

Report of the Management Board of SECO/WARWICK S.A.

on the Company's Operations for the Year Ended December 31, 2025

The Management Board of SECO/WARWICK S.A. (hereinafter: the Company, the Issuer) hereby submits the Report on the Company's Operations for the period from January 1 to December 31, 2025, prepared in accordance with the provisions of the Regulation of the Minister of Finance of June 6, 2025, on current and periodic information disclosed by issuers of securities and the conditions for recognizing as equivalent information required by the laws of a non-member state (hereinafter referred to as the "Regulation").

The financial statements of SECO/WARWICK S.A. have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and to the extent required by the Regulation, and cover the period from January 1 to December 31, 2025, and the comparative period from January 1 to December 31, 2024.

1. Introduction

SECO/WARWICK S.A. (hereinafter: "the Company," "Parent Company") was entered into the Register of Entrepreneurs of the National Court Register (KRS) on January 2, 2007, pursuant to the decision of the District Court in Zielona Góra, 8th Commercial Division of the National Court Register, dated January 2, 2007, under KRS number 0000271014.

The SECO/WARWICK Group's operations are divided into four main product groups:

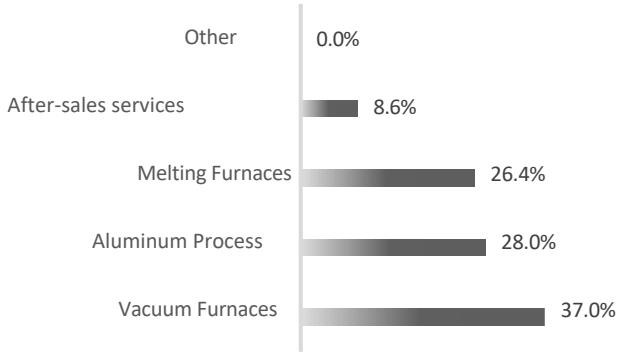
- vacuum furnaces,
- aluminum heat treatment lines (Aluminum Process+ Controlled Atmosphere Brazing),
- melting furnaces,
- aftersales – maintenance services.

Information regarding individual operating segments is presented in the consolidated financial statements of the SECO/WARWICK Group (Note 2 to the consolidated financial statements for the 12-month period ended December 31, 2025).

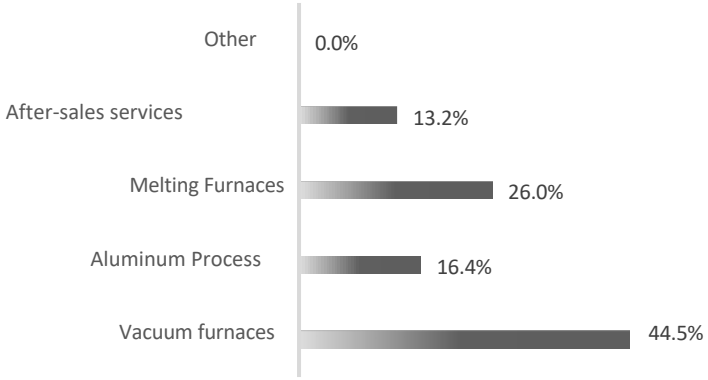
Table: Revenue from sales of products, goods, and materials (in thousands of PLN)

	MAIN PRODUCTS 01/01/2025–12/31/2025					Business Total
	Furnaces Vacuum	*Aluminum Process*	*Melting Furnaces*	*After-sales service service*	*Other*	
Jan. 1, 2025– 12/31/2025	123,772	93,585	88,147	28,845	-	**334,349**
	MAIN PRODUCTS 01/01/2024–12/31/2024					
Jan. 1, 2024– 12/31/2024	127,187	46,768	74,243	37,758	-	**285,956**

MAIN PRODUCTS 2025



MAIN PRODUCTS 2024



2. Information on the organizational and capital ties of SECO/WARWICK S.A. with other entities, specifying its main domestic and foreign investments, including capital investments made outside its group of related entities, along with a description of the methods used to finance them.

Table: As of December 31, 2025, the SECO/WARWICK Group consisted of the following entities:

Entity Name	Headquarters	Business activity	The Group's percentage share in the share capital
Parent company			
SECO/WARWICK S.A.	Świebodzin	Holding company within the SECO/WARWICK Group. Supervision ownership and provision of strategic management services. Manufacture of equipment for heat treatment of metals.	Not applicable
Direct and indirect subsidiaries			
SECO/WARWICK Corp.	Meadville (USA)	Sales and service operations.	100%
SECO/WARWICK of Delaware, Inc	Wilmington (USA)	Holding company activities, registration of trademarks and patents, and licensing of their use by SECO/WARWICK Corp.	100%
Retech Systems LLC	Buffalo (USA)	Trading, services, and manufacturing of metallurgical equipment for melting and vacuum casting of metals and special alloys.	100%
SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd.	Tianjin (China)	Manufacturer of metal heat treatment equipment.	93%
Retech Tianjin Holdings LLC	(USA)	Holding company.	80%
OOO SCT	Solnechnogorsk (Russia)	Provision of metal heat treatment services in Russia.	50%
SECO/WARWICK Germany GmbH	Bedburg-Hau (Germany)	Sales and service operations.	100%
SECO/WARWICK Services LLC o.o.	Świebodzin	Service operations.	100%
SECO/WARWICK INDIA PVT. Ltd.,	Mumbai (India)	Sales and service operations.	100%
SECO/WARWICK INDIA Pvt. Ltd. (DUBAI BRANCH)	DUBAI (UAE)	Sales agency for SECO/WARWICK products.	100%

All entities within the Group, with the exception of OOO SCT, are consolidated using the full consolidation method.

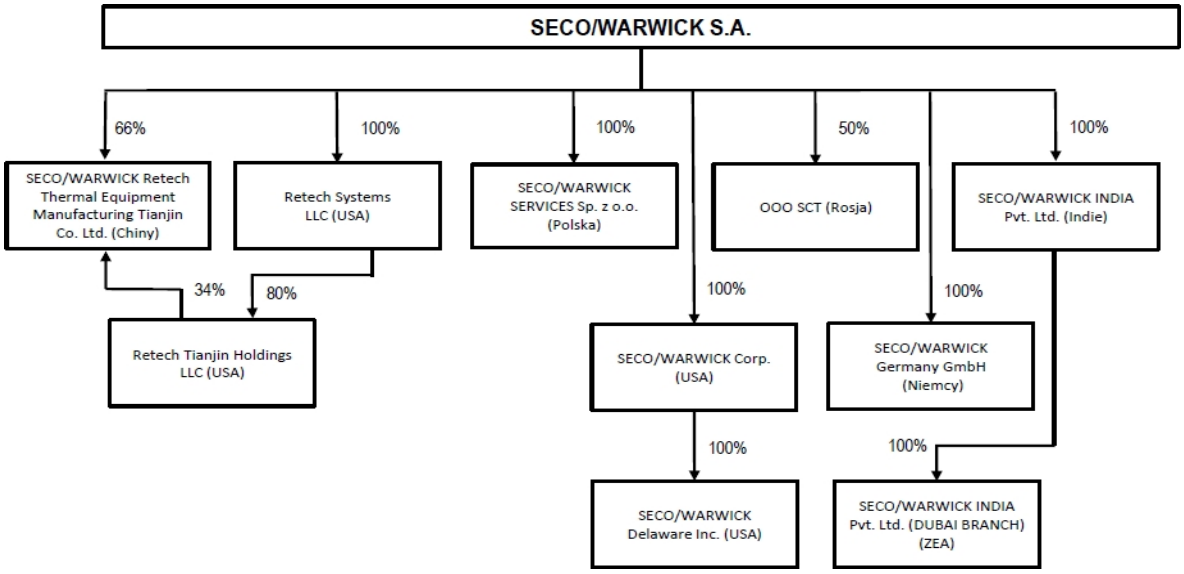
Changes in the composition of the SECO/WARWICK Group during the period under review:

On April 30, 2025, SECO WARWICK USA HOLDING LLC, SECO VACUUM TECHNOLOGIES LLC, and SECO/WARWICK Corporation were effectively merged into a single company named SECO/WARWICK Corporation.

In the second quarter of 2025, the parent company lost control over its subsidiary SECO/WARWICK Rus, based in Russia, due to the loss of the practical ability to exercise control over that subsidiary.

Consequently, in accordance with IFRS 10 “Consolidated Financial Statements,” this entity was excluded from consolidation.

Organizational Chart of the SECO/WARWICK Group as of December 31, 2025



Composition of the SECO/WARWICK Group as of the date of publication of this report

The composition of the SECO/WARWICK Capital Group has not changed from December 31, 2025, to the date of publication of this report.

Major domestic and foreign investments (financial instruments, intangible assets, and real estate) are included in the notes to the separate annual financial statements of SECO/WARWICK S.A. There were no equity investments made outside the group of related entities.

3. Presentation of changes in the basic management principles of SECO/WARWICK S.A. and its Capital Group.

In the period period there any changes in fundamental principles of management at SECO/WARWICK S.A. and its Capital Group.

4. The value of remuneration, awards, or benefits, including those arising from incentive or bonus programs based on the equity of SECO/WARWICK S.A., including programs based on senior bonds, convertible bonds, subscription warrants, whether paid, due, or potentially due.

MANAGEMENT BOARD

Members of the Management Board are remunerated on the basis of employment contracts and resolutions of the Supervisory Board. Severance pay or compensation is governed by the Labor Code. The amount of remuneration for Members of the Management Board for the 2025 fiscal year is governed by resolutions of the Issuer's Supervisory Board dated April 21, 2022.

Table: Remuneration of Members of the Management Board of SECO/WARWICK S.A. for 2025 (in thousands of PLN)

First and last name	Base salary for the period	Other benefits, including bonuses and awards	Accrued costs of the incentive program	Total compensation for the period
12/31/2025	**in PLN thousand**	**in PLN thousand**	**in PLN thousand**	**in PLN thousand**
Sławomir Woźniak	570	919	-	1,489
Piotr Walasek	396	453	-	849
Earl Good (1)	1,125	698	548	2,370
Bartosz Klinowski	396	454	-	850
Total	**2,487**	**2,523**	**548**	**5,557**

(1) Under the employment contract between Retech and Mr. Earl Good.

None of the members of the Management Board receives remuneration for serving on the governing bodies of subsidiaries.

SUPERVISORY BOARD

Members of the Supervisory Board are entitled to a monthly remuneration in the amount determined by the General Meeting, paid by the fifteenth day of the month following the month for which the remuneration is due. The remuneration covers all costs related to the performance of the duties of a Member of the Supervisory Board. Members of the Supervisory Board are not entitled to severance pay.

Table: Remuneration of Members of the Supervisory Board of SECO/WARWICK S.A. for 2025 (in thousands of PLN)

First and last name	Remuneration in PLN thousand
Andrzej Zawistowski, including:	349
- for serving as Chairman of the Supervisory Board	229
- under a consulting services agreement (1)	120
Jeffrey Boswell, including:	162
- under an employment contract (2)	162
Marcin Murawski	55
Robert Jasiński	54
Maciej Karnicki	74
Total	**695**

(1) Under the Cooperation Agreement concluded between SECO/WARWICK S.A. and Mr. Andrzej Zawistowski, operating the business USŁUGI DORADCZE Andrzej Zawistowski. The subject of the agreement dated January 2, 2020, is cooperation in the provision of technical consulting and product development services.

(2) Under the employment contract between SECO/WARWICK Corp. and Mr. Jeffrey Boswell.

None of the members of the Supervisory Board receives remuneration for serving on the governing bodies of subsidiaries.

On June 5, 2020, the Company's Annual General Meeting adopted the Remuneration Policy for Members of the Management Board and the Supervisory Board of SECO/WARWICK S.A. ("Remuneration Policy"). The Remuneration Policy sets out the organizational framework for the remuneration of members of the Management Board and the Supervisory Board and ensures a consistent remuneration system. The Company pays remuneration to members of the Governing Bodies exclusively in accordance with the aforementioned Policy. On June 10, 2021, the Annual General Meeting adopted amendments to the Remuneration Policy by Resolution No. 20. On May 25, 2022, the Annual General Meeting, by Resolution No. 28, adopted the amended Remuneration Policy for Members of the Management Board and Supervisory Board of SECO/WARWICK S.A.
On June 13, 2024, the Annual General Meeting, by Resolution No. 23, adopted amendments to the remuneration of Supervisory Board members. On December 17, 2025, the Extraordinary General Meeting of SECO/WARWICK S.A. adopted Resolution No. 5, approving the amended Remuneration Policy for Members of the Management Board and the Supervisory Board.

5. All agreements concluded between SECO/WARWICK S.A. and its management personnel that provide for compensation in the event of their resignation or dismissal from their position without just cause, or when their dismissal or termination occurs due to a merger of SECO/WARWICK S.A. through an acquisition.

Employment contracts concluded between the Company and management personnel do not provide for compensation in the event of their resignation or dismissal. Any severance pay or compensation is governed by the Labor Code, and the employment contracts do not contain separate provisions in this regard. The employment contracts concluded between the Company and the management personnel also do not contain provisions regarding severance pay related to dismissal or termination due to the merger of SECO/WARWICK S.A. through acquisitions.

6. All obligations arising from pensions and similar benefits for former management, supervisory, or administrative body members, as well as obligations incurred in connection with such pensions, specifying the total amount for each category of body.

The Company has no liabilities arising from pensions and similar benefits to management, supervisory, or former members of administrative bodies.

7. Specification of the total number and par value of all shares of SECO/WARWICK S.A. and shares and equity interests in the Company's affiliates held by management and supervisory personnel.

As of December 31, 2025:

	January 1, 2025				December 31, 2025			
	Number of S/W S.A. shares held	Share of the company's capital	Share of total votes	Decrease / Increase	Number of S/W S.A. shares held	Share of share capital	Percentage of total votes	Total par value per share (PLN)
Management Board								
Sławomir Woźniak	182,490	1.82%	1.82%	-	182,490	2.17%	2.17%	36,498
Bartosz Klinowski	166,753	1.67%	1.67%	-	166,753	1.99%	1.99%	33,351
Earl Good	26,225	0.26%	0.26%	27,576	53,801	0.64%	0.64%	10,760
Piotr Walasek	90,096	0.90%	0.90%	-	90,096	1.07%	1.07%	18,019
Supervisory Board								
Andrzej Zawistowski	65,000	0.65%	0.65%	-	65,000	0.77%	0.77%	13,000
Jeffrey Boswell	9,776	0.10%	0.10%	-	9,776	0.12%	0.12%	1,955
Marcin Murawski	-	-	-	-	-	-	-	-
Robert Jasiński	-	-	-	-	-	-	-	-
Maciej Karnicki	-	-	-	-	-	-	-	-
Total	**540,340**	**5.40%**	**5.40%**	**27,576**	**567,916**	**6.76%**	**6.76%**	**113,583**

The management and supervisory personnel of SECO/WARWICK S.A. do not hold shares or equity interests in affiliated companies.

Specification	12/31/2025	12/31/2024
Number of shares	8,400,000	10,000,000
Par value per share	0.20	0.20
Share capital	1,680,000.00	2,000,000.00

8. Information on agreements known to SECO/WARWICK S.A. (including those concluded after the balance sheet date) that may result in future changes in the proportions of shares held by existing shareholders and bondholders.

SECO/WARWICK S.A. Incentive Program

On December 14, 2023, the Supervisory Board, by Resolution No. 1/2023, established individual targets for 2024 for participants in the Incentive Program, as disclosed by the Company in Current Report No. 19/2023 dated December 14, 2023. Achievement of the individual targets is a condition for granting the Program participants the rights arising from the Program, subject to their remaining in an employment relationship with the Company during the period from January 1, 2024, to December 31, 2024. These targets were approved by the General Meeting of Shareholders by Resolution No. 21 on June 13, 2024.

For both the 2023 and 2024 Incentive Programs, the targets relate to the financial and operational indicators of individual subsidiaries, organizational units associated with specific technologies, or the entire Capital Group, depending on the role performed by a given Program participant.

The achievement of the 2023 targets was approved by the Annual General Meeting by Resolution No. 22 of June 13, 2024.
The achievement of the 2024 targets was approved by the Ordinary General Meeting by Resolution No. 21 of June 9, 2025.

The costs incurred in 2024 in connection with the Incentive Program for the years 2022–2024 amounted to PLN 1,342,000.
The costs incurred in 2025 in connection with the Incentive Program for the years 2022–2024 amounted to PLN 567,000.

9. Information on the control system for employee stock programs.

The Incentive Program for 2022–2024, adopted by the Extraordinary General Meeting by Resolution No. 7 of October 7, 2021, is supervised by the Supervisory Board and the Management Board of SECO/WARWICK S.A.

10. Information on the acquisition of treasury shares.

On October 10, 2025, the Management Board of SECO/WARWICK S.A., acting pursuant to the resolution of the Company's Supervisory Board dated April 23, 2025, and Resolution No. 21 of the Ordinary General Meeting dated June 9, 2025 – regarding the verification of the achievement of the Annual Targets of the Incentive Program Beneficiaries for the 2024 fiscal year, as reported by the Company in Current Report No. 7/2025, announced the transfer of ownership of a total of 28,501 shares of the Company's treasury stock in connection with their registration in the brokerage accounts of persons covered by the Incentive Program.

The shares were sold to the beneficiaries of the Incentive Program at a price of PLN 0.20 (in words: twenty groszy) per share.

The sold treasury shares represent 0.34% of the Company's share capital and entitle the holders to 28,501 votes, which constitute 0.34% of all votes at the General Meeting.

Pursuant to Resolution No. 22/2025 of June 9, 2025, 734,000 (seven hundred thirty-four thousand) of the Company's treasury shares with a par value of PLN 0.20 (twenty groszy) per share, with a total par value of up to PLN 146,800.00 (one hundred forty-six thousand eight hundred).

Pursuant to Resolution No. 24/2025 of June 9, 2025, 760,000 (seven hundred sixty thousand) of the Company's own shares with a par value of PLN 0.20 (twenty groszy) per share, with a total par value of up to PLN 152,000.00 (one hundred fifty-two thousand).

Pursuant to Resolution No. 5/2025 of September 2, 2025, 1,600,000 (one million six hundred thousand) of the Company's treasury shares with a par value of PLN 0.20 (twenty groszy) per share, with a total par value of PLN 320,000 (three hundred twenty thousand). In connection with the redemption of the Redeemed Shares, the Company's share capital was reduced by PLN 320,000 (three hundred twenty thousand), that is, from PLN 2,000,000 (two million) to PLN 1,680,000 (one million six hundred eighty thousand) zlotys.

As of the date of publication of this report, SECO/WARWICK S.A. holds 1,130,592 treasury shares, representing a 13.46% stake in the share capital. The Company does not exercise voting rights attached to its treasury shares.

Pursuant to Article 364 §2 of the Commercial Companies Code, the Company may not exercise shareholder rights attached to its own shares, except for the right to dispose of them or to take actions aimed at preserving such rights.

Pursuant to a resolution of the Extraordinary General Meeting, treasury shares acquired by the Company may be retired based on a separate resolution of the General Meeting or, following a prior favorable opinion from the Company's Supervisory Board, may be allocated for the purposes of existing or future incentive programs within the Company or its subsidiaries, for resale, or for any other purpose specified by a resolution of the Company's Management Board.

11. Discussion of key economic and financial figures disclosed in the annual financial statements, in particular a description of factors and events, including those of an unusual nature, having a significant impact on the Company's operations and financial statements, including the profits earned or losses incurred by the Company during the fiscal year.

STATEMENT OF COMPREHENSIVE INCOME

The Company's main source of revenue is the production and sale of industrial equipment and technologies for the heat treatment of metals. The Company's revenue in 2025 increased by 16.9% year-over-year and amounted to PLN 334.3 million (in 2024, it was PLN 286.0 million).

In 2025, the Company's operating profit increased, reaching PLN 27.0 million (compared to PLN 11.3 million in 2024). Net profit for 2025 was PLN 24.5 million, i.e., PLN 3.6 million more than in 2024 (when it was PLN 20.9 million).

The Company's financial results at the gross sales margin level were significantly impacted by the high volatility of the PLN exchange rate during 2025 relative to the Company's main contract currencies, i.e., the EUR and USD. Nevertheless, net sales profitability remained at the 2024 level and amounted to 7.3%, thereby confirming the Company's established competitive advantage.

STATEMENT OF FINANCIAL POSITION

At the end of 2025, the Company's total assets amounted to PLN 389.6 million, a decrease of 3.5% compared to 2024. The dominant items of non-current assets were: investments in related entities and property, plant, and equipment, which accounted for 21.7% and 13.4% of the balance sheet total, respectively. Among current assets, the largest items were contract assets, trade receivables, and other short-term receivables, which accounted for 15.8% and 18.5% of the balance sheet total, respectively. The main liability items at that time were equity (48.2%) and current liabilities (41.8%) of the balance sheet total.

The Company's asset structure ratio, expressed as the ratio of non-current assets to current assets, stood at 1.0 at the end of 2025 and increased slightly compared to its level of 0.9 at the end of 2024. The achieved level of this ratio should be considered normal. This is because fixed assets include property, plant, and equipment as well as equity interests in other Group companies.

In 2025, there was an increase in trade receivables and other short-term receivables of PLN 17.6 million (i.e., 32.3%), a decrease in inventories by PLN 6.6 million (i.e., by 14.7%), an increase in contract assets by PLN 8.8 million (i.e., by 16.7%), and a decrease in cash and cash equivalents by PLN 31.9 million (i.e., by 62.6%). The deviation in the share of other asset items in the balance sheet total between the end of 2025 and the end of 2024 was insignificant and did not exceed +/- 1.0%. As a result, the asset immobilization ratio at the end of 2025 remained unchanged compared to 2024 and stood at 0.5.

The liability structure ratio, defined as the ratio of equity to debt, was 0.9 and decreased compared to 2024 (1.1). The Company's debt increased by PLN 19.5 million (i.e., 34.0%). The share of loans and borrowings in the liability structure also rose to 19.7% (14.2% in 2024).

The ratio of fixed assets to the Company's equity in 2025 was 1.0, a slight decrease compared to the level at the end of 2024 (1.1).

The third-degree liquidity ratio at the end of 2025 reached 1.2. The second-degree liquidity ratio at the end of 2025 was 1.0. This is slightly above the value generally considered expected. In contrast, the current ratio at the end of 2025 was 0.1. Its value is also close to the benchmark. The ratios changed slightly compared to 2024.

The Company's debt ratios increased in 2025. The total debt ratio (measured as the ratio of total liabilities to total assets) stood at 52% in 2025 (47% in 2024). The debt ratio, calculated as the ratio of total liabilities to equity, rose to 108% at the end of 2025 from 90% in 2024. In turn, the long-term debt ratio (calculated as the ratio of long-term liabilities to equity) stood at 21% at the end of 2025, compared to 7% in 2024.

Selected performance ratios of the Company are as follows:

- the accounts receivable turnover ratio fell in 2025 to 75 days, from 85 days in 2024. Its level deviates slightly from the benchmark range (20–50 days), but is characteristic of the Company.

- The payables turnover ratio at the end of 2025 reached 44 days, compared to 62 days in 2024.

The asset turnover and current asset turnover ratios at the end of 2025 were 0.9 and 1.6, respectively, having increased slightly compared to 2024 (0.8 and 1.3).

12. Assessment of factors and unusual events affecting the operating result for the fiscal year, specifying the extent of the impact of these factors or unusual events on the achieved result.

As of the date of this report, the armed conflict in Ukraine has no material adverse effect on the Company's operations. However, based on current observations, the Company identifies the following main areas of potential impact of the war in Ukraine on the operations of the Company and the Capital Group, as well as on their financial position:

- increased volatility in exchange rates,

- a global economic downturn accompanied by rising inflation (stagflation),
- increased geopolitical risk translating into the risk of reduced investment activity in the industries served by the Group,
- deepening disruptions in supply chains—problems with the availability of certain components, raw materials, and supplies, such as steel, and a significant increase in their prices,
- rising energy costs (electricity, fuels, and natural gas),
- rising interest rates resulting in higher financing costs,
- IT risks.

Tariff measures currently in place and potentially expanded by the U.S. may have a significant impact on the Group's operations. This applies in particular to the production of equipment carried out in Poland and exported to the U.S. market. In addition to previously imposed tariffs on selected raw materials and components (including steel and aluminum), heightened regulatory uncertainty regarding U.S. trade policy persists, affecting various groups of industrial goods.

These factors increase the risk of disruptions in global supply chains and may generate cost pressure on the purchase of components and raw materials essential to the Group's operations. An additional risk stems from potential retaliatory measures by the U.S.'s major trading partners, including China.

Consequently, trade and geopolitical tensions may influence customers' investment decisions, leading to the postponement or scaling back of projects, which may impact the Group's order volume and financial results in subsequent periods.

13. Information on sales markets, including a breakdown into domestic and foreign markets, and information on sources of supply for production materials, goods, and services, specifying dependence on one or more customers and suppliers, and in cases where the share of a single customer or supplier reaches at least 10% of total sales revenue - the name (company name) of the supplier or customer, their share of sales or supply, and their formal ties to SECO/WARWICK S.A.

Breakdown by geographic area based on the location of sales markets. The following areas have been identified:

- the European Union market,
- the United States market,
- the Asian market,
- other countries, including Ukraine and Belarus.

The Group sources most of the materials needed for the production of heat treatment equipment from three main markets.

The first, and at the same time the largest, market supplying the SECO/WARWICK Group with production materials is the domestic Polish market. Next in line is the European Union market, with Germany holding a significant lead. Among the most important and largest supply markets for the SECO/WARWICK Group, the United States of America ranks third in terms of importance and size. In addition to these three main supply markets, the SECO/WARWICK Group also purchases production materials in India, China, and Japan.

With a wide range of suppliers and access to many markets, the SECO/WARWICK Group is not dependent on any single component supplier (no single supplier accounts for more than 10% of revenue), thereby ensuring uninterrupted production of heat treatment equipment.

The markets in which the customers of the SECO/WARWICK Group operate include the automotive, aerospace, energy, tooling, medical, electrical engineering, and machinery industries. The economic situation observed in these markets affects the condition of many other markets operating around the aforementioned ones. The Group supplies its products both to manufacturers representing these industries and to the industry suppliers of these manufacturers. Customers include both automobile and aircraft manufacturers, as well as manufacturers of individual structural components and machine spare parts. The machinery industry, defined as the SECO/WARWICK Group's customer base, constitutes a very broad sphere of economic activity, whose growth is closely aligned with overall GDP growth. There is no dependence on a single customer (no customer accounts for more than 10% of revenue).

14. Information on contracts concluded that are significant to the Company's operations, including contracts known to the Group concluded between shareholders (partners), insurance contracts, and cooperation or collaboration agreements.

In 2025, no agreements significant to the Company's operations were concluded, including agreements known to the Group concluded between shareholders (partners), insurance agreements, or cooperation agreements.

15. Description of transactions entered into by the SECO/WARWICK Group with related parties on terms other than market terms.

In 2025, the Company and its subsidiaries did not enter into any transactional agreements with related parties on terms other than market terms.

16. Information on credit and loan agreements entered into and terminated during the financial year, specifying at least their amounts, type, interest rate, currency, and maturity date.

Table: Status of SECO/WARWICK S.A. loans as of December 31, 2025

Name of unit	Loan amount / loan Interest in thousands PLN	in thousands CURRENCY	Repayment date	Collateral	percentage	Type
mBank S.A.	1,036	-	September 30, 2026	mortgage, pledge securities-based securities	WIBOR 1M + 1.35% p.a.	Loan investment in bank bank
mBank S.A.	15,776	-	June 28, 2030	mortgage, pledge securities-based securities	WIBOR 1M + 1.00% p.a.	Loan investment in bank bank

mBank S.A. 2030	13,140		-	June 28,	mortgage, financial pledge on securities	WIBOR 1M + 1.00% p.a.	Investment credit in a bank account
mBank - credit limits on credit cards	53		-	none	promissory note	-	Limit on credit cards
mBank - credit card limits	15	$4.3		none	bill of exchange	-	Credit card limit
mBank - credit card limits credit cards	124	29.4 EUR		none	promissory note	-	Limit on Credit Cards
Credit in account SANTANDER S.A.	23,254 25, 2026		-	September	Credit card voluntary submission to enforcement pursuant to Article 777.1 of the Code of Civil Procedure	WIBOR 1M + 0.9% p.a.	Credit on current overdraft
Overdraft at BNP Paribas S.A.	12,264		-	11/09/2026	Declaration of voluntary submission to enforcement pursuant to Article 777.1 of the Code of Civil Procedure	WIBOR 1M + 0.9% p.a.	Overdraft Overdraft
mBank overdraft	11,044 3, 2026		-	September	Declaration of voluntary submission to enforcement pursuant to Article 777.1 of the Code of Civil Procedure	WIBOR ON + 1.05% p.a.	
Total:	**76,707**		**x**				

Detailed information regarding SECO/WARWICK S.A.'s loan liabilities is disclosed in Note 20 of the Company's 2025 Separate Financial Statements. In 2025, SECO/WARWICK S.A. did not take out any loans.

On June 9, 2025, SECO/WARWICK S.A. signed an investment loan agreement with mBank S.A. in Warsaw for the amount of PLN 18,400,000. The loan was granted to finance the purchase of up to 734,000 of the Company's own shares, in accordance with the program established pursuant to Resolution No. 22 of the Company's General Meeting dated June 9, 2025. A loan in the amount of PLN 17,616,000 was drawn down. As of December 31, 2025, the loan utilization amounted to PLN 15,776,000.

On July 16, 2025, SECO/WARWICK S.A. signed an investment loan agreement with mBank S.A. in Warsaw for PLN 14,600,000. The loan was granted to finance the purchase of up to 760,000 of the Company's own shares, in accordance with the program established pursuant to Resolution No. 24 of the Company's Ordinary General Meeting of June 9, 2025. As of December 31, 2025, the amount drawn down under the loan was PLN 13,140,000.

No loans or borrowings were terminated in 2025.

17. Information on sureties and guarantees granted and received during the financial year, with particular emphasis on sureties and guarantees granted to the Company's related parties.

Contingent liabilities arising from guarantees and sureties granted as of the end of 2025 amounted to PLN 98,416 thousand, while as of the end of 2024 they amounted to PLN 107,615 thousand. The guarantees were granted for:

Description	12/31/2025	12/31/2024
performance of the contract	2,294	504
standby letter of credit	10,177	8,109
bid bond	-	866
Total	**12,471**	**9,479**

Table: Guarantees granted by SECO/WARWICK S.A. (in thousands of PLN)

Company Name	Bank	Title	Currency 12/31/2025		Amount in thousands of PLN
		credit			
	PFR TFI	credit			
S/W Retech (1) SERVICES	HSBC BANK USA	Guarantee limit	USD	8,030	28,921
Retech Systems LLC (2)	FEZ represented by	Warranty and	USD	15,000	54,024
SECO/WARWICK	SANTANDER	Working capital loan	PLN	3,000	3,000
TOTAL					**85,945**

(1) As of December 31, 2025, SECO/WARWICK Retech has utilized USD 342,000 of the guaranteed credit and guarantee limits.

(2) As of December 31, 2025, Retech Systems LLC is utilizing USD 8,460,000 of the guaranteed credit and guarantee limits.

18. Information on loans granted during the financial year, with particular emphasis on loans granted to the Company's related parties, specifying at least their amount, type, interest rate, and currency of maturity.

In 2025, SECO/WARWICK S.A. did not grant any loans to related parties.

In 2025, SECO/WARWICK S.A. did not grant loans to members of the Management Board, members of the Supervisory Board, or unrelated entities.

19. An assessment, along with its justification, regarding the management of financial resources, with particular emphasis on the ability to meet incurred obligations, and an identification of potential risks and actions that the Group has taken or intends to take to mitigate these risks. An assessment of the feasibility of implementing investment plans, including capital investments, in relation to the amount of available funds, taking into account possible changes in the financing structure of such activities.

In 2025, the Company made timely payments on its liabilities arising from loans taken out to finance operating and investment activities.

The Company's debt from investment loans as of December 31, 2025, amounted to PLN 29,952,000, and debt from overdrafts amounted to PLN 46,562,000.

The Company's debt from investment loans as of December 31, 2024, amounted to PLN 3,223 thousand, and debt from overdraft facilities amounted to PLN 53,802 thousand.

The current and quick ratios at the end of 2025 stood at 1.2 and 1.0, respectively, while the cash ratio (a measure of the extent to which current liabilities are covered by cash) was 0.1. All these figures are close to values considered benchmark.

Based on available financial resources and credit lines, the Company had sufficient funds to carry out its planned investment projects, as well as capital expenditures planned and executed in 2025.

In the opinion of the Company's Management Board, as of the balance sheet date, there are no risks regarding the fulfillment of incurred liabilities.

The financial liquidity ratios for SECO/WARWICK S.A. are presented below.

LIQUIDITY RATIOS

	December 31, 2025	Dec. 31, 2024
Current Ratio I	0.1	0.3
Liquidity II	1.0	0.9
Liquidity III	1.2	1.2

20. Issuance of securities and a description of how SECO/WARWICK S.A. used the proceeds from the issuance of these securities.

No such events occurred in 2025.

21. Explanation of differences between the financial results presented in the annual report and previously published forecasts for the year.

SECO/WARWICK S.A. did not publish financial forecasts for the Company or the SECO/WARWICK Capital Group for 2025.

22. Description of significant risk factors and threats, specifying the extent to which the Company is exposed to them.

The dynamic environment and the development of the SECO/WARWICK Capital Group require continuous improvement and high activity in the area of risk management. The SECO/WARWICK Capital Group focuses primarily on financial risks (liquidity, credit, market, and currency risks), operational risks (mainly related to the quality, timeliness, and costs of projects), and compliance risks (legal and regulatory risks).

Detailed description of key risks

Risk significance: issues with a rating of >=3 are considered significant

minimum significance: 0 - <2;
medium significance: ≥2 - <3;
significant materiality: ≥3 - <4;
critical significance ≥4.

Trend: ↑ Upward | → Stable | ↓ Downward

#	Risk	Description	Mitigation measures	Potential effects	Significance	Trend
FINANCIAL RISKS						
1	**Geopolitical and macroeconomic** Conflict in Ukraine + tariffs US 2025; US–China tensions	Conflict in Ukraine + tariffs US 2025; tensions US–China	• Monitoring of sanctions and export regulations (reputable law firms) • Updating the strategy for geographic diversification of sales	• Risk of violating sanctions regulations • Rising costs of components and transportation • Margin pressure on export contracts	4	↑

#	Risk	Description	Mitigation Measures	Potential effects	Significance	Trend
			• Mapping the impact of customs tariffs on on export contracts	• Restricted access to the U.S. or Chinese market		
2	**Industry risk** Automotive and aerospace – EV crisis, OEM restructuring	Automotive and aerospace – EV crisis, OEM restructuring	• Diversification of the customer portfolio across segments (Automotive, Aerospace, Energy) • Prioritization of cyclically resilient segments (energy, defense) • Early detection of risks through backlog monitoring	• Reduction in orders for automotive equipment • Pressure on revenues and margins in the Thermal and Vacuum segments	3	↑
3	**Liquidity and financing** Inadequate working capital management	Inadequate working capital management	• Regular analysis and forecasting of cash flows for the Group • Diversification of funding sources • Maintaining active credit lines	• Decreased sales efficiency sales • Suspension or delay of investment and R&D activities	3	→

#	Risk	Description	Mitigation Measures	Potential consequences	Significance	Trend
4	**Market risk** Currencies (USD/PLN, EUR/PLN, CNY), interest rates, commodity prices	Currencies (USD/PLN, EUR/PLN, CNY), interest rates, commodity prices	• Currency hedging policy in accordance with established procedures • Price escalation clauses in long-term contracts • Monitoring of commodity markets	• Deterioration in financial results and contract margins • Deterioration in financial liquidity	3	↑
5	**Credit risk** Insolvency of trading partners	Insolvency of trading partners	• Monitoring the financial situation and credit ratings of counterparties • Use of hedging instruments (letters of credit, receivables insurance) • Limiting exposure to a single counterparty	• Deterioration in financial performance • Deterioration in financial liquidity	2	↓

#	Risk	Description	Mitigation Measures	Potential consequences	Significance	Trend
OPERATIONAL RISKS						
6	**IT and cybersecurity risk** AI-assisted cyberattacks AI; threats to OT/SCADA systems (ESG ESG: social)	AI-assisted ; threats to OT/SCADA systems	• Regular IT security audits and penetration tests • Security management procedures for IT and OT systems • Employee training and awareness tests (cybersecurity) • Real-time threat monitoring (SOC)	• Loss or leakage of confidential data • Business continuity disruptions • Financial losses and regulatory penalties (GDPR/NIS2) • Reputational damage	4	↑
7	**Employee risk** Recruitment and retention of qualified engineers (ESG ESG: social)	Recruitment and retention of qualified engineers	• Collaboration with high schools and universities (partner classes, internships) • Employer branding initiatives • Developing career paths and development programs • Employee satisfaction surveys and implementation of recommendations	• Scaling back operations • Cost pressure on salaries • Risk of losing the know-how of key specialists	4	→

#	Risk	Description	Mitigation Measures	Potential consequences	Significance	Trend
ESG RISKS						
9	**Environmental Environmental** Climate Climate Change, Circular	Climate change, Circular economy	• Implemented Sustainability Policy • Group reporting procedures	• Physical risks related to climate change (including power outages) • Risks of rising raw material costs resulting from environmental regulations	**4**	→
10	**Social Social** Internal workforce, Employees in the value value chain, Consumers and end users	Own workforce, Employees in the value chain, Consumers and end users	• Code of Ethical Business Conduct implemented • Sustainable Development Policy • OWZ (SWSA)	• Risk of reduced occupational health and safety standards in our own operations • Non-compliance with labor standards in the supply chain • Retention of key employees	**4**	→

#	Risk	Description	Mitigation Measures	Potential consequences	Significance	Trend
11	**Risks related to corporate governance**	Corporate culture, Whistleblower of whistleblowers, Supplier management, Corruption and bribery	• Code of Ethical Business Conduct implemented • Procurement and supplier qualification procedures implemented	• Non-compliance with anti-corruption regulations • Supplier relationship management, including timely payments	3	→

23. Statement on the application of corporate governance within the SECO/WARWICK Group in 2025.

a. set of corporate governance principles to which the parent company of the SECO/WARWICK Group is subject and the location where the text of the principles is publicly available

As of July 1, 2021, SECO/WARWICK S.A. is subject to the corporate governance principles set forth in "Best Practices for Companies Listed on the Warsaw Stock Exchange 2021," introduced by Resolution No. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange S.A. dated March 29, 2021.

The text of the aforementioned principles is available to the public at: www.corp-gov.gpw.pl and www.secowarwick.com.

The Company did not apply corporate governance practices that went beyond the requirements of national law.

b. the extent to which the Group's parent company has deviated from the provisions of the set of corporate governance principles referred to above, an indication of those provisions, and an explanation of the reasons for such deviation, and how the company intends to address any consequences of non-compliance with a given principle or what steps it intends to take to reduce the risk of non-compliance with a given principle in the future

In 2025, pursuant to Section 29(3) of the Rules of the Warsaw Stock Exchange S.A., the Company submitted an updated report on the status of the Company's application of the principles contained in the "Good Practices of Companies Listed on the WSE 2021" compendium, which is available at www.secowarwick.com.

In accordance with the content of the aforementioned report, SECO/WARWICK S.A. has opted out of applying the following principles:

- **1.4.** To ensure proper communication with stakeholders regarding its adopted business strategy, the company publishes on its website information on the assumptions of its strategy, measurable objectives—including, in particular, long-term objectives—planned actions, and progress in its implementation, as defined by financial and non-financial metrics. Information on the ESG strategy should, among other things:

  Company Comment: The SECO/WARWICK Group actively implements a sustainable development strategy. In 2024, a comprehensive analysis of ESRS double materiality and carbon footprint reporting was conducted, and material IROs with assigned targets and KPIs were identified. Information on the ESG strategy, progress, and metrics was published in the management report. The Group plans to expand its ESG communication in the future through a dedicated section on its corporate website.

  1.4.1. explain how climate change issues are taken into account in the decision-making processes of the company and its group entities, highlighting the resulting risks;

  Company Comment: The SECO/WARWICK Group incorporates climate change issues into decision-making processes through an integrated climate risk management system, which includes a dual materiality analysis (ESRS E1), carbon footprint reporting (Scope 1, 2, 3) for all Group companies, and integration with the corporate risk management system.
  Key climate risks: the impact of extreme weather events on operations in the U.S., China, and India; exposure to the CBAM (carbon border adjustment mechanism) starting in 2026; increasing legal requirements regarding efficiency and emission limits, reputational risk in the fossil fuel-fired furnace sector, rising energy prices, and supply chain disruptions.

Identified opportunities: building a competitive advantage through innovation in low- and zero-emission technologies, increased demand for products supporting decarbonization (including green steel), increased sales driven by regulatory pressure, and improved energy efficiency.
The Group has implemented a Climate Change Mitigation Transformation Plan for SECO/WARWICK S.A. and an ESG Roadmap, incorporates climate considerations into strategic projects, and monitors the achievement of emission reduction targets.

1.4.2. disclose the value of the pay equity ratio for its employees, calculated as the percentage difference between the average monthly pay (including bonuses, awards, and other allowances) for women and men for the most recent year, and provide information on actions taken to address any inequalities in this regard, along with a presentation of the associated risks and the timeframe within which equality is planned to be achieved.

Company Comment: Regarding pay equity, the Company applies principles of non-discrimination in pay based on gender, and employees' performance is evaluated solely on the basis of their substantive contribution to the development of the Company's operations.
In 2024, the first analysis of the gender pay gap was conducted, revealing variations across locations: Poland 7%, USA 24%, China 30%, India 50%. These differences stem from the employment structure at the C-level and N-1 positions, which is characteristic of the industrial machinery sector.
As part of mitigation measures, guidelines regarding compensation and benefits policies were implemented across the Group, incorporating the principle of equal pay for work of equal value, and recruitment policies were harmonized to ensure non-discrimination. Planned actions include continuing the harmonization of HR policies, a succession process for key positions, and monitoring the ratio. The Group has not yet set a specific timeline for the complete elimination of the gap, but is actively working to reduce it.

- **2.1.** The company should have a diversity policy regarding the management board and the supervisory board, adopted by the supervisory board or the general meeting, respectively. The diversity policy defines diversity goals and criteria in areas such as gender, field of study, specialized knowledge, age, and professional experience, and specifies the timeline and method for monitoring the achievement of these goals. With regard to gender diversity, the condition for ensuring diversity in the company's governing bodies is that the representation of minorities in a given body must be no less than 30%.

  Company Comment: The Company does not have a diversity policy regarding the above issue. The Company provides employees (including members of its governing bodies) with equal opportunities for professional development and promotion regardless of skin color, religion, gender, age, nationality, citizenship, minority status, marital status, political views, disability, or other legally protected status. The composition of the Supervisory Board is determined by decisions made by the General Meeting of Shareholders, while the appointment of the Management Board falls within the competence of the Supervisory Board.
  When selecting candidates, the bodies responsible for appointing members of the Management Board and the Supervisory Board are guided by the Company's current and long-term needs, which are reflected in their consideration of the candidates' professional experience, competencies, and education.

- **2.2.** Persons making decisions regarding the selection of members of the company's Management Board or Supervisory Board should ensure the diversity of these bodies by selecting individuals who promote diversity, thereby enabling, among other things, the achievement of the target minimum minority representation rate set at no less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in Principle 2.1. Company Comment: The composition of the Supervisory Board is the result of decisions made by the General Meeting of Shareholders, while determining the composition of the Management Board falls within the competence of the Supervisory Board. When selecting candidates, the bodies appointing members of the Management Board and the Supervisory Board are guided by the Company's current and long-term needs, which are reflected in particular by taking into account the candidates' relevant professional experience, competencies, and education. As already mentioned in the explanations to section 2.1, factors such as skin color, religion, gender, age, nationality, citizenship, membership in a minority group, marital status, political views, and disability are not criteria in the selection of members of the Management Board and the Supervisory Board.

- **2.11.** In addition to the activities required by law, the Supervisory Board prepares and submits an annual report to the Annual General Meeting for approval once a year. The report referred to above includes at least:
  2.11.6. information on the degree of implementation of the diversity policy with respect to the Management Board and the Supervisory Board, including the achievement of the objectives referred to in Principle 2.1.
  Company Comment: Due to the absence of a diversity policy adopted by the Company with respect to the Management Board and the Supervisory Board, this principle is not applied.

- **3.6.** The head of internal audit reports organizationally to the CEO and functionally to the chair of the audit committee or the chair of the supervisory board, if the supervisory board serves as the audit committee.
  Company Comment: Due to the Company's organizational structure and the scale of the Group's operations, the head of internal audit reports organizationally to the relevant member of the Management Board, while functionally reporting to the Chair of the Audit Committee.

- **4.1.** The Company should enable shareholders to participate in the general meeting using electronic means of communication (e-general meeting) if this is justified by the expectations of shareholders communicated to the Company, provided that the Company is able to provide the technical infrastructure necessary to conduct such a general meeting.
  Company Comment: The Company does not conduct General Meetings using electronic means of communication (e-General Meetings). Currently, the Company has not received any expectations from a broader group of Shareholders regarding this matter, which, in the Company's assessment, may result from the shareholder structure. In light of the above explanations, holding a General Meeting using electronic means of communication is not justified due to the significant cost involved. At the same time, the Management Board declares that if such a need is expressed by a broader group of Shareholders, it will make every effort to apply this principle.

- **6.4.** The Supervisory Board performs its duties on an ongoing basis; therefore, the remuneration of its members cannot be contingent on the number of meetings held. The remuneration of committee members, in particular the Audit Committee, should take into account the additional workload associated with serving on these committees,

Company Comment: The Company does not fully comply with this principle. The rules governing the remuneration of Supervisory Board members are set forth in the Company's remuneration policy adopted by the General Meeting of Shareholders. Members of the Supervisory Board, regardless of their participation in committees operating within the Supervisory Board, receive a fixed remuneration independent of the number of meetings held. Members of the Supervisory Board participating in committees do not receive additional remuneration.

c. Description of the main features of the internal control and risk management systems applied at SECO/WARWICK S.A. with respect to the process of preparing financial statements and consolidated financial statements

The Management Board of the parent company is responsible for the Group's internal control system and its effectiveness during the process of preparing interim reports and financial statements prepared and published in accordance with the Regulation of the Minister of Finance of June 6, 2025, on current and interim information disclosed by issuers of securities.

The fundamental objective of the Group's effective internal control system in financial reporting is to ensure the adequacy, reliability, and accuracy of the financial information included in interim reports and financial statements. The Group's efficiently functioning internal control and risk management system in the financial reporting process was established through:

- **a clearly defined division of responsibilities and work organization in the financial reporting process**

The body responsible for preparing the Group's financial statements, ongoing management reporting, and periodic financial reporting is the parent company's finance department, headed by the Chief Financial Officer.

The SECO/WARWICK Group's financial statements are prepared by employees of the parent company's finance department based on financial data contained in the financial and accounting system, following approval by the Chief Financial Officer, taking into account other supplementary data provided by designated employees from other departments of the Group. The complete financial statements, prior to submission to the independent auditor, are reviewed by the Chief Accountant and then by the Chief Financial Officer.

The Group's interim reports are prepared by a team of employees from the finance department based on financial data contained in the financial and accounting system, following approval by the Chief Financial Officer, taking into account other supplementary data provided by designated employees. Complete interim reports, prior to submission to the independent auditor, are reviewed by the Chief Accountant and then by the Chief Financial Officer.

- **The specific scope of financial reporting practiced by the Group**

Each year, the Group reviews its strategies and business plans. In cooperation with senior and middle management. Following this review, based on the conclusions, a budgeting process is established covering all areas of the Group's operations. Throughout the year, the Management Board of the parent company analyzes current financial results by comparing them with the approved budget using the management reporting system applied within the Group, which is based on

the Group's adopted accounting policy (International Financial Reporting Standards), taking into account the format and level of detail of the financial data presented in the SECO/WARWICK Group's periodic financial statements.

The accounting policies adopted for statutory reporting are incorporated into the Group's budgeting process as well as the preparation of its periodic management reports.

The Group makes every effort to ensure that the financial statements, interim reports, and other reports presented to investors are based on a consistent accounting policy.

- **Regular review of the SECO/WARWICK Group's results using the financial reporting system employed by the Group**

The financial data serving as the basis for financial statements and periodic reports are derived from the financial and operational reporting maintained by the SECO/WARWICK Group. Each month, every company submits its results, which are analyzed by the holding company's management and then discussed jointly during a teleconference with the management of the subsidiaries.

Any errors identified during the analysis are corrected on an ongoing basis in accordance with the adopted accounting policies.

Work on financial statements and interim reports begins after the Chief Financial Officer approves the results for the completed month (period).

- **Requirement to submit financial statements for authorization prior to publication**

Interim reports and financial statements, following completion of the auditor's review or audit, are submitted to the members of the Company's Supervisory Board.

All members of the Supervisory Board have the opportunity to review the content of the report or audit. Any concerns may be discussed with the Chief Financial Officer, who remains at the disposal of the Board members.

- **Verification of the Company's financial statements by an independent certified public accountant**

In accordance with applicable laws, the SECO/WARWICK Group submits its financial statements to an independent certified public accountant for review or audit, as appropriate.

d. Shareholders holding, directly or indirectly, significant blocks of shares

Table: Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting as of December 31, 2025, are as follows:

Shareholders	Number of shares	Share in share capital (%)	Number of votes	Share in of total votes at the General Meeting (%)
SW Holding	3,387,139	40.32%	3,387,139	40.32%
Generali Open Pension Fund	640,798	7.63%	640,798	7.63%
Quercus Investment Fund Company Joint-Stock Company	475.768	5.66%	475768	5.66%
PKO BP Bank Open Pension Fund	464,484	5.53%	464,484	5.53%

Table: Shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting as of the date of submission of this report are as follows:

Shareholders	Number of shares	Share in share capital (%)	Number votes	Percentage of total number of votes at the AGM (%)
Joint-Stock Company				
SW Holding	3,387,139	40.32%	3,387,139	40.32%
~~Generali Open Pension Fund~~	~~640,798~~	~~7.63%~~	~~640,798~~	~~7.63%~~
~~Vanguard Total International Stock Index Fund Closed~~	~~450,734~~	~~5.37%~~	~~450,734~~	~~5.37%~~
Quercus Investment Fund Company	475,768	5.66%	475,768	5.66%
PKO BP Bank Open-Ended Pension Fund	464,484	5.53%	464,484	5.53%

The data in the table is based on notifications from shareholders received by the Company pursuant to Article 69 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies.

As of December 31, 2025, SECO/WARWICK S.A. holds 1,130,592 treasury shares, representing a 13.46% stake in the share capital. The Company does not exercise voting rights attached to its treasury shares

e. holders of any securities conferring special control rights, along with a description of such rights

SECO/WARWICK S.A. has not issued any securities conferring special control rights over the Company.

f. indication of restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of a specific portion or number of votes, time-based restrictions on the exercise of voting rights, or provisions under which, with the Company's cooperation, the capital rights associated with securities are separated from the holding of such securities

There are no restrictions on the exercise of voting rights, such as restrictions on the exercise of voting rights by holders of a specific portion or number of votes; there are no time-based restrictions on the exercise of voting rights; nor are there any provisions under which, with the Company's cooperation, the capital rights associated with the securities are separated from the holding of the securities.

g. Indication of any restrictions on the transfer of ownership of the issuer's securities

To the best of our knowledge, there are no restrictions on the transfer of ownership of the issuer's securities.

h. a description of the rules governing the appointment and removal of management personnel and their powers, in particular the right to decide on the issuance or redemption of shares

The Management Board consists of 2 (two) to 7 (seven) members and is appointed and dismissed by the Supervisory Board, which may appoint any number of Vice Presidents. The Management Board is appointed for a joint three-year term. The Management Board of the parent company consists of the President of the Management Board, the Vice Presidents of the Management Board, and the members of the Management Board. When appointing members of the Management Board, the Supervisory Board determines which of the Management Board members will serve as President of the Management Board and which as Vice Presidents of the Management Board. The terms of office of Management Board members expire on the date of the General Meeting approving the report on the Management Board's activities, the statement of financial position, and the statement of comprehensive income and losses for the last year of their term. Members of the outgoing Management Board may be re-elected to the new Management Board. The Management Board may appoint a proxy or proxies.

The Management Board has full authority to manage the Company's day-to-day affairs, except for those reserved for other Company bodies. The Management Board determines the Company's organizational structure and rules of operation. For this purpose, it may issue regulations or other internal acts. Each member of the Management Board may, without a prior resolution of the Management Board, handle matters not exceeding the scope of the Company's ordinary activities, except in situations where, prior to handling the matter, at least one of the other members of the Management Board objected to its execution. Each member of the Management Board represents the Company individually for obligations or the exercise of rights up to the amount of PLN 200,000 (two hundred thousand). In the event of incurring liabilities or exercising rights exceeding the amount of PLN 200,000 (two hundred thousand), the joint action of two members of the Management Board or a member of the Management Board together with an independent proxy holder, or a member of the Management Board together with one of the persons granted joint proxy authority, is required. In matters exceeding the scope of the Company's ordinary activities, a resolution of the Management Board is required.

Shares may be redeemed either with the shareholder's consent through their purchase by the company (voluntary redemption) or without the shareholder's consent (compulsory redemption), subject to the conditions set forth in the Commercial Code. Shares may be redeemed without the shareholder's consent pursuant to a resolution of the General Meeting if: the shareholder has been declared bankrupt, enforcement proceedings have been initiated against the shares, a Common Court has ruled in civil proceedings that the shareholder acted to the detriment of the company, or a final criminal judgment has been issued convicting the shareholder of a crime related to acting to the detriment of the Company.

Compulsory redemption shall be effected for consideration, which may not be lower than the value of the net assets attributable to the shares, as shown in the financial statements for the last fiscal year, less the amount allocated for distribution among the shareholders. The General Meeting may redeem all or part of a shareholder's shares upon the shareholder's written request. Redemption then takes place at a value determined by a resolution of the General Meeting, provided that for the resolution to be valid, the shareholder requesting the redemption of shares must vote in favor of it. The Company may acquire its own shares for the purpose of their redemption and to achieve the objectives specified in Article 362 § 1 of the Commercial Companies Code. The General Meeting of Shareholders may authorize the Management Board to acquire the Company's shares from shareholders for the purpose of their subsequent redemption. The Management Board has no authority to make decisions regarding the issuance of shares.

i. Description of the rules for amending the Articles of Association of SECO/WARWICK S.A.

An amendment to the Articles of Association of SECO/WARWICK S.A., in accordance with Article 430 § 1 of the Commercial Companies Code, requires a resolution of the General Meeting and entry in the register. The amendment to the Articles of Association is submitted to the registry court by the Management

Board of SECO/WARWICK S.A. The General Meeting of SECO/WARWICK S.A. may authorize the Supervisory Board to establish a consolidated text of the amended Articles of Association or

introduce other editorial amendments specified in a resolution of the General Meeting.

j. the manner of operation of the General Meeting and its fundamental powers, as well as a description of shareholders' rights and the manner of exercising them, in particular the rules arising from the General Meeting's rules of procedure, if such rules have been adopted, provided that information in this regard does not follow directly from the provisions of law

The General Meeting operates pursuant to the Rules of Procedure of the General Meeting of SECO/WARWICK S.A., adopted by Resolution No. 32 of the General Meeting of SECO/WARWICK S.A. on June 24, 2016. Only persons who are shareholders of the company sixteen days prior to the date of the General Meeting are entitled to participate in the General Meeting. The record date for participation in the General Meeting is the same for holders of bearer shares and registered shares. (Art. 406 [1] of the Commercial Companies Code). Pledgees and usufructuaries who are entitled to vote have the right to participate in the General Meeting of a public company if the establishment of a limited real right in their favor is registered in the securities account on the record date for participation in the General Meeting. Persons whose presence is deemed necessary by the Supervisory Board or the Management Board of the Company may participate in the General Meeting (Rules of Procedure of the General Meeting § 4).

After presenting each item on the agenda, the Chairperson opens the discussion, granting the floor to speakers in the order in which they request to speak. A shareholder may speak only on matters included in the agenda within the scope of the item currently under consideration. Each shareholder is entitled to one statement and one reply during the discussion of each item on the agenda. (Rules of Procedure of the General Meeting, § 14).

Resolutions of the General Meeting are adopted, depending on their subject matter, by a majority of votes required in accordance with the provisions of the Company's Articles of Association, the Commercial Companies Code, and other generally applicable laws. (Rules of Procedure of the General Meeting § 18).

The General Meeting adopts resolutions by open vote, subject to the provisions of paragraph 2 regarding secret ballots ordered: in elections, on motions to dismiss members of the Company's governing bodies or liquidators, on motions to hold members of the Company's governing bodies or liquidators liable, in personnel matters, at the request of even one shareholder present or represented at the General Meeting, or in other cases specified in applicable law. (Rules of Procedure of the General Meeting § 16)

The Chair of the General Meeting presents the agenda and requests its approval by the General Meeting. In the absence of any objections, it is deemed that the General Meeting has approved the agenda. (Rules of Procedure of the General Meeting § 9). Once the Chair of the General Meeting announces the closure of the list of speakers, no one may be added to the list of speakers, and once the closure of the discussion is announced, no one may take the floor or submit proposals as referred to in the Rules of Procedure of the General Meeting § 15.

In 2025, three General Meetings of SECO/WARWICK S.A. were held, each formally convened, and took place on June 9, 2025 (AGM), September 2, 2025 (EGM), and December 17, 2025 (EGM). The Company's shareholders did not submit any motions to convene a General Meeting in 2025.

The General Meetings were held in accordance with the provisions of the Commercial Companies Code and the rules set forth in the Standing Rules of Procedure of the General Meeting of SECO/WARWICK S.A., in accordance with the principles of Good Practices of Companies Listed on the Warsaw Stock Exchange 2021. Shareholders had the opportunity to review the content of the draft resolutions, which were published on the Company's website and disclosed in current reports No. 7/2025 dated May 13, 2025; No. 25/2025 dated August 7, 2025; and No. 35/2025 dated November 20,

In 2025, at least 26 days prior to the General Meeting. The Company accepted the documents submitted by the shareholders and their proxies, acknowledging their authenticity and their right to represent and participate in the General Meeting.

In 2025, within the scope of its powers, the Annual General Meeting adopted resolutions significant to the Company's operations, including a resolution approving the Management Board's report on the Company's activities and the financial statements for the 2024 fiscal year, a resolution on the distribution of profit for the 2024 fiscal year, and a resolution approving the Management Board's report on the activities of the SECO/WARWICK Capital Group and the consolidated financial statements of the SECO/WARWICK S.A. for the 2024 fiscal year, as well as resolutions on granting discharge to the members of the Company's governing bodies for the performance of their duties. A resolution was also adopted expressing an opinion on the Supervisory Board's report on remuneration, a resolution approving the report of the Supervisory Board of SECO/WARWICK Spółka Akcyjna, and a resolution approving the Resolution setting Annual Targets for 2025 adopted by the Supervisory Board in connection with the 2022-2024, on the approval of the Verification Resolution adopted by the Supervisory Board in connection with the 2022-2024 Incentive Program, and on the amendment of the remuneration of Supervisory Board members.

The Extraordinary General Meeting of SECO/WARWICK S.A. on September 2, 2025, adopted resolutions concerning, in particular, the redemption of treasury shares, a reduction of the share capital, amendments to the Company's Articles of Association, and the adoption of its consolidated text.

The Extraordinary General Meeting of SECO/WARWICK S.A. on December 17, 2025, adopted resolutions regarding the adoption of the amended Remuneration Policy for members of the Management Board and the Supervisory Board, effective as of January 1, 2025, aligning remuneration with the average remuneration in the enterprise sector as announced by the Central Statistical Office (GUS).

The Chairman of the General Meeting ensured the smooth conduct of the proceedings and respect for the rights and interests of all shareholders. There were no adjournments or interruptions of the proceedings. Members of the Management Board and the Supervisory Board were available to shareholders and proxies, ready to provide explanations within the scope of their knowledge and applicable law. None of the resolutions adopted at the General Meetings were challenged in court proceedings.

All resolutions adopted in 2025 by the Company's General Meeting are intended to serve the Company's interests while taking into account the rights of other stakeholders. The resolutions adopted by the General Meeting have been published on the Company's website at: www.secowarwick.com.

k. Composition and changes that occurred during the last fiscal year, as well as a description of the activities of the issuer's management, supervisory, or administrative bodies and their committees

Management Board

Composition of the Management Board

As of the date of publication of these financial statements, as of December 31, 2025, and December 31, 2024, the Management Board of SECO/WARWICK S.A. consisted of the following members:

- Sławomir Woźniak – President of the Management Board,
- Bartosz Klinowski – Member of the Management Board,
- Earl Good – Member of the Management Board,
- Piotr Walasek – Member of the Management Board.

Changes in the composition of the Management Board:

From January 1, 2025, until the date of publication of these financial statements, there were no changes in the composition of the Management Board of SECO/WARWICK S.A.

Principles of the Management Board's Operation

The Company's Management Board operated in accordance with the provisions of the Commercial Companies Code, the publicly available Rules of Procedure of the Management Board approved by a resolution of the Supervisory Board, and in accordance with the Code of Best Practice for Companies Listed on the Warsaw Stock Exchange. The Rules of Procedure of the Management Board outline the division of responsibilities, tasks, and competencies among the Members.

The Management Board is the Company's executive body, managing its day-to-day operations and representing it externally. The Management Board's powers include all matters not expressly reserved for the exclusive authority of the General Meeting of Shareholders and the Supervisory Board. The acquisition and disposal of real estate, perpetual usufruct rights, or interests in real estate does not require the consent of the General Meeting of Shareholders and falls within the exclusive authority of the Management Board.

The Management Board consists of 2 (two) to 7 (seven) members elected by the company's Supervisory Board, who serve as: President, Vice President, and members of the Management Board. The Supervisory Board may appoint any number of Vice Presidents. Members of the Management Board are appointed by the Supervisory Board for a joint three-year term. Each member of the Management Board represents the Company individually for obligations or the exercise of rights up to an amount equivalent to PLN 200,000 (two hundred thousand). In the event of incurring liabilities or exercising rights exceeding the amount of PLN 200,000 (two hundred thousand), the joint action of two members of the Management Board, or a member of the Management Board together with an independent proxy, or a member of the Management Board together with one of the persons granted joint proxy authority, is required. The Management Board operates in accordance with regulations approved by the Supervisory Board at the request of the Management Board.

In setting both strategic goals and day-to-day tasks, the Management Board was guided primarily by the Company's overriding interests and applicable laws. The Management Board also took into account the interests of the Company's shareholders, employees, and creditors.

In order to ensure the clarity and effectiveness of the management system, the Management Board adhered to the principle of professional conduct within the limits of reasonable business risk, drawing on a wide range of available information, opinions, and analyses.

The Supervisory Board determines the remuneration of Management Board members based on clear procedures. Remuneration for serving as Management Board members was awarded taking into account the economic results achieved, based on the competencies and responsibilities of individual Management Board members. The amount of remuneration for Management Board members is determined based on the Company's Remuneration Policy for Management Board and Supervisory Board Members of Seco/Warwick S.A. and is governed by resolutions of the Issuer's Supervisory Board dated April 21, 2022. The amount of remuneration for Management Board members did not deviate from the level of remuneration for management boards in companies of similar size in the electrical machinery industry.

Supervisory Board

Composition of the Supervisory Board

As of the date of publication of these financial statements, as of December 31, 2025, and December 31, 2024, the Supervisory Board of SECO/WARWICK S.A. consisted of the following members:

- Andrzej Zawistowski - Chairman of the Supervisory Board
- Maciej Karnicki – Vice Chairman of the Supervisory Board

- Jeffrey Boswell – Member of the Supervisory Board

- Marcin Murawski – Member of the Supervisory Board
- Robert Jasiński – Member of the Supervisory Board

Changes in the composition of the Supervisory Board:

From January 1, 2025, until the date of publication of these financial statements, there were no changes in the composition of the Supervisory Board of SECO/WARWICK S.A.

Rules of Procedure of the Supervisory Board

The Supervisory Board of SECO/WARWICK S.A. operates in accordance with the provisions of the Commercial Companies Code, the publicly available Rules of Procedure of the Supervisory Board approved by the Company's General Meeting, and the Code of Best Practice for Companies Listed on the Warsaw Stock Exchange S.A. The aforementioned Rules of Procedure outline the division of responsibilities, tasks, and powers among the members of the Supervisory Board.

The Supervisory Board of SECO/WARWICK S.A. adopts resolutions or issues opinions on matters within its jurisdiction in accordance with the provisions of the Company's Articles of Association and in the manner prescribed by the Articles of Association or applicable law.

The Supervisory Board met the requirement of having at least two independent members in its composition in accordance with the adopted independence criteria set forth in the Company's Articles of Association.

In 2025, meetings of the Supervisory Board were held on a regular basis, with the participation of Management Board members, who provided the Board with reliable and comprehensive information on significant issues concerning the Company's operations. The Supervisory Board held five meetings, during which resolutions were adopted on matters listed on the agenda, which were sent to Board members in meeting notices.
The provision of any benefits by the Company or related entities to members of the Management Board was approved by a majority of the members of the Supervisory Board.

The remuneration of Supervisory Board members is determined based on the Company's Remuneration Policy for Management Board and Supervisory Board Members of Seco/Warwick S.A. Remuneration for serving as members of the Supervisory Board was granted taking into account the economic results achieved, based on the competencies and responsibilities of individual members of the Supervisory Board. The amount of remuneration did not deviate from the level of remuneration of Supervisory Boards in companies of similar size in the electrical machinery industry. Throughout 2025, members of the Supervisory Board informed the Company's Management Board of any transactions involving the purchase or sale of SECO/WARWICK S.A. shares.

During its work in 2025, the Supervisory Board focused primarily on matters of significant importance to the Company's operations.

As part of its responsibility to define the Company's development strategy, the Supervisory Board conducted several analyses of the long-term development directions of the SECO/WARWICK S.A. Group in light of changes occurring in the market for heat treatment furnace manufacturers, including technological advancements and increasing competition.

Within the scope of its authority to oversee operations, the Supervisory Board analyzed and periodically assessed the financial statements of the Company and the SECO/WARWICK S.A. Group; the reports on the Company's operations were also analyzed and assessed.

The Supervisory Board will present to the Company's Annual General Meeting an assessment of the Company's situation, including an evaluation of the internal control system and the risk management system relevant to

the Company, an assessment of the Company's compliance with its disclosure obligations, an assessment of the reasonableness of the Company's sponsorship and charitable policies, and an assessment of the Supervisory Board's work in 2024, prepared in accordance with the 2021 Code of Best Practices for Companies Listed on the Warsaw Stock Exchange, together with the report on the Supervisory Board's activities in 2025, prepared in accordance with Article 382 §3 (1) of the Commercial Companies Code.

Supervisory Board Committee

In 2025, the Audit Committee operated within the Supervisory Board, performing analytical and control functions in accordance with the Rules of Procedure of the Supervisory Board and the guidelines of the Act of May 11, 2017, on Certified Public Accountants, Audit Firms, and Public Oversight ("the Act") and the 2021 Code of Best Practice for Companies Listed on the Warsaw Stock Exchange.

The Audit Committee held four meetings in 2025. The Audit Committee's work included analytical and control functions in accordance with the Rules of Procedure of the Supervisory Board, the Rules of Procedure of the Audit Committee, and the guidelines on Good Practices of Listed Companies, in particular:

a) Monitoring the financial reporting process of the Company and the Capital Group, including the analysis of periodic financial results, and informing the Supervisory Board of the results of this work.
b) Monitoring the effectiveness of internal control systems and the risk management system within the Company and the Capital Group (including a review of business scenarios and their impact on the financial situation).
c) Cooperation with the independent auditor, including an assessment of the auditor's independence and a discussion of the plan, schedule, and key areas of the financial statement audit.
d) Discussing ad hoc risks affecting the Group's operations (commercial, regulatory, and sanction/reputational) and reviewing remedial measures.
e) Preparing and adopting the Audit Committee's annual work plan and monitoring key macroeconomic changes affecting the Group's risk profile.
f) Discussing the results of the internal audit and monitoring the implementation of the internal audit plan.
g) Monitoring the implementation of post-audit recommendations and the timeliness of corrective actions.
h) Monitoring risks, particularly in the area of cybersecurity, including initiating and overseeing cybersecurity tests.
i) Monitoring risk types and the adequacy of internal controls in subsidiaries.
j) Reviewing and updating information in the area of risk management, including legal risk.
k) Reviewing the compliance area and identifying new significant areas of non-compliance risk.
l) Overseeing preparations for non-financial (ESG) reporting, including discussing the scope of the audit/attestation and the work schedule.
m) Recommending to the Supervisory Board the adoption and publication of financial statements and key reporting documents.
n) Monitoring corrective actions following selected operational audits and overseeing the preparation of materials for subsequent reviews/audits.

All matters discussed at individual Audit Committee meetings were recorded in the minutes of the Audit Committee meetings.

The Audit Committee's systematic reporting of the results of its supervisory and monitoring activities to the Supervisory Board contributed to a better understanding of these areas, improved

communication between management and supervisory bodies, and, as a result, improved the quality of the monitored processes.

As of December 31, 2025, and as of the date of publication, the Audit Committee consisted of:

1. Marcin Murawski - Chairman
2. Robert Jasiński - Secretary
3. Maciej Karnicki - Member

The statutory criteria of independence, as well as experience and knowledge in the field of accounting and financial reporting, were met by Mr. Marcin Murawski and Mr. Robert Jasiński on the Supervisory Board and the Audit Committee.

Mr. Maciej Karnicki, on the other hand, possesses extensive knowledge and skills in the industry in which the Company operates. He acquired his knowledge during his studies at the Technical University of Dresden and throughout his long professional career, particularly while working at SECO/WARWICK S.A.

Policy for Selecting an Audit Firm

1. During the procedure for appointing an audit firm, the Supervisory Board pays attention to:
   a) the audit team's experience in auditing the financial statements of public interest entities (in particular joint-stock companies whose securities are traded on a regulated market);
   b) the overall competence of the audit team;
   c) financial criteria;
   d) the audit firm's and the audit team's prior experience in auditing the financial statements of companies engaged in activities similar to those of the Company (including with respect to industry and geographic structure).
2. The Supervisory Board makes a decision regarding the selection of the audit firm, taking due account of the principle of the audit firm's independence and after analyzing the work performed by the audit firm at the Company, the scope of which extended beyond the scope of the financial statement audit.
3. The Audit Committee may discuss with the audit firm threats to the audit firm's independence and the safeguards applied to mitigate those threats.
4. Prior to commencing the audit, the audit firm and the members of the audit team shall submit an annual statement confirming compliance with the independence requirements referred to in Articles 69–73 of the Act.
5. The selection of the audit firm and the subsequent conduct of the audit shall be based on applicable laws, in particular the Act and the Act of September 29, 1994, on Accounting (i.e., Journal of Laws of 2023, items 120, 295, 1598, of 2024, items 619, 1685, 1863). The audit will be conducted in accordance with International Financial Reporting Standards and the requirements and principles applicable to the Company, in particular those arising from the best practices of companies listed on the Warsaw Stock Exchange S.A. applied by the Company.
6. It is prohibited to include any contractual clauses that would require the Supervisory Board to select an audit firm from a specific category or list of eligible audit firms.

l. Expenses incurred for sponsorship, charitable, or other similar activities (Principle 1.5 of DPSN2021)

In the 2025 fiscal year, SECO/WARWICK S.A. undertook, among other things, the following activities and incurred the following expenses related to sponsorship and charitable activities:
- Falubaz Speedway Club in Zielona Góra – PLN 12,000.00
- AZYL NA KOZIEJ Animal Welfare Association – PLN 5,000.00
- WOŚP e-Skarbonka – PLN 4,400.00
- Szlachetna Paczka Campaign – PLN 3,926.70
- Guild of Various Trades and Entrepreneurship – 2,000.00 PLN
- "MADA" Foundation for Assistance to People with Autism – 2,000.00 PLN
- Home Hospice – "Fields of Hope" Campaign – 1,675.00 PLN
- The Association "On the Other Side of Sugar" – 1,000.00 PLN
- Forest Cleanup Campaign – 876.07 PLN
- Family Day – SECO/FAMILY – 16,873.31 PLN
- Daffodil Campaign – 2,026.76 PLN
- Forest Planting Campaign – 1,870.37 PLN
- Niesulicka Ten – 3,000.00 PLN

Total value of related with sponsorship and and charitable activities amounted to PLN 56,648.21.

m. Description of the diversity policy

The Company does not have a formal diversity policy regarding the Management Board and the Supervisory Board; however, it makes every effort to ensure that its governing bodies and management are diverse in terms of gender, age, education, and professional experience.

The goal of diversity management at SECO/WARWICK S.A. is to create a work environment in which every employee feels respected and valued, and in which they can fully realize their potential, thereby contributing to the company's success.

The Company provides employees with equal opportunities for professional development and promotion regardless of skin color, religion, gender, age, nationality, citizenship, marital status, having children, political views, disability, or any other legally protected status.

Decisions regarding the hiring of employees, as well as the selection of members of the Management Board and Supervisory Board, are made based on objective criteria. SECO/WARWICK S.A. strives to ensure the diversity of the Company's governing bodies, particularly in terms of gender, educational background, age, and professional experience, with the primary selection criteria being the candidate's high qualifications, professionalism, and competence to perform a specific role.

The Company's actions are aimed at eliminating discrimination in the workplace and building an organizational culture open to a diverse workforce, which leads to strengthening the Company's market position and competitive advantage.
In accordance with the 2021 Code of Best Practices for Companies Listed on the Warsaw Stock Exchange, we hereby report that over the past two years (2024–2025), the representation of women and men on the Company's Management Board and Supervisory Board was as follows: men – 100%, women – 0%.

24. Significant proceedings pending before a court, an arbitration body, or a public administration authority.

In 2025, no significant proceedings concerning the liabilities or receivables of SECO/WARWICK S.A. with any counterparty or its Group were pending before a court, an arbitration body, or a public administration body.

25. Characteristics of external and internal factors significant for the Company's development.

External factors:

- The macroeconomic situation observed in the markets where the SECO/WARWICK Group companies operate or plan to expand will have a significant impact on financial results in the future. The Group's growth dynamics will depend on market conditions in its operating markets and key macroeconomic indicators, such as: demand for capital goods, the gross domestic product growth rate, the inflation rate, the unemployment rate, or the value of capital expenditures.
- Achieving the strategic goals set by the SECO/WARWICK Group may be hindered by the actions of competitors. A potential intensification of competition, particularly in Asian countries, may negatively impact the Group's ability to achieve its planned financial results.
- Exchange rate movements, particularly the EUR/PLN rate, have a significant impact on the SECO/WARWICK Group's development. Nevertheless, the Group actively mitigates foreign exchange risk by adjusting the reference rates for calculated equipment, through hedging in the futures market, and by making purchases in EUR and USD.
- The war in Ukraine, described in section 12 of this report.
- Tariffs imposed by the U.S., as described in section 12 of this report.

Internal factors:

- The SECO/WARWICK Group's achievement of its planned financial results depends on retaining professional staff in management and specialist positions within the SECO/WARWICK Group. As in many sectors of the Polish economy, salaries for qualified staff in the sector in which the parent company operates are lower than in other European Union countries, which may encourage employees to seek work abroad. To counter this risk, the parent company is taking active measures, which include, among other things, a stock-based incentive program and financial assistance for tuition and specialized courses. To retain professional staff in the medium and long term, there may be a further increase in employee-related costs, which could result in a decline in the Group's profitability.

26. Information on the adopted development strategy of the issuer and its capital group, as well as the actions taken to implement it during the reporting period, along with a description of the prospects for the issuer's business development for at least the coming fiscal year.

The Management Board of Seco/Warwick S.A. ("Issuer," "Company") announced in Current Report No. 17/2023 that on September 26, 2023, by a resolution of the Management Board, the SECO/WARWICK Group Development Strategy for 2023–2026 ("Strategy") following its prior approval and recommendation for implementation by the Company's Supervisory Board on the same date.

The SECO/WARWICK Group Strategy ("Group") outlines the Group's structured and purposeful development, taking into account the rapidly changing market environment, and in particular the opportunities and challenges arising from the environment as well as internal resources, the Group's strong competencies, and its leading position in the global heat treatment and metallurgy markets.

The Group's Mission and Vision are defined in the Strategy as follows:

- SECO/WARWICK Mission:

"Thanks to the experience and expertise of our employees and our collaboration with business partners, we create innovative products that provide our customers with reliable, safe, and environmentally friendly solutions for heat treatment and metallurgy, ensuring business efficiency."

- SECO/WARWICK Vision:

"We aim to be the company of first choice in providing solutions for heat treatment and metallurgy. Innovation and reliability are evident in our thinking and creation everywhere in the world." The implementation of the Strategy is based on the following directions, reflecting the priority axes of development:

1. Business agility—the organization's ability to adapt to changing environmental conditions to achieve business objectives.

2. Industry 4.0 – the effective use of Industry 4.0 solutions to streamline processes and develop products within the Group, including activities such as the continued implementation of automation and robotization, as well as solutions based on artificial intelligence.

3. Attractive Workplace – creating an environment based on mutual trust, partnership, and responsibility, supporting professional and personal development, and bridging the needs of different generations, including initiatives aimed at, among other things, increasing employee satisfaction and engagement, boosting efficiency, and maintaining the current turnover rate.

4. Operational excellence – a process of continuous self-improvement within the organization to optimize quality, efficiency, and productivity, including, among other things, improving project execution efficiency and reducing complaint costs.

5. Local autonomy within a global architecture—operational independence of companies in the local market while maintaining the Group's established standards, including, among other things, increased international cooperation within the Group and the development of competitive products by leveraging the local advantages and competencies of companies in the context of local and global requirements and the changing market situation.

6. Business development—increasing sales and product margins within current segments in existing and new markets, including activities such as preparing companies for self-sufficient operations and a flexible production profile to serve the local and

global markets, increasing sales and product margins within current segments in existing and new markets.

7. New business opportunities – seeking and/or creating new business opportunities outside the Group's current operations, including increasing the share of sales from new business areas in total sales.

The Group's strategy within each development area defines objectives and performance metrics, identifying specific strategic projects to be implemented in the coming years. Strategic projects have been grouped into five initiatives—for the Group's key companies, key markets, technologies, or functions within the Group's organization.

The initiatives include the following main strategic actions:

- further building the market shares of local companies in key European and non-European markets (the U.S., China, and India)

- strengthening the position of the Group's technologies (vacuum furnaces, furnaces for aluminum processing—Aluminum Process and Controlled Atmosphere Brazing, melting furnaces) in local and global markets

- strengthening specific functions and ensuring the operational self-sufficiency of local subsidiaries in key non-European markets

- leveraging local cost and competency advantages to ensure competitive production of components and equipment for the entire Group

- developing new technologies and markets

- harmonizing the Group's processes and organizational culture on a global scale to achieve business objectives

The Company's Management Board estimates that the implementation of these strategic objectives will enable the following financial targets to be achieved in 2026:

- consolidated sales revenue of approximately PLN 980 million (CAGR 2022–2026: +12.1%)

- consolidated EBITDA* of approximately PLN 92 million (CAGR 2022–2026: +12.7%).

* The above targets for 2026 were determined based on an exchange rate of 4.2 USD/PLN. It should be noted that due to the Group's international operations, there is a risk of exchange rate volatility, and hedge accounting is applied; depending on exchange rate fluctuations, this may result in significant positive/negative foreign exchange differences or gains/losses from the valuation or maturity of hedging instruments. These items are shown in the income statement below the EBITDA level; however, due to their nature, if their values are significant, they should be analyzed in conjunction with the EBITDA result. In 2024, the net result on matured instruments or their valuation amounted to PLN 4.8 million.

The Company's Management Board estimates the total value of capital expenditures for the years 2023–2026 at approximately PLN 110 million, of which about 55% is allocated to strategic projects (development of new technologies and product lines, upgrading of production and assembly facilities, and capacity expansion) and 45% to replacement CAPEX. At the same time, the target ratio of consolidated net financial debt to consolidated EBITDA on an annual basis has been set at a maximum of 1.5x.

Furthermore, the Company announces that it is the intention of the Issuer's Management Board for SECO/WARWICK to maintain, during the implementation of the Strategy, the status of a company that distributes profits to Shareholders. The recommendation regarding the payment of dividends will be determined annually, taking into account the Group's growth prospects and operating environment

, investment plans and financing options, as well as the current and projected level of liabilities and the Group's financial position.

At the same time, the Management Board informs that the Group is engaged in ESG activities. The first ESG report was published in 2024, and in 2025, another ESG report was published on a voluntary basis, despite the absence of an obligation under applicable regulations.

The year 2025 was another year of implementing the seven pillars of the 2023–2026 Strategy. The direction and operational priorities remain unchanged, and the implementation of strategic initiatives is proceeding according to plan.

Revenue growth was lower than originally anticipated. This was due to external factors: the appreciation of the Polish zloty, which reduced the value of foreign currency contracts; a slowdown in the European automotive sector; and order postponements in the U.S. related to customs and macroeconomic uncertainty. The order backlog at the end of 2025 stood at PLN 668.9 million, compared to PLN 767.3 million a year earlier.

At the same time, we significantly improved the quality of our results: the gross margin rose to 22.4%, and EBIT reached PLN 43.1 million—35.7% higher than the previous year. This is the result of deliberate management of the contract mix and cost structure, which strengthened the Group's fundamentals regardless of revenue dynamics.

The revenue target of the 2026 Strategy, amounting to approximately PLN 980 million, remains a management target, the achievement of which will depend on the pace of replenishing the order portfolio and market conditions. In the final year of the strategy, the Management Board's priority is to further strengthen profitability and execute the backlog, while fully acknowledging the challenges facing the market environment.

The adopted Strategy will be subject to periodic reviews and verification by the Issuer's Management Board, particularly in a dynamic macroeconomic environment. The financial figures presented in this report represent the target set by the Company's Management Board in connection with the implementation and execution of the Strategy and do not constitute a forecast. The Strategy's assumptions do not quantify certain initiatives regarding potential new product lines that are in the preliminary (pre-commercial) development stage.

27. Information on major achievements in research and development.

Work conducted by the SECO/WARWICK Group's Research and Development (R&D) Department in 2025:

- **The following development projects were successfully completed:**
  - SECO/SCADA+ Advanced
  - New low-pressure carburizing algorithm
  - Protection of Seco/Warwick know-how in PLC units
  - Adaptation of the DBA method in the PrepPoMAX program
  - Development of 4DQ systems (FEM simulations)
  - Development of mathematical models for selected furnace parameters
  - Standardized VP modular furnace, phase II

- **A patent application for the invention was filed with the Polish Patent Office:**
  - Application No. P.450932, titled "Gas collector module and method for replacing the gas collector in a furnace"
  - Application No. P.452133, titled "Furnace for thermochemical treatment"

- **A patent was granted for the invention:**
  - Method and apparatus for directional crystallization of castings with a directional or single-crystal structure

28. Information regarding environmental issues.

SECO/WARWICK S.A., conducting manufacturing and commercial activities in 2025, operated in compliance with applicable environmental laws and did not incur any fines.

In the course of its business operations, the Company holds the two required permits for waste generation and the discharge of gases and dust into the air:

1. Regarding the waste generation permit, the Company holds a renewed permit dated June 16, 2017, valid until June 16, 2027. The Company maintains records of all waste generated. The Company has signed appropriate contracts with specialized waste collection companies that handle waste disposal, recycling, and processing; these companies hold the required permits. In accordance with applicable regulations, the Company is registered in the Database on Products, Packaging, and Waste Management (BDO) under number 00025175.
2. Regarding the permit for the release of gases and dust into the air, the Company holds a renewed permit dated March 21, 2017, valid until March 21, 2027. Measurements of dust and gas emissions into the air are conducted regularly once a year by a specialized external company to monitor pollution emission levels.

29. Information regarding employment.

Detailed information regarding employment at SECO/WARWICK S.A. is disclosed in Note 29 of the Company's SECO/WARWICK S.A. Separate Financial Statements for the year 2025.

30. Description of significant events that materially affected the Company's operations during the fiscal year, as well as after its close, up to the date of approval of the financial statements.

Significant events that materially affected the Company's operations and occurred during the fiscal year are described in detail in section 11 of this report. Events occurring after the balance sheet date are described in detail in Note 32 of the SECO/WARWICK S.A. Company's Separate Financial Statements for the year 2025.

All events occurring after the balance sheet date have been disclosed in the form of current reports on the website:

www.secowarwick.com

31. Information regarding:

a) the date on which the Company entered into an agreement with an audit firm to audit or review the financial statements or consolidated financial statements, and the term of such agreement,

b) whether the issuer used the services of the selected audit firm, and if so, during what period and what was the scope of those services,

c) the body that selected the audit firm,

d) **the audit firm's remuneration, paid or due for the financial year and the preceding financial year, separately for:**
   - **the audit of the annual financial statements**
   - **other assurance services, including a review of the financial statements**
   - **tax advisory services**
   - **other services**

The agreement with the entity authorized to audit financial statements was concluded for a period of 3 years. KPMG Audyt Sp. z o.o. Sp. K., with its registered office in Warsaw, at ul. Inflancka 4a, is entered on the list of entities authorized to audit financial statements maintained by the KRBR under number 3546.

In 2025, the Company engaged an auditing firm to provide selected services, including: an audit of the annual separate financial statements of SECO/WARWICK S.A., the consolidated financial statements of the SECO/WARWICK Capital Group, a review of the semi-annual separate and consolidated financial statements, as well as an assessment of the report on the remuneration of the Supervisory Board and the Management Board.

The Company's Supervisory Board, pursuant to §29(1)(6) of the Articles of Association, under which it is authorized to appoint a certified public accountant, adopted Resolution No. 2/2024 dated March 7, 2024, pursuant to which the audit of the annual separate financial statements of SECO/WARWICK S.A., the consolidated financial statements of the SECO/WARWICK Capital Group, and the review of the semi-annual separate and consolidated financial statements for 2025 was performed by KPMG Audyt Sp. z o.o. Sp. K., with its registered office in Warsaw, at ul. Inflancka 4a.

The total remuneration of the entity authorized to audit financial statements for the years 2025 and 2024 is presented in the table below.

Table: Remuneration of the entity authorized to audit financial statements for the years 2025 and 2024.

Type of service	Remuneration for 2025 in PLN thousand	Remuneration for 2024 in PLN thousand
Audit of the annual financial statements	320	275
Other assurance services, including review of financial statements	305	279
Other services	29	27
Total	**654**	**581**

32. Sustainability Report for 2025.

SECO/WARWICK S.A., as the parent company of the SECO/WARWICK Capital Group, prepares a consolidated report on operations that includes information on sustainable development in accordance with sustainable development reporting regulations.

Accordingly, this separate report on the operations of SECO/WARWICK S.A. does not include a separate sustainability report. The information required by law is included in the consolidated report on the operations of the SECO/WARWICK Capital Group for the year ended December 31, 2025.

Date: April 23, 2026

President of the Management Board

Sławomir Woźniak

Member of the Management Board

Bartosz Klinowski

Member of the Management Board

Earl Good

Member of the Board

Piotr Walasek