of the Office of Competition and Consumer Protection issued unconditional clearance to complete the concentration consisting in the acquisition by Kingspan société à responsabilité limitée of Villepinte, France, of control over Mercor Light&Vent sp. z o.o. of Gdańsk, Poland, 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 Manchester, United Kingdom, Mercor Ukraine sp. z o.o. of

Drohovyzh, Ukraine, Tecresa Protección S.L. of Madrid, Spain, Mercor Centrum Usług Wspólnych sp. z o.o. of Gdańsk, Poland, and a newly formed company to which part of the business of Mercor Dunamenti Tűzvédelem Zrt. of Göd, Hungary, was transferred. Thus, one of the conditions precedent to the transaction was met.

Factors that, in the opinion of the Company, will affect its results in the following quarter and beyond

The finalisation of the transaction to sell the Group's business related to natural smoke exhaust and fire ventilation systems may have a significant impact on both the Group's performance in future periods and the directions of its further growth.

Other factors that may have a bearing on the Group's revenue are primarily those related to the macroeconomic situation:

- construction investment levels,
- availability and prices of materials,
- inflation rate,
- interest rates,
- availability of qualified workforce,
- liquidity position of trading partners,
- geopolitical factors.

MANAGEMENT BOARD OF MERCOR S.A.:

Krzysztof Krempeć
President
of the Management Board

Jakub Lipiński
First Vice President
of the Management Board

Tomasz Kamiński
Member
of the Management Board

GDAŃSK, 29 August 2025