PFR
Polski Fundusz Rozwoju



# Standalone Annual Report of PFR S.A.

for 2024

# Standalone Annual Report of PFR S.A. for 2024

## Table of contents


**Letter from the President of the Management Board of PFR S.A. 4**

**Management Board Report on the Activity of PFR S.A. and the PFR Capital Group in 2024 6**

**Overview 6**
Description of the PFR Capital Group 7
External environment 14
Structure of the PFR Capital Group 18
Information on other entities 34
Corporate governance 35
Internal control and risk management systems 41
Compliance management system 44

**Economic and Financial Data 46**
Structure of the PFR Capital Group 47
Statement of financial position of the PFR Capital Group 48
Financial result of PFR 49
PFR's statement of financial position 50
Current and projected financial standing of PFR and the PFR Capital Group 52
Management Board's reports on representation expenditures, expenditures for legal, marketing, public relations and public communication services and management services 53

**Activity in 2024 56**
Summary of investment activity 57
Most important events in subsidiaries and other subordinated entities 62
Support of Polish Retirement System 72
Support of innovation system 73
PFR's involvement in the National Recovery and Resilience Plan 78
Involvement in fighting the effects of the COVID-19 crisis 79

**Material events affecting PFR and the PFR Capital Group in 2024 and after the balance sheet date 80**
Material events in 2024 81
Material events after the balance sheet date 82

**Anticipated development directions for PFR and the PFR Capital Group 83**
Status of the execution of the PFR Group's Strategy for 2020-2025 84
Strategy of the PFR Capital Group 85

**Sustainability Statement of the PFR Capital Group for the period from 1 January 2023 to 31 December 2024 88**
1. ESRS 2 – General disclosures 92
2. E1 – Environmental involvement 112
3. S1 – Responsibility to employees 130
4. S3 – Impact on local communities 144
5. S4 – Responsibility to consumers 149
6. G1 – Business conduct 154

**Financial highlights of PFR S.A. 167**

**Standalone Financial Statements for 2024** 170
Introduction to the Standalone Financial Statements 171
Balance sheet: Assets 174
Balance sheet: Equity and liabilities 176
Statement of profit and loss 178
Statement of changes in equity 180
Cash flow statement 182
Notes and explanations 184

**Representation of the PFR S.A. Management Board** 232



# Dear Readers, Entrepreneurs, Investors, Local Government Officials, Employees and Stakeholders of the Polish Development Fund,

We are pleased to present the Consolidated Annual Report of the Polish Development Fund Capital Group (PFR Capital Group) for 2024. I believe that information presented in the report confirms the growing role of PFR in supporting the sustainable development of the Polish economy.

2024 was an excellent year for Poland – a time of strong and accelerating economic growth and low unemployment. In this environment, the PFR Capital Group achieved a net result of PLN 776 million, which will reinforce our ability to fund further pro-development investments.

At PFR, we are aware of the challenges ahead of us: the drivers of past growth are losing momentum, domestic companies do not invest enough and innovation remains limited. In this economic context, the role of development institutions, including PFR, becomes even more crucial. The new Management Board of PFR S.A. which I have the honor of leading since 19 July 2024, is fully aware of this responsibility. This is why we have updated our long-term plans, defined strategic directions for 2025, and launched work on our new strategy for 2026-2030. Our current strategic pillars include: supporting the energy transition, boosting the international competitiveness of Polish companies, stimulating the innovation ecosystem, developing the capital market, and strengthening long-term economic and defense resilience of our country.

While 2024 was filled with numerous activities, I would like to highlight those most aligned with these strategic priorities.

We expanded Baltic Hub - a container terminal on the Baltic sea. T3, the largest deep-water terminal in this part of Europe, was nearing completion. The construction of T5 was launched, an installation terminal that will enable Poland to fully harness the potential of offshore wind energy.

We supported Polish companies in their international expansion, including Sanok Rubber's acquisition of Finnish company Teknikum. I am particularly proud of a landmark transaction carried out with Euvic: acquiring and consolidating five Ukrainian IT companies. It was a historic deal transaction that marks our first direct contribution to the reconstruction of Ukraine.

In the venture capital (VC) market, PFR is the largest institutional investor in the region. In 2024, as part of the European Funds for Modern Economy, nine VC funds received a total of PLN 477 million in financing. This is a vital market stimulus, even as the overall funding gap for innovation remains significant.

Within the PFR Capital Group, we set new paths for stimulating the economy. One area is the development of dual-use technologies – innovations with both civilian and military applications. This is advanced through the NATO DIANA program (Defence Innovation Accelerator for the North Atlantic) and its Polish equivalent, IDA (Innovation Dual-use Accelerator). These accelerators connect scientists, innovators and start-ups working on innovative projects with potential civilian and defense applications. Under DIANA, 11 acceleration centers were established across Europe (with the nearest located in Prague) along with 71 technology testing centers (seven of which are in Poland). PFR, in cooperation with the Minister of National Defence, is responsible for promoting the calls for projects for DIANA. IDA, in turn, is the Polish version of the program

and will support Polish innovators in developing technologies for defense use. In 2025, we added another milestone with the launch of the Deep Tech program, in partnership with the Ministry of Finance and with substantive support from the Ministry of National Defence.

For the first time, last year's Activity Report of the PFR Capital Group included detailed information on PFR's environmental, social and governance impact, in line with the GRI standards and UN goals. The report follows the CSRD requirements as implemented in the Accounting Act and includes a so-called 'double materiality assessment' based on stakeholder surveys and interviews, and an analysis of our investment portfolio. The PFR Capital Group has been measuring its Scope 1 and 2 carbon footprint for several years. Under the Strategy for 2026-2030 we aim to also measure our carbon footprint across the value chain, which means the carbon footprint of all investments and activities of the PFR Capital Group. It is a significant challenge given that our portfolio exceeds PLN 12 billion in value.

The PFR Capital Group also continued managing the Employee Capital Plans (ECPs). By the end of 2024, the net asset value of the ECP target date funds totaled PLN 30.3 billion, up from PLN 21.8 billion at the end of 2023 – a 39% increase. The number of ECP participants grew to 3.7 million, a rise of over 9% year on year. As I write this in May 2025, I already know that the net asset value of the ECPs already exceeds PLN 37 billion, despite the significant capital market volatility in Q1 2025. 3.86 million people are currently saving money in ECPs.

We are developing the housing market. We commissioned over 800 apartments and obtained building permits for 1000 additional units. PFR also continued developing the first Private Rented Sector (PRS) housing project in Lublin – building out the institutional rental market in this region.

Every project and initiative we undertake is designed to equip Polish economy and Polish businesses for success in an increasingly unpredictable and competitive global environment. We face years of intensive work, but I am confident that, with your continued support, we will rise to the challenge.

And finally, one initiative of particular personal significance: in 2024, we reactivated cooperation among Polish development institutions within the PFR Group. I am optimistic that, by the end of this year, we will demonstrate our strength and present the first joint initiatives based on synergies between the Group's institutions. This strength and our shared mission is the comprehensive support for Polish businesses in their international expansion.

I would like to express my gratitude to all our Stakeholders for your cooperation in 2024, and invite you to explore the report.

Sincerely,
Piotr Matczuk
President of the Management Board of PFR S.A.



# Management Board Report on the Activity of PFR S.A. and the PFR Capital Group in 2024

## Chapter 1: Overview


**Description of the PFR Capital Group** ..... **7**

1. Business profile and key performance ratios ..... 7
2. Most important events in PFR in 2024 ..... 8
3. Values and ethical standards ..... 12

**External environment** ..... **14**

1. Macroeconomic environment ..... 14
2. Industry context ..... 15
3. Drivers of the PFR Capital Group's financial results in 2025 ..... 16

**Structure of the PFR Capital Group** ..... **18**

1. Information about the Parent company – PFR ..... 18
2. Information on the subsidiaries ..... 27

**Information on other entities** ..... **34**

**Corporate governance** ..... **35**

1. Corporate governance principles ..... 35
2. Audit firm authorized to audit financial statements ..... 35
3. Shareholder Meeting ..... 35
4. Supervisory Board ..... 36
5. Report on the activity of the Management Board as a corporate body ..... 37
6. Commercial proxy ..... 38
7. Description of significant pending litigation ..... 38
8. Management Board report on the application of best practices ..... 38

**Internal control and risk management systems** ..... **41**

1. Credit risk ..... 41
2. Liquidity risk ..... 41
3. Market risk ..... 41
4. Compliance risk ..... 41
5. Operational risk ..... 43
6. Investment risk ..... 43
7. Political risk ..... 43
8. Project risk ..... 43
9. Strategic risk ..... 43
10. Reputation risk ..... 43
11. Legal risk ..... 43

**Compliance management system** ..... **44**




# Description of the PFR Capital Group

*ESRS 2 SBM-1 40*

## 1. BUSINESS PROFILE AND KEY PERFORMANCE RATIOS

The Polski Fundusz Rozwoju S.A. (Polish Development Fund) Group (the "**PFR Capital Group**" or "**PFR CG**") is a group of financial and advisory companies that works and invests in the country's sustainable social and economic development. The Group consists of the following entities:

- Polski Fundusz Rozwoju S.A. ("**PFR**" or the "**Company**"),
- PFR Towarzystwo Funduszy Inwestycyjnych S.A. ("**PFR TFI**" or the "**Management Company**"),
- PFR Ventures sp. z o.o. ("**PFR Ventures**"),
- PFR Nieruchomości S.A. ("**PFR Nieruchomości**" or "**PFRN**"),
- PFR Portal PPK sp. z o.o. ("**PFR Portal PPK**"),
- PFR Operacje sp. z o.o. ("**PFR Operacje**" or "**PFRO**"),
- PFR Ventures Innovation Fund Alternatywna Spółka Inwestycyjna S.K.A.,
- PFR Ventures Inwestycje Bezpośrednie Alternatywna Spółka Inwestycyjna S.K.A.

The priorities of the PFR Capital Group's are: infrastructural investments, innovations, entrepreneurial development, exports and foreign expansion of Polish businesses and implementation of the Employee Capital Plan program.

**PLN 12+ billion**
of PFR's investments in all projects

**PLN 2.1 billion**
PFR's cumulative net profit since 2016

**approx. PLN 2.9 billion**
invested in housing construction in 51 locations across Poland

**PLN 74 billion**
of support paid out under PFR Financial Shields

**over 353 thousand**
companies that received subsidies under the Financial Shield for MSMEs

**3.7 million**
participants in Employee Capital Plans (ECPs)

**154 thousand**
active users of the startup.pfr.pl portal

**PLN 4.4 billion**
allocated to 97 VC/PE funds financing nearly 950 companies

**over 30 thousand**
participants in activities at the Central House of Technology (CDT) since 2021

# 2024

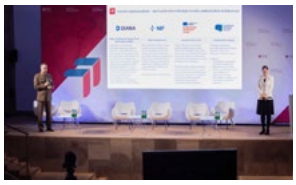
## Most important events in PFR and PFR Capital Group

### January

#### 19 JANUARY 2024

A meeting of the Cities of the Future Club took place, during which a crisis management system implemented in Otwock was presented. The system was developed during the Hack2React hackathon co-organized by PFR.

#### 30 JANUARY 2024



The dual-use technology accelerator program IDA was summarized, highlighting partnerships formed between the Polish Armed Forces and 15 start-ups developing 50 dual-use technologies.

### February

#### 13 FEBRUARY 2024

One year has passed since the launch of the Digital Maturity Test, a tool that allows companies to assess their readiness for digitalization. During this period, more than 300 companies have used the tool, with an average score of 48%.

#### 21 FEBRUARY 2024




PFR Ventures signed agreements with four Polish venture capital (VC) funds investing in innovative companies in Poland and across the CEE region. They received over PLN 150 million in total under the PFR VC Hub program.

### March

#### 7 MARCH 2024



PFR announced the launch of construction of an installation terminal dedicated to servicing Offshore Wind Farms (OWFs) at the Baltic Hub port in Gdańsk. The investment, valued at PLN 500 million, will expand Poland's territory by 21 hectares.

#### 13 MARCH 2024

PFR developed the Map of Polish AI Solutions, which showcases over 50 innovative tools bound to transform markets in Poland and globally. The map is grouped into application areas: sustainable development, cybersecurity, data analytics, administration and finance, as well as marketing and sales.

#### 13 MARCH 2024

PFR Ventures invested EUR 10 million in the Polish VC fund Radix Ventures, which will support deep tech companies driving green transition in Poland and other countries of the CEE region.

#### 20 MARCH 2024



The first meeting was held in the fifth edition of the SamoDZIELNI (SelfRELIANT) program organized by the PFR Foundation. The initiative equips youth from foster care with skills essential for the labor market.

# 2024

## Most important events in PFR and PFR Capital Group

### April

#### 15-19 APRIL 2024




The ninth edition of PFR Group InfoWeek was held. This time it focused on PFR's tools used for digitalization of companies.

### May

#### 14 MAY 2024



Hack the Climate project was concluded with a visit to the Nordic Edge Expo in Stavanger. The project introduced Polish local governments to innovative ecological and sustainability solutions from Norway.

#### 23 MAY 2024




The call for applications closed for the 4th edition of the Summer ActivACTION grant program run by the PFR Foundation. Grants for organizing summer activities for children and youth were awarded to 100 organizations from smaller towns.

#### 24 MAY 2024



Call for applications opened for the 7th edition of the PFR School of Pioneers – a program for aspiring entrepreneurs with innovative business ideas. This edition focused on the healthtech sector.

### June

#### 1 JUNE 2024



To celebrate Children's Day, the PFR Foundation organized workshops for children from Poland and Ukraine, teaching them how to counter hacker attacks!

#### 5 JUNE 2024



A cornerstone laying ceremony was held in Gdańsk for the construction of T3, the third terminal at Baltic Hub. It will increase the port's capacity to 45 million TEU annually.

#### 12 JUNE 2024

The PFR Supervisory Board concluded the recruitment process for the Management Board's third term, appointing: Piotr Matczuk as President, Mariusz Jaszczyk as Vice President for Finance and Development, and Mikołaj Raczyński as Vice President for Investments. Their five-year term of office started on 19 July 2024.

#### 28 JUNE 2024

S&P Global Rating affirmed PFR's A rating in local currency and A- in foreign currency, with a stable outlook. It is equal to the sovereign rating of Poland, which is the highest rating that a Polish financial institution may be awarded.

#### 28 JUNE 2024

PFR and PFR Ventures launched the Healthcare Investment Hub program, aimed at supporting healthtech, medtech, and biotech start-ups in building expertise and connecting with venture capital funds.

# 2024

## Most important events in PFR and PFR Capital Group

### July

#### 1 JULY 2024

To mark the fifth anniversary of the Employee Capital Plans, PFR and PFR Portal PPK published a report summarizing the program's statistics and achievements. As of the report's release, over 3.5 million participants had saved more than PLN 27 billion, achieving a rate of return of nearly 45%.

#### 9 JULY 2024

The call for applications opened for the second edition of the Defence Innovation Accelerator for the North Atlantic (DIANA). It aims to support technological companies in developing solutions for the defense sector across five priority areas defined by NATO.

#### 29 JULY 2024

The Supervisory Board of PFR Nieruchomości appointed the Management Board for a three-year term. Grzegorz Tomaszewski was appointed as President and Elżbieta Chmiel as Management Board Member for Finance and IT.

#### 31 JULY 2024

The SamoDZIELNI ("SelfRELIANT") project by the PFR Foundation won second place in the national stage of the 2024 European Enterprise Promotion Awards, in the category "Responsible and Inclusive Entrepreneurship."

### August

#### 28 AUGUST 2024




The second edition of the Investments Dual-Use Technology Accelerator Bootcamp (IDA Bootcamp) was launched. The program is has been designed to attract academic teams, startups and tech companies that want to develop dual-use (civil and defense) innovations.

### September

#### 17 SEPTEMBER 2024

PFR Ventures signed four contracts with VC funds under the FENG program. The new funds, valued at over PLN 250 million (including PLN 200 million from PFR Ventures), will support innovative Polish start-ups.

#### 27 SEPTEMBER 2024




The PFR Foundation launched the Rebuild and Support grant program to help restore social infrastructure after the September 2024 floods in Lower Silesia and Opole regions.

#### 30 SEPTEMBER AND 2 OCTOBER 2024



PFR Capital Group employees participated in two volunteer campaigns to help repair flood damage in Głuchołazy and Stronie Śląskie.

# 2024

## Most important events in PFR and PFR Capital Group

### October

#### 2 OCTOBER 2024

Construction began on the fourth and largest rental housing project of PFR Nieruchomości in Wrocław, located at ul. Białowieska. The housing estate will offer 477 apartments.

#### 9 OCTOBER 2024

The Extraordinary General Meeting of PFR Portal PPK appointed Marta Damm-Świerkocka as a Management Board Member.

#### 23 OCTOBER 2024

Recruitment began for Urban Tech Hub, Poland's first program for developers of urban tech solutions seeking real-world testing environments.

#### 27 OCTOBER 2024



Four modern ship-to-shore cranes arrived at the Baltic Hub port in Gdańsk, increasing the port's annual container capacity by 1.5 million TEU. Each crane weighs nearly 2,000 tons, stands over 96 meters tall, and up to 140 meters with the boom raised.

#### 31 OCTOBER 2024

The Extraordinary Shareholder Meeting appointed Krzysztof Biniek as President of the Management Board of PFR Operacje. He started his service in this capacity on 1 January 2025.

### November

#### 4 NOVEMBER 2024

The sixth edition of Active Volunteerism program concluded. Over five months, PFR Capital Group employees ran and cycled to raise money for three aid organizations, with kilometers converted into donations.

#### 6 NOVEMBER 2024

PFR signed a PLN 82.5 million loan agreement granted to Projekt Solartechnik. The loan will finance photovoltaic farms with a total capacity of approx. 40 MW. They will be located in 12 voivodships.

#### 6 NOVEMBER 2024

The Foreign Expansion Fund managed by PFR TFI, signed an investment agreement with Sanok Rubber Company in connection with its investment in its Finnish subsidiary Teknikum Yhtiöt Oy. The Fund acquired a 30% equity stake in the company.

#### 12 NOVEMBER 2024

Zakłady Konstrukcji Stalowych Ferrum SA, a steel structure manufacturer partially owned by PFR, completed delivery of two 75-meter LPG tanks.

#### 15 NOVEMBER 2024

The PESA Twist Wrocław tram and the PESA VR Experience app won awards at this year's Good Design competition organized by the Institute of Industrial Design.

#### 15 NOVEMBER 2024

PFR Management Board signed a letter of intent to establish the Artificial Intelligence Fund, which will allocate PLN 1 billion to AI development in Poland.

#### 28 NOVEMBER 2024

The Supervisory Board of PFR TFI appointed Piotr Dmuchowski as President of the Management Board.

### December

#### 5 DECEMBER 2024



At IDA DemoDay, 11 dual-use innovations were presented that combined national defense needs with commercial potential.

#### 12 DECEMBER 2024




PFR Ventures signed five VC fund contracts under the FENG program.

## 3. VALUES AND ETHICAL STANDARDS

PFR was established and operates pursuant to the Commercial Company Code Act of 15 September 2000 ("**CCC**") in the form of a joint stock company. In addition, certain aspects of PFR's business are subject to the Act of 4 July 2019 on the Development Institutions System ("**Act on the Development Institutions System**"). PFR's mission, vision and values also influence how PFR fills the space that the legislature created for it. They largely determine how it conducts its business and define what type of organization the PFR Capital Group is supposed to be; furthermore, they underlie the key decisions made by the Group. All of these elements are reflected in the PFR Capital Group's Code of Conduct that lays down the principles and approach taken towards business ethics, which is applicable to the employees in all of the companies belonging to the PFR Capital Group.

The PFR Capital Group operates in line with its Code of Conduct, promoting ethics, transparency, and awareness of internal regulations. PFR continues to engage in activities that promote ethics and transparency and raise employee awareness of internal regulations and applicable standards. Examples of these activities include regular training sessions for all employees, including new team members; the training helps minimize the risk of irregularities in daily duties. The team also provides ongoing advice and monitors compliance with applicable standards and procedures at PFR.

### PFR's values

**Partnership and cooperation**
In our work, we treat others as we would like to be treated ourselves. We respect and appreciate the work of others and we listen to their needs. While working together, we share our experience and information, making trust the foundation for the development of the Polish society and the Polish economy.

**Responsibility**
We analyze and understand the reality that surrounds us, we are able to combine our own assignments with the objectives of the team and the company in order to achieve the intended results, and in all our activities we seek to achieve benefits for Poland. We learn from our successes and failures and take the necessary risks. We pursue what we have declared in a consistent manner.

**Professionalism**
We consistently strive to achieve our objectives and we provide our customers with the highest quality products and services. We are always prepared and we always complete all our assignments.

**Development**
We create new ideas, services and solutions, thus supporting the development of the Polish economy and the Polish society. We follow the latest trends while thinking and acting outside the box. We cross borders to achieve amazing new results.




PFR
Polski Fundusz Rozwoju
Kodeks Etyki

# External environment

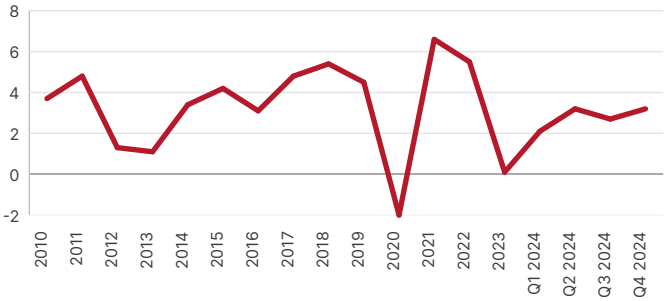
## 1. MACROECONOMIC ENVIRONMENT

In 2024, the main trends shaping Poland's macroeconomic situation were moderate economic growth, stabilization of inflation, and challenges related to the labor market and budget deficit. Also, despite the negative economic climate, the capitalization of the stock market and the value of assets in investment funds reached record high levels. The remaining portion of the chapter provides a more detailed analysis of the key issues.

### Economic growth

According to preliminary estimates of Statistics Poland, the Gross Domestic Product of Poland increased in 2024 in real terms by 2.9% versus 0.2% growth in 2023 *(graph 1)*.

**Graph 1. Poland's GDP growth rate (%, 2010-2023 – annual data, 2024 – quarterly y/y data)**



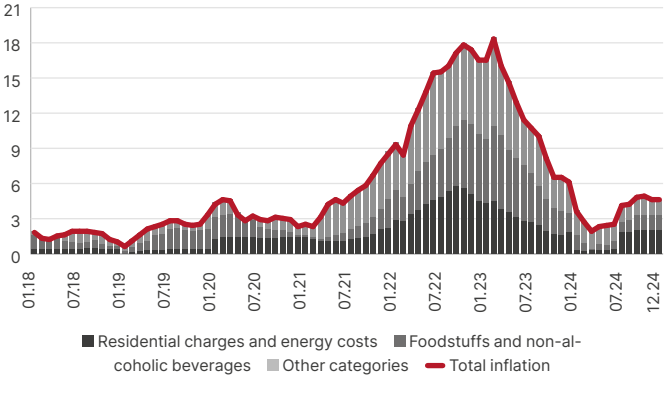

*Source: Statistics Poland*

According to data from the EU statistical office, Poland's GDP growth in 2024 exceeded the average growth in the EU and in the Euro zone: in the European Union, GDP increased by 1.0% y/y, while in the Euro zone it was 0.9% y/y.

### Consumer goods and services price index (inflation)

Prices in 2024 were on average 3.6% higher than one year before (compared to the 11.4% growth in 2023). In the first half of last year, inflation remained flat at about 2.7% y/y, which was driven by a significant slowdown of price increases in the following categories: use of apartments or houses; energy fuels and food and non-alcoholic beverages. During the second half of the year, inflation accelerated in these categories, which drove a higher total inflation up to 4.7% y/y in December 2024 *(graph 2)*.

**Graph 2. Impact of individual product categories on the inflation rate (%, y/y)**




*Source: Macrobond*

The slower inflation growth was a global trend, observed especially in developed economies, but in Poland this process was additionally supported among others by the strengthening of the Polish zloty. In 2024, the average annual Harmonized Index of Consumer Prices (HICP) was 2.6% y/y in the European Union (vs. 6.4% y/y in 2023), while in the Euro zone it was 2.4% y/y (5.4% y/y in 2023). In the USA, the average annual inflation rate was 2.0% y/y in 2024, compared to 3.0% y/y one year prior.

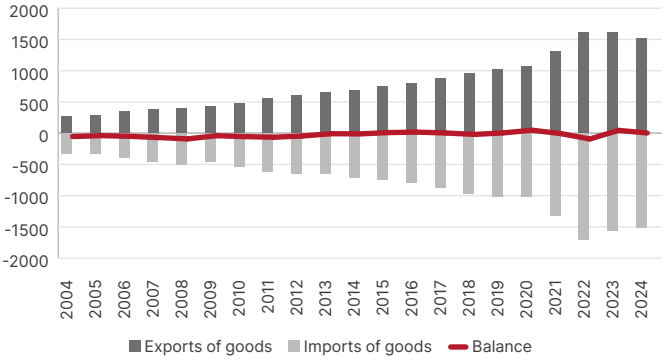
### Challenges related to the labor market

According to the data of the Labor Force Survey (LFS), the number of people working in Poland at the end of Q4 2024 was at a similar level as the year earlier and totaled 17,247 thousand people. The unemployment rate, according to the LFS, was 2.8% at the end of Q4 of last year, compared to 3.1% in the corresponding period of 2023. The average gross monthly salary in the corporate sector in 2024 was PLN 8265.92, i.e. it rose by 11.0% per annum.

### Trade balance

Preliminary data for 2024 indicate that the exports of goods amounted to PLN 1,512 billion while imports totaled PLN 1,509 billion. Exports went down 6.3% while imports fell 3.8% compared to 2023 *(graph 3)*.

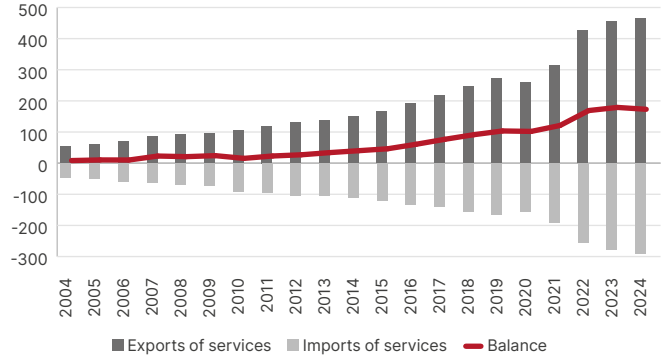
**Graph 3. Foreign trade turnover of goods in Poland (PLN billion)**




*Source: Statistics Poland (preliminary 2024 data)*

Poland's services trade reached record levels. After 12 months of 2024, exports were PLN 473 billion and were 3.5% higher than in 2023, while imports stood at PLN 299 billion and were 7.8% higher than in 2023 *(graph 4)*.

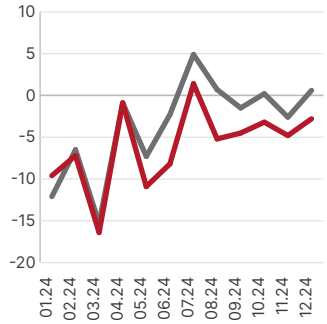
**Graph 4. Foreign trade turnover of services in Poland (PLN billion)**



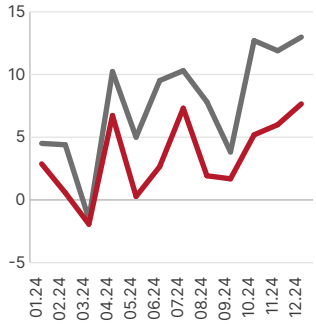

*Source: National Bank of Poland*

With respect to the trading of goods, an increase in the exports of goods was recorded in just a single month of 2024 - in July - which was mainly due to the weaker business climate abroad. For goods imports, an increase was recorded in four months of the year only. For service transactions, growth has persisted since April 2024, both in exports and imports *(graphs 5 and 6)*.

**Graph 5. Growth rate in sales of products, by month in 2024 (%, y/y)**




**Graph 6. Growth rate in sales of services, by month in 2024 (%, y/y)**




Exports growth rate — Imports growth rate

*Source: National Bank of Poland (preliminary data)*

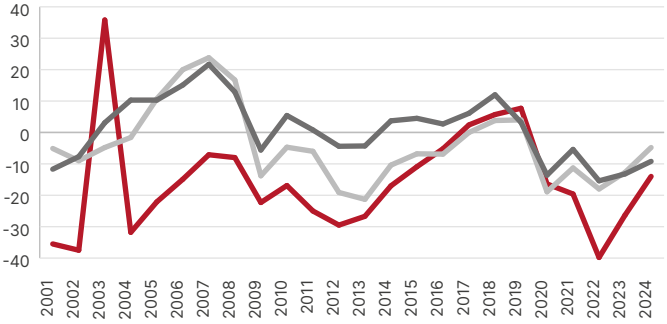
**Deficit of the state budget**

According to estimates concerning the performance of the state budget in 2024, budgetary proceeds totaled PLN 623,412.9 million while expenditures were PLN 834,341.5 million. The budget balance was therefore negative and totaled PLN 210,928.6 million. According to the Ministry of Finance, the funding of lending needs on the domestic market was at PLN 141,803 million (compared to PLN 181,759 million planned). The balance of foreign funding was PLN 80,667 million (vs. PLN 91,049 million planned).

**Economic climate**

The continuing uncertainty caused by the war in Ukraine, as well as the slowing down, but still high increase in prices, kept the results of consumer confidence surveys below the level indicating a positive economic situation. Results of surveys of the economic situation in the processing and construction sectors improved but as in consumer surveys continued to indicate a negative situation *(graph 7)*.

**Graph 7. Average annual value of the general economic sentiment indicator and the value of the consumer confidence indicator**




Industry — Construction — Consumer confidence

*Source: Statistics Poland*

## 2. INDUSTRY CONTEXT

**Stock market capitalization and assets in investment funds**

At the end of 2024, the capitalization of the Warsaw Stock Exchange increased by 3.6% year-on-year, reaching the highest level in its history *(graph 8)*.

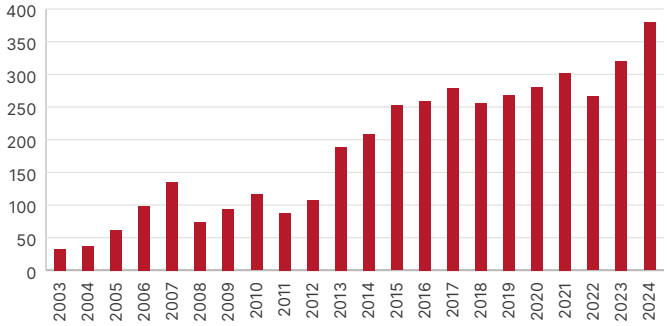
**Graph 8. WSE capitalization (PLN million)**




*Source: WSE Statistical Bulletin*

At the end of 2024 the net asset value in investment funds was PLN 379.3 billion versus PLN 320.3 billion one year earlier (+18.4%). Similarly to the capitalization of the stock exchange, it was the highest value of assets in history *(graph 9)*.

**Graph 9. Value of assets in investment funds (PLN billion)**

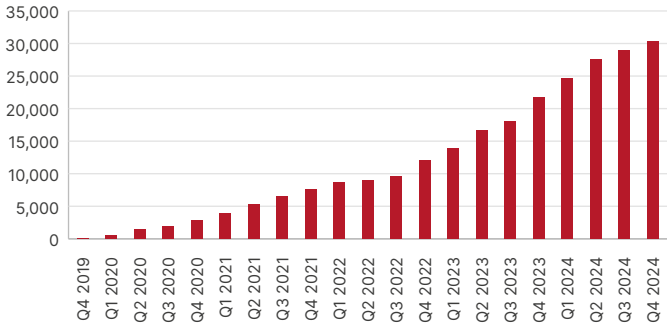



*Source: Chamber of Fund and Asset Management*

According to the data published by the Polish Financial Supervision Authority (KNF), the value of assets managed by investment fund management companies (TFIs) in Q4 2024 was PLN 501.7 billion, or 17.3% more than at the end of 2023.

Last year marked another period of dynamic growth in target date funds within the Employee Capital Plans. At the end of 2024, the net asset value of target date funds was PLN 30.3 billion versus PLN 21.8 billion at the end of 2023 (growth of +39.0%) *(graph 10)*.

**Graph 10. Net asset value of target date funds (PLN million)**




*Source: Polish Financial Supervision Authority*

The net asset value of open-ended pension funds (OFEs) rose at the end of December 2024 vs. the end of 2023 by 2.4% to PLN 213.0 billion *(graph 11)*.

**Graph 11. Net asset value of open-end pension funds (PLN billion)**




*Source: Polish Financial Supervision Authority*

## 3. DRIVERS OF THE PFR CAPITAL GROUP'S FINANCIAL RESULTS IN 2025

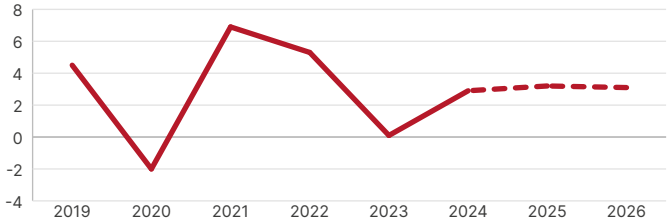
The key factors influencing the PFR Capital Group's operating environment and performance will include: trade tensions between the EU and the US, potential slowdowns in the economies of our key trading partners, as well as ongoing uncertainty related to the war in Ukraine, and persistently high inflation.

The volatility of the main economic parameters create a greater risk of needing to change the strategy and current operating plans during the course of the year. This may exert a significant and unpredictable impact on the financial results.

What follows is a description of the current forecasts for selected major macroeconomic variables, i.e. the GDP and inflation rate.

The latest GDP forecast by the International Monetary Fund (IMF) projects GDP growth of 3.2% in 2025 and 3.1% in 2026 *(graph 12)*.

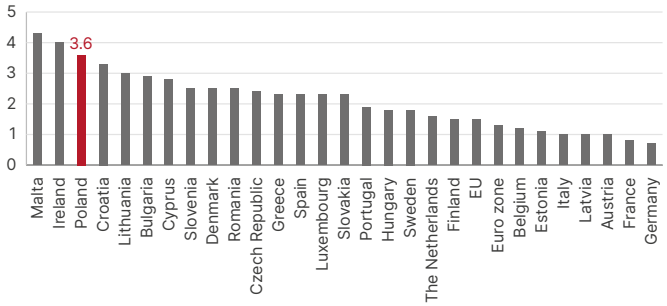
**Graph 12. Poland's GDP growth rate forecast (%, y/y)**




*Source: IMF, World Economic Outlook Update, April 2025*

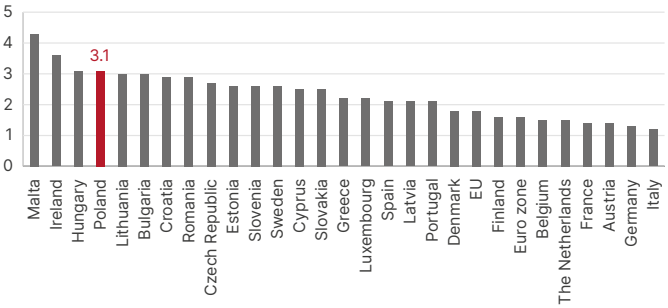
The European Commission forecasts from November 2024 also indicate an increase in GDP growth in 2025 up to 3.6% and then its likely slowdown in 2026 (3.1%) *(graphs 13 and 14)*.

**Graph 13. GDP forecast for 2025 (%)**




*Source: European Commission, Autumn 2024 Economic Forecast*

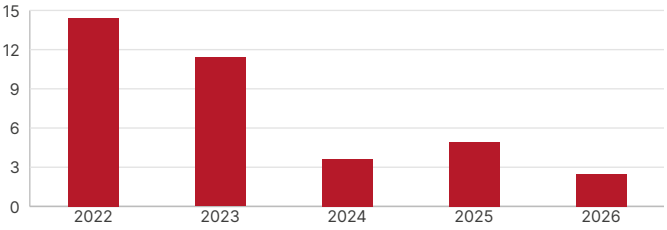
**Graph 14. GDP forecast for 2026 (%)**



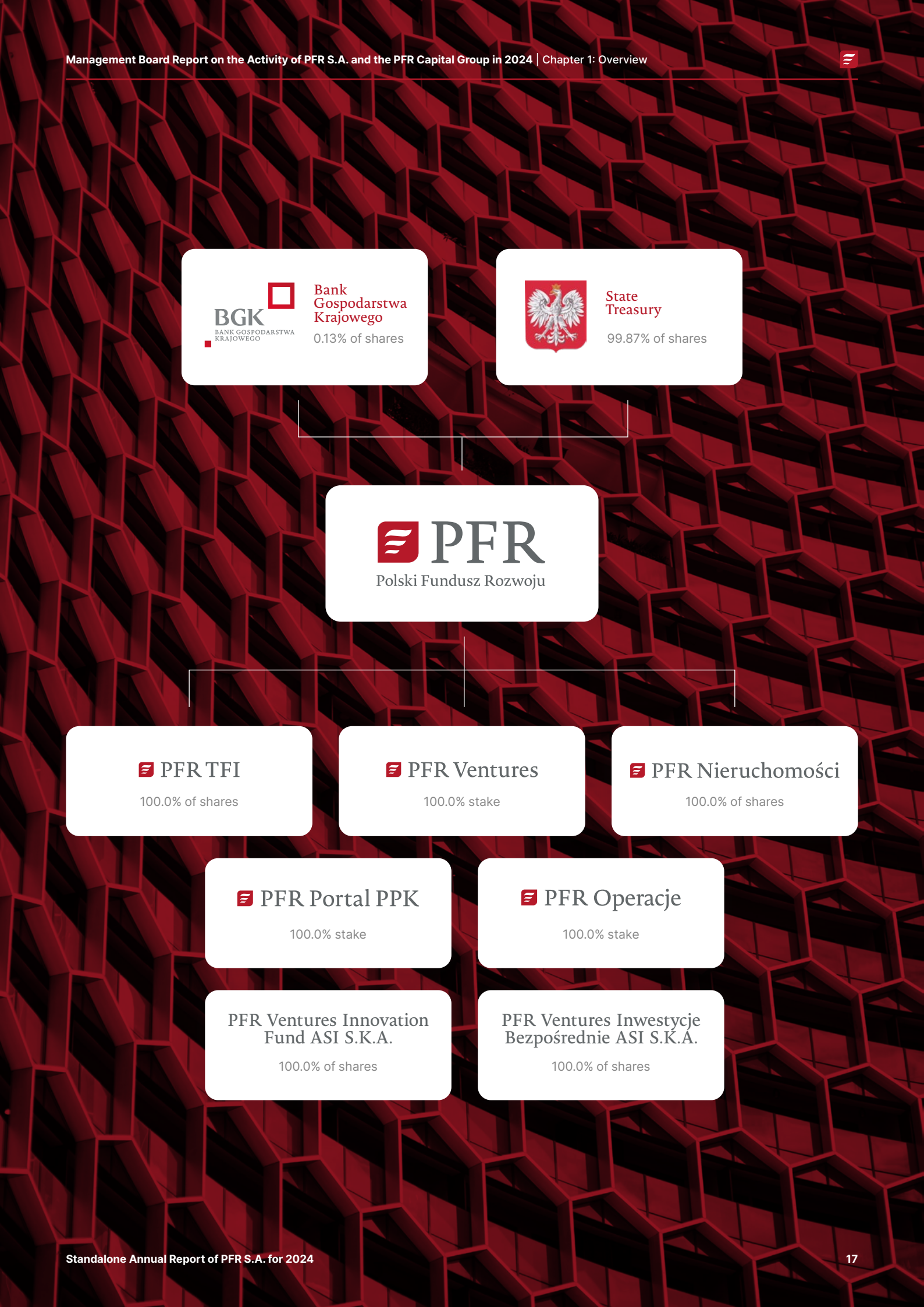

*Source: European Commission, Autumn 2024 Economic Forecast*

Inflation forecasts published by the National Bank of Poland (NBP) predict the CPI inflation accelerating to 4.9% in 2025 and going down to approximately +2.5% in 2026 *(graph 15)*.

**Graph 15. CPI Consumer Price Index (%, y/y)**




*Source: National Bank of Poland, Inflation and economic growth projection - NECMOD model, March 2025*


BGK
BANK GOSPODARSTWA KRAJOWEGO
Bank Gospodarstwa Krajowego
0.13% of shares
State Treasury
99.87% of shares
PFR
Polski Fundusz Rozwoju
PFR TFI
100.0% of shares
PFR Ventures
100.0% stake
PFR Nieruchomości
100.0% of shares
PFR Portal PPK
100.0% stake
PFR Operacje
100.0% stake
PFR Ventures Innovation Fund ASI S.K.A.
100.0% of shares
PFR Ventures Inwestycje Bezpośrednie ASI S.K.A.
100.0% of shares

# Structure of the PFR Capital Group

*ESRS 2 SBM-1 40*

## 1. INFORMATION ABOUT THE PARENT COMPANY – PFR

PFR is a Polish development institution established as a joint stock company, with the State Treasury as the majority shareholder. It was established on 28 December 2012 and operated under the name of Polskie Inwestycje Rozwojowe S.A. (Polish Development Investments) until 13 April 2016.

The purpose of PFR is to conduct economic activity in its own name and for its own account, in accordance with best commercial practices, while endeavoring to generate a market return on invested capital in the long-term. The Company focuses primarily on: energy transition, development of the innovation system, boosting the international competitiveness of Polish companies, continued development of the capital market, and building long-term economic and defense resilience.

PFR's mission is "Investments for Poland. Together, we create practical solutions for shared success and a secure future." The Company also responds to challenges posed by crisis situations, such as the COVID-19 pandemic and the war in Ukraine, by launching measures aiming to maintain a stable growth of the economy.

PFR's headquarters are located at ul. Krucza 50 in Warsaw.

The Company pursues its goals through the specialist centers of competence operating within the PFR Capital Group:

- PFR TFI – capital investments, foreign expansion, ECP management;
- PFR Ventures – investments in the form of a fund of funds;
- PFR Nieruchomości – residential investments;
- PFR Portal PPK – operation of Employee Capital Plans;
- PFR Operacje – IT and cybersecurity services for the PFR Capital Group;
- PFR Ventures Innovation Fund ASI S.K.A.;
- PFR Ventures Inwestycje Bezpośrednie ASI S.K.A.

In addition, PFR is involved in accelerating digitalization of the Polish economy through the company Operator Chmury Krajowej Sp. z o.o. ("**National Cloud Operator**", "**NCO**" or "**National Cloud**") in which PFR holds a 50% equity stake.

The PFR Foundation ("**Foundation**") in which the Company is the founder is also part of the PFR Capital Group's ecosystem. Activities to make positive changes in the PFR Capital Group's social environment are conducted through the Foundation.

Under the Act on the Development Institutions System, PFR co-creates a system of development institutions referred to as the PFR Group. It operates on the basis of a consistent strategy that is compliant with the Council of Ministers' economic policy. The PFR Group comprises the following institutions:

## Composition of the PFR Group

| | INVESTMENTS | BANKING | INDUSTRIAL DEVELOPMENT |
|---|---|---|---|
| **Development Institution** | PFR Polski Fundusz Rozwoju | BGK Bank Gospodarstwa Krajowego | arp |
| **Areas of operation** | ■ Non-public assets<br>■ Public assets<br>■ Funds' Fund Formula<br>■ Residential investments | ■ Financing development of companies and local government units<br>■ Guarantees and sureties<br>■ Public finance / flows of European funds<br>■ Financing transport infrastructure | ■ Special Economic Zones and Polish Investment Zone<br>■ Debt and equity financing<br>■ Development restructuring and corporate governance<br>■ Innovations |

| | EXPORT INSURANCE | EXPORTS, INVESTMENTS, PROMOTION | ENTREPRENEURIAL DEVELOPMENT |
|---|---|---|---|
| **Development Institution** | KUKE Grupa PFR | PAIH Grupa PFR | PARP Grupa PFR |
| **Areas of operation** | ■ Insurance of receivables<br>■ Investment insurance<br>■ Contractual guarantees<br>■ Bank loan security | ■ Export<br>■ Investments<br>■ Promotion<br>■ Partnership<br>■ Polish Investment Zone | ■ Innovations<br>■ Startups<br>■ Internationalization<br>■ Competence development<br>■ Infrastructure |

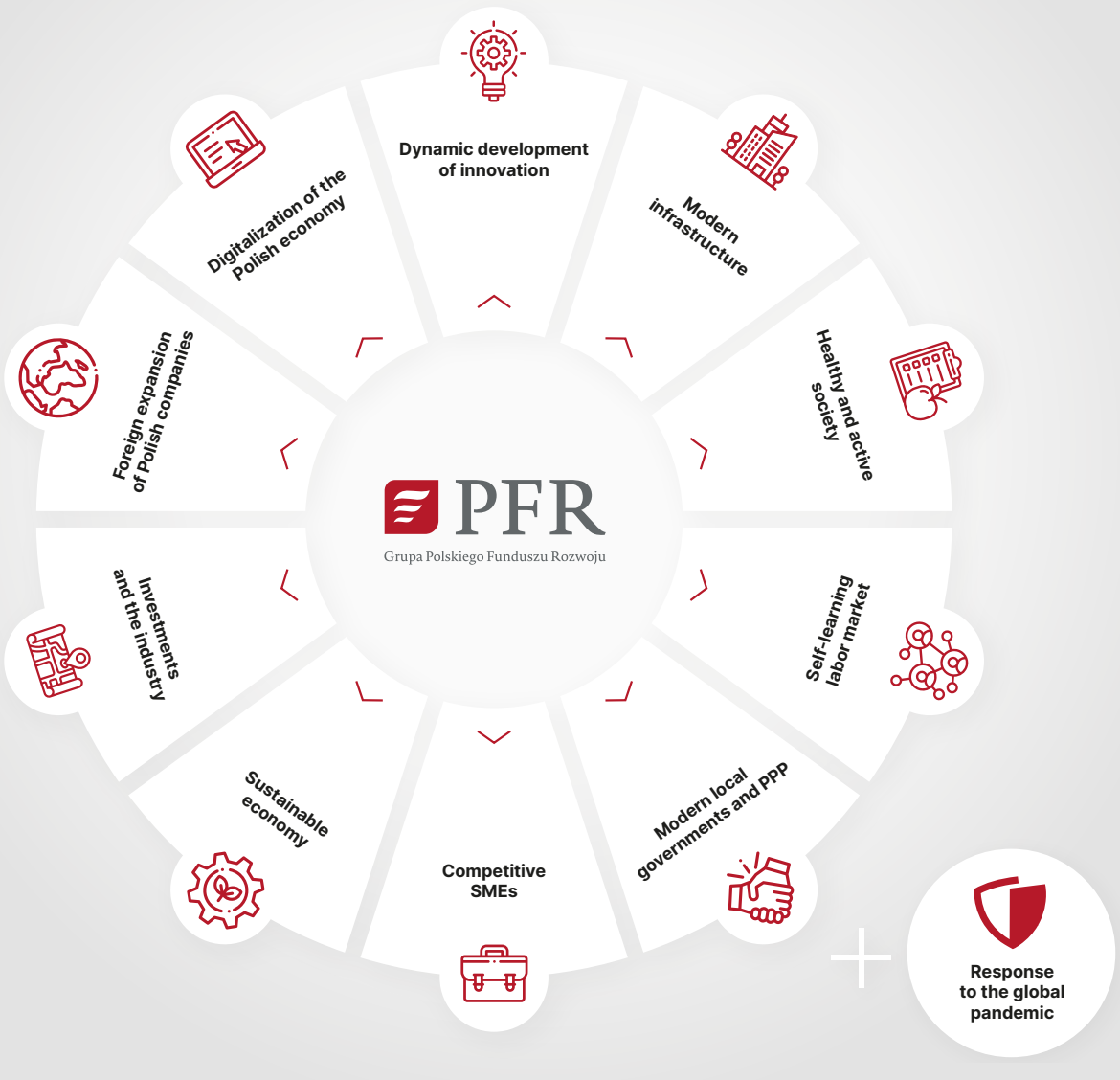
- Polski Fundusz Rozwoju (Polish Development Fund),
- Agencja Rozwoju Przemysłu S.A. ("**ARP**") (Industrial Development Agency),
- Bank Gospodarstwa Krajowego ("**BGK**") (National Development Bank),
- Korporacja Ubezpieczeń Kredytów Eksportowych S.A. ("**KUKE**") (Export Credits Insurance Corporation),
- Polska Agencja Inwestycji i Handlu ("**PAIH**") (Polish Investment and Trade Agency),
- Polska Agencja Rozwoju Przedsiębiorczości ("**PARP**") (Polish Agency for Enterprise Development).

According to its shared strategy the PFR Group focuses on the six most important areas of business. A leading institution has been designated in each one of them. PFR plays this role in investments; BGK does so in banking; KUKE does so in export insurance; PAIH does so in foreign trade; ARP does so in industry; and PARP does so in entrepreneurial development. The Act on the Development Institutions System facilitates tightening cooperation, better coordination of activities and regular sharing of information and knowledge among the PFR Group's institutions.

The body coordinating the activities of the PFR Group is the Polish Development Fund Group Council. It constitutes a platform for coordinating collaboration between the six development institutions. Its members are the presidents of the aforementioned institutions and it is chaired by the President of the Management Board of PFR.

Development institutions in Poland perform a joint strategy adopted by the PFR Group Board in May 2020. The PFR Group's Strategy for 2020–2025 (hereinafter, the "**PFR Group Strategy**") identifies ten fundamental strategic directions of the activity and one special direction, which is a response to the economic crisis caused by the COVID-19 pandemic. Within each direction, the document identifies strategic initiatives performed jointly or individually by specific development institutions.

## Assumptions for the PFR Group's Strategy for 2020–2025



# Involvement of the PFR Capital Group in strategic initiatives indicated in the PFR Group's Strategy

**The PFR Capital Group is involved in the implementation of 26 out of 53 strategic initiatives.**

## Digitalization of the Polish economy

- Operator Chmury Krajowej
- Polish 5G
- Smart City Hub
- Financial instruments to develop digitalization

## Dynamic development of innovativeness

- "Start in Poland"
- Financing innovations
- Sector of video games
- Transfer of technologies

## Modern infrastructure

- Transport infrastructure
- Energy infrastructure
- Housing
- Business centers

## Foreign expansion of Polish companies

- Support in foreign markets
- International Desk
- Product of Poland
- Financing foreign expansion
- Polish Small and Medium-sized Enterprises in foreign markets

## Investments and the industry

- Polish Investment Zone
- Strategic industrial parks
- Acquiring high quality investments
- Promotion of the Polish economy

## Self-learning labor market

- Central House of Technology
- Young leaders
- HR for the industry
- Ecosystem of lifelong learning
- Loans for students and supporting education

## Healthy and active society

- Financing health care in Poland
- Pension security of Poles

## Sustainable economy

- PFR Green Hub
- Circular economy

## Modern local governments and PPP

- Development of the PPP formula
- Programs for local government units
- Education for local governments

## Competitive SMEs

- SME Development Center
- Innovative SMEs
- SME Financing: De minimis *guarantees*
- SME Financing: European programs
- SME Development

## Response to the global pandemic

- PFR Financial Shield for MSMEs
- PFR Financial Shield for large companies
- Insurance coverage
- Extension of trade turnover insurance
- Financing leasing of transport companies
- Overdraft facility
- Loan for salary payment
- Extended system of guarantees for SMEs
- Liquidity Guarantee Fund
- EU Financing for SMEs
- Fund for combating COVID-19
- System of contributions to loan interest
- Subsidies for working capital
- Business support in the period of pandemic
- Information and educational campaign for entrepreneurs

Digital transformation and cutting-edge technologies

Sustainable development

Energy transition and competitiveness

# Historical background

## 2012

### DECEMBER 2012

Polskie Inwestycje Rozwojowe S.A. established

## 2013

### OCTOBER 2013



Loan agreement signed to finance the renovation of academic residence of the Jagiellonian University at ul. Bandurskiego in Krakow.

## 2015

### SEPTEMBER 2015



Joint investment with EDF Polska in the construction of a gas-fired co-generation plant in Toruń

## 2016

### APRIL 2016

Name changed to Polski Fundusz Rozwoju S.A.

### JUNE 2016

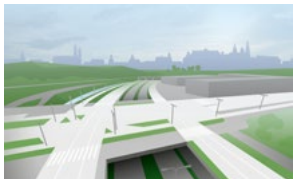
PFR establishes PFR Ventures.

### DECEMBER 2016

PFR and PZU S.A. acquire a 32.8% stake in Bank Pekao S.A. from UniCredit. PFR's share in the bank's share capital is 12.8%.

## 2017

### FEBRUARY 2017



PFR-managed fund invests in the construction of Trasa Łagiewnicka in Kraków.

### AUGUST 2017



PFR-managed fund invests in the steel pipe manufacturer Ferrum S.A.

### SEPTEMBER 2017

Launch of the startup.pfr.pl portal.

### OCTOBER 2017

PFR acquires a 100% stake in BGK TFI S.A. (at present: PFR TFI) from BGK.

### NOVEMBER 2017



PFR-managed fund becomes a new investor in the WB Electronics Group, a manufacturer of military drones and communication systems.

## 2018

### FEBRUARY 2018

PFR establishes the PFR Foundation.

### JUNE 2018

Launch of the first edition of the PFR School of Pioneers (Szkoła Pionierów PFR) – an international educational program for technological visionaries.

### JUNE 2018



PFR Ventures signs the first investment contracts with VC funds.

*PFR made its investments directly and/or through the investment funds included in its management portfolio.*

# Historical background

## 2018

### JULY 2018

PFR FI investment fund managed by PFR acquires a nearly 100% stake in PESA S.A., the largest manufacturer of rolling stock in Poland.

### OCTOBER 2018

PFR Nieruchomości

PFR becomes the owner of a 100% stake in BGK Nieruchomości S.A. (at present: PFR Nieruchomości).

### OCTOBER 2018



A fund managed by PFR acquires a 99.77% stake in Polskie Koleje Linowe S.A.

### OCTOBER 2018

PPK

Enactment of the Act on Employee Capital Plans (ECP).

## 2019

### JANUARY 2019

PFR Portal PPK

PFR Portal PPK commences operations and the MojePPK.pl portal is launched.

### MARCH 2019



PFR becomes a shareholder in the consortium that acquired DCT Gdańsk S.A., Poland's largest container terminal

### JULY 2019



Entry into force of the Act on the Development Institutions System.

### AUGUST 2019

CDT

PFR Foundation opens the Central House of Technology.

### AUGUST 2019

chmura krajowa

Signing of an investment agreement under which PFR acquires a 50% stake in the National Cloud Operator.

### OCTOBER 2019



An investment by a fund managed by PFR: acquisition of a 49.02% stake in the Municipal Buildings Administration Board in Wałbrzych.

### DECEMBER 2019



Completion of the first stage of the rollout of Employee Capital Plans in companies employing more than 250 persons.

## 2020

### FEBRUARY 2020

PFR dla Miast

Launch of the "PFR for Cities and Towns", a program addressed to innovative local governments.

### APRIL 2020



Under the government Anti-Crisis Shield program, PFR commences work on the Financial Shield for MSMEs and the Financial Shield for Large Companies.

*PFR made its investments directly and/or through the investment funds included in its management portfolio.*

# Historical background

2021

### JUNE 2020



The PFR Advisory Center in Chełm is opened.

### OCTOBER 2020

Establishment of PFR Operacje, with the purpose to provide IT and security-related services to members of the PFR Capital Group.

### JANUARY 2021




Opening of the Financial Shield for MSMEs 2.0 call for subsidy applications for companies from 45 sectors most affected by the second wave of the pandemic.

### APRIL 2021



PFR starts the process of settling and remission of subsidies granted to micro businesses and SMEs under the Financial Shield for MSMEs 1.0.

### MAY 2021




The first edition of the PFR Foundation's "Summer ActivACTION" grant program, which supports community organizations that arrange summer activities for children and youth.

### JUNE 2021



Foundation stone-laying ceremony for the construction of Waste Thermal Treatment Plant in Olsztyn co-financed by PFR.

### JUNE 2021



Launch of the construction of 221 apartments at ul. Lubańska in Zgorzelec.

### JULY 2021



PESA Bydgoszcz, in which PFR holds an investment stake, presents its strategy until 2025, geared towards the manufacture of zero-emission and hydrogen ready vehicles.

### AUGUST 2021



Commencement of the construction of 190 apartments in Nakło nad Notecią.

### SEPTEMBER 2021




PFR Ventures signs agreements with three international venture capital funds planning to invest in Polish innovative businesses.

### DECEMBER 2021



Bank Ochrony Środowiska and PFR sign an agreement which paves the way for broad financing of pro-environmental investments in the heat energy sector.

*PFR made its investments directly and/or through the investment funds included in its management portfolio.*

# Historical background

## 2022

### MARCH 2022



PFR decided to provide 650 apartments built by PFR Nieruchomości as part of the government's housing program free of charge to refugees from Ukraine. The apartments were provided in: Kraków, Dębica and Mińsk Mazowiecki.

### APRIL 2022




PFR summarized the Anti-COVID Financial Shields program. Across all iterations of the program, PFR had paid out about PLN 73.2 billion of support to approximately 353 thousand businesses. Debt remission will leave about PLN 43.8 billion in the accounts of the businesses, while PLN 29.4 billion will be reimbursed to PFR.

### JULY 2022



Baltic Hub, the operator of the largest container terminal complex in the Baltic Sea, in which PFR is a shareholder, signed an agreement with the contractors for T3, the third deep water terminal.

### JULY 2022



Polskie Koleje Linowe, whose majority shareholder is PFR, opened a tourist resort in Solina.

### NOVEMBER 2022



PFR acquired a 45% stake in Supersnow through a capital increase. The proceeds will be used for the development of technology and expansion into international markets. Supersnow is one of the leading global manufacturers of snowmaking systems.

### DECEMBER 2022



A fund managed by PFR executed a subordinated loan agreement for up to PLN 90 million for the construction of the Kleczew Solar & Wind project belonging to the Lewandpol Group.

## 2023

### APRIL 2023

Elemental Holding repurchased a 32% stake in Recat GmbH from the Foreign Expansion Fund FIZ to become the owner of a 100% stake in the company. In this way, the investment support from PFR TFI to the project ended.

### JUNE 2023



PFR Nieruchomości started to present the offer of acquiring the ownership of apartments to lessees residing in housing estates built under the arm's length part of the Apartment Plus program.

### JUNE 2023



Loan agreement up to PLN 128 million to Finance PV 4 to develop a portfolio of 26 photovoltaic farms with a total capacity of 43 MWp.

*PFR made its investments directly and/or through the investment funds included in its management portfolio.*

# Historical background

### JULY 2023



NATO established an investment fund to develop dual-use technologies. On behalf of Poland, EUR 42 million was invested by an ASI managed by PFR Ventures.

### JULY 2023



Loan agreement with PAD RES for PLN 240 million to finance the construction of photovoltaic farms with a total capacity of 117 MWp.

### AUGUST 2023




Launch of the Knowledge Zone training platform, to which all educational materials created by PFR are directed.

### AUGUST 2023



Conclusion of a loan agreement with Istrana for the construction of an installation terminal for offshore wind farms.

### AUGUST 2023



PFR Nieruchomości started in Lublin the construction of a housing estate with 388 apartments for rent. It was the first housing estate executed in the Private Rental Sector (PRS) model in that town.

### NOVEMBER 2023




End of the call for applications for the pilot edition of the Innovative Dual-use Tech Accelerator (IDA) program for companies developing dual-use technologies.

### DECEMBER 2023




Loan agreement with Qair Polska to finance the construction of a 36 MWp photovoltaic farm in Zimnodół, Małopolska voivodship.

Table 1. Stake held by shareholders in the share capital and in the total number of votes at shareholder meetings as at the balance sheet date

| Shareholders | Number of shares | Number of votes | Par value of shares (PLN) | Stake in the share capital | Percentage (%) |
|---|---|---|---|---|---|
| State Treasury | 11,460,907,779 | 11,461,207,779 | 11,460,907,779 | 99.87% | 99.87% |
| BGK | 15,000,000 | 15,000,000 | 15,000,000 | 0.13% | 0.13% |
| **Total** | **11,475,907,779** | **11,476,207,779** | **11,475,907,779** | **100.00%** | **100.00%** |

## 1.2. Shareholding structure and share capital

As at the balance sheet date, PFR's shareholders comprised:

(i) State Treasury, which held:

1. Series A shares with numbers ranging from A 1 to A 300 000 with a total nominal value of PLN 300,000.00, paid up in full,
2. Series C shares with numbers ranging from C 1 to C 1 143 062 525 with a total nominal value of PLN 1,143,062,525.00, paid up in full,
3. Series D shares with numbers ranging from D 1 to D 1 294 964 028 with a total nominal value of PLN 1,294,964,028.00, paid up in full,
4. Series E shares with numbers ranging from E 1 to E 2 499 926 000 with a total nominal value of PLN 2,499,926,000.00, paid up in full,
5. Series F shares with numbers ranging from F 1 to F 6 522 655 226 with a total nominal value of PLN 6,522,655,226.00, paid up in full,

(ii) Bank Gospodarstwa Krajowego, which held Series B shares with numbers ranging from B 1 to B 15 000 000 with a total nominal value of PLN 15,000,000.00, paid up in full *(table 1)*.

**Special rights of the State Treasury**

Each Series A share is preferred in that it carries two votes per one share. All the registered Series A shares have been subscribed for by the State Treasury.

**Restrictions in exercising the voting right at the shareholder meeting**

The voting right of shareholders has been restricted in that at the Shareholder Meeting no such shareholder may exercise more than 10% of the total number of votes existing in PFR as on the date of the shareholder meeting, provided that the restriction does not apply in the event of the shareholder holding rights under all Series A shares.

As at the balance sheet date, the share capital of PFR was PLN 11,475,907,779.00, and was divided into:

- 300,000 preferred registered shares of the nominal value of PLN 1 each, namely Series A shares numbered from A 1 to A 300,000,
- 15,000,000 ordinary registered shares of the nominal value of PLN 1 each, namely Series B shares numbered from B 1 to B 15 000 000,
- 1,143,062,525 ordinary registered shares of the nominal value of PLN 1 each, namely Series C shares numbered from C 1 to C 1 143 062 525,
- 1,294,964,028 ordinary registered shares with the nominal value of PLN 1 each, namely Series D shares numbered from D 1 to D 1 294 964 028,
- 2,499,926,000 ordinary registered shares of the nominal value of PLN 1 each, namely Series E shares numbered from E 1 to E 2 499 926 000.
- 6,522,655,226 ordinary registered shares of the nominal value of PLN 1 each, namely Series F shares numbered from F 1 to F 2 499 926 000.

Series A Shares were taken up and paid for by the State Treasury before PFR was registered.

Series B Shares were taken up and paid for with a cash contribution by Bank Gospodarstwa Krajowego.

Series C, E and F Shares were taken up and covered by a non-cash contribution by the State Treasury.

Series D Shares were taken up and paid for with a cash contribution by the State Treasury.

As at 31 December 2024, PFR's share capital was PLN 11,475,907,779.00 and was paid in full.

## 1.3. PFR on the capital market

The Act on the Development Institutions System makes it possible to raise PFR S.A.'s share capital by contribution of treasury securities. Furthermore, PFR S.A. can extend sureties or guarantees on behalf of the State Treasury for the repayment of liabilities under loans incurred or bonds issued by PFR S.A. In addition, pursuant to the Act on the Development Institutions System, PFR S.A. may issue bonds on the domestic market and on foreign markets to obtain funds to finance the execution of the government programs entrusted to PFR, which was implemented in order to finance the government financial support program referred to in Article 21a sec. 1 of the Act on the Development Institutions System. PFR's liabilities by virtue thereof are backed by a State Treasury guarantee. The latter solution was crucial to obtain funds to implement the programs that have proved to be decisive in buffering Polish businesses from the consequences of freezing the economy resulting from the COVID-19 pandemic.

In connection with the fact that PFR has been contractually commissioned to implement the Financial Shield programs, the Company was able to carry out a bond issue program with a total value of up to PLN 100 billion.

The proceeds from the issue in 2020-2021 were used to finance the programs and accordingly to support companies affected by the COVID-19 pandemic.

This support helped businesses maintain liquidity and financial stability, as well as keep jobs in the period of severe economic disruption caused by COVID-19. Entrusting to PFR S.A. the leading role in combating the negative effects of COVID-19 on the Polish economy has been combined with the introduction of legislative solutions enabling full involvement of the Company in anti-crisis activities.

Table 2. **Basic parameters of PFR bonds listed on the Catalyst ATS market at yearend 2024**

| Bond series and ISIN code | Basic information | | |
|---|---|---|---|
| | Issue size | Type and annual interest rate | Maturity date |
| PFR0325 (ISIN: PLPFR0000027) | PLN 18,500 million | fixed 1.625% | 31 March 2025 |
| PFR0925 (ISIN: PLPFR0000035) | PLN 15,175 million | fixed 1.625% | 22 September 2025 |
| PFR0627 (ISIN: PLPFR0000043) | PLN 10,000 million | fixed 1.750% | 7 June 2027 |
| PFR092027 (ISIN: PLPFR0000084) | PLN 900 million | fixed 1.375% | 30 September 2027 |
| PFR0330 (ISIN: PLPFR0000050) | PLN 3,250 million | fixed 2% | 5 March 2030 |
| PFR0827 (ISIN: PLPFR0000092) | PLN 5,250 million | fixed 1.375% | 30 August 2027 |
| PFR0927 (ISIN: PLPFR0000076) | PLN 2,000 million | fixed 1.5% | 30 September 2027 |

The PFR bond issue program is based on Article 21 aa sec. 1 of the Act on the Development Institutions System in conjunction with Article 39p-39w of the Act of 27 October 1994 on Toll Motorways and the National Road Fund. Bonds were issued in series, whereby all the bonds issued by PFR are, by the force of the Act, covered by a State Treasury guarantee.

In order to finance the Financial Shield programs, PFR issued bonds in the total amount of PLN 73.9 billion. Out of this pool, on 29 March 2024 PFR redeemed PFR0324 bonds with the nominal value of PLN 16.325 billion. As at 31 December 2024, this resulted in a reduction of the Company's liability on account of the issue of bonds in the previous years, down to PLN 57.6 billion.

On 28 May 2020, the first bonds issued by PFR debuted on the Catalyst ATS public bond trading market. As at the end of 2024, eight series of PFR bonds were listed on the Catalyst ATS market: PFR0325, PFR0925, PFR0627, PFR092027, PFR0330, PFR0827 and PFR0927 *(table 2)*.

PFR settles all the liabilities following from the issued bonds on an ongoing basis. On 29 March 2024, the Company redeemed PFR0324 bonds with the nominal value of PLN 16.325 billion.

In 2022, the project of the National Recovery and Resilience Plan (KPO) was launched. PFR participated in it actively by pre-financing payments from the KPO. Up until funds from the European Union were received, pursuant to Article 16a sec. 1 item 2 of the Act on the Development Institutions System, the Company transferred some funds coming from refunds of subsidies for the performance of KPO projects in accordance with the Approved KPO Financial Plan. After receipt of the EU funds, since 2024, PFR limited payments from the program only to the part connected with covering ineligible expenditures, including VAT for some beneficiaries of KPO.

At the end of December 2024, the total amount of funds disbursed under the National Recovery and Resilience Plan, reduced by the reimbursement of funds made by recipients of the support, was PLN 14.8 billion.

PFR's investor relations activities focus primarily on maintaining transparent and regular communication with the capital market, investors and rating agencies, as well as fulfilling its disclosure obligations under applicable laws. The company's website provides current and periodic reports, information on PFR's bond prices, credit ratings and financial performance.

## 2. INFORMATION ON THE SUBSIDIARIES

PFR TFI

### 2.1. PFR TFI

PFR TFI sets up investment funds and manages them. The activities of the fund management company focus on four key areas:

- management of closed-end investment funds, which invest in the development of the Polish economy and Polish companies,
- management of investments listed in regulated markets, included in closed-end fund portfolios, and management of closed-end fund liquidity,
- financing of foreign capital-based expansion of Polish companies,
- management of a specialized open-end investment fund within the framework of the ECP, both as a management entity and a designated financial institution.

PFR TFI is a team of highly qualified professionals with many years' worth of experience in the management of closed-end and open-end funds as well as saving and investment products. PFR TFI operates pursuant to a permit issued by the Polish Financial Supervision Authority, which supervises the Management Company as well as the set up and managed funds.

At the end of 2024, the Management Company managed 14 investment funds with a net asset value of over PLN 18 billion.

- Fundusz Ekspansji Zagranicznej FIZ AN (FEZ FIZ AN) (Foreign Expansion Fund),
- Fundusz Ekspansji Zagranicznej 2 FIZ AN (FEZ 2 FIZ AN) (Foreign Expansion Fund 2),
- Fundusz Sektora Mieszkań dla Rozwoju FIZ AN (FSMdR FIZ AN) (Housing Sector Development Fund),
- Fundusz Sektora Mieszkań na Wynajem FIZ AN (FSMnW FIZ AN) (Rental Housing Fund),
- PFR BIZNEST FIZ,
- PFR Fundusz Funduszy FIZ (Fund of Funds),
- PFR Fundusz Inwestycji Samorządowych FIZ AN (PFR FIS FIZ AN) (Local Government Investment Fund),
- PFR Fundusz Inwestycyjny FIZ AN (PFR FI FIZ AN),
- PFR KOFFI FIZ,
- PFR NFOŚiGW FIZ AN w likwidacji (National Fund for Environmental Protection and Water Management),
- PFR NCBR CVC FIZ AN (National Center for Research and Development),
- PFR Otwarte Innowacje FIZ (Open Innovations),
- PFR Starter FIZ,

- PFR PPK Specjalistyczny Fundusz Inwestycyjny Otwarty (PFR PPK SFIO) (PFR ECP Specialized Open-End Investment Fund) with separated sub-funds: PFR PPK 2025, PFR PPK 2030, PFR PPK 2035, PFR PPK 2040, PFR PPK 2045, PFR PPK 2050, PFR PPK 2055, PFR PPK 2060, PFR PPK 2065.

The Management Company managed directly the following funds in their entirety: FEZ FIZ AN, FEZ 2 FIZ AN, PFR NFOŚiGW FIZ AN and PFR PPK SFIO. In the case of other closed-end investment funds, PFR TFI on its own manages their liquidity and the public assets part of their portfolio, while the management of the rest of their investment portfolio has been entrusted to other PFR Capital Group companies:

- PFR – PFR FI FIZ AN, PFR FIS FIZ AN,
- PFR Ventures – PFR BIZNEST FIZ, PFR Fundusz Funduszy FIZ, PFR KOFFI FIZ, PFR Otwarte Innowacje FIZ, PFR NCBR CVC FIZ AN, PFR Starter FIZ,
- PFR Nieruchomości – FSMdR FIZ AN, FSMnW FIZ AN.

Pursuant to the Act on Investment Funds and Management of Alternative Investment Funds, PFR TFI is fully liable for actions of the entities providing fund management and is obligated to exercise due oversight of their operations. The rules and procedures of management companies in the management of investment funds are determined by the investment strategies adopted for each fund. The Management Company fulfills these duties by the way of, among others, meetings of investment committees, in which it verifies and provides opinions on investment applications made by the managers; it has the right of effective veto. Operation of the entities outsourced for fund management is also verified and assessed by PFR TFI's internal control system units. All funds are covered by the risk management system described in the PFR TFI S.A. Risk Management Policy.

As an active participant of the financial market and a member of the Chamber of Fund and Asset Managers (IZFiA), PFR TFI engages into development of the investment fund sector in Poland and self-regula-

## Entities managing a portion of the funds' investment portfolio

### PFR TFI

FEZ FIZ AN | FEZ 2 FIZ AN | PFR NFOŚiGW | PFR PPK SFIO

### PFR

PFR FI FIZ AN | PFR FIS FIZ AN

### PFR Ventures

PFR BIZNEST FIZ | PFR Fundusz Funduszy FIZ | PFR KOFFI FIZ

PFR Otwarte Innowacje FIZ | PFR NCBR CVC FIZ AN | PFR Starter FIZ

### PFR Nieruchomości

FSMdR FIZ AN | FSMnW FIZ AN

tion initiatives for the sector. The Management Company was among the initiators of the implementation of the Best Reporting Practices. The primary objective of this project is to improve access of retail investors to investment product information. Each of the five Best Reporting Practices (publication of portfolio composition, publication of sales balance data, publication of fees applicable to all units, presentation of fund portfolio structure and the rates of return for the fund's benchmark) addresses a different area and is designed to increase fund transparency. The sub-funds of PFR PPK SFIO meet the requirements of all the Best Reporting Practices.

**Organizational structure**

PFR TFI, in compliance with the law, ensures an adequate organizational structure, including allocation of key functions among the individual management board members and allocation of powers between the individual units.

The following personnel changes occurred in the PFR TFI Supervisory and Management Boards in 2024:

- On 22 April 2024, Ms. Małgorzata Iwanicz-Drozdowska tendered her resignation as a supervisory board member effective as of 30 April 2024.
- On 18 July 2024, Mariusz Jaszczyk, Supervisory Board chairman, tendered his resignation from his function, effective as at the date of the resignation;
- On 10 September 2024, the Extraordinary Shareholder Meeting adopted the following resolutions: resolution no. 6 to appoint Justyna Kowalczyk as member of the Company's Supervisory Board; resolution no. 7 to appoint Milena Olszewska-Miszuris as member of the Company's Supervisory Board, resolution no. 8 to appoint Piotr Krzyżewski as member of the Company's Supervisory Board; resolution no. 9 to appoint Kamil Sobolewski as member of the Company's Supervisory Board;
- On 12 September 2024, the Supervisory Board adopted a resolution to dismiss Ewa Małyszko as Management Board President and a resolution to dismiss Piotr Kuba as the Chief Investment Officer;
- On 13 September 2024, the Supervisory Board seconded Ewa Maciąg, chairwoman of the Company's Supervisory Board, to temporarily serve as a member of the Management Board;

On 28 November 2024, the Company's Supervisory Board adopted a resolution to appoint Piotr Dmuchowski as President of the PFR TFI Management Board effective as of 1 January 2025, and to appoint his as the Management Board member overseeing investment decisions related to investment portfolios of the funds managed by PFR TFI and the portfolios containing one or more financial instruments managed by PFR TFI, provided that consent from the Polish Financial Supervision Authority is obtained.

As at 31 December 2024, the members of the Management Company's Management Board included:

- Tomasz Bartmiński – Management Board Member, Chief Risk Officer.
- Tomasz Orlik – Management Board Member for Operations.

Moreover, Justyna Kowalczyk, member of the PFR TFI Supervisory Board, was seconded to serve as a member of the PFR TFI Management Board from 30 October 2024 to 31 December 2024.

As of 1 January 2025, the Piotr Dmuchowski took the position of President of the PFR TFI Management Board.

**Risk management**

As required by the KNF resolution of 22 July 2014 establishing the Corporate Governance Principles for Supervised Institutions, PFR TFI has adopted and implemented the Risk Management Strategy, which defined the risk tolerance levels. At PFR TFI, risk management is conducted on an on-going basis, with participation of all the organizational units. The Risk Management and Quantitative Analysis Office is responsible for coordinating the activities. At PFR TFI, the risk management process proceeds in the following stages: identification, measurement, estimation, monitoring, and application of mechanisms to mitigate the identified, measured or estimated risk level.

Furthermore, the Management Company manages risk at the level of each fund, in particular by defining the fund's risk profile, setting risk limits, as well as conducting in-depth analysis of market and legal conditions when making investment decisions for each individual fund.

In 2023, PFR TFI included analysis of sustainability (ESG) risks in the risk management system, i.e. their potential negative impact on investment returns, for all new investments of the funds. The analysis is conducted on the basis of data provided by issuers or fund managers using a proprietary tool, which makes it possible to fulfill the duties of a financial institution with regard to assessment of sustainable development in the investment process.

For funds for which sustainable development risk is defined as material, PFR TFI carried out an analysis of the exposure of the portfolio to ESG factors in 2024. The analysis was based on external data provided by Bloomberg and its results were discussed during a meeting of the Risk Management Committee. In line with the recommendations, the analysis will be repeated this year. Comparing the results over a longer time horizon will enable more informed conclusions.

# PFR Ventures

## 2.2. PFR Ventures

PFR Ventures manages the funds of funds dedicated to venture capital (VC) and private equity (PE) markets. It is the largest entity of this type in Central and Eastern Europe. The funds are used to increase the financing of innovations in the sector of small and medium enterprises (start-ups), as well as provide capital to mature companies. Investments are carried out by teams managing VC and PE funds. The funds at the disposal of PFR Ventures originated from:

- European Funds for a Modern Economy 2021-2027,
- Smart Growth Operational Program 2014-2020
- Innovative Economy Operational Program 2007-2013,
- Swiss-Polish Cooperation Program
- government funds,
- PFR's own funds.

In total, PFR Ventures manages assets of over PLN 5 billion. At the end of 2024, PFR Ventures had 80 VC and PE funds in its portfolio. Most of them remain active and continue to seek new investment targets. So far, these funds have supported over 900 companies. The remaining funds are at the exit stage. The average cash-on-cash ratio (total cash earned on the total cash invested) for the 162

exits from companies in the PFR KFK portfolio is 1.5x. The ratio for top ten exits ranges from 6.9x to 27x.

PFR Ventures manages eight investment programs. Each one of them activates a different market segment: co-investments, business angels or fund creation for corporations (Corporate Venture Capital), or investments in specific sectors (e.g. climatetech, dual-use technologies). Funds supported by PFR Ventures financed the development of companies such as: Audioteka, Booksy, Brand24, Frisco.pl, Infermedica, iTaxi and Oshee.

**Organizational structure**

In 2024, the Supervisory Board of PFR Ventures was composed of:

- Anna Wawrzyńczak-Palynyczak – Supervisory Board chairwoman, Supervisory Board member until 17 December 2024
- Mieczysław Puławski – Deputy Chairman of the Supervisory Board, Supervisory Board member until 24 September 2024
- Piotr Piłat – Supervisory Board secretary, Supervisory Board member until 24 September 2024
- Dariusz Kraszewski – Supervisory Board member until 24 September 2024,
- Piotr Arak – Supervisory Board member until 23 September 2024,
- Zbigniew Karwowski – Supervisory Board member from 25 September 2024, serving as the Supervisory Board secretary as of 9 October 2024,
- Krzysztof Wawrzyniak – Supervisory Board member from 25 September 2024,
- Aleksander Janiszewski – Supervisory Board member from 25 September 2024,
- Piotr Ciżkowicz – Supervisory Board member from 25 September 2024 to 8 October 2024
- Anne-Marie Weber – Supervisory Board member from 25 September 2024, serving as the Supervisory Board Deputy Chairwoman as of 9 October 2024,
- Zbigniew Hockuba – Supervisory Board member from 7 November 2024,
- Jerzy Toborowicz – Supervisory Board member from 5 December 2024,

On 29 January 2025, the Extraordinary Shareholder Meeting adopted a resolution to appoint Agata Wiśniewska to the Supervisory Board with effect as of 1 February 2025 and appoint her as the Supervisory Board chairwoman.

The composition of the company's Management Board did not change in 2024.

As at 31 December 2024, the Management Board was composed of:

- Maciej Ćwikiewicz – President of the Management Board,
- Aleksander Mokrzycki – Vice-President of the Management Board.

**AICs managed by PFR Ventures**

Until PFR Ventures obtained its Alternative Investment Company Manager's license (28 April 2023), PFR Ventures acted as manager of a portion of the investment portfolio on behalf of PFR TFI, while all programs operated as Closed-End Investment Funds (FIZs). It is in those that EU funds (PO IR) and funds from the Polish Development Fund were invested. At the end of 2024, PFR Ventures managed 6 closed-end investment funds (FIZs) and 7 alternative investment companies. Two of them form part of the PFR Capital Group. The other ones are managed upon orders from Bank Gospodarstwa Krajowego.

In 2025, PFR Ventures plans to transfer assets from selected FIZs (PFR Starter, Biznest, Otwarte Innowacje and KOFFI) to a new structure based on alternative investment companies.

A detailed list of programs, funds and sources of their financing can be found in *Table 3*.

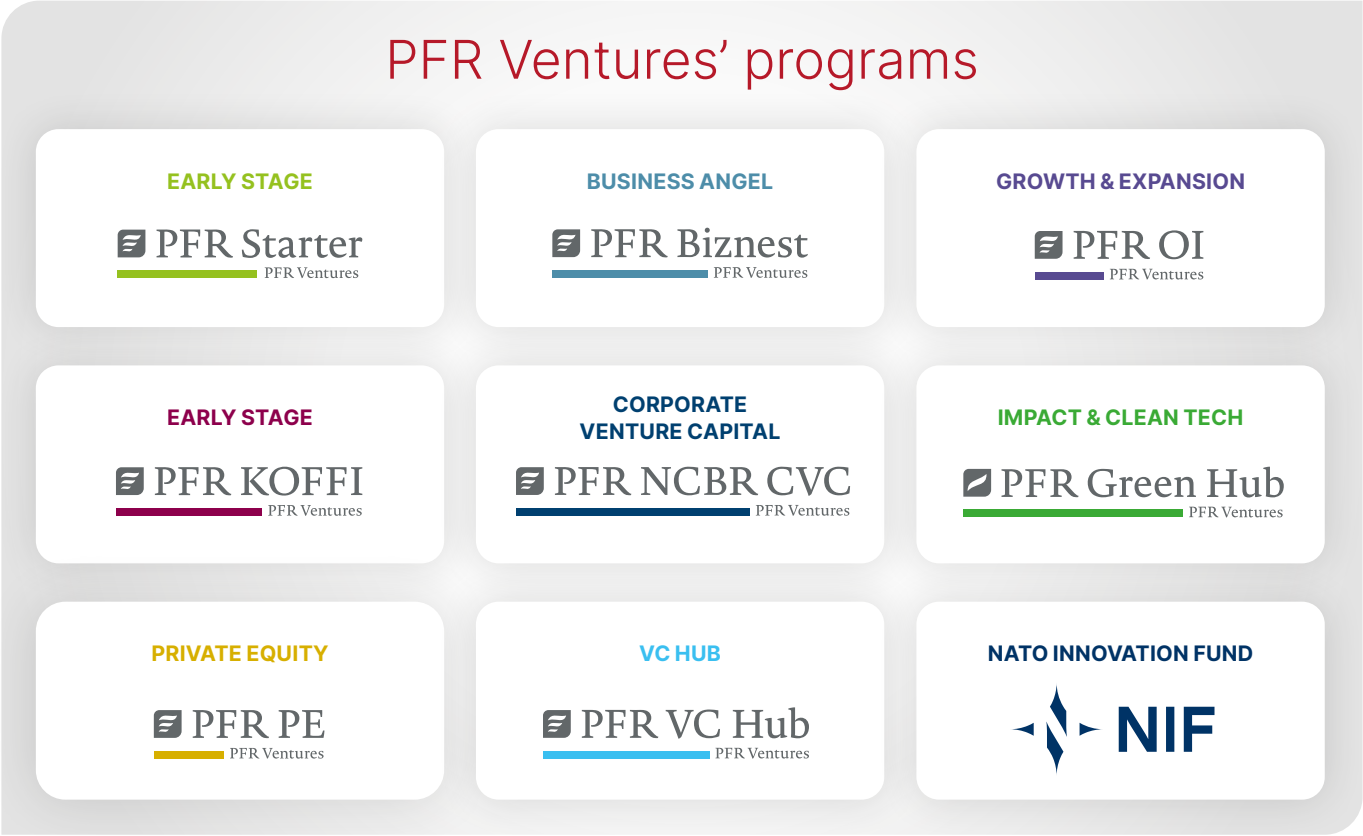


Table 3. List of ASI funds managed by PFR Ventures

| Name of the program | Name of the fund | ID number of the fund | Source of financing |
|---|---|---|---|
| PFR Starter | PFR Starter FIZ | RFI 1437 | Smart Growth Operational Program |
| | PFR Ventures Starter 2.0 ASI SKA | PLASI000510 | European Funds for a Modern Economy |
| PFR Biznest | PFR Biznest FIZ | RFI 1451 | Smart Growth Operational Program |
| | PFR Ventures Biznest 2.0 ASI SKA | PLASI000507 | European Funds for a Modern Economy |
| PFR Otwarte Innowacje (Open Innovations) | PFR Otwarte Innowacje FIZ | RFI 1449 | Smart Growth Operational Program |
| | PFR Ventures Otwarte Innowacje 2.0 ASI SKA | PLASI000511 | European Funds for a Modern Economy |
| PFR KOFFI | PFR KOFFI FIZ | RFI 1452 | Smart Growth Operational Program |
| | PFR Ventures Koffi 2.0 ASI SKA | PLASI000509 | European Funds for a Modern Economy |
| PFR NCBR CVC | PFR NCBR CVC FIZ AN | RFI 1502 | Smart Growth Operational Program (including funds from the National Center for Research and Development under same EU perspective) |
| PFR CVC | PFR Ventures CVC 2.0 ASI SKA | PLASI000510 | European Funds for a Modern Economy |
| PFR PE<br>PFR Green Hub<br>PFR VC Hub | PFR Fundusz Funduszy FIZ (Fund of Funds) | RFI 1597 | Polski Fundusz Rozwoju (Polish Development Fund) |
| Innovation Fund | PFR Ventures Innovation Fund ASI SKA | PLASI000493 | Polish Development Fund (in coordination with the Prime Minister's Office and the Ministry of Defense) |
| Direct investments | PFR Ventures Inwestycje Bezpośrednie (Direct Investments) ASI SKA | PLASI000486 | Receivables within the ARP Venture portfolio which were contributed by PFR to the company as contribution-in-kind |

# PFR Nieruchomości

## 2.3. PFR Nieruchomości

PFR Nieruchomości is a joint stock company forming part of the PFR Capital Group. Upon orders from PFR TFI, it manages a portion of the investment portfolio of two investment funds, i.e. the FIZ AN Rental Housing Fund and the FIZ AN Housing Sector Development Fund. The rules and procedures for managing the aforementioned investment funds by PFR Nieruchomości are set forth in the adopted charters and investment strategies of the respective funds, in the agreements signed with PFR TFI to manage the parts of the funds' investment portfolios, and in operating procedures. The company also has its own regulations and procedures governing its investment process. PFR Nieruchomości is under strict supervision of PFR TFI, the manager of the aforementioned funds. In addition to tasks related to the investment process, PFR Nieruchomości provides corporate support to approximately 50 portfolio companies that carry out construction investments.

As a manager of funds that implement residential rental investments through special purpose vehicles, PFR Nieruchomości is a leader in the institutional rental market in Poland. The company manages funds with nearly 7.5 thousand apartments in 40 locations across Poland and coordinates the construction of nearly 2,000 more apartments in six locations. These are projects executed in the largest agglomerations, such as Warsaw, Kraków, Wrocław, Gdańsk Tri-City, Katowice, Poznań and Łódź, as well as in smaller urban centers, such as Toruń, Radom, Wałbrzych and Świdnik.

The Company was established in 2013 by Bank Gospodarstwa Krajowego as BGK Nieruchomości S.A. and became a member of the PFR Capital Group in October 2017.

**Organizational structure**

The following personnel changes occurred in the PFR Nieruchomości Supervisory and Management Boards in 2024:

- In the period from 1 January to 20 February 2024, the company's Supervisory Board was comprised of: Paweł Dąbrowski – Supervisory Board Chairman; Anna Błońska-Nowak – Supervisory Board Member; Barbara Piontek – Supervisory Board Member (Secretary).
- In the period from 20 February to 6 June 2024, the company's Supervisory Board operated in the following composition: Anna Błońska-Nowak – Supervisory Board Chairwoman; Paweł Dąbrowski – Supervisory Board Deputy Chairman; Barbara Piontek – Supervisory Board Member (Secretary).
- On 6 June 2024, Paweł Dąbrowski and Anna Błońska-Nowak tendered their resignations as Members of the company's Supervisory Board.
- On 7 June 2024, the Extraordinary Shareholder Meeting dismissed Barbara Piontek as Member of the company's Supervisory Board. At the same time, the following were appointed to the company's Supervisory Board of the new term of office: Anna Błońska-Nowak, Paweł Dąbrowski, Dominik Kubacki, Marcin Kopeć and Edyta Szostak.
- On 10 June 2024, the company's Supervisory Board appointed Paweł Dąbrowski to serve as the Supervisory Board Chairman and Marcin Kopeć as the Supervisory Board Deputy Chairman, while Anna Błońska-Nowak was appointed the Supervisory Board's Secretary. Accordingly, in the period from 10 June 2024 to 26 July 2024, the Supervisory Board operated in the following composition: Paweł Dąbrowski – Supervisory Board Chairman; Marcin Kopeć – Supervisory Board Deputy Chairman; Anna Błońska-Nowak –

Supervisory Board Member (Secretary); Dominik Kubacki – Supervisory Board Member; Edyta Szostak – Supervisory Board Member.

- On 25 July 2024, the Supervisory Board of PFR Nieruchomości appointed the following to the Management Board of the new term of office: Grzegorz Tomaszewski (President of the Management Board from 1 September 2024) and Elżbieta Chmiel (Management Board Member in charge of Finance and IT from 27 July 2024).
- On 26 July 2024, in connection with the holding of the Ordinary Shareholder Meeting of the company, the mandates of the previous Management Board members, i.e. Wojciech Caruk (Management Board President) and Anna Błaszczyk-Jabłonowska (Management Board Member) expired.
- In the period from 27 July to 31 August 2024 the following Supervisory Board members were seconded to serve as Management Board members: Paweł Dąbrowski – to serve as the President of the Management Board; Anna Błońska-Nowak – to serve as a Management Board Member. In this period, the Company's Supervisory Board operated in the following composition: Marcin Kopeć – Supervisory Board Deputy Chairman; Dominik Kubacki – Supervisory Board Member; Edyta Szostak – Supervisory Board Member.
- In the period from 1 to 30 September 2024, in connection with the withdrawal of the secondment of Anna Błońska-Nowak to serve as the Management Board Member as of 31 August 2024 and commencement of service as Management Board President by Grzegorz Tomaszewski, the scope of secondment of Supervisory Board Member Paweł Dąbrowski was changed by seconding him to serve as the Management Board Member in charge of the administration and legal area. In this period, the Supervisory Board operated in the following composition: Marcin Kopeć – Supervisory Board Deputy Chairman; Anna Błońska-Nowak – Supervisory Board Member (Secretary); Dominik Kubacki – Supervisory Board Member; Edyta Szostak – Supervisory Board Member.
- On 29 September 2024, Paweł Dąbrowski submitted his statement of resignation from his secondment to temporarily serve as the Management Board Member in charge of the administrative and legal area as of 30 September 2024, the Supervisory Board did not decide to supplement the Management Board's composition in this regard, as a result of which since 1 October, the Management Board has operated in the following composition: Grzegorz Tomaszewski – President of the Management Board; Elżbieta Chmiel – Management Board Member. In the same period, the Supervisory Board operated in the following composition: Paweł Dąbrowski – Supervisory Board Chairman; Marcin Kopeć – Supervisory Board Deputy Chairman; Anna Błońska-Nowak – Supervisory Board Member (Secretary); Dominik Kubacki – Supervisory Board Member; Edyta Szostak – Supervisory Board Member.

As at 31 December 2024, the composition of the PFR Nieruchomości Management Board was:

- Grzegorz Tomaszewski – President of the Management Board, who started serving in this capacity on 1 September 2024,
- Elżbieta Chmiel – Management Board Member in charge of Finance and IT, who started serving in this capacity on 27 July 2024.

**PFR Mieszkania**

PFR Mieszkania is not a subsidiary within the PFR Capital Group, however it is a portfolio company of the Housing Sector Development Fund - Closed-End Investment Fund of Non-Public Assets. The Company started its operating activities on 1 October 2022 after a certain scope of operating services rendered to portfolio companies was spun off from PFR Nieruchomości. The key tasks of the Company include:

- overseeing the design and construction of housing developments,
- performing project acceptance procedures from general contractors and monitoring the technical condition of buildings,
- managing real estate (developed and undeveloped),
- carrying out marketing activities and commercializing premises,
- providing comprehensive services to tenants of premises,
- cooperating with local governments within the framework of the Mieszkanie na Start program, which allows tenants to obtain rent subsidies.

PFR Mieszkania cooperates closely with PFR Nieruchomości, which shapes the investment activities of these funds.

**Organizational structure**

The following personnel changes occurred in the PFR Mieszkania Supervisory and Management Boards in 2024:

- In the period from 1 January to 28 June 2024, the Company's Supervisory Board was composed of: Anna Błaszczyk-Jabłonowska – Supervisory Board Chairwoman; Wojciech Caruk – Supervisory Board Member; Piotr Kuba – Supervisory Board Member; Mariusz Świacki – Supervisory Board Member. On 28 June 2024, in connection with the holding of the Ordinary Shareholder Meeting of the company, the mandates of the aforementioned Supervisory Board members expired.
- On 28 June 2024, the Ordinary Shareholder Meeting of the Company adopted a resolution to appoint to the Supervisory Board of the second term of office: Anna Błaszczyk-Jabłonowska, Elżbieta Chmiel, Piotr Kuba, Mariusz Świacki. At the Supervisory Board meeting on the same date, Anna Błaszczyk-Jabłonowska was appointed to the position of the Supervisory Board Chairwoman.
- On 28 June 2024, in connection with the holding of the company's Ordinary Shareholder Meeting, the mandates of the previous Management Board members, i.e. Andrzej Płatek - President of the Management Board; and Robert Wójcik - Management Board Member, expired.
- On 28 June 2024, Marcin Szymański began his service in the capacity of a Management Board Member. At the same time, by the power of the Supervisory Board resolution of 28 June 2024, Piotr Kuba, Supervisory Board member, was seconded to serve as the President of the Management Board until 21 July 2024. In this period, the Supervisory Board operated in the following composition: Marcin Kopeć – Supervisory Board Deputy Chairman; Dominik Kubacki – Supervisory Board Member; Edyta Szostak – Supervisory Board Member. The Management Board was composed of: Piotr Kuba – Supervisory Board Member seconded to serve as the President of the Management Board; Marcin Szymański – Management Board Member.
- On 22 July 2024, Marcin Podlecki started to serve as the President of the Management Board. From that date to the end of the year, the Management Board operated until the end of the year: Marcin Podlecki – President of the Management Board; Marcin Szymański – Management Board Member.

- On 2 September 2024, Anna Błaszczyk-Jabłonowska was dismissed from the Supervisory Board and Grzegorz Tomaszewski and Zbigniew Karwowski were appointed to the Supervisory Board.
- On 12 September 2024, Piotr Kuba was dismissed from the Supervisory Board.
- On 30 September 2024, Paweł Dąbrowski and Ilona Wolińska-Kopyt were appointed to the Supervisory Board. From that date, the Supervisory Board operated in the following composition: Ilona Wolińska-Kopyt, Mariusz Świacki, Elżbieta Chmiel, Grzegorz Tomaszewski, Zbigniew Karwowski and Paweł Dąbrowski.
- On 11 October 2024, the Supervisory Board elected Magdalena Piłat to serve as the Supervisory Board Chairwoman.

As at 31 December 2024, the composition of the PFR Mieszkania Management Board was:

- Marcin Podlecki – President of the Management Board,
- Marcin Szymański – Management Board Member.

# PFR Portal PPK

## 2.4. PFR Portal PPK

PFR Portal PPK is a company responsible for collecting and reporting information on Employee Capital Plans in accordance with Article 77 of the Act of 4 October 2018 on Employee Capital Plans (Journal of Laws of 2024 Item 427) (the "**ECP Act**"). The primary objectives and tasks of PFR Portal PPK include: promotion of the private retirement savings program for employees working in Poland and operating a web portal dedicated to the Employee Capital Plan program.

In order to achieve this objective, PFR Portal PPK conducts activities described below.

**Information and educational activity**

The mojeppk.pl online portal is the only official source of information about Employee Capital Plans. The website features various materials, such as: guides, publications on legal issues and HR and payroll regulations, answers to frequently asked questions, forms of documents, legislative acts as well as podcasts, videos, calculators of savings, taxes and management costs and offerings of financial institutions. Materials on ECPs are published not only in Polish, but also in: English, Ukrainian, Belarusian and Vietnamese. Through the MojePPK site, the portal also provides ECP participants with information about the value of their funds balance in the ECP account.

Participants can log into the MojePPK website and view their accounts using a Trusted Profile. The website address is https://rachunek.mojeppk.pl/.

**Training and information activities**

PFR Portal PPK's educational and information activities involve organization of training for employers and employees on the rollout and operation of the ECP program. PFR Portal PPK's representatives also take part in conferences and other such events, during which they present participants with the terms and conditions, as well as the working principles of the ECPs. The Company also operates a Contact Center that provides integrated information on how the ECP system functions. It provides contact opportunities to customers through communication channels such as: telephone (call center available at: 800 775 775; 22 462 71 79), contact form on the mojeppk.pl web portal, e-mail (kontakt@pfrportal.pl) and through the Messenger app.

**Editorial and legal activities**

PFR Portal PPK's key tasks also include the clarification of the Employee Capital Plans and publication of helpful guides addressed to employers and employees, in particular during the rollout and operation of ECP. Moreover, PFR Portal PPK prepares opinions on the application of the ECP Act, in consultation with the relevant institutions, including the Office of the Polish Financial Supervision Authority and the Ministry of Finance. In 2024, twelve monthly Employee Capital Plan bulletins were also published, featuring up-to-date information about the program, expert articles on the pension savings market, current news, and a list of free ECP training workshops.

**Organizational structure**

The following personnel changes occurred in the Supervisory and Management Boards of PFR Portal PPK in 2024:

- On 9 October 2024 the Extraordinary Shareholder Meeting dismissed the President of the Management Board, Robert Zapotoczny;
- On 9 October 2024, following a recruitment procedure, the Extraordinary Shareholder Meeting appointed Marta Damm-Świerkocka to the Management Board.
- On 10 October 2024, Marta Damm-Świerkocka started her service as a Management Board Member.

As at 31 December 2024, the Management Board of PFR Portal PPK consisted of one person:

- Marta Damm-Świerkocka – Management Board Member.

No Supervisory Board was established in PFR Portal PPK.

# PFR Operacje

## 2.5. PFR Operacje

PFR Operacje (PFRO) was established in October 2020 to strengthen the IT and security capabilities of the PFR Capital Group, optimize procurement in these areas, and enhance transparency in the accountability structure for maintaining and developing IT systems and applications.

Following the outbreak of the conflict in Ukraine, the efforts were directed to strengthening the operational resilience of PFR Capital Group entities by expanding business continuity and cybersecurity management programs. This took into account the risk appetite and tolerance for disruption in the delivery of products or services to internal and external stakeholders (companies in the PFR Capital Group).

PFR Operacje also coordinates the management of risk assessments, risk monitoring and inspections in the following risk areas:

- security (digital and physical),
- information security and privacy,
- continuity of business processes,
- development of systems and applications,
- compliance,
- Reliability.

**Organizational structure**
The following personnel changes occurred in the Management Board in 2024:

- On 27 March 2024, following a recruitment procedure, the Extraordinary Shareholder Meeting of PFR Operacje appointed Radosław Hoc to the Management Board of PFR Operacje for the second term of office. He began serving as a Management Board Member on 30 May 2024.

Also, on 31 October 2024, following a recruitment procedure, the Extraordinary Shareholder Meeting of PFR Operacje, appointed Krzysztof Biniek to the Management Board for the second term of office. He began serving as the President of the Management Board on 1 January 2025. As at 31 December 2024, the composition of the PFR Operacje Management Board was as follows:

- Radosław Hoc – Management Board Member.

# Information on other entities

we know the cloud

## Operator Chmury Krajowej

A technology company established at the initiative of PKO Bank Polski S.A. and PFR in 2018. OChK is a leading provider of cloud services in Poland, with established expertise in advanced data analytics, artificial intelligence, and cybersecurity. The company offers a growing portfolio of services delivered via its proprietary OChK Platform and the cloud platforms of its strategic partners, Google and Microsoft. OChK experts design scalable and secure environments in line with industry best practices and standards, supporting business goals of its clients at every stage of implementation. They provide comprehensive services ranging from strategy and migration to the management and maintenance of IT environments, application development, and data/AI solutions, as well as optimization, automation, security, and regulatory compliance support. OChK's services are used by nearly 400 organizations across almost all sectors, including public institutions, private enterprises, corporations, regulated entities, and startups.

**Organizational structure**
The following personnel changes occurred in the Management Board in 2024:

- On 15 September 2024, Marcin Dzienniak ended his service in the Management Board of OChK.
- On 16 September 2024, Robert Przychodzień commenced his service in the Management Board of OChK.

As at 31 December 2024, the Management Board of OChK was composed of:

- Michał Potoczek – President of the Management Board,
- Robert Przychodzień – Vice-President of the Management Board,
- Paweł Ławecki – Vice-President of the Management Board,
- Krystian Najbert - Vice-President of the Management Board.

# Corporate governance

## 1. CORPORATE GOVERNANCE PRINCIPLES

PFR is a commercial law company with 99.87% of its shares held by the State Treasury. The Company attaches great importance to transparency of its operations and decision-making processes, which are carried out in accordance with generally applicable laws and best market practices.

The rules of operation of the PFR are set out in corporate documents; adoption and observance of these documents ensures that the Company is managed properly and in accordance with applicable laws.

Additionally, in order to ensure proper operation of the Company's governing bodies, bylaws were adopted defining the organization and the manner of performance of particular activities by those bodies, i.e. Regulations of the Management Board of Polski Fundusz Rozwoju S.A. and Regulations of the Supervisory Board of Polski Fundusz Rozwoju S.A. as well as Regulations of the Shareholder Meeting of Polski Fundusz Rozwoju S.A.

The entity keeping the register of the Company's shareholders is Powszechna Kasa Oszczędności Bank Polski S.A. Oddział – Biuro Maklerskie w Warszawie with its registered office in Warsaw.

The Company has adopted numerous internal regulations governing employee conduct in accordance with the rules adopted and observed by the Company. Such regulations include in particular: the Conflict of Interest Prevention and Management Policy, the Gifts and Anti-Corruption Policy, the Best Practice for Social Media, the Policy to Counteract Undesirable Behavior or the PFR Capital Group's Code of Conduct.

## 2. AUDIT FIRM AUTHORIZED TO AUDIT FINANCIAL STATEMENTS

The Supervisory Board of PFR selected PKF Consult sp. z o.o. sp. k. in Warsaw to audit the Company's financial statements and the consolidated financial statements of the PFR Capital Group for 2021 and 2022, with an option to extend the current agreement for the next two financial years (2023 and 2024). In 2023, the PFR Supervisory Board decided to take this option. PKF Consult also audits financial statements of other companies of the PFR Capital Group.

## 3. SHAREHOLDER MEETING

The powers and the course of PFR's Shareholder Meetings are set out in detail by the PFR Articles of Association and the Standing Regulations of the Shareholder Meeting.

Resolutions may be adopted even if the Shareholder Meeting has not been convened formally if the entire share capital is represented and no person in attendance objects to holding the Shareholder Meeting or placing any specific matters on the agenda.

The Shareholder Meeting is valid if at least 50% plus one share are represented, subject to the mandatory provisions of the law. All matters submitted to a Shareholder Meeting on the motion of the Management Board should first be presented to the Supervisory Board for opinion.

Resolutions of the Shareholder Meeting must be adopted with a qualified majority of 2/3 (two thirds) of votes cast, unless the law or the Articles of Association provide for a more strict requirements for adopting a resolution.

A Shareholder Meeting resolution is required in matters specifically identified by the provisions of law, in particular the Commercial Company Code or the Articles of Association. Powers of the Shareholder Meeting include, in addition to the matters specifically identified by the provisions of law, in particular the Commercial Company Code:

1. reviewing and approving the activity report and the financial statements for the previous financial year,
2. adopting a resolution on distribution of profit or coverage of loss,
3. reviewing and approving Supervisory Board activity reports,
4. granting a discharge to members of the Supervisory Board and Management Board on the performance of their duties,
5. specifying the dividend record date and the dividend payment date;
6. selling or leasing an enterprise or an organized part thereof and establishing a limited right in rem thereon,
7. amending the Articles of Association,
8. increasing or decreasing the share capital,
9. issuing bonds, convertible bonds or bonds with a pre-emptive right to shares and issuing subscription warrants,
10. retiring shares and defining the terms and conditions of the retirement,
11. selecting an entity to keep the register of shareholders,
12. merger, demerger or liquidation,
13. forming and merging with a European company,
14. establishing and liquidating special-purpose funds,
15. appointing and dismissing Supervisory Board members,
16. adopting rules of compensation for Supervisory Board members,
17. adopting rules of compensation and setting compensation amounts for Management Board members, including the President of the Management Board,
18. giving consent to a disposal of non-current assets within the meaning of the Accounting Act, in the cases and on the terms set forth in the PFR Articles of Association,
19. giving consent to a purchase of non-current assets within the meaning of the Accounting Act, with the value exceeding: (a) PLN 100,000,000, or (b) 5% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements,

20. giving consent to a subscription for or purchase of shares in another company with a value exceeding: (a) PLN 100,000,000 million, or (b) 10% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements,

21. giving consent to a disposal of shares in another company with a value exceeding: (a) PLN 100,000,000 million, or (b) 10% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements,

22. giving consent to total net costs of remuneration of advisors to the Supervisory Board exceeding PLN 500,000 for the financial year,

23. a purchase and sale of real properties, perpetual usufruct rights or interests in real properties do not require a resolution of the Shareholder Meeting, subject to items 18-19 above.

## 4. SUPERVISORY BOARD

The PFR Supervisory Board operates on the basis of the PFR Articles of Association and detailed rules of procedure of the Supervisory Board set forth in the Regulations of the PFR Supervisory Board.

The Supervisory Board may consist of three to seven members appointed and dismissed for a joint term of office of five years by the Shareholder Meeting.

Supervisory Board Members exercise their rights and perform their duties in person. The Supervisory Board elects a Chairman, Deputy Chairman and a Secretary of the Supervisory Board from among its members in the event that the Shareholder Meeting of Shareholders does not do so in the resolution on appointment of a given Supervisory Board member.

As at 1 January 2024, the Supervisory Board was composed of:

- Magdalena Piłat – Supervisory Board Chairwoman,
- Grzegorz Pazura – Supervisory Board Deputy Chairman,
- Kamila Majcher-Zalewska – Supervisory Board Secretary,
- Tomasz Dudek – Supervisory Board Member,
- Artur Harc – Supervisory Board Member,
- Anna Pietrzak – Supervisory Board Member,
- Piotr Szwarc – Supervisory Board Member.

During the financial year, the composition of the Supervisory Board changed as follows:

1. pursuant to Resolution No. 3 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to dismiss a member of the Supervisory Board of Polski Fundusz Rozwoju S.A., Tomasz Dudek was dismissed from the PFR Supervisory Board;

2. pursuant to Resolution No. 4 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to dismiss a member of the Supervisory Board of Polski Fundusz Rozwoju S.A., Artur Harc was dismissed from the PFR Supervisory Board;

3. pursuant to Resolution No. 5 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to dismiss a member of the Supervisory Board of Polski Fundusz Rozwoju S.A., Kamila Majcher-Zalewska was dismissed from the PFR Supervisory Board;

4. pursuant to Resolution No. 6 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to dismiss a member of the Supervisory Board of Polski Fundusz Rozwoju S.A., Anna Pietrzak was dismissed from the PFR Supervisory Board;

5. pursuant to Resolution No. 7 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to dismiss a member of the Supervisory Board of Polski Fundusz Rozwoju S.A., Piotr Szwarc was dismissed from the PFR Supervisory Board;

6. pursuant to Resolution No. 8 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to appoint a Supervisory Board member of Polski Fundusz Rozwoju S.A., Andrzej Halesiak was appointed to the PFR Supervisory Board;

7. pursuant to Resolution No. 9 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to appoint a Supervisory Board member of Polski Fundusz Rozwoju S.A., Sylwia Jarosz-Żukowska was appointed to the PFR Supervisory Board;

8. pursuant to Resolution No. 10 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to appoint a Supervisory Board member of Polski Fundusz Rozwoju S.A., Ryszard Kokoszczyński was appointed to the PFR Supervisory Board;

9. pursuant to Resolution No. 11 of the Extraordinary Shareholder Meeting of PFR of 11 April 2024 to appoint a Supervisory Board member of Polski Fundusz Rozwoju S.A., Adam Mariański was appointed to the PFR Supervisory Board.

Accordingly, as at 31 December 2024, the Supervisory Board was composed of:

- Magdalena Piłat – Supervisory Board Chairwoman,
- Grzegorz Pazura – Supervisory Board Deputy Chairman,
- Sylwia Jarosz-Żukowska – Supervisory Board Secretary,
- Andrzej Halesiak – Supervisory Board Member,
- Ryszard Kokoszczyński – Supervisory Board Member,
- Adam Mariański – Supervisory Board Member.

Pursuant to Supervisory Board Resolution No. 33/2024 of 26 April 2024, Sylwia Jarosz-Żukowska was appointed Secretary of the PFR Supervisory Board.

The Supervisory Board operates two committees, composed of its members, which serve as permanent advisory and consultative bodies to the PFR Supervisory Board.

**Audit Committee**

The Audit Committee has operated within the Supervisory Board since 16 September 2014 acting as an advisory and consultative body in matters falling under the Supervisory Board's responsibilities in the following areas of PFR's operations:

- financial reporting in the Company,
- annual financial planning and fulfillment of financial plans,
- audit of financial statements by a statutory auditor,
- internal control systems, risk management and internal audit systems,
- relations between PFR and its related parties within the meaning of the Accounting Act and the Commercial Company Code.

The Supervisory Board may request the Audit Committee to support the Supervisory Board also in respect to the performance of supervisory tasks other than those stated above.

**Strategy Committee**
On 27 July 2017, the Supervisory Board appointed the Strategy Committee from among its members.

The tasks of the Strategy Committee include in particular issuing of opinions and making recommendations to the Supervisory Board in respect of strategic motions or applications made to the Supervisory Board and requiring its approval or opinion. Furthermore, the Strategy Committee monitors the implementation of the Company's strategy, strategic multi-year plans and the Company's operational plans, as well as its investment activities which are relevant from the viewpoint of the Committee's tasks connected with the implementation of the Company's strategy. It also performs other tasks as directed by the Supervisory Board.

The Committee is also empowered in particular to: (i) examine any other aspect of the Company's activities which are relevant for the Strategy Committee's tasks in respect of the Company's Strategy, including plans, projects, scenarios and agreements of strategic nature, (ii) request the Company's Management Board to provide all and any information, reports and explanations required for the Committee to execute its tasks and make motions to the Supervisory Board to order expert studies or opinions for the use of the Strategy Committee, in order to ensure proper performance of its functions.

On 26 April 2024, because of personal changes in its composition, the Company's Supervisory Board made changes to the composition of the Audit Committee and the Strategy Committee.

*ESRS 2 GOV-1 21*

## 5. REPORT ON THE ACTIVITY OF THE MANAGEMENT BOARD AS A CORPORATE BODY

On 31 December 2023, the second 5-year term of office of the PFR Management Board ended, and the mandates of the Management Board Members of the second term of office expired on the date the Shareholder Meeting approved the Company's financial statements for 2023. Paweł Borys, who serves as the Company's Management Board President, tendered his resignation effective on 2 April 2024. The remaining members of the Company's Management Board, i.e.:

- Tomasz Fill – Vice President of the Management Board,
- Bartosz Marczuk – Vice President of the Management Board,
- Bartłomiej Pawlak – Vice President of the Management Board,

continued on their positions until 18 July 2024, i.e. until the date their mandate expired as a result of the approval of the financial statements for 2023 by the Shareholder Meeting of PFR. In the period from the date of resignation of Paweł Borys and 19 July 2024, the Regulations of the PFR Management Board allowed for the Vice-President responsible for finance and development to perform the duties of the President of the Management Board in the event the position was vacant or the President was absent. This amendment to the Regulations of the Management Board was due to the need to ensure the operational capacity of the PFR Management Board following the resignation of Paweł Borys from the role of President and his departure from the Management Board, while the Supervisory Board had not yet concluded the recruitment process for a new President of the PFR Management Board.

Appointment to a Management Board member is made after the Supervisory Board has conducted a recruitment procedure to verify and assess the qualifications of the candidates and to select the best candidate. During the procedure, the Supervisory Board makes sure, that the candidates to the Management Board in particular satisfy the conditions set forth in the Act of 16 December 2016 on the Rules for Managing State Property ("RMSP Act"), which have been incorporated in the PFR Articles of Association.

On 12 June 2024, the Supervisory Board of the Company concluded the recruitment procedure for the respective members of the PFR Management Board of the third joint term of office and appointed:

- Piotr Matczuk as President of the PFR Management Board,
- Mariusz Jaszczyk as Vice-President of the Management Board in charge of the finance and development area,
- Mikołaj Raczyński as Vice-President of the Management Board in charge of the investments area,

The Company's Supervisory Board, pursuant to Resolution 50/2024 of 12 June 2024 decided to refrain from selecting the best candidate for Vice-President of the Management Board in charge of development programs and concluded the recruitment procedure.

The term of office of the Company's Management Board members selected on 12 June 2024 started on 19 July 2024.

**Internal allocation of duties and functions discharged by Management Board Members**
The PFR Management Board operates on the basis of the PFR Articles of Association and the Regulations of the Management Board of PFR.

The Management Board runs PFR's affairs and represents PFR before third parties. The Management Board is authorized to run all of PFR S.A.'s affairs not restricted for the powers of the Shareholder Meeting or the Supervisory Board.

The Management Board is obliged to prepare annual activity plans, annual financial plans and PFR's long-term development strategy.

The Management Board is also required to submit quarterly reports to the Supervisory Board containing, in particular, information on:

1. resolutions adopted by the Management Board and their subject matter,
2. the situation of the Company, including its assets, as well as important circumstances affecting the Company's affairs, particularly in the areas of operations, investments and personnel,
3. progress in the implementation of the directions set for the development of the Company's activities, indicating any deviations from the previously set directions.
4. transactions and other events or circumstances that have or may have material effect on the Company's financial position, including its profitability and liquidity,
5. changes in the information previously provided to the Supervisory Board, if such changes materially affect or may affect the Company's situation.

The reports referred to above may be submitted by the Management Board to the Supervisory Board more frequently than once per quarter.

Fulfillment of the obligations referred to in items 2-5 above also includes information held by the Management Board regarding subsidiaries and related companies.

The Management Board is also obliged to prepare and submit to the Shareholder Meeting, along with the Management Board Report on the Company's activity for the previous financial year, the following documents with opinions issued by the Supervisory Board: an annual report on representation expenses, expenses on legal services, marketing services, public relations and social communication services and management services as well as reports on the application of the best practices referred to in Article 7 Section 3 item 2 of the Act on the Rules for Managing State Property.

On 25 July 2024, with the start of the Management Board's third term of office, the Supervisory Board approved an updated allocation of responsibilities among its members. This allocation was modified during the financial year 2024 in connection with organizational changes in the Company. On 20 December 2024, the Supervisory Board approved the amended Regulations of the Management Board and the updated allocation of responsibilities among its members.

**Management Board meetings held and resolutions adopted**

In the financial year 2024, the PFR Management Board held 58 meetings, during which it adopted 630 resolutions, including 43 by circulation, using means of direct remote communication. The Management Board meetings were recorded in the form of minutes, which are kept at the PFR head office.

Information on Shareholder Meetings held and the implementation of Shareholder Meeting resolutions and recommendations of the entity authorized to exercise the rights attaching to the shares held by the State Treasury

In 2024, four PFR Shareholder Meetings were held. In 2024, the Company implemented the resolutions adopted by the Shareholder Meeting, primarily concerning personnel changes in the composition of the Supervisory Board.

**Activity of the PFR Foundation**

PFR Foundation was established in 2018 by the Polish Development Fund as a non-profit organization. Its activities focus on implementing social projects in the areas of education, innovation, culture, and the arts, as well as combating digital exclusion and promoting equal opportunities in education and the labor market for various social groups, including children from eastern Poland, youth in foster care, and seniors.

Thanks to the support of its Founder (PFR), business activities, grants, and 1.5% income tax allocations, the Foundation has been able to actively pursue its mission since 2018. In line with its statutory objectives, the Foundation runs its own educational projects, supports social initiatives through grant programs, and promotes employee volunteering. It is also engaged in professional activation, lifelong learning, support for entrepreneurship, and the promotion of civic engagement.

The Foundation's development strategy is to build an ecosystem of best practices and cooperation with institutions to ensure that its projects have a true impact on the lives of beneficiaries and their communities. Looking ahead, the Foundation plans to continue advancing technological education, innovation, and social support, developing both its own initiatives and collaborative projects.

## 6. COMMERCIAL PROXY

As at 1 January 2024, PFR had three commercial proxies.

After Mariusz Jaszczyk was appointed to the Company's Management Board of the third term of office, he tendered his resignation from his role of the Company's commercial proxy effective as of 18 July 2024.

On 18 December 2024, Anna Wawrzyńczak-Palynyczak tendered her resignation as PFR's commercial proxy.

*ESRS 2 68 d*

## 7. DESCRIPTION OF SIGNIFICANT PENDING LITIGATION

As at 31 December 2024, there were the following material pending proceedings:

- On 9 April 2024, PFR S.A. was served a copy of a lawsuit for payment of PLN 122.6 million (or alternatively PLN 145.3 million) with interest filed by a company that applied for co-financing under PFR Financial Shield programs for Large Companies (lawsuit filed against the State Treasury - Chancellery of the Prime Minister and PFR). The lawsuit is pending (1st instance).

- At the same time, it should be noted that there are also other claims raised against PFR in respect of the management of the government programs: "The Polish Development Fund's Financial Shield for Small and Medium Enterprises", "The Polish Development Fund's Financial Shield 2.0 for Micro, Small and Medium Enterprises" ("Programs"), whereby the value of pecuniary claims pursued in court as at 31 December 2024 is approximately PLN 7.5 million. These claims have no individual impact on the Company's operations and financial position. This is due to the existence, among other things, of the rules-based mechanism by which the Treasury covers the costs incurred by PFR in implementing the programs.

As at 31 December 2024, no provisions have been recognized for any of the aforementioned lawsuits.

## 8. MANAGEMENT BOARD REPORT ON THE APPLICATION OF BEST PRACTICES

Pursuant to Article 7 Section 3 Item 2 of the Act on the Rules for Managing State Property, the Prime Minister may define certain best practices, in particular in the area of corporate governance, corporate social responsibility and sponsorship activities, addressed to companies in which the State Treasury holds an equity stake. In accordance with the PFR Articles of Association, the Management Board is required to prepare and present to the PFR Shareholder Meeting a report on the application of such practices.

As at 31 December 2024, no such best practices have been defined by the Prime Minister.



*Management Board of Polski Fundusz Rozwoju: Mariusz Jaszczyk, Piotr Matczuk, Mikołaj Raczyński*



## Piotr Matczuk

President of the PFR Management Board

An economist and manager with extensive professional experience, including ten years in international development institutions. From 2017 to 2024, he served as the representative of the International Finance Corporation (IFC), an agenda of the World Bank Group in Poland, where he was responsible for implementing IFC's strategy, managing investment and advisory projects, business development, and relations with public and private partners.

Previously, he oversaw the implementation of strategic projects at PKP Intercity. From 2011 to 2014 he worked as an advisor to the Board of Directors of the European Bank for Reconstruction and Development (EBRD), and from 2008 to 2011, he was a financial markets analyst at the National Bank of Poland. He also has academic experience gained at the SGH Warsaw School of Economics.

He holds a degree in economics from SGH and has completed the Sustainable Corporations program at Saïd Business School, University of Oxford.

**The scope of the Management Board President's activity includes directing the activities of the Management Board and ongoing operations of the Company, including oversight over:**

- the strategy and organization area,
- relationships with the entities, in which the Company holds equity stakes or is a founder (corporate relations),
- administrative support for corporate bodies,
- development, adoption and implementation of the strategy,
- human resources management,
- legal support,
- compliance,
- risk management,
- development programs, including innovation development programs, as well as tasks and programs entrusted to the Company under relevant agreements,
- security,
- administrative aspects of internal audit,
- ensuring protection of personal data,
- implementation of tasks and programs entrusted to the Company under relevant agreements,
- the sustainable development area (ESG) in the Company,
- marketing, external and internal communication and promotion of the Company's activities,
- maintenance and development of ITC systems,
- performance of obligations resulting from the exercise of corporate governance over the companies in which PFR holds equity stakes, and performance of the Company's obligations as the founder of the PFR Foundation.



## Mariusz Jaszczyk

Vice President of the PFR Management Board

An expert in corporate finance, audit, and mergers and acquisitions.

He gained professional experience at consulting firms KPMG and EY, as well as in financial institutions such as the PKO BP Group and the Polish Development Fund Group. He is a co-author of the Act on Employee Capital Plans. He served as managing director of PFR's Finance Division.

He completed doctoral studies at the College of Management and Finance of the SGH Warsaw School of Economics, where he had previously earned a master's degree in Finance and Banking.

Since 2009, he has been a certified auditor registered with the Polish Chamber of Statutory Auditors.

**Duties of the Vice-President of the Management Board in charge of the finance and development area include oversight over:**

- the finance and development area,
- the Company's financial reporting, sustainability reporting and controlling,
- preparation and verification of performance of the Company's annual and long-term plans and financial forecasts,
- financing of the Company's activities and financing of programs and tasks entrusted to the Company under the relevant agreements, management of liquidity and the Company's relations with entities securing its financial services and services related to debt securities issued by the Company,
- payouts made by the Company under the development plan referred to in Article 5 item 7aa of the Act of 5 December 2006 on the Principles of Development Policy (KPO), in accordance with the agreement signed with the minister in charge of regional development, as referred to in Article 14ln sec. 5 of the Act on the Principles of Development Policy.
- development and approval, in consultation with the minister in charge of regional development and the minister in charge of public finance, of a financial plan for the account to handle the funds intended for the financing of the development plan referred to in Article 5(7)(aa) of the Act of 5 December 2006 on the Principles of Development Policy (KPO), in accordance with the agreement signed with the minister in charge of regional development, as referred to in Article 14ln(5) of the Act on the Principles of Development Policy, operationalization of development programs, including innovation development programs, as well as operationalization of programs and tasks entrusted to the Company under relevant agreements,
- coordination of procurement processes and ensuring administrative and technical conditions for the operation of the Company's organizational units.
- implementation of employee capital plans, including the system of records and settlements for employee capital plans and support for the information campaign on the system of employee capital plans,
- operation of the call center.



## Mikołaj Raczyński

Vice President of the PFR Management Board

Seasoned manager, economist, and capital markets expert with extensive experience in both Polish and international financial institutions. He specializes in public and private markets, overseeing investment decisions and managing multi-disciplinary investment teams. He has broad knowledge of macroeconomics and economic processes.

His career includes a role at Noble Funds TFI, where as a management board member he was responsible for investment decisions. He led (or participated in) investment committees for funds operating in public markets as well as in private debt, distressed debt, private equity, and mezzanine financing markets. He also worked for the pan-European investment group WOOD & Company, where he oversaw the expansion of one of its business lines in Poland.

He has been recognized with multiple industry awards, including twice receiving the Golden Portfolio award for investment performance and twice being named Best Macroeconomic Analyst.

A graduate of the Warsaw School of Economics (Finance and Banking) and the Warsaw University of Technology (Management). He is a Chartered Financial Analyst (CFA), a licensed investment advisor, and certified in ESG Investing by the CFA Institute.

**Duties of the Vice-President of the Management Board in charge of the investment area include oversight over:**

- the investment area,
- origination of investment projects,
- execution of equity and debt investments,
- execution of local government investments,
- management of the investment portfolio,
- performance of analyses.

# Internal control and risk management systems

The primary purpose of the risk management process is to ensure that major risks associated with the Company's operations are identified, properly measured, reported and controlled. In the context of PFR's operations under the Commercial Company Code and the Act on the Development Institutions System as well as the Company's involvement in administering the Programs, PFR is exposed to the likelihood of materialization of the risk factors described below. While exercising due care in the risk management area, PFR deploys solutions, based on the principles of proportionality and adequacy, aimed at effectively reducing to a minimum the materialization of these risks in line with the market's current best practices. The Company's risk management process has been founded on three independent complementary lines of defense. The objective and rules of operation of the risk management system include the identification, assessment and monitoring of the risks occurring in PFR's activity to ensure the correctness of the process of setting and achieving specific goals of PFR's activity as well as the implementation of a model of three lines of defense based on independent levels:

- First line – all the PFR's organizational units responsible for operating in compliance with generally applicable laws in force and PFR's internal regulations, taking preventive measures if the completion of the defined tasks assigned to a division/organizational unit is threatened and identifying key risks in one's division/organizational unit.

- Second line – appropriate organizational units ensuring supplementary expertise and support, monitoring and control of the first line, in particular to ensure compliance with the law (through the implementation of the internal control system and the compliance system), information security, personal data protection and risk management at the PFR level.

- Third line – internal audit, which evaluates the adequacy, efficiency and effectiveness of risk management processes, providing the Management Board and Supervisory Board with reasonable assurance of their effectiveness and proper functioning.

All three lines of defense in PFR's risk management system properly apply controls or independently monitor compliance with established policies.

## 1. CREDIT RISK

Credit risk means the risk of an unexpected non-performance, partial performance or delay in the performance of an obligation (including a financial obligation) by a counterparty. In this context, it is crucial to examine and evaluate the Company's counterparties and to monitor on an ongoing basis the payment of their liabilities, especially in terms of timeliness. It is also very important to apply appropriate contractual safeguards. In the event of non-compliance with the counterparty's contractual obligations, the Company may incur a financial loss. Credit risk arises both directly within PFR, where it concerns investment agreements signed by the Company on its own behalf, and indirectly through investment certificates, representing the portfolio of investments made by the Company for and on behalf of the funds in which PFR acts as an investor. This risk arises chiefly from debt instruments. The purpose of risk management is to maintain a stable and balanced (in terms of quality and value) receivables portfolio resulting from loans granted and other investments in debt financial instruments. This risk may be mitigated by ensuring appropriate structuring of transactions.

## 2. LIQUIDITY RISK

Liquidity risk is the risk that the PFR Capital Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity management in the PFR Capital Group involves ensuring, as far as possible, that it has sufficient liquidity to settle its due and payable liabilities, both in a normal and a crisis situation, without exposing the Group to unacceptable losses or undermining its reputation. For this purpose, the PFR Capital Group monitors its cash flows on an ongoing basis and prepares liquidity forecasts and keeps sufficient cash to cover anticipated operating and current expenditures and to fulfill long-term investment commitments, by maintaining adequate funds on bank deposits with a time structure matching the liability structure, with flexibility buffers.

## 3. MARKET RISK

Market risk means that changes of market prices, such as foreign exchange rates, interest rates, liquidity of capital markets will impact the PFR Capital Group's results or the value of the financial instruments it holds and the possibility of exiting an investment. Market risk management aims to maintain and control the level of exposure of the PFR Capital Group to market risk within acceptable bounds, while simultaneously making efforts to optimize the rate of return on investments. The PFR Capital Group manages the risk both with regard to the investment agreements executed directly by itself and with regard to the investment agreements entered into by the PFR Capital Group on behalf of and to the benefit of the funds, some of whose assets it manages.

## 4. COMPLIANCE RISK

Compliance risk is the risk of failure to abide by the provisions of law, internal regulations, market standards or accepted standards of conduct (including ethical principles) or codes of best market practices. In order to effectively manage the compliance risks linked to the Company's activities, PFR adapted its operations to the standards existing on the market and implemented a compliance management system, which consists of solutions aimed at reducing the likelihood of compliance risks materializing:

- compliance risk management, or compliance with laws and regulations, as well as for reviews and updates of internal procedures,

- compliance risk monitoring, i.e. functional audits and ad-hoc audits,

- other areas such as verification of customers and business partners in the procurement and investment process (KYC) and performance of the process of verification with sanction lists; conflict of interest management in the procurement and investment pro-

## Supervisory Board

Functional oversight of the internal control system exercised by the Supervisory Board's Audit Committee

## Management Board

Design and implement and ensure the operation of an internal control system

## Managers of organizational units

### 1ST LINE OF DEFENSE

Functional control and reporting its findings

### 2ND LINE OF DEFENSE

Expertise. Risk control which requires expertise

## Audit Unit

### 3RD LINE OF DEFENSE

Evaluation of the internal control system

cess, and the Code of Conduct, preventing corruption and reporting breaches (whistleblowing).

### 5. OPERATIONAL RISK

This risk is construed as the risk of a loss arising from inadequate or failed internal processes, people or systems, or from external events that may disrupt PFR's proper operation. This category also includes information security, business continuity and the risk associated with the breach of personal data protection, information security and risk of fraud.

### 6. INVESTMENT RISK

Investment risk is construed as the risk of failure in achieving the expected rate of return on the Company's investments within the assumed timeframe or incurring a loss related to such investments. The PFR Capital Group monitors its investments and defines the investment exit path. As part of the investment selection process, an assessment of the risks associated with the investment is carried out, as well as a financial due diligence of the investee. Investment limits are set for activities related to the management of funds' investment portfolios or parts of those portfolios. In order to exercise effective supervision, PFR seeks to appoint a fund representative to the corporate authorities of its portfolio companies.

### 7. POLITICAL RISK

This risk arises predominantly from unpredictable political changes or political instability in the respective country. It may involve, without limitation, a change of the national government or changes in other high-profile government positions, government decisions affecting the legal environment for the functioning of enterprises and the economy as a whole, e.g. changes in taxes or government expenditure. In order to minimize political risk, the Company continuously monitors the government's economic development plans, changes in the government's strategy and projected or proposed amendments to the applicable legal regulations from the perspective of their impact on PFR's business. The Company, if it is guaranteed such an opportunity, actively participates in public consultations and submits comments to the government's legislative process, particularly with respect to changes that could potentially affect PFR's operations.

### 8. PROJECT RISK

Risk is understood as the probability of a situation that can affect, both positively and negatively, the quality, scope, cost, schedule of a project. A typical feature of this risk is the ability to estimate the probability of its occurrence and the strength of its impact on the project. If materialized, this risk can lead to additional costs, losses, delays, and consequently to the occurrence of an event that prevents the implementation of part or all of the project. A risk can also have a positive effect, for example by reducing the duration of an initiative.

### 9. STRATEGIC RISK

Caused by improper decisions regarding the development strategy of the PFR Capital Group, inadequate or incomplete implementation of the adopted strategy or the inaction or an inappropriate reaction to changes in the Company's environment. The PFR Capital Group reviews its market and economic environment and regularly verifies the implementation of its plans while monitoring the validity of the adopted objectives and actions called for in the strategy.

### 10. REPUTATION RISK

This risk is construed as the risk of an unfavorable perception of PFR's image by customers, counterparties, investors, regulators, supervisory authorities and/or the public. This risk may be a derivative of any of the other types of risk. The Company, through the activities of its various organizational units and the adopted external communication strategy, pursues a number of initiatives aimed at minimizing the materialization of this risk. As a fundamental tool to prevent this type of risk, under the first line of defense in the company, all the managers of the organizational units are obligated to perform systematic functional control.

### 11. LEGAL RISK

In the context of the Company's business, legal risk is identified primarily as the risk of changes in generally applicable laws or case-law, or of the absence of pertinent regulations in areas affecting the Company's operations and activities. Such changes in regulations or the absence of regulations in significant business areas may exert an unfavorable impact on the Company's operations. They may also result in the Company's inability to carry out its activities in an efficient and effective manner.

An additional category of legal risk that may affect PFR's business is the risk of unfavorable decisions by courts or public administration authorities settling the PFR Capital Group's disputes with other entities. In order to minimize such legal risk, the Company has implemented appropriate processes for issuing opinions on contracts, regulations, internal procedures and other documents. Within its internal legal department, PFR provides appropriate legal assistance, and in cases where complex transactions or projects are involved, it collaborates with experienced external legal advisers. The Company also constantly monitors changes in legal regulations and evaluates their impact on PFR's business on an ongoing basis.

# Compliance management system

In view of the nature of PFR's business, the legal regulations and market standards applicable to the Company, in 2021 the Company implemented the compliance management system consisting of the following elements:

- regulatory monitoring based on the verification of changes in the legal environment and managing internal legislative processes,
- compliance risk monitoring based on the testing of control mechanisms assigned to processes defined in the Company,
- anti-corruption and anti-bribery rules,
- whistleblowing,
- conflict of interest management rules,
- Know Your Customer (KYC) and sanctions list screening,

and

- Code of Conduct.

The PFR Compliance System is also based on the principles set forth in, among others: Best Practice of GPW Listed Companies, Corporate Governance Principles for Supervised Institutions, Recommendations of the Polish Financial Supervision Authority. Within the framework of its compliance system, PFR takes action to build an organization based on a specific system of values defined in the Code of Conduct. Among them, special importance is given to values building the organizational culture, such as respect for human rights, mutual assistance, equal treatment of others, as well as responsibility in relations with external stakeholders. Building the perception of compliance, i.e. the responsibility for acting in accordance with generally applicable laws, market standards and above all ethical norms, is based on a program of training and meetings with employees.

With regard to internal regulations, the rules operating at PFR set out the process of developing, consulting and adopting policies and detailed procedures. Each organizational unit is responsible for identifying the areas that need to be regulated within the scope of its activity. Details of internal regulations issued and canceled, as well as their revision status are reported to the PFR Management Board on a quarterly basis by the Compliance Department. In 2024, 85 internal regulations were updated and 11 new ones were issued. At the end of 2024, there were 162 internal regulations in force. 11% internal regulations were outdated or expired at the end of 2024.

The PFR Capital Group does not tolerate corruption in any form and actively counteracts it. The key principle is zero tolerance for corruption. For this purpose, internal regulations have been adopted and must be observed by all employees of the PFR Capital Group, defining the rules of cooperation with the pertinent state authorities. Prevention of all acts bearing the hallmark of corruption is one of the elements of the PFR compliance management strategy and of the PFR Capital Group's Code of Conduct. PFR has in place a gifts and anti-corruption policy, which sets out the principles and procedures to be followed in this area. In 2024 there were no recorded corruption reports, where corruption is defined as using the function held or position in the company to promise, propose or give any undue benefits or promises, or to demand or accept such undue benefits.

In 2024, based on the Whistleblower Protection Act, provisions of the Procedure for Internal Reports on Breaches of Law in Polski Fundusz Rozwoju were updated, sanctioning the system of reporting irregularities operating to date. In accordance with the whistleblower protection rules, the implemented solutions made it possible to report irregularities anonymously through appropriate channels available on the Company's website.

PFR has implemented internal regulations such as the Conflict of Interest Prevention and Management Policy and the Rules of Conduct and Management of Conflicts of Interest in Financial Markets. Employees are obliged to report any suspicion or possibility of occurrence of a potential or actual conflict of interest, in particular where personal interests prevent or might preclude the due and proper performance of official duties. In addition, PFR has in place a "Know Your Customer (KYC)" policy and detailed regulations such as the Procedure for Identification, Verification and Assessment of KYC Risk for Entities Participating in PFR's Investment Process or the PFR Contractor Verification Procedure, which is one of the mechanisms for preventing and managing conflict of interest in the investment and procurement process. The rules on preventing conflicts of interest were also included in the Regulations of the Supervisory Board and in the Regulations of the Management Board of Polski Fundusz Rozwoju.

The Compliance Management Committee at the PFR Capital Group was established in order to promote common standards and tools supporting compliance risk management in the PFR Capital Group. Its responsibilities include: implementing group standards for compliance risk management; preventing situations that could adversely affect the image of the group; promoting integrity and the highest ethical standards in business conduct; implementing transparent and standardized rules of conduct. In 2024, the Committee completed a joint project entitled "Standardization of Areas Managed by the Compliance Function in PFR Capital Group companies" and conducted a study of maturity of the compliance function in PFR Capital Group companies. As part of its work in 2024, the Compliance Committee reviewed the PFR Capital Group Code of Conduct and whistleblowing standards in companies, in order to adjust them to the provisions of the Whistleblower Protection Act published on 18 October 2021, implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

## Anticorruption Shield

In view of the execution by the Company of government business financial support programs, i.e. the so-called PFR Financial Shield, the Company, at the request of the President of the Management Board, has been included in the so-called Anti-corruption Shield program, i.e. a set of operational and support activities pursued by authorized

entities with a view to protecting Poland's economic interests. Due to the nature, scale and value of public funds involved in the rollout of all the Financial Shield Programs, in April 2020 Company applied to the Central Anticorruption Bureau ("CBA") for all its Programs to be covered by activities aimed at reducing the risk of irregularities or fraud. In response, the CBA agreed to take actions to support PFR in the execution of the Programs. The CBA's protection covers Company employees directly involved in the execution activities, advisors supporting the Company, as well as the individual entities that have applied for and received support. In parallel, coordinators have been appointed for cooperation both on the side of the CBA and PFR (designated employees of the Compliance Department). Based on the legal grounds provided by the CBA for personal data collection and processing, PFR S.A. created an IT resource intended to provide the CBA with the specified information. It was launched on 24 April 2020, with access to this resource having been granted to designated CBA and PFR staff. At the same time, in September 2020, an agreement was signed between the CBA and PFR regarding the provision of information. In 2024, the exchange of information between CBA and PFR was continued and concerned in particular settlements of the PFR Financial Shield 1.0 and 2.0 for MSME.

As a result of a similar request, addressed to the Internal Security Agency ("ABW"), on 17 April 2020 PFR became covered by special oversight in terms of securing its ICT systems and providing counterintelligence protection. On 27 April 2020, an agreement was entered into on the inclusion of PFR into the ARAKIS early warning system, which resulted in the implementation of the ARAKIS system in PFR on 4 May 2020 and the commencement of operational cooperation with the ABW's Computer Security Incident Response Team in the area of handling security incidents. Moreover, on 28 July 2020, a request was made to the Internal Security Agency (ABW) to include PFR in the annual ICT systems security assessment plan in 2021, which resulted in the execution of an agreement on 17 February 2021 to perform a security assessment of PFR's ICT systems in 2021. From May to June 2021, the ABW conducted a security assessment of PFR's ICT systems in accordance with this agreement. In 2024, operational cooperation with the ABW in the detection and handling of cybersecurity incidents continued.

# Management Board Report on the Activity of PFR S.A. and the PFR Capital Group in 2024

## Chapter 2: Economic and Financial Data


**Structure of the PFR Capital Group** ..... **47**

1. Discussion of selected revenue and cost items of the PFR Capital Group ..... 47

**Statement of financial position of the PFR Capital Group** ..... **48**

**Financial result of PFR** ..... **49**

1. Discussion of selected revenue and cost items of the of the Company ..... 49
2. Fulfillment of economic and financial results in 2024 ..... 50

**PFR's statement of financial position** ..... **50**

1. Utilization of bank loans during the year ..... 51
2. Sureties and guarantees granted ..... 51
3. List of donations made and debt exemptions ..... 52

**Current and projected financial standing of PFR and the PFR Capital Group** ..... **52**

**Management Board's reports on representation expenditures, expenditures for legal, marketing, public relations and public communication services and management services** ..... **53**

1. Cost of representation, communication and marketing ..... 53
2. Cost of legal services ..... 54
3. Cost of consultancy services ..... 55




# Structure of the PFR Capital Group

The net profit of the PFR Capital Group for the period from 1 January to 31 December 2024 was PLN 776.1 million, which was PLN 442.7 million (or +133%) higher than last year (PLN 333.3 million). In 2024, PFR received a dividend from Bank Pekao S.A. in the amount of PLN 645.0 million (in 2023, PFR received PLN 182.1 million).

## 1. DISCUSSION OF SELECTED REVENUE AND COST ITEMS OF THE PFR CAPITAL GROUP

**Revenue**

In 2024, the PFR Capital Group achieved sales revenue of PLN 414.6 million, i.e. PLN 6.3 million lower than PLN 421.0 million in 2023. The main revenue items in the Group, similarly to the previous year, included the fee for managing investment fund assets in the amount of PLN 264.7 million and the revenue for operating the PFR Financial Shield programs in the amount of PLN 116.1 million *(Table 1)*. The decrease in the amount of revenues resulted mainly from a decline in the fee received for the implementation of Financial Shield programs by PLN 50.0 million. The decrease in the fee from 0.15% to 0.1% of the Program's value follows from provisions of the agreement entered into with the Ministry of Economic Development and Technology.

**Operating expenses**

The expenses of the PFR Capital Group in 2024 were PLN 292.1 million, which was PLN 4.4 million higher than last year. The largest decline was recorded in the line item of other costs by nature (table 2) in the part related to marketing costs. In 2023, marketing costs were high, driven by the one-time campaign promoting the ECP project implemented by PFR, in connection with the so-called automatic subscription. This campaign was not continued in 2024. Additionally, as a result of changes in the management board of PFR in 2024, some of the marketing activities were delayed.

Table 1. **Revenue (PLN thousand)**

| PFR Capital Group – Sales structure | 1 January - 31 December 2024 | 1 January - 31 December 2023 | 2024–2023 (change) | 2024–2023 (%) |
|---|---|---|---|---|
| Revenues from the execution of the Financial Shield government programs | 116,071 | 166,071 | -50,000 | -30% |
| Management revenue | 264,749 | 224,691 | 40,058 | 18% |
| Activities arising from the Act on Employee Capital Plans | 17,752 | 12,524 | 5,228 | 42% |
| Revenues from the implementation of the National Recovery Plan government program | 6,437 | 5,713 | 723 | 13% |
| Other revenue | 9,640 | 11,974 | -2,334 | -19% |
| **Total** | **414,649** | **420,973** | **-6,326** | **-2%** |

Table 2. **Operating expenses (PLN thousand)**

| PFR Capital Group – operating expenses | 1 January - 31 December 2024 | percentage | 1 January - 31 December 2023 | percentage | 2024–2023 (change) | 2024–2023 (%) |
|---|---|---|---|---|---|---|
| Depreciation and amortization | 10,361 | 4% | 11,351 | 4% | -990 | -9% |
| Consumption of materials and energy | 2,232 | 1% | 2,595 | 1% | -363 | -14% |
| Third party services | 60,619 | 21% | 60,306 | 20% | 313 | 1% |
| Taxes and charges | 11,111 | 4% | 4,136 | 1% | 6,975 | 169% |
| Salaries | 156,835 | 54% | 152,496 | 51% | 4,339 | 3% |
| Social insurance and other benefits | 35,379 | 12% | 31,811 | 11% | 3,568 | 11% |
| Other costs by nature | 15,184 | 5% | 33,085 | 11% | -17,901 | -54% |
| Value of goods and materials sold | 368 | 0% | 751 | 0% | -383 | -51% |
| **Total** | **292,089** | **100%** | **296,531** | **100%** | **-4,442** | **-1%** |

# Statement of financial position of the PFR Capital Group

As at 31 December 2024, the total balance sheet value of the PFR Capital Group was PLN 77.9 billion, down 14.7 billion (or -16%) from PLN 92.6 billion last year (table 3). The decrease in the sum of assets in 2024 resulted mainly from a lower level of cash related to the Financial Shield program, which was associated with the redemption by the Company of PFR0324 bonds with a par value of PLN 16.3 billion in March 2024.

The next redemption of the bonds issued for the service of the Financial Shield program is in March (PLN 18.5 billion) and September 2025 (PLN 15.2 billion). Accordingly, this liability was presented in current liabilities.

On 30 December 2024, PFR received from the State Treasury, as contribution-in-kind, 1,000,000 treasury bonds with a total nominal value of PLN 0.00 and fair value of PLN 975,643,259.64 as at 31 December 2024. The contribution-in-kind was made towards the new issue of PFR shares. The share capital increase was registered on 2 April 2025.

Table 3. **Balance sheet of the PFR Capital Group (PLN thousand)**

| PFR Capital Group – Balance sheet | 2024 | percentage (%) | 2023 | percentage (%) |
|---|---|---|---|---|
| **ASSETS** | **77,938,817** | **100%** | **92,632,861** | **100%** |
| **Non-current assets** | **18,333,180** | **24%** | **18,900,256** | **20%** |
| Intangible assets | 5,626 | 0% | 10,134 | 0% |
| Property, plant and equipment | 6,512 | 0% | 9,061 | 0% |
| Non-current receivables | 13,143 | 0% | 4,282 | 0% |
| Non-current investments | 18,287,948 | 23% | 18,856,243 | 20% |
| Non-current prepayments and accruals | 19,951 | 0% | 20,537 | 0% |
| **Current assets** | **59,605,638** | **76%** | **73,732,604** | **80%** |
| Inventory | 56 | 0% | 40 | 0% |
| Current receivables | 51,997,737 | 67% | 51,219,898 | 55% |
| Current investments | 7,601,938 | 10% | 22,502,641 | 24% |
| Current prepayments and accruals | 5,907 | 0% | 10,025 | 0% |
| **EQUITY AND LIABILITIES** | **77,938,817** | **100%** | **92,632,861** | **100%** |
| **Equity** | **16,895,013** | **22%** | **15,600,512** | **17%** |
| **Liabilities and provisions for liabilities** | **61,043,805** | **79%** | **77,032,349** | **84%** |
| Provisions for liabilities | 725,713 | 1% | 601,984 | 1% |
| Non-current liabilities | 24,730,172 | 32% | 57,150,273 | 62% |
| Current liabilities | 35,542,130 | 46% | 19,194,696 | 21% |
| Prepayments and accruals | 45,789 | 0% | 85,396 | 0% |

# Financial result of PFR

The net profit of the Company for the period from 1 January to 31 December 2024 was PLN 751.9 million, which was PLN 432.9 million (i.e. +136%) higher than in 2023 (PLN 319.0 million).

## 1. DISCUSSION OF SELECTED REVENUE AND COST ITEMS OF THE OF THE COMPANY

**Revenue**

The Company achieved revenue of PLN 248.4 million (PLN 281.5 million in 2023), i.e. PLN 33.2 million (-12%) less than last year. The main revenue item in the Company in 2024 was the revenue for managing part of the investment portfolios of closed-end investment funds (which represented 48% of all revenue). In 2024, revenue on this account amounted to PLN 119.8 million, i.e. up by PLN 18.8 million (i.e. +19%) compared to the revenue achieved in 2023 (PLN 101.1 million).

The second-largest source accounting for 47% of total revenue was the fee for implementing the PFR Financial Shield government programs. Under an agreement signed with the State Treasury, up until April 2024, PFR charged an annual fee for the handling of PFR Financial Shield programs equal to 0.15% of the total value of the programs (PLN 100 billion), which amounted to 166.1 million in 2023 *(Table 4)*. In 2024, it was PLN 116.1 million (0.1% of the total value of the program from April 2024).

Another item in the revenue structure is the fee for handling the National Recovery and Resilience Plan (KPO) government program. For this, the Company recognized revenue of PLN 6.4 million in 2024 (PLN 5.7 million in 2023). The annual increase in revenue is due to the contractual revaluation of the fee payable to the Company for the implementation of the program.

**Operating expenses**

In 2024, the Company's operating expenses amounted to PLN 147.3 million (PLN 166.6 million in 2023) and were PLN 19.3 million lower than last year's expenses. The slight increase in costs of salaries and social security and third party services was offset by a significant decline in other costs by nature *(Table 5)*.

The increase in costs of salaries with insurance and other benefits in 2024 versus 2023 resulted from the costs of payouts on account of no-compete clauses for the departing Management Board as well as other personnel changes that occurred during the year. As at 31 December 2024, the headcount in PFR was 236 employees, compared to 272 persons at the end of 2023 (a decrease of 36).

**Table 4.** Revenue (PLN thousand)

| PFR – Structure of revenues | 1 January - 31 December 2024 | 1 January - 31 December 2023 | 2024–2023 (change) | 2024–2023 (%) |
|---|---|---|---|---|
| Revenues from the execution of the Financial Shield government programs | 116,071 | 166,071 | -50,000 | **-30%** |
| Management revenue | 119,846 | 101,095 | 18,751 | **19%** |
| Revenues from the implementation of the National Recovery Plan government program | 6,437 | 5,713 | 724 | **13%** |
| Other revenue | 6,014 | 8,659 | -2,645 | **-31%** |
| **Total revenue** | **248,369** | **281,539** | **-33,170** | **-12%** |

**Table 5.** Structure of operating expenses (PLN thousand)

| PFR – Structure of operating expenses | 1 January - 31 December 2024 | percentage (%) | 1 January - 31 December 2023 | percentage (%) | 2024–2023 (change) | 2024–2023 (%) |
|---|---|---|---|---|---|---|
| Depreciation and amortization | 5,148 | 3.5% | 6,844 | 4.1% | -1,695 | **-25%** |
| Consumption of materials and energy | 739 | 0.5% | 1,033 | 0.6% | -294 | **-28%** |
| Third party services | 47,339 | 32.1% | 46,242 | 27.8% | 1,097 | **2%** |
| Taxes and charges | 555 | 0.4% | 705 | 0.4% | -149 | **-21%** |
| Salaries | 69,091 | 46.9% | 68,647 | 41.2% | 444 | **1%** |
| Social insurance and other benefits | 14,246 | 9.7% | 13,972 | 8.4% | 274 | **2%** |
| Other costs by nature | 9,894 | 6.7% | 28,413 | 17.1% | -18,519 | **-65%** |
| Value of goods and materials sold | 308 | 0.2% | 751 | 0.5% | -443 | **-59%** |
| **Total operating expenses** | **147,321** | **100.0%** | **166,607** | **100.0%** | **-19,286** | **-12%** |

The lower depreciation and amortization expenses vs. 2023 was due to the completed amortization of an electronic system related to the Financial Shield for Large Companies and the e-ECP registration system, in September 2024.

In terms of third party services, an increase in costs of IT and security services was observed, which was offset by the costs of legal services, which was connected mainly with the transition from the stage of providing aid to the stage of phasing out and debt collection for programs within the PFR Financial Shield with regard to providing aid and paying out subsidies. It is for the same reason that in 2024, the Company incurred lower expenditures for legal consulting and legal representation than in 2023. In the coming years, the Company will monitor repayments of the granted subsidies and carried out debt collection activities in the event of late repayments. Until the process is completed, the Company will incur regular costs associated with handling Financial Shield programs, including IT costs.

The largest decline in costs was recorded in the line item of other costs by nature, mainly in the part related to marketing. In 2023, marketing costs were high, driven by the one-time campaign promoting the ECP project implemented by PFR in connection with the so-called automatic subscription. This campaign was not continued in 2024. Additionally, as a result of changes in the PFR Management Board in 2024, some of the marketing activities were suspended.

Despite the change in the sales structure indicator, which caused an increase in non-deductible VAT in 2024, total operating expenses were 12% higher year over year.

**Material non-recurring revenue and cost items**

In 2024, PFR received PLN 645.0 million in dividend from Bank Pekao S.A. (PLN 182.1 million in 2023). The dividend received by the Company included 50% of the 2023 profit and the retained portion of the 2019 profit, representing 75% of Bank Pekao S.A.'s total 2019 profit.

The transactions related to co-payments to investment certificates are described in detail in note 10.2.3. of the Financial Statements of PFR.

In 2024, PFR S.A. recognized an impairment loss on its shareholdings in Polska Agencja Ratingowa S.A. in the amount of PLN 2.78 million and an impairment loss on 99,398 investment certificates of the PFR KOFFI FIZ Investment Fund in the amount of PLN 5.95 million.

## 2. FULFILLMENT OF ECONOMIC AND FINANCIAL RESULTS IN 2024

In 2024, the Company generated operating revenues from both core activities and other activities, in the amount of PLN 255.0 million. The financial plan for 2024 assumed operating revenue of PLN 226.9 million. Operating profit in 2024 was PLN 96.6 million and was PLN 59.7 million higher than planned (PLN 36.9 million). The Company's net profit for 2024 amounted to PLN 751.9 million and was PLN 315.7 million higher than the planned net profit of PLN 436.2 million. The net profit was significantly higher than planned, which was caused primarily by: a) an additional dividend received by the Company (PLN 215.7 million) relating to the retained portion of the 2019 profit, representing 75% of Bank Pekao S.A.'s total net profit for that year; b) higher revenue from management fees due to a larger calculation base, i.e. the net asset value of the funds under management; and c) lower operating expenses (some marketing activities originally planned for 2024 were suspended due to changes in the Management Board and personnel changes).

# PFR's statement of financial position

As at 31 December 2024, PFR's total balance sheet value was PLN 77,885.5 million, signifying a decline in the value of assets and equity and liabilities by PLN 14,690.4 million compared to the end of 2023 *(Table 6)*.

The decrease in the sum of assets in 2024 resulted mainly from a lower level of cash related to the Financial Shield program, following the redemption by the Company of PFR0324 bonds with a par value of PLN 16.3 billion in March 2024.

On 30 December 2024, PFR received from the State Treasury, as contribution-in-kind, 1,000,000 treasury bonds with a total nominal value of PLN 1,000,000,000.00 and fair value of PLN 975,643,259.64 as at 31 December 2024. The contribution-in-kind was made towards the new issue of PFR shares; the share capital increase was registered on 2 April 2025. Other events after the balance sheet date not captured in the financial statements are identified in Note 34 of PFR's Financial Statements.

In 2020, the Company provided businesses registered in Poland with financial aid in the form of loans and subsidies. The Financial Shield program, launched in 2020 to mitigate the effects of the COVID-19 pandemic, continued in the following years. The Company remains engaged in activities related to the settlement of the aid disbursed under the program.

PFR's non-current investments include investments in Investment Certificates, subsidiaries and associates, shares in other companies (including shares in Bank Pekao S.A.) and bonds. The value of the stake held in Bank Pekao S.A. presented in the Company's balance sheet at the end-of-2024 prices was PLN 4,632.9 million (PLN 5,108.3 million in 2023), down PLN 475.4 million from the previous year. The valuation of the shares was presented in the revaluation reserve. Details of the non-current financial assets in other entities are described in Note 10.2.3. of the Financial Statements of PFR.

The largest items of the Company's equity and liabilities were long-term liabilities and short-term liabilities arising from the issue of debt securities, which included bonds issued by PFR in order to raise funds

**Table 6.** Balance sheet of PFR (PLN thousand)

| Balance sheet | 2024 | percentage (%) | 2023 | percentage (%) |
|---|---|---|---|---|
| **ASSETS** | **77,885,505** | **100%** | **92,575,898** | **100%** |
| **Non-current assets** | **18,624,993** | **24%** | **19,179,138** | **21%** |
| Intangible assets | 1,037 | 0% | 6,085 | 0% |
| Property, plant and equipment | 2,492 | 0% | 3,128 | 0% |
| Non-current receivables | 10,817 | 0% | 1,909 | 0% |
| Non-current investments | 18,598,344 | 24% | 19,152,382 | 21% |
| Non-current prepayments and accruals | 12,303 | 0% | 15,633 | 0% |
| **Current assets** | **59,260,512** | **76%** | **73,396,759** | **79%** |
| Inventory | 0 | 0% | 0 | 0% |
| Current receivables | 51,990,163 | 67% | 51,225,824 | 55% |
| Current investments | 7,267,883 | 9% | 22,168,169 | 24% |
| Current prepayments and accruals | 2,466 | 0% | 2,766 | 0% |
| **EQUITY AND LIABILITIES** | **77,885,505** | **100%** | **92,575,898** | **100%** |
| **Equity** | **16,951,467** | **22%** | **15,682,068** | **17%** |
| **Liabilities and provisions for liabilities** | **60,934,038** | **78%** | **76,893,830** | **83%** |
| Provisions for liabilities | 681,570 | 1% | 564,370 | 1% |
| Non-current liabilities | 24,727,463 | 32% | 57,145,071 | 62% |
| Current liabilities | 35,524,813 | 46% | 19,183,764 | 21% |
| Prepayments and accruals | 192 | 0% | 625 | 0% |

for the execution of the Financial Shield program. As at the balance sheet date, the total value of these liabilities was PLN 58,112.3 million (it was PLN 74,549.2 million in 2023). All the bonds are fully guaranteed by the State Treasury. One issue PFR0324, with the nominal value of PLN 16.3 billion, was redeemed in March 2024, in accordance with the terms and conditions of the issue. Further redemptions are planned in March 2025 (for the nominal value of PLN 18.5 billion) and September 2025 (for the nominal value of PLN 15.2 billion). Accordingly, as at the balance sheet date, these bonds were presented in current liabilities.

In 2021, PFR's share capital was increased by PLN 6,522,655,226.00, i.e. from PLN 4,953,252,553.00 to PLN 11,475,907,779.00. No further share capital increases occurred between 2022 and 2024.

At the end of 2024, the Company was being recapitalized for the amount of up to PLN 1 billion; the bonds received at the end of the year were measured at PLN 976 million. In early April 2025, an increase of the Company's share capital up to PLN 12,122,029,143.00 was registered (with the registration date of 2 April 2025).

## 1. UTILIZATION OF BANK LOANS DURING THE YEAR

In April 2024, the Company signed Annex 7 to the agreement with PKO BP S.A. Bank, extending the availability period of the overdraft facility by another year. The maximum amount is PLN 30 million. The facility was taken out to secure the Company's ongoing business. During the year there was no need to use the facility on an ongoing basis.

On 30 May 2017, PFR signed a loan agreement with Bank PKO BP S.A. in the amount of PLN 3,132 million to finance the purchase of Bank Pekao S.A. shares. The loan was secured by with financial and registered pledges established on the shares in Bank Pekao S.A. held by the Company. On 6 December 2016, a resolution was adopted under which the Extraordinary Shareholder Meeting acknowledged the aforementioned terms and conditions of the transaction. During 2024, all interest payments were made as scheduled. As at 31 December 2024, the outstanding loan principal was PLN 1,086.5 million. Since the Annex to the agreement with PKO BP S.A. signed in May 2024, which postponed the loan repayment date to 30 May 2026, the Company presented the entire loan amount in non-current liabilities.

## 2. SURETIES AND GUARANTEES GRANTED

Under the agreement of 30 August 2019, PFR extended a surety to Operator Chmury Krajowej to secure OChK's liabilities under the Guarantee Agreement granted by PKO BP S.A. Pursuant to Annex no. 2 to the above agreement, PFR extended the surety up to the amount of USD 48 million, i.e. 50% of the guarantee amount, while the surety amount is to be reduced pro rata to the reduction of the guarantee amount.

PFR extended a surety for good performance bonds and for advance refund guarantees issued at the request of a portfolio company in a fund (Pojazdy Szynowe PESA Bydgoszcz S.A.), whose portion of the investment portfolio is managed by PFR S.A. in connection with contracts performed by that entity. Details are described in the Financial Statements, in Note 35.

### 3. LIST OF DONATIONS MADE AND DEBT EXEMPTIONS

In 2024, the Company made donations in favor of the PFR Foundation in the amount of PLN 7.8 million.

In 2024, the Company did not grant any debt exemptions (this does not refer to the PFR Financial Shield program).

# Current and projected financial standing of PFR and the PFR Capital Group

The financial standing of the Company and the PFR Capital Group is stable. In 2024, the PFR Capital Group generated a net profit of PLN 776.1 million as compared to the net profit of 2023 amounting to PLN 333.3 million. The increase in the net result was caused primarily by an additional dividend received by the Company (PLN 215.7 million) relating to the retained portion of the 2019 profit, representing 75% of Bank Pekao S.A.'s total net profit for that year, and higher revenue from management fees due to a larger calculation base, i.e. the higher net asset value of the fund's assets.

The pre-tax profit earned by the PFR Capital Group amounted to PLN 815.6 million (PLN 375.7 million in 2023). The PFR Capital Group realized operating profit of PLN 116.9 million (PLN 124.8 million in 2023). Financial income was PLN 813.6 million (PLN 405.3 million in 2023) and financial costs amounted to PLN 114.9 million (PLN 148.8 million in 2023).

As at 31 December 2024, the total balance sheet value of the PFR Capital Group was PLN 77,938.8 million, compared to PLN 92,632.9 million as at 31 December 2023. As at 31 December 2024, equity was PLN 16,895.0 million (vs. PLN 15,600.5 million as at 31 December 2023) and non-current investments stood at PLN 18,287.9 million (PLN 18,856.2 million at the end of 2023). The increase in equity was caused primarily by the appreciation of the investment certificates of the funds in which PFR invests (mainly PFR FI) and which are managed by PFR Capital Group companies; which was partially offset by a lower valuation of Bank Pekao S.A. shares, which are an important component of non-current investments (the block of shares held by the Company represents 12.8% of votes at the Shareholder Meeting of Bank Pekao S.A.).

The PFR Financial Shield program is a major balance sheet item. The value of subsidies and loans granted and shares purchased under the programs amounts to approx. PLN 58.1 billion, with a corresponding amount of bonds issued by PFR on the equity and liabilities side, which were used to finance aid for Polish companies. At present, the Financial Shield process is handled by the teams in the Development Program Management Department and in the Process Handling Legal Department established within PFR's organization structure in 2021. At present, the Program has entered the settlement phase.

PFR Capital Group companies operate in stable environments and their management boards did not report material adverse effects of Russia's invasion of Ukraine which would affect their ongoing operations. Ongoing financial data reported quarterly by PFR Capital Group companies also point to their stable financial standing.

The challenges for PFR stem from its key role in the Strategy of the PFR Capital Group. Recently, PFR has evolved from an asset manager of investment funds into an important entity within the Programs performed by the Group, a center coordinating the operations of the entire PFR Capital Group and a competence center with regard to investments. The resulting activities have a major effect on the organizational structure and financial performance of the Company.

Starting in April 2020, PFR carried out a bond issue program for the total amount up to PLN 100 billion in connection with the fact that PFR has been commissioned to implement the PFR Financial Shield government programs.

In order to finance the Programs, in 2020 PFR issued bonds for the total amount of PLN 65.4 billion. In addition, the Company had issued bonds for the total amount of PLN 8.5 billion in 2021. Detailed terms and conditions of the individual issues are included in the letters of issue published by PFR and available on PFR's website.

In March 2024, the Company redeemed PFR0324 bonds with the nominal value of PLN 16.3 billion. During 2023, all interest payments on bonds were made as scheduled.

In addition, one issue with the nominal value of PLN 18.5 billion was redeemed in March 2025. Another redemption, for the nominal value of PLN 15.2 billion, is scheduled for September 2025.

Additional events after the balance sheet date are described in Note 34 to PFR's Financial Statements.

# Management Board's reports on representation expenditures, expenditures for legal, marketing, public relations and public communication services and management services

## 1. COST OF REPRESENTATION, COMMUNICATION AND MARKETING

In 2024, PFR designated approximately PLN 6 million for marketing, representation, advertising and PR *(Table 7)*. This represents a drop of PLN 13 million compared to expenses incurred for these purposes in 2023. The primary reason for the reduction was the conclusion of the nationwide information campaign on the so-called automatic subscription to the Employee Capital Plans, which was carried out in 2023. In 2024, there were no intensive communication activities addressed to a wide audience.

In 2024, PFR conducted a number of communication and marketing activities aimed at promoting the PFR brand and the products and services offered by the PFR Capital Group. The company also continued its activities aimed at creating and developing its own media.

One of the key activities carried out in 2024 was the publication of new websites for the companies of the PFR Capital Group, including the PFR website and the PFR Capital Group portal. The websites got a modern and refreshed look. The priority was to present the activities and offers of all development institutions in a consistent and well-thought-out manner, with particular emphasis on the PFR Capital Group portal.

New product subpages were also developed, for example a website providing information on services and instruments intended for Polish companies wishing to develop exports to Ukraine.

In 2024, the PFR Capital Group continued to develop its presence in social media – it improved its existing channels, adding new content and formats. The published materials were reaching an increasingly wider audience. Social media also proved to be an effective recruitment tool for innovator programs such as the School of Pioneers, and in promoting educational content and encouraging long-term savings under Employee Capital Plans.

Among the leading communication activities in 2024, the ones worth mentioning include the information campaign in traditional and electronic media reminding people of the key principles of the Employee Capital Plans, such as the accumulation of funds and the benefits of saving for retirement or for other unforeseen circumstances. The issue of privacy and independence of the collected funds was also discussed. All media and image objectives of the campaign have been achieved, and the consistently growing participation rates in the ECP confirm the right direction of the program's communication in recent years.

Representatives of the PFR Capital Group also took part in key economic events in Poland, such as the European Economic Congress in Katowice, Welconomy in Toruń, European Forum of New Ideas in Sopot, Vision of Development Forum in Gdynia, the "Impact" conference in Poznań and a Conference of the Chamber of Brokerage Houses. The participation of PFR experts in such events makes it possible to reach the target groups specified in the communication strategy with information about the Company's offering and activities. It is also an opportunity to share knowledge and experience in performing investment projects in various sectors of the economy, project management or financing.

In 2024, PFR continued its partnership with Polskie Koleje Linowe (Polish Cableways) and the Polish Ski Association through the "Polish SKI Master" program, aimed at developing alpine skiing in Poland. The company acted as a partner of the program. Thanks to the historic successes of Polish snowboarders in the World Cup – gold medal won by Oskar Kwiatkowski and bronze won by Aleksandra Król – the FIS decided to organize the Snowboard World Cup in Poland. The event took place on 24-25 February 2024, at the PKL ski resort in Jaworzyna Krynicka, with PFR as a supporting partner. The initiative was very successful and delivered strong media coverage relative to the costs involved.

**Table 7. Cost of representation, communication and marketing (PLN thousand)**

| | 1 January - 31 December 2024 | 1 January - 31 December 2023 | 2024-2023 (change) |
|---|---|---|---|
| **Marketing** | **5,993** | **18,945** | **-12,952** |
| Media monitoring | 94 | 120 | -26 |
| Graphic design and printing services | 341 | 296 | 45 |
| Promotion and advertising | 792 | 10,568 | -9,777 |
| Sponsorship | 2,628 | 3,457 | -829 |
| Production of promotional materials | 94 | 156 | -62 |
| Events | 309 | 2,274 | -1,965 |
| Social Media/Digital | 752 | 389 | 363 |
| PR | 6 | 107 | -100 |
| Activities in the media | 818 | 967 | -149 |
| Photo, audio, video services | 159 | 611 | -452 |
| **Representation** | **4** | **14** | **-11** |
| **Total** | **5,997** | **18,960** | **-12,962** |

The Corporate Communications and Marketing Department has a separate unit responsible for internal communications. In 2024, it focused on key areas such as employee integration, education, and support for strategic changes in the organization.

One of the priorities was to introduce the PFR team to the new Management Board and its plans. This was carried out through "Townhall" meetings and the "Let's get to know each other" initiative. "Horyzonty" magazine also published an interview with President Piotr Matczuk, in which he presented the directions of PFR Capital Group's activities in 2025.

Activities combining sport, volunteering, and health education played a significant role in integrating employees and building their engagement. The PFR Sport program, in which employees participate in training in six sports disciplines and represent the company in amateur sporting events, was very highly rated by participants (average satisfaction rating: 4.8/5), and consequently it was continued. The sixth edition of the Active Volunteerism campaign engaged employees in sports and charity activities, combining physical activity with helping others. At the same time, health education was emphasized and employees were supported in taking care of their physical and mental well-being.

An important element of internal communication was also the promotion of knowledge about artificial intelligence (AI), which enabled employees to better understand the possibilities of this technology in the context of the activities pursued by the PFR Capital Group. Activities promoting volunteering and ESG education were also continued, developing employee awareness of sustainable development and social responsibility.

These initiatives highlighted the key role of internal communication in building engagement and supporting the organization's strategic goals.

## 2. COST OF LEGAL SERVICES

The cost of legal services incurred by PFR in 2024 amounted to approx. PLN 2 million *(Table 8)*. They included, among others:

- costs of external legal and transaction consulting associated with the execution of the PFR Financial Shield programs (being the largest cost item),
- costs of external legal and transaction consulting associated with investments and the Company's ongoing operations, preparing legal and expert opinions,
- representation of PFR in court, administrative or administrative court proceedings, and
- costs of notary acts and administrative fees.

In order to monitor expenditures in this respect and find the optimum consultant (among others in terms of experience in a specific area of law), legal advisors are selected in a competitive procedure and most of the fees are set based on hourly rates, while specifying the maximum amount of the fee. This payment system allows for direct and ongoing oversight over the commissioned work and the ultimate amount of the costs and guarantees that payments are made for activities that were actually performed.

In order to optimize the process of establishing cooperation with individual legal advisors, the Company has concluded a number of master agreements for the provision of legal services to PFR in the event that a specific order is placed with a selected legal advisor.

## 3. COST OF CONSULTANCY SERVICES

PFR's costs incurred in 2024 for management consulting services amounted to PLN 1.1 million *(Table 9)*. This amount consists mainly of costs of financial and tax consulting related to the carrying out of investment transactions and the Company's current operation.

**Table 8. Cost of legal services related to management (PLN thousand)**

| | 1 January - 31 December 2024 |
|---|---|
| Legal costs related to projects | 150 |
| Corporate support – costs of current legal services | 553 |
| Administrative fees, including the fee for the General Counsel to the Republic of Poland | 109 |
| Legal costs related to PFR Financial Shield | 1,212 |
| **Total costs** | **2,023** |

**Table 9. Cost of management consulting services (PLN thousand)**

| | 1 January - 31 December 2024 |
|---|---|
| Accounting and tax services | 959 |
| Services connected with valuation of shares and a private investor test | 151 |
| **Total costs** | **1,110** |

# Management Board Report on the Activity of PFR S.A. and the PFR Capital Group in 2024

## Chapter 3: Activity in 2024


**Summary of investment activity** ..... **57**

1. Capital and infrastructural investments ..... 58
2. Foreign Expansion Fund ..... 58
3. Investments in public assets ..... 59
4. Local government investments ..... 59
5. Financing investment activity ..... 59

**Most important events in subsidiaries and other subordinated entities** ..... **62**

1. PFR TFI ..... 62
2. PFR Ventures ..... 64
3. PFR Nieruchomości ..... 67
4. PFR Portal PPK ..... 68
5. PFR Operacje ..... 69
6. Operator Chmury Krajowej ..... 69

**Support of Polish Retirement System** ..... **72**

**Support of innovation system** ..... **73**

1. Support for startups and SMEs ..... 73
2. Support for large enterprises ..... 76
3. Development of innovation in other entities ..... 77

**PFR's involvement in the National Recovery and Resilience Plan** ..... **78**

1. Summary of PFR's participation in the creation of the National Recovery and Resilience Plan system. ..... 78

**Involvement in fighting the effects of the COVID-19 crisis** ..... **79**

1. Summary of aid activities (as at the end of 2024) ..... 79
2. PFR Financial Shield Program ..... 79

# Summary of investment activity

## Selected investments made by PFR directly and through funds as at the end of 2024

Bank Pekao
Exposure of PFR or Funds:
**PLN 4.6 billion**

pesa
Exposure of PFR or Funds:
**PLN 1.6 billion**

Baltic Hub
A MEMBER OF THE PESA GROUP
Exposure of PFR or Funds:
**PLN 580 million**

elemental
Exposure of PFR or Funds:
**PLN 560 million**

PKL 85 LAT
POLSKIE KOLEJE LINOWE
Exposure of PFR or Funds:
**PLN 350 million**

RCP
Rail Capital Partners sp. z o.o.
Exposure of PFR or Funds:
**PLN 315 million**

FERRUM S.A.
Exposure of PFR or Funds:
**PLN 210 million**

R. Power
RENEWABLES
Exposure of PFR or Funds:
**PLN 130 million**

Trasa Łagiewnicka SA w Krakowie
Exposure of PFR or Funds:
**PLN 100 million**

WB ELECTRONICS
WB GROUP
Exposure of PFR or Funds:
**PLN 90 million**

**PLN 12+ billion** invested in projects for companies in the following sectors: power, industry, infrastructure, biotechechnology

## 1. CAPITAL AND INFRASTRUCTURAL INVESTMENTS

**Capital and infrastructural investments**
PFR's activity in the investment area in 2024, implemented via the PFR FIZAN Investment Fund (the "PFR FI FIZAN") covered all stages of the investment process, i.e. (i) origination of new investment projects, (ii) building the value of the existing portfolio companies, (iii) conducting exits from investments.

### Review of selected investment transactions

**Istrana sp. z o.o.**
In 2024, as part of the implementation of the strategic infrastructural project - the T5 terminal in the Baltic Hub Port, which is the key element of the project of building offshore wind farms on the Baltic See, the PFR FI FIZAN acquired shares and financed Istrana sp. z o.o. as part of the loan to develop new transshipment infrastructure in the Northern Port in Gdańsk.

**Projekt Solartechnik S.A.**
In 2024, PFR FI FIZAN signed a loan agreement with the SPV subsidiary of Projekt Solartechnik S.A., one of the leaders of the renewable energy in Poland, to finance the construction of photovoltaic farm with a total capacity of approx. 40 MW.

**Qair Polska S.A.**
In 2024, PFR FI FIZAN financed the special-purpose vehicle subsidiary of Qair Polska with the purpose of building a 36 MWp photovoltaic farm.

**Pad Res**
In 2024, PFR FI FIZAN signed a loan agreement up to PLN 265,275,500 with special-purpose vehicle subsidiaries of the Pad Res Group in order to finance the construction of photovoltaic farms with a capacity of approx. 140 MWp.

Additionally, under the loan agreement signed in 2023, PFR FI FIZAN continued to finance the SPV subsidiaries of the Pad Res Group in order to build photovoltaic farms with a total capacity of approx. 117 MWp.

### Review of selected portfolio transactions

PFR FI FIZAN builds up the value of the existing portfolio companies by ensuring financing for projects and optimizing their structure and management. This process may include both financial and legal aspects, with a concurrent management of risks and diversification of investments within the portfolio. In 2024, the key activities focused on the following projects:

**Rail Capital Partners**
Steady development of the company specializing in the sublease of rolling stock to railway operators since 2016, enabling a gradual expansion of the locomotive portfolio.

**Ferrum S.A.**
In 2017, Ferrum S.A. received a financing package worth approx. PLN 125 million from a consortium of investors, including the Polish Development Fund (PFR), through the Polish Corporate Investment Fund FIZAN (currently in the portfolio of PFR FI FIZAN). The funds were allocated to debt refinancing and to strengthening of the company's capital, which allowed it to pursue its growth strategy in the field of specialized pipes and steel structures. In 2024, the PFR FI FIZAN continued to support the company's business development by purchasing Ferrum's bonds from a creditor, thereby ensuring financial liquidity and reinforcing support for the Polish heavy industry sector.

**PESA Bydgoszcz S.A.**
Consistent development of the company since 2018, with particular focus on financial stability, has enabled it to strengthen its leading market position and boost its growth potential, especially in the area of new technologies and expansion on international markets. In 2024, PFR FI FIZAN also supported a reorganization of the company's business model and streamlining of its financing structure, among others through the in-kind transfer of the company's bonds from PFR to PFR PI FIZAN.

## 2. FOREIGN EXPANSION FUND

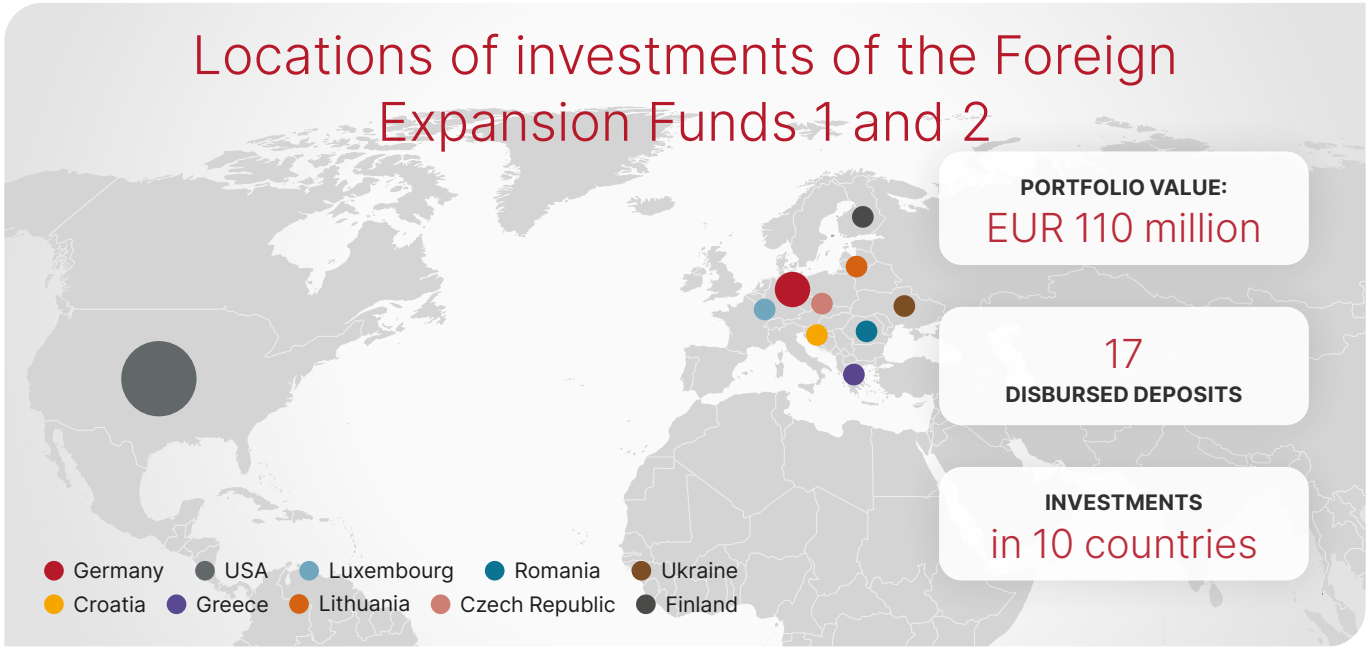
Foreign direct investments play a key role in building global value chains. By co-financing the international expansion of Polish enterprises, PFR TFI helps enhance the competitiveness of the Polish economy. The co-financing of Polish companies' foreign expansion is conducted through the investment activities of the Foreign Expansion Fund. Its financial instruments address gaps in market financing, by providing funding based on the balance sheets of foreign subsidiaries of Polish companies.

PFR TFI manages two specialized foreign expansion funds (Foreign Expansion Fund FIZ AN and Foreign Expansion Fund 2 FIZ AN), which co-finance foreign investments of Polish enterprises. The first fund was launched in 2016 and completed its investment period in 2023. Its activities are now focused on managing the investment portfolio it has built.

As a result of the growing interest in capital expansion among Polish companies, in spring 2023 PFR TFI launched a second fund with a target capitalization of PLN 600 million. Its operating model is based on many years of experience in working with Polish partners during the implementation of the first fund's transactions. Foreign Expansion Fund 2 FIZ AN co-invests with Polish companies in international markets, offering tailor-made financing that suits the investor's needs. The Fund can finance up to half the value of a foreign investment and share the business risk of the project. The Fund always acts as a passive minority investor and leaves operational management in the hands of the Polish partner. It can invest globally and in all industry sectors. The fund invests together with Polish companies in their foreign subsidiaries, by carrying out greenfield and brownfield projects and through acquisitions.

In 2024, the Fund's team actively supported the foreign expansion of Polish enterprises. Despite the challenges arising from the international situation and geopolitical tensions, the Fund conducted business negotiations and investment processes designed to launch new ventures. **As a result, the Foreign Expansion Fund 2 FIZ AN concluded transactions with two Polish partners:**

**Sanok Rubber Company S.A.**
**Sector:** rubber products
**Country of investment:** Finland
**Type of financing:** equity
Sanok Rubber operates on the European market, offering its clients design and delivery services for rubber products, rubber-metal components, thermoplastic elastomer composites, and rubber composites with other materials, all of which serve critical functions in finished goods. The company primarily operates in the automotive, construction, household appliances, and pharmaceutical sectors, as well as in industrial and agricultural markets (e.g., rubber compounds, V-belts, self-adhesive seals, and extruded profiles), and also on the individual consumer market. The Fund signed an investment agreement with the company to acquire a 30% stake in the Finnish firm Teknikum Yhtiöt Oy. The transaction was finalized in January 2025 after several conditions precedent were satisfied. This agree-




ment marks the first step toward a potential broader collaboration between the Fund and Sanok Rubber Company S.A., aimed at accelerating the company's business transformation and supporting its long-term international expansion.

**Euvic S.A. – co-financing of the consolidation of the IT market in Ukraine**
**Sector:** IT
**Country of investment:** Ukraine
**Type of financing:** debt
Euvic Group is one of the largest Polish technology groups. It offers IT services, including software design and implementation, IT outsourcing, systems integration, cloud services, security audits, and IT consulting. The Group operates in Poland and internationally, including in Germany, Austria, Switzerland, the United Kingdom, and the Nordic countries. The Fund signed a loan agreement with Euvic Ukraina Sp. z o.o., which will provide the company with financing to continue its international expansion in Ukraine through further consolidation of companies in the IT sector.

At the end of 2024, the Foreign Expansion Fund FIZ AN and the Foreign Expansion Fund 2 FIZ AN had investment agreements for projects in 10 countries around the world. The funds' portfolios contained 17 outstanding investments with a total value of nearly EUR 110 million.

## 3. INVESTMENTS IN PUBLIC ASSETS

PFR TFI, in addition to supervising the companies of the PFR Capital Group to which it has delegated the management of a portion of the investment portfolio of certain closed-end funds, manages independently the liquidity of such funds and the public asset portion of the portfolio, also making market investments.

## 4. LOCAL GOVERNMENT INVESTMENTS

PFR's activity in the investment area in 2024, implemented via the PFR Local Government Investment Fund FIZAN ("PFR FIS FIZAN") included: (i) origination of new investment projects, (ii) building the value of the existing portfolio companies. At the end of 2024, PFR FIS FIZAN reported 11 investments with the current exposure of PLN 350 million, including PLN 92 million of funds disbursed in 2024.

### Review of selected investment transactions

**Solutions Polska 2 sp. z o.o.**
Provision of mezzanine financing up to approx. PLN 45 million to the special-purpose vehicle PPP Solutions Polska 2 sp. z o.o. to finance the construction of a new tram line section in Krakow in the Private-Public Partnership formula. Approx PLN 30 million of funds were paid out in 2024.

### Review of selected portfolio transactions

In 2024, PFR FIS FIZAN continued the strategy of reusing its capital, confirming the effectiveness of capital instruments intended for local government companies. The fund reduced its exposure by partially repurchasing shares in selected companies, including:

- Wodociągi i Kanalizacja w Opolu sp. z o.o. (Water Supply and Sewage Company in Opole) – the funds were allocated to investments in municipal infrastructure in Opole.
- Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o.o. (Water Supply and Sewage Company) in Gdynia – the funds were allocated to investments in municipal infrastructure in Gdynia and surrounding municipalities.
- Miejskie Zakłady Gospodarki Komunalnej i Mieszkaniowej sp. z o.o. (Municipal Public Utilities and Housing Company) in Limanowa – the funds were allocated to investments in the water supply and sewage network and equipment.
- Sądeckie Wodociągi sp. z o.o. (Water Supply Company) – the funds were allocated to support the city of Nowy Sącz and surrounding municipalities in the implementation of infrastructure projects.
- Tarnobrzeskie Wodociągi sp. z o.o. (Water Supply Company) – the funds were allocated to the implementation of development plans of the Tarnobrzeg municipality.

## 5. FINANCING INVESTMENT ACTIVITY

In 2024, PFR financed its investment activities with own funds. In March 2024, the Company completed the expenditure of funds obtained as part of the share capital increase in 2021. In December 2024, it received treasury bonds with a total nominal value of PLN 1 billion from the Minister of Finance for a share capital increase. According to a valuation carried out by Deloitte Advisory sp. z o.o. sp. k., their value amounted to PLN 975,643 thousand.

# PFR Ventures

## PFR Ventures' investments in 2024

In 2024, PFR Ventures allocated more than PLN 700 million to 16 teams managing venture capital and private equity funds.

### Venture capital area

PFR Starter program
Source of allocation: EU funds (FENG)

PFR Biznest program
Source of allocation: EU funds (FENG)

PFR OI program
Source of allocation: EU funds (FENG)

PFR VC Hub program
Source of allocation: PFR funds

PFR KOFFI program
Source of allocation: EU funds (FENG)

Source of allocation: PFR funds

### Private equity and private debt areas

PFR PE program
Source of allocation: PFR funds

PFR Ventures also allocated funds to the NATO Innovation Fund (NIF). The fund's strategy assumes investments directly in companies and investment funds The current portfolio of the NIF consists of seven companies and five VC funds. Ultimately, PFR Ventures intends to sign agreements with approx. 40 VC fund management teams as part of the programs fed by European FENG funds. Additional investments are planned in VC and PE funds based on funds from PFR.

# Review of the Polish VC market in 2024

Key data about the Polish venture capital market

**142**
**COMPANIES FINANCED**
***2023:*** *399* | ***2022:*** *435* |***2021:*** *379* | ***2020:*** *300*

**PLN 2.1 bn**
**OF INVESTED CAPITAL**

**210**
**COMMITTED FUNDS**

**-5.4%**
**FALL IN THE NUMBER OF TRANSACTIONS**

**-10%**
**FALL IN THE VALUE OF FINANCING 2024 VS. 2023***
***Europe:*** *-6%* | ***North America:*** *+27%* | **without the outliers*

# Key transactions

Funds from the PFR Ventures portfolio finance the development of 5 out of 15 companies, which raised the largest co-funding rounds in 2024.

## Outlier

ICEYE — PLN 503 million, Round D

## TOP 5 30% of all investments

| wordware | kontakt.io | SMARTLUNCH | RedStone | niejawne |
|---|---|---|---|---|
| PLN 121 million, Seed Round | PLN 190 million, Round C | PLN 60 million, Round A | PLN 58.5 million, Round A | PLN 50 million, Round - |

## NEXT 10 24% of all investments

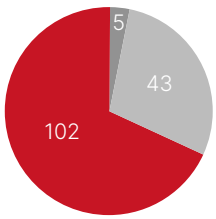
oxla, pathway, sportano, QUANTUM INNOVATIONS, CampusAI Human+AI collaboration, kodano•optyk, Kick, giganci programowania, vlayer

total PLN 390 million

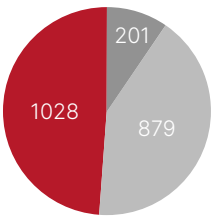
## Remaining 134 45% of all investments

Fifteen largest transactions involving Polish transactions in 2024 attracted VC investments worth more than PLN 1 billion. The remaining 134 rounds doubled this amount. In the previous years, the proportions of capital raised were similar, but the number of transactions was much higher. The main reason for this change was the limited availability of EU funds, which in Poland are most visible in seed rounds.

## Investments in AI




Number of transactions:
- Companies creating AI tools
- Companies using AI tools to a significant extent
- No significant AI components




Value of investments in AI (in PLN million):
- Creates AI tools
- Uses AI tools to a significant extent
- no significant AI components

*Source: report titled "Transactions on the Polish VC market 2024"*

# Most important events in subsidiaries and other subordinated entities

## 1. PFR TFI

**Foreign Expansion Fund**

PFR TFI manages two specialized foreign expansion funds: Fundusz Ekspansji Zagranicznej FIZ AN (Foreign Expansion Fund FIZ AN) and Fundusz Ekspansji Zagranicznej 2 FIZ AN (Foreign Expansion Fund 2 FIZ AN). The first Fund already completed its investment period in 2023 and currently its activity focuses on the management of its existing investment portfolio. The second fund started operations in the same year and offers co-financing of foreign investment projects through financial instruments tailored to the scale of the project and the capabilities and needs of the Polish investor. In 2024, Foreign Expansion Fund 2 FIZ AN signed two investment agreements with the following companies:

- Sanok Rubber Company S.A. – one of the largest Polish companies in the rubber sector, to accelerate the development of its business in the Finnish market;
- Euvic S.A. – a group operating in the IT sector in areas such as software design and implementation and IT consulting, for acquisitions and consolidation of the group's business in Ukraine.

Foreign Expansion Fund FIZAN continued its activities related to divestments within the existing investment portfolio.

To date, 17 investments have been made by both Funds. The Funds have invested nearly EUR 110 million in international projects of Polish companies.

The PFR TFI team actively shares its knowledge and participates in market initiatives aimed at promoting Polish investments abroad.

In 2024, the PFR TFI team took part, among others, in consultations with the Ministry of Economic Development and Technology. This resulted in the development of a new Policy for Economic Promotion of Poland, which was adopted by the Council of Ministers in early 2025. One of the key objectives of the Policy is to increase the number and value of Polish foreign direct investments. It also identifies promising markets that may become strategic directions for Polish companies. The Policy outlines the activities of institutions responsible for the development of exports and investments, and presents tools to support expansion.

**Activity of the designated institution**

In the ECP system, PFR TFI serves as a designated financial institution. The Management Company's duty resulting from the Act on Employee Capital Plans is to ensure continuity of savings management within an ECP if the operation of the program is no longer continued by the institution managing it so far and to ensure the possibility of entering into a management agreement by any entity which is an employer. The activity of PFR TFI as a designated institution with strictly defined tasks is one of the systemic solutions ensuring safety and protection of funds collected in the program.

In 2024, PFR TFI executed over 960 ECP management agreements. For the most part, those were agreements with employers that did not enter into management agreements by the dates provided for in the laws and received summons about it from PFR as well as entities for which, because of the type of activity or technical conditions, other financial institutions refused to execute agreements or terminated the agreements for business reasons. At the end of 2024, PFR TFI serviced 13.96 employers.

## Examples of investments by the Foreign Expansion Fund (FEZ 1 + FEZ 2)

SECO/WARWICK

**Financing the development of the Rentech**

Country of investment: **USA**
Sector: **industrial production**
Date: **2023**

ENPROM®

**Financing the group's development in the German market**

Country of investment: **Germany**
Sector: **Power sector**
Date: **2023**

SANOK RUBBER

**Acquisition of a block of shares in the Finnish Teknik**

Country of investment: **Finland**
Sector: **rubber**
Date: **2024**

EUVIC

**Financing acquisitions and consolidation on the IT market**

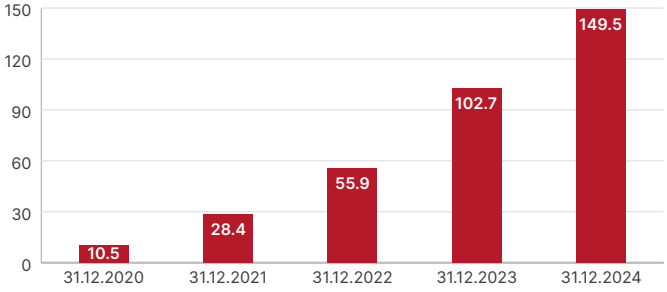
Country of investment: **Ukraine**
Sector: **IT**
Date: **2024**

### Rates of return for PFR PPK SFIO sub-funds

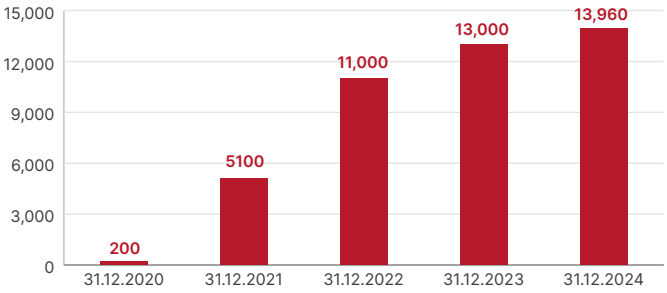
| Target date sub-fund | Rate of return in 2024* | Rate of return in 2020-2024 | Position in the group |
|---|---|---|---|
| 2025 | 5.36% | 30.53% | 3/17 |
| 2030 | 6.19% | 43.85% | 3/17 |
| 2035 | 7.21% | 53.93% | 3/17 |
| 2040 | 7.82% | 62.65% | 3/17 |
| 2045 | 8.11% | 68.17% | 3/17 |
| 2050 | 8.41 % | 68.78% | 3/17 |
| 2055 | 8.59% | 70.09% | 3/17 |
| 2060 | 8.28 % | 72.19% | 3/17 |
| 2065 | 8.14% | 24.63% | 6/17 |

*Source: PFR TFI own data*
** Investment performance of sub-funds from 30 December 2023 to 29 December 2024*
*** Investment performance from 31 December 2019 to 29 December 2024 for 2025-2060 sub-funds, from 30 December 2021 to 30 December 2024 for the 2065 sub-fund. The table presents historic results. PFR PPK SFIO cannot guarantee that similar performance will be achieved in the future.*

### Value of ECP assets managed by PFR TFI (in PLN million)




### Number of ECP clients in PFR TFI (management agreements)




In 2024, PFR TFI focused on improving the quality of service of PPK clients and implemented a new mechanism for entering into management agreements. This change allows to integrate the signing of new agreements within the customer service process implemented via the iPPK application.

The crucial aspect in the context of ECPs is the performance of management of target date funds. In 2024, PFR TFI achieved management performance that confirms that its sub-funds are highly ranked compared to the market average. As at 30 December 2024, the rates of return of the target date funds were from 5.36% for PFR PPK 2025 to 8.59% in the case of PFR PPK 2055. As many as seven out of nine sub-funds were in the 1st quartile, or 25% best performing funds in their respective groups. Two other sub-funds were in the 2nd quartile, with an above-median performance.

As at 31 December 2024, the net assets of the PFR PPK SFIO Fund amounted to PLN 149.5 million, which represents a growth of 46% y/y.

## 2. PFR VENTURES

# 2024
## in the world of private equity and venture capital



**January**

**Commencement of information meetings for management teams interested in programs funded by FENG.**



## February

Launch of the first call for proposals under programs funded by FENG.

PFR Ventures signs agreements with four Polish venture capital funds: bValue Growth, Inovo VC, Market One Capital and SMOK Ventures. PLN 150 million is allocated to the teams.

## March

PFR Ventures invests EUR 10 million in Radix Ventures.




## June




Publication of a report devoted to innovation and investments in sports.





## September

**PFR Ventures signs the first four contracts with funds under the FENG (EU) program.**





## November

**PFR Ventures invests in the second fund Cogito Capital Partners.**

## December

**PFR Ventures announces five agreements under FENG (EU) funds.**







*The Rental Housing Fund, Łódź, ul. Składowa, 64 apartments*

*ESRS SBM-3 9 c, ESRS S3-4 30, 32 c, ESRS 2 68*

## 3. PFR NIERUCHOMOŚCI

In March 2024, the company started the commercialization of 64 apartments built as part of the Rental Housing Fund (FMnW) in Łódź at ul. Składowa, in the central part of the area known as the New Center of Łódź. The building has five floors and an underground garage. The ground floor of the building houses commercial units. The apartments are equipped in accordance with the Rental Housing Fund standard, which means that they are turnkey finished and equipped with furniture and household appliances.

The design of the newly commissioned project draws inspiration from the former buildings on ul. Składowa, including the tenement house previously built on this site Both the internal layout and the facade of the 19th-century building have been recreated. The project was implemented based on the "design and build" formula by the Łódź-based company Varitex sp. z o.o.

This is the Fund's second project completed in Łódź. Together with the property at ul. Wspólna in the Bałuty district of Łódź, the Rental Housing Fund now owns 144 apartments in the city. The offer is very popular, as evidenced by the high occupancy rate.

In 2024, an occupancy permit was also obtained for the Rental Housing Fund's fourth project in Poznań – a housing estate with 318 apartments at ul. Śniadeckich.

In 2024, the commercialization of the first housing estate of the Housing Sector Development Fund (FSMdR) located in Wrocław began. The project was built at ul. Kolejowa in two stages: in the first stage, a housing estate with 469 rental apartments was built in the area of Kolejowa, Prosta, Tęczowa, and Grabiszyńska streets.

The year 2024 ended with obtaining an occupancy permit for 524 apartments in Katowice at ul. Korczaka. This is the largest housing estate in the Housing Sector Development Fund's portfolio. The offer includes 30-sqm studios, as well as two- and three-room apartments (which are the most numerous) and the largest, four-room apartments with an area exceeding 80 m².

The housing estate consists of 26 buildings arranged in a perimeter block layout, with internal leisure and recreation areas. The facades



*The Housing Development Fund, Wrocław, ul. Kolejowa, 469 apartments*



*The Housing Development Fund, Katowice, ul. Korczaka, 524 apartments*

of the buildings are in shades of beige, brown, gray, and graphite, colors that refer to the industrial past of the Szopienice district in Katowice.

In 2024, construction work continued on projects in Elbląg (ul. Legionów, 148 apartments), Skawina (ul. Torowa, 190 apartments) and Lublin (ul. Krochmalna, 388 apartments).

In 2024, the Housing Sector Development Fund also began construction of two projects in Wrocław – at ul. Zatorska (414 apartments) and Białowieska (477 apartments).

Additionally, an architectural studio was selected in 2024 to design a housing estate at ul. Hermanowska in Wrocław. The plot was contributed to a special-purpose vehicle responsible for the implementation of the project by PKP S.A. The potential of the 9-hectare plot in the Kuźniki district in Wrocław is approximately 820 apartments. Before construction work can begin, it will be necessary to remediate the former industrial site and secure the railway carriage shed, which remains on the plot. In subsequent stages, the building, which is under the protection of the conservator of historical properties, will undergo revitalization.

## 4. PFR PORTAL PPK

**Summary of progress and work on the ECP program in 2024**

In 2024, PFR Portal PPK prepared information and training materials and conducted training courses about the Program – both online and on site.

By the end of 2024, PFR Portal PPK delivered over 11 thousand ECP training courses for 335 thousand people. In 2024 alone, 2011 training courses were held for a total of 45,654 participants. All ECP training is free of charge.

The mojeppk.pl portal recorded 7.41 million views and 2.5 million users in 2024. In order to meet the obligation under Article 77 sec. 3 item 4 of the ECP Act, in 2021 PFR Portal PPK launched a functionality of the mojeppk.pl portal that enabled Program members to obtain information on the value of funds accumulated in ECP accounts. It is possible to log in the My ECP service using the login.gov.pl website – the feature can be found at www.rachunek.mojeppk.pl. In 2024, the number of registered users of the Moje PPK portal was 261.6 thousand, with 2.27 million user logins in the rachunek.mojeppk.pl site and 14.76 million views of the rachunek.mojeppk.pl site.

In 2024, the Contact Center handled 29,378 calls, including 27,341 inbound and 2037 outbound calls. After the Contact Center service provider was changed in the last quarter of 2024, the call answer rate reached 96.0%.

**Promotion of Employee Capital Plans**

PFR Portal PPK executed an information campaign on the radio to promote Employee Capital Plans and also engaged in information and educational activities by organizing training, webinars, conferences as well as online communication activities in Polish nationwide, regional and industry media.

# Employee Capital Plans in numbers

**AS AT 31 DECEMBER 2024**

**performance of ECP funds**
PLN 5.13 bn

**net value of the assets accumulated in ECP funds**
PLN 30.27 billion

**employers running ECPs**
329,000

**people saving in ECPs**
3.69 million

**Press publications**
In 2024, the company prepared press publications to raise awareness of the ECPs and share information about the educational activities undertaken by PFR Portal PPK. A total of 363 press articles were published in print and online, including 33 sponsored press releases.

**Radio campaign**
In 2024, PFR Portal PPK started cooperation with radio stations: Radio Warszawa and Polish Radio, Regional Station in Warsaw "Radio dla Ciebie" (RDC), in order to execute an information and advertising campaign about Employee Capital Plans. The cooperation with Radio Warszawa included the production and broadcast of four 10-minute programs and promotional spots. The cooperation with RDC included the production and broadcast of four sponsored interviews, each up to 6 minutes long, and promotional spots.

**Mojeppk.pl website**
155 news articles were published on the mojeppk.pl website in 2024 (1481 since the portal was launched). The articles discussed current issues related to Employee Capital Plans and covered events, information on training and current details about the program.

**Responsible and Friendly Employer Program**
In 2024, the Communication Department organized another two galas of the "Responsible and Friendly Employer" program.

The goal of the program is to grant distinctions to entrepreneurs who showed particularly active involvement in the implementation of ECPs in their companies, using the program as an element of employee benefit system and achieving a high number of members. Once again, candidates for the distinction were named by financial institutions managing ECP accounts. In the 8th and 9th editions, 45 employers were granted the special award of "Responsible and Friendly Employer" for contribution to creating a friendly work environment and building financial security for employees. The awarded employers come from various sectors of the economy, from large corporations, through public institutions, to small family enterprises. In total, 138 winners have already received distinctions since 2019.

## 5. PFR OPERACJE

The Company updated the standardized ICT security rules, standards for conducting BIA (Business Impact Analysis) and standards for business continuity management for the entire PFR Capital Group.

A BIA analysis was then carried out for all PFR Capital Group Companies.

Business Continuity Plans were also updated for all PFR Capital Group Companies, followed by testing of critical business processes.

Auxiliary tools were implemented to conduct BIA and identify processes critical for the PFR Capital Group (eRisk system).

The unified rules for managing external IT and security service suppliers were developed for the entire PFR Capital Group, and an audit of contracts with key vendors was conducted in line with DORA requirements.

Phase 2 of the work on the new PFR Capital Group websites was also carried out. In September 2024, new websites for PFR Capital Group companies went online.

The rules for managing the vehicle fleet in the PFR Capital Group were also developed. The company reached operational readiness to provide services in this regard.

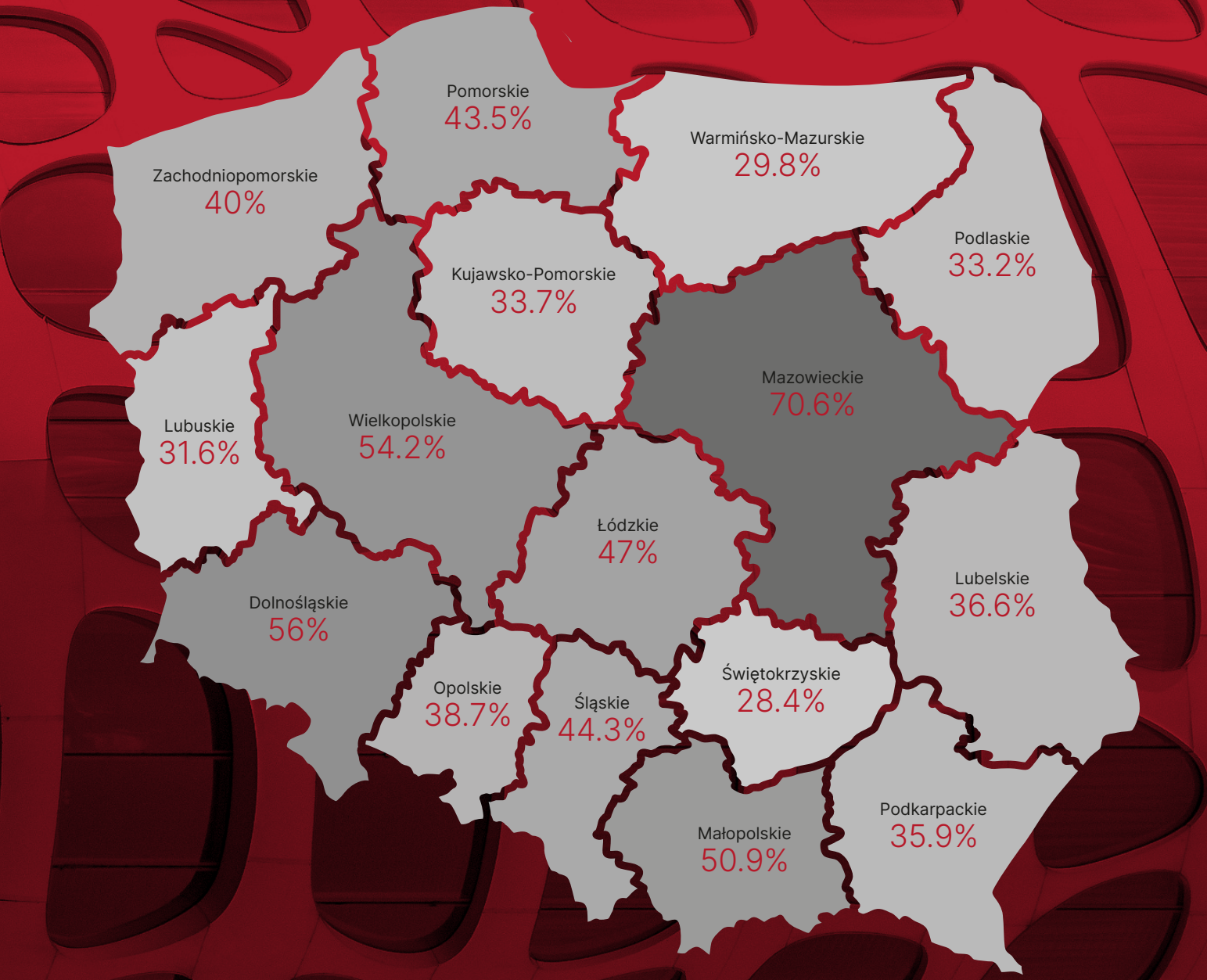
## 6. OPERATOR CHMURY KRAJOWEJ

**Awards and distinctions**
OChK became the only company in Poland – and one of just 57 globally – to earn the Google Cloud Managed Service Provider (MSP) status, confirming its top-tier expertise in delivering managed cloud services. The certification process included an audit assessing deployment processes, Google partnership specializations, and competencies of the OChK team, such as Professional Cloud Architect certifications and project documentation.

In 2024, OChK also won the Google Cloud Sales Partner of the Year award, which confirmed its contribution to the development of cloud solutions in Poland. Just as in the preceding year, customer spending on Google Cloud services via OChK rose by 50%. The company gained over 40 new clients and closed 82 transactions, reinforcing its position as a key Google Cloud partner in Central and Eastern Europe.

**OChK Platform**
OChK enhanced its proprietary cloud platform by adding support for the OpenStack tool, enabling greater flexibility in the virtualization of resources in the cloud. This allows clients to choose virtualization tools tailored to their needs while building optimized and agile cloud environments, while at the same time avoiding dependence on a single vendor (vendor lock-in). In 2024, the OChK platform also received the "Best in Cloud" award from Computerworld magazine in the Secure Cloud category. The jury praised its security innovation – the platform was built based on a security-by-design model that ensures data protection and geographic redundancy. Additional

# ECP: Participation broken down into voivodships
# Total participation in ECP: 50.46%
# (as at 31 December 2024)



features include automated resource management (Infrastructure as Code), 24/7 support and security monitoring (SOC).

**Audits and Certifications**

OChK passed a supervisory audit, which confirmed compliance with four international ISO standards in information security and business continuity management. Its ISO 27001:2013 certification was expanded to include SOC security monitoring services for the cloud platform, demonstrating OChK's commitment to highest security standards.

**Client stories**

In 2024, OChK experts completed a wide range of cloud projects – from full-scale transformations to professional services for businesses of various sizes operating in various sectors. Examples of implementations include:

- Devskiller: integration of the TalentScore tool with Google Cloud Marketplace opened a new global sales channel, with OChK advising on pricing model development.
- Europa Ubezpieczenia: the OChK team built a data platform in Google Cloud, improving reporting and data integration efficiency in the company.
- Gemini Polska: OChK implemented the Security Operations Center (SOC) using Microsoft tools for real-time threat monitoring and fast incident response, which improved the level of the company's cyber-security significantly;
- Fingo: OChK helped implement a banking reporting app, designed the security architecture, and provided a compliance pack – a set of pre-defined policies that help meet regulatory requirements;
- PKO Faktoring: migrating the company's resource from the on-premise environment to Microsoft Azure improved efficiency, process automation, and security.
- PKO Bank Polski: OChK and its partner IDENTT co-created a multi-app platform on Google Cloud to simplify app deployment, facilitate innovation and cost reduction;
- Printbox: migrated resources from Amazon Web Services to Google Cloud, optimizing costs and enabling a better management of the cloud environment.
- ReSpo.Vision: OChK supported the startup in creating a could strategy and migration to Google Cloud, which lowered infrastructure costs by 40% through instance optimization.

**Events**

In November 2024, OChK and PFR held an event under the patronage of the Ministry of State Assets: "How to use modern technologies to generate value and boost business resilience." The meting was aimed at key companies supervised by the Ministry of State Assets and concerned the use of modern technologies to generate value and improve business resilience. The participants discussed the results of deployments of machine learning, Gen AI, data warehousing solutions, and the increasing cybersecurity threats.

In June 2024, OChK hosted the first edition of its proprietary event, "Cloud UP!", co-organized with CIONET and Google Cloud. The conference was addressed to managers and focused on digital transformation with the use of cloud technologies, including advanced data analytics, and artificial intelligence. Speakers included executives from Animex, Booksy, PKO BP, STS, TU Europa, Veolia, Vodeno, VOX, and XTB. The event was attended by over 150 managers interested in cloud solutions.

OChK also partnered with numerous industry conferences and events important for the IT community. Its experts spoke at Impact'25, MS Tech Summit, The H@ck Summit, Data Science Summit, Nowy Przemysl 4.0, Google Cloud Summit, Masters & Robots, Digital ID Forum, and CIONET Cloud Excellence.

OChK continued its business breakfast series "Cloud from A to Z," in 2024 focusing on topics like Microsoft Azure in cybersecurity ("A for Azure"), data analytics services ("D for Data"), and NIS2 Directive and security ("N for NIS2"). OChK experts delivered also a webinar on new NIS2 regulations on cybersecurity, SOC monitoring, and incident management. Each of the events was directed to specialists responsible for implementations in the respective IT areas or regulations.

In 2024, OChK completed the Software House Cloud Events Tour consisting of five meetings in largest Polish cities (Warsaw, Krakow, Wroclaw, Poznan, and Gdansk). The goal of the events was to network, showcase business benefits of cooperation with OChK and attracting new partners in the software development sector.

OChK also continues its startup program "Let's Get ©loud" (LGC) in partnership with Google Cloud, supporting over 150 start-ups and scale-ups in developing cloud-based products and services. The program included coworking events and partnerships with festivals like Carpathian Startup Festival and Warsaw Startup Festival. It supported startups by offering prizes and long-term collaboration, among others with companies such as Sagenso, CampSys, Waterly, and Space to Grow. Due to high interest, enrollment remains open year-round.

# Support of Polish Retirement System

## Employee Capital Plans

Employee Capital Plans are a voluntary private long-term retirement savings scheme for employees, with the possibility to withdraw the accumulated funds when the participant reaches the age of 60 years. The accumulated savings come from contributions funded by three sources: employee's salary, employer's contribution and state co-payments. The legal basis for the ECPs is the Act of 4 October 2018 on Employee Capital Plans (consolidated text in the Journal of Laws of 2024 item 427), which came into force on 1 January 2019. Employee Capital Plans have been implemented to increase Poles' financial security by multiplying their private savings, as well as to boost the development of the economy, businesses and jobs.

The PFR Capital Group, which supports the sustainable social and economic development of Poland, plays an important role in the implementation of the Employee Capital Plan scheme and ensuring the proper functioning of this program. PFR has set up the Employee Capital Plan Registry system, i.e. a register of all Plan's participants, financial institutions and employing entities, and has set up a subsidiary, PFR Portal PPK. Its purpose is to operate the mojeppk.pl website, which is a central source of information about the rules of operation and functioning of the ECP Program. Furthermore, a subsidiary of PFR - PFR Towarzystwo Funduszy Inwestycyjnych S.A. (Investment Fund Management Company) - has been appointed to act as the designated financial institution that guarantees all employers and employees access to an Employee Capital Plan.

### Five years of Employee Capital Plans

In 2024, Employee Capital Plans celebrated their fifth birthday. On 1 July 2019, the first implementation stage of the Program started. The ECPs started on this date in more than 4 thousand entities employing at least 250 people. Five years in, the program is showing remarkable outcomes. The Employee Capital Plan program has become a permanent feature of the Polish pension system. Since its inception, participants have accumulated savings worth more than PLN 30.27 billion (as at the end of 2024), an amount close to the level of savings accumulated in Employee Pension Plans, which have been present on the market for nearly 25 years. On this occasion, PFR and PFR Portal PPK, i.e. the program's operators, have prepared a special report summarizing key information on the implementation and performance of Poland's most modern long-term savings program.

### Welcome payments and annual subsidy to Employee Capital Plans

The transfer of the welcome payment of PLN 250 and the annual subsidy of PLN 240, done by the minister responsible for labor to Employee Capital Plan participants, is made through the PFR. In 2024, PLN 82.3 million was transferred to Employee Capital Plan participants as the welcome payment. They were transferred to accounts of nearly 329 thousand individuals. On the other hand, the annual subsidy funds were transferred through the PFR more than 2 million ECP participants, in the record amount of PLN 499 million. The significantly higher amount of the annual co-payment compared to 2023 is largely due to the automatic resubscription carried out in 2023.

### Summonses to enter into a management agreement

In fulfillment of its statutory obligation, PFR checks whether the entities obliged to implement an Employee Capital Plan have launched the scheme. In November 2024, PFR carried out a large-scale mailing of summonses to conclude an Employee Capital Plan management agreement. Nearly 86 thousand entities received such summonses in the form of letters; employers could fill in the form electronically and send their statement to PFR.

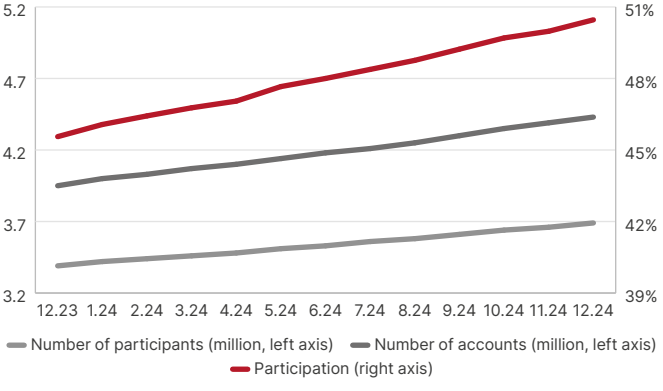
### Monitoring of the exemption from an Employee Capital Plan due to the operation of an Employee Pension Plan

Another duty of PFR is to monitor the employers that have not implemented an Employee Capital Plan, because they operate an Employee Pension Plan. Such entities are required to submit statements to PFR about the number of employees and Employee Pension Plan participants working for the employer as at 1 January and 1 July of the relevant year. To meet the expectations of employers, PFR has created a new electronic reporting form to fulfill this duty.

### Maintenance and development of the Employee Capital Plan IT system

The ECP Register is an ICT system maintained by the PFR, which includes a register (registry) of financial institutions meeting the statutory requirements to operate an Employee Capital Plan, employing entities that have entered into the scheme management agreements, as well as the program's participants. The system was integrated with the IT infrastructure of the financial institutions that handle the Employee Capital Plans, which allows them to aggregate information from the entire market.

**Number of active accounts, number of participants and participation level**




*Source: PFR Portal PPK, Monthly Bulletin No. 1(39) – January 2025.*

# Support of innovation system

In 2024, PFR's Innovation Development Department (DRI) continued its efforts to stimulate innovation in the Polish economy. The team focused on projects in three areas:

1. Supporting innovation development, in which innovative solutions offered by businesses are linked to the needs of local communities with the participation of local government units. This allows local governments to take advantage of modern technologies and solutions in order to improve the quality of life of their residents and develop towns and cities.

2. Supporting innovation by providing knowledge, skills, and practical tools to companies seeking support in the process of digitalization and implementation of innovative, sustainable solutions. PFR's consulting services make it easier for large businesses to implement innovations and adapt to a dynamically changing market.

3. Supporting start-ups and SMEs (in the form of education, incubation, and acceleration) for entrepreneurs who want to develop innovations that bring about real change and growth. Thanks to programs for start-ups and small and medium-sized enterprises, new companies are being created, investment potential is growing, and opportunities for foreign expansion are increasing.

The above areas of DRI's activity were developed through the following measures:

- digitization and digital transformation – activities aimed at supporting companies and public institutions in the process of implementing digital technologies;

- acceleration of the implementation of innovative processes – organization of acceleration and incubation programs for start-ups, large enterprises or local government units;

- facilitating access to knowledge and financing – education and consulting on the use of available support programs.

## 1. SUPPORT FOR STARTUPS AND SMES

**The startup.pfr.pl portal**

In 2024, the portal became a key place for start-ups and small technology companies, providing access to knowledge, tools, and support programs. The articles, guides, and analyses published there make it easier for young entrepreneurs to navigate the innovation ecosystem and raise financing. In 2024, the portal attracted nearly 600,000 unique users who took advantage of the educational content and support programs available on the platform. Through cooperation with PFR Ventures, portal users have access to up-to-date information on opportunities to obtain financial support from VC funds.




*PFR for Cities Academy*




*IDA Bootcamp*

The database available on the website aggregates data from over 70 venture capital and private equity funds from the Polish market, and profiles of more than 900 companies, in which funds from the PFR Ventures portfolio have invested.

Startup.pfr.pl is also the only official partner of the Dealroom.co database in Poland and together they create comprehensive maps of the innovation ecosystem. In 2024, 300 Polish startups created new profiles demonstrating their innovative solutions in areas such as dual-use and life sciences.

Since 2024, the portal's editorial team has also been creating a new format to popularize knowledge about the startup environment, namely the Następne Piętro (Next Floor) podcast, available on platforms such as Spotify and YouTube. So far, 15 episodes have been released, with a total of over a thousand plays. The website also serves as an e-learning platform for aspiring entrepreneurs. Nearly 2,000 people participated in the Lean Canvas course and obtained a certificate confirming their new skills.

The community gathered around the website has about 9,000 users, with whom active contact is maintained through regularly delivered newsletters on the most important events and information about the innovation ecosystem in Poland and worldwide.

**Healthcare Investment Hub**

This is an initiative of PFR and PFR Ventures, which focuses on supporting start-ups in the HealthTech, MedTech, and BioTech sectors. The program provided access to specialist knowledge and workshops and enabled contact with international venture capital funds such as Sofinnova Partners. This allowed start-ups to accelerate the development of their innovative products and services and begin talks with investment funds.

115 start-ups applied to the Healthcare Investment Hub, of which:

- 16 teams moved on to the stage of intensive preparations to obtain financing from the funds involved in the project,
- more than 100 individual meetings took place between startups and investors,
- 11 companies participating in the project continued talks with venture capital funds after the program ended.

As part of the program, two stationary boot camps and meetings utilizing the "speed dating" formula were organized between start-ups and 10 Polish and international venture capital funds.

Start-ups had the opportunity to participate in workshops and mentoring sessions led by experienced specialists from the medical and technology industries, connect with European venture capital funds specializing in healthcare, attend networking meetings with representatives of public institutions, companies, and medical clusters, and prepare for the process of securing investor funding through individual consultations and practical exercises in development and expansion strategies.

The Healthcare Investment Hub was the first project in the Polish innovation ecosystem focused on exposing Polish healthcare start-ups to international investment funds.

**Development of dual-use technologies in Poland**

The PFR Innovation Development Department was once again actively involved in the development of dual-use technologies that have potential in both the civil and defense sectors. As part of the second edition of the IDA Bootcamp program in 2024:

- technology scouting was carried out to address challenges in the area of defense and security formulated jointly with the Ministry of National Defense;
- support was provided to 34 companies as part of an acceleration program aimed at helping innovators adapt technologies;
- a series of workshops and 500 face-to-face meetings were organized between innovators and the military, the defense industry, VC funds, and industry experts.

During IDA DemoDay 2024 in Warsaw, participants presented 11 innovative technology projects that attracted the attention of the military, the defense industry, and investors. The solutions presented included autonomous drone systems, robots, secure communications, autonomous floating platforms, algorithms for identifying incoming drones, and mobile energy storage systems adapted to the requirements of the battlefield.

IDA Bootcamp not only helped young technology companies gain key partners and financing, but also contributed to the development of the dual-use ecosystem in Poland. The program has demonstrated that there is enormous potential for the use of civilian innovations in the defense sector, and that effective cooperation between start-ups, industry, and public administration can lead to faster adaptation of breakthrough technologies by the armed forces.

**The Foundation: AI Startups Hunt**

In response to the growing importance of artificial intelligence in the economy, PFR launched The Foundation: AI Startups Hunt – a program supporting startups developing AI-based solutions. The program was implemented in three stages:

1. education and networking – a series of five open meetings during which participants gained knowledge about business strategies in the AI sector;
2. workshops supporting preparation for talks with VCs (pitch deck, valuation, financial model, etc.);
3. speed dating with VCs – individual meetings between startups and investment funds, preceded by intensive workshops preparing them for presentations to investors.

Under the program, more than 900 startups took part in networking sessions, and 20 companies advanced to the second stage, where they had the opportunity to attend workshops with VCs and then talk to investors. After the project, 19 startups are continuing talks with investors.

PFR's activities in this area were aimed at developing the Polish AI sector and strengthening its position on the international arena.

**School of Pioneers – 7th edition**

As part of its mission to stimulate innovative entrepreneurship, PFR organized the seventh PFR School of Pioneers program for talented startup founders. Its participants have scientific, technical, creative, and business skills, and their goal is to create innovative business projects focused on the challenges related to the UN's sustainable development goals. This time, the theme was meeting the challenges of good health and quality of life using artificial intelligence.

The program consisted of:

- workshops held in Poland and abroad (this year in Prague) to develop business skills and guide participants through the process of building a start-up, from idea to development and testing of a Minimum Viable Product (MVP),
- online masterclasses supplementing the knowledge imparted during the workshops (devoted to e.g. Founders Agreements or IP protection),

## School of Pioneers



12

**new start-up teams**



282

**Start-up applications for PFR acceleration programs**



70

**accelerated teams**



33

**teams added to the investment funds' pipelines**



913

**participants in AI community meetings**



300

**new start-ups in the Polish Innovation Ecosystem database**

- mentoring sessions with founders and experienced industry experts,
- demo day in the online formula, during which the eight best teams were selected,
- a final gala dedicated to selecting the three most promising projects, whose authors received grants for project development from a pool of PLN 110 thousand.

The 7th edition of the School of Pioneers was attended by 50 aspiring innovators who, thanks to more than 100 hours of intensive work under the guidance of mentors, created 12 promising start-up teams.

These activities boosted the investment potential of Poland's pre-seed market and grew the School of Pioneers alumni network to 350 graduates, who secured over PLN 220 million in funding for their innovative projects.

## 2. SUPPORT FOR LARGE ENTERPRISES

In 2024, DRI PFR intensively supported large enterprises in the process of digitization, implementation of innovations, and increasing competitiveness in a dynamically changing market. Key initiatives in this area included the Digital Starter Kit for Enterprises, the PFR Community of Future-minded Companies, the PFR Technology Partnership, online training and courses, as well as consulting on digital transformation.

**Digital Starter Kit for Enterprises**

This is a PFR program that helps companies go through the digitization process and adapt to the challenges of today's market. The program is aimed at both companies just starting their digital transformation and those that want to optimize their processes and implement modern technologies.

As part of the Digital Starter Kit, entrepreneurs gained access to:

- the Digital Maturity Test (TDC) – a proprietary diagnostic tool that allows companies to assess their current level of digitization and identifies areas for improvement. In 2024, more than 1,000 companies took the test and received individual development recommendations;
- tools and technologies – companies were able to test modern digital solutions at no cost, which allowed them to assess their usefulness realistically.
- workshops and training courses – PFR experts conducted a series of workshops and webinars attended by over 300 companies, which acquired knowledge on process optimization, automation, and data analysis.

The most crucial results of the Digital Starter Kit for Enterprises in 2024:

- 20 training courses and webinars focusing on key areas of digital transformation,
- 8,400 certificates of completion of online courses,
- a catalog of 500 digital tools to help companies choose the right technologies.

**PFR Community of Future-minded Companies**

This is a program that connects companies looking for innovative solutions with technology providers, experts, and other entrepreneurs. The aim of the program is to support companies in digitization, process automation, and the implementation of sustainable solutions.

Over 4,000 companies have joined the program, benefiting from consulting and networking. A series of thematic meetings was held, during which participants could exchange experiences and learn about modern tools for digital transformation. Industry consultations were also organized, during which company leaders exchanged good practices and implemented solutions in the field of innovation and digitization.

The Community of Future-minded Companies program has become an important element of the national "Digital Decade Roadmap," supporting Polish companies in the development of their digital and innovative competencies.

**PFR Technology Partnership**

The PFR Technology Partnership was launched in 2024 to enable companies to test digital solutions and collaborate with technology providers. The main objectives of the program are:

- connecting companies with digital tool providers, which allows companies to select and test modern solutions in nine key areas (e.g., data analysis, sales and marketing, resource management);
- access to free demo versions of technologies, which allows companies to assess their usefulness and effectiveness before deciding on full implementation.

As part of the program, a series of webinars entitled "Digital Start" was organized, covering issues related to the digitization of sales, finance, administration, and cybersecurity. In 2024, more than 500 entrepreneurs participated in online events, where they were able to gain practical knowledge and talk to experts about the implementation of technology in their organizations.

**Online courses and training**

Online courses and training were an important element of support for companies, which enabled them to acquire key competencies in new technology areas. As part of the PFR Knowledge Zone, entrepreneurs could take advantage of free courses, such as:

- "AI basics" – a course explaining the basics of artificial intelligence and its application in business. More than 6 thousand people participated.
- "Cloud in business" – a course showing how to effectively use cloud technologies in a company. It was completed by more than 700 users.
- Cybersecurity courses, which taught how to protect a company against cyberattacks and secure data: completed by more than 300 entities.

The training workshops and courses were very popular and had a part in increasing the digital awareness of Polish companies.

## 3. DEVELOPMENT OF INNOVATION IN OTHER ENTITIES

**PFR for Cities Academy**

This innovative educational program was created to address the growing needs of local governments in digitization, technology implementation, and crisis resilience. In 2024, the third edition of the Academy was held for representatives of medium-sized cities (5,000 to 100,000 inhabitants). They took part in an intensive training program. 46 participants from 34 local government units took part in the ESG for Cities and Urban Resilience module.

The program included:

- A module entitled "Designing Innovative Services," in which participants develop plans to implement new public services. Its participants learned how to use public statistics to estimate the demand for a given service, and how to manage projects.
- The "Urban Resilience" path, which focuses on crisis management, cybersecurity, and enhancing cities' ability to withstand threats.
- The ESG module, which provided local government officials with knowledge on sustainable development, energy management, and pro-environmental activities.
- The "AI in Administration" path, which equipped participants with knowledge on using artificial intelligence in public offices, including prompting techniques and safe AI practices. It was also supplemented with "Basics of AI in Public Administration," an online course which will premiere in February 2025.

As part of the PFR for Cities Academy, local governments gained not only practical knowledge, but also access to experts and a platform for exchanging experiences. The program is expected to prepare 34 paths for the implementation of innovative services, which will contribute to the digitization and increased absorption of new technologies in Polish local governments.

**Urban Technology Exchange**

124 local governments have already taken advantage of the possibility of testing digital products provided by businesses within the framework of the Urban Technology Exchange, which ensured financing in the amount of PLN 5 million. The exchange has become the first repository of urban technologies in Poland, collecting 300 digital solutions available to local government units.

The most popular products were those associated with:

- the automation of public administration, which improves the efficiency of government offices,
- energy consumption monitoring and the resulting cost reduction,
- digital communication platforms that facilitate interaction between government offices and residents.

In 2024, the testing periods for the products covered by the grants were completed. As the project evaluation showed, 82% of local governments that received microgrants assessed that the use of the Urban Technology Exchange increased access to new technologies in their local government units. Most importantly, 54% of municipalities intend to continue using the tested solution, financing it from their own funds.

**Urban Tech Hub**

This is a new initiative supporting innovative technological solutions dedicated to cities and their residents. The program included the Urban Tech Bootcamp, which brought together 20 technology start-ups and local government representatives. The goal of the initiative was to create a space where they could cooperate.

During the bootcamp, entrepreneurs had the opportunity to:

- present technology solutions to local governments,
- attend mentoring meetings with business and public administration experts,
- develop strategies for implementing solutions in urban conditions.

As a result, 15 cities began talks on the pilot implementation of the presented technologies, which confirms the effectiveness of the cooperation model proposed in Urban Tech Hub. The summary of the first edition of the program took place in the form of a demo day, during which the best solutions ready for testing in local governments were presented.

## Online courses and training

**Nearly 31 thousand**
users of the e-learning platform since its launch

**Nearly 8.4 thousand**
certificates confirming the completion of courses from the beginning of operations

**Over 1 thousand**
companies performed the Digital Maturity Test during the entire project period

**4 thousand**
entities joined the PFR Community of Future-minded Companies in 2024

**500**
entrepreneurs took part in "Digital Start" webinars in 2024

**20**
specialist training and webinars as part of support programs for companies in 2024

**6 thousand**
individuals completed the "AI Basics" course in 2024

**700**
users took advantage of the "Cloud in Business" course in 2024

**Over 500**
tools were included in the catalog of digital tools in 2024

# PFR's involvement in the National Recovery and Resilience Plan

## 1. SUMMARY OF PFR'S PARTICIPATION IN THE CREATION OF THE NATIONAL RECOVERY AND RESILIENCE PLAN SYSTEM.

The detailed scope of PFR's tasks was defined in the agreement concluded pursuant to Article 14In sec. 5 of the Act of 6 December 2006 on the Principles of Development Policy with the Minister responsible for Regional Development, acting in consultation with the Minister responsible for Public Finance.

Under the agreement, PFR S.A. provided the institutions responsible for implementing the investments and their collaborating entities with an ICT system supporting the creation and forwarding by PFR of payment orders for investment projects prepared by ministries, local governments and other institutions. Payments under the National Recovery and Resilience Plan are executed by PFR in accordance with the schedule of payments approved by the Ministry of Development Funds and Regional Policy and the Ministry of Finance. PFR's responsibility was limited to obtaining the funds and transferring them to the authorized recipients; the decisions to grant the funds are made by the designated authorities.

**National Recovery and Resilience Plan Center System**

In 2022, PFR provided access to the KPO Center System, which implements provisions of the investment financing agreements executed with institutions responsible for the performance of investment projects pursuant to Article 14l of the Act of 6 December 2006 on the Principles of Development Policy. The State Treasury, represented by the Minister of Digital Affairs, ensures verification of user identification details each time they log into the system using their trusted profile (digital ID).

The National Recovery and Resilience Plan System provides the following functionalities:

- submitting and executing payout orders,
- managing funds designated for payouts,
- managing the payout schedule,
- managing reimbursements,
- managing the list of investments,
- reporting,
- managing users,
- integration with the banking system,
- integration with the national electronic identification center.

The investment projects implemented within the framework of the National Recovery and Resilience Plan are financed with non-reimbursable support funds from the budget of EU funds or with funds from repayments and reimbursements of unredeemed PFR Financial Shield subsidies.

In 2022 and 2023, until the EU funds are received, PFR ensured the financing of the development plan with funds from the reimbursement of subsidies with no debt remission decisions or from the repayment of financial support provided under the PFR Financial Shield government program (hereinafter: domestic funds).

From early 2024, the disbursement requests are fulfilled using European funds and domestic funds in respect to VAT.

Sources of financing:

- **EU funds** – funds provided to PFR by the State Treasury from the European Funds budget to perform the payouts, whereby the State Treasury is represented by the Minister of Funds and the Minister of Finance,

- **Domestic funds** – funds provided by PFR from proceeds from reimbursement of subsidies with no debt remission decisions or from repayments of financial support under the PFR Financial Shield programs;

**Execution of the National Recovery and Resilience Plan**

In 2024, PFR concluded an agreement to finance investments with the Minister of Science and Higher Education established by the power of a regulation of the Council of Ministers of 16 December 2023. The new entity comprises organizational units of the previous Ministry of Science and Higher Education. In total, since 2022 PFR has entered into 13 investment financing agreements that have enabled institutions responsible for the implementation of investments to use the National Recovery and Resilience Plan Center System.

In 2024, PFR continued the performance of tasks relating to the National Recovery and Resilience Plan, including payout orders and transferring funds to relevant institutions responsible for carrying out investments, supporting institutions or final recipients of the support. At the end of December 2024, the total amount of funds disbursed under the National Recovery and Resilience Plan since the launch of the program, reduced by the reimbursement of funds made by recipients of the support, totaled nearly PLN 15 billion, of which nearly PLN 5.3 billion from domestic funds and more tan PLN 9.5 billion from European funds.

In 2024, PFR Operacje continued its involvement in innovation and process optimization, introducing important improvements in access to the KPO Center System, by implementing a programming interface (API). An API update became the key element of activities aimed at improving its utilization and increasing the quality of service of related processes. As a result of the work on improving the functionality and eliminating possible technical barriers, users may now use the available solutions to pursue their daily operations more effectively.

# Involvement in fighting the effects of the COVID-19 crisis

*ESRS 2 68 d*

## 1. SUMMARY OF AID ACTIVITIES (AS AT THE END OF 2024)

In the face of the economic crisis caused by the COVID-19 pandemic, the Polish government undertook support activities in early 2020, under which it launched the following programs implemented by PFR:

- The Polish Development Fund's Financial Shield for Small and Medium Enterprises,
- The Polish Development Fund's Financial Shield 2.0 for Micro, Small and Medium Enterprises,
- The Polish Development Fund's Financial Shield for Large Companies,
- The Government Support Program for Polskie Linie Lotnicze LOT S.A. (PLL LOT S.A.),

hereinafter referred to as the "Financial Shield", or jointly as Programs.

These programs enabled rapid digital assistance to minimize the negative effects of the pandemic on the economy and the business community.

Despite the difficult market situation in 2020-2021, the number of sole proprietorships increased by 5.2%. This increase confirmed that the programs had been effective in stimulating entrepreneurship and the ability of companies to adapt to new conditions. The key element in the implementation of the programs was their transparency and effectiveness in eliminating abuse – only 1% of decisions were subject to corrections or explanatory proceedings.

Overall, 396,000 companies took advantage of the support and only 0.05% of them had to discontinue their operations. This means that the Financial Shield not only ensured that companies survived the difficult period, but also provided a stimulus for further economic development. Even though the direct financing phase has come to an end, in 2024 PFR continued to monitor the subsidy repayment process, conduct investigations, and take debt collection measures to ensure the proper implementation of the Programs and guarantee long-term economic stability.

## 2. PFR FINANCIAL SHIELD PROGRAM

### 2.1. Support for MSMEs

Up until 31 December 2024, the beneficiaries of the Financial Shield for Small and Medium-Sized Enterprises repaid PLN 22.6 billion, which was equal to 92% of the required amount. This shows a high degree of responsibility of the entrepreneurs and effectiveness of the settlement system.

Under the PFR Financial Shield 2.0 for Micro, Small and Medium-Sized Enterprises, repayments of subsidies and refunds of surpluses began in July 2022. By the end of 2024, the beneficiaries repaid PLN 754.8 million, or 66% of the total amount subject to repayment. In order to make it easier for companies to pay their liabilities, PFR worked with banks and collection companies to conduct information campaigns and provided tools that can be used to restructure debt.

### 2.2. Support for large enterprises

The Financial Shield for Large Companies was one of the largest initiatives of this type in the European Union. The program provided liquidity loans and preferential loans, as well as equity instruments that allowed the companies to maintain financial stability and continue their operations in uncertain market conditions.

The significant interest in the program is confirmed by statistics – 612 support requests were received for the total amount of PLN 18.2 billion. The flexibility of the program allowed to adapt its conditions to the changed economic conditions. The process ended on 30 September 2022 and covered 177 entities, with debt remissions equal to PLN 864.3 million. By the end of 2024, PLN 2.117 billion was repaid, which represented 51.5% of the loans granted.

### 2.3. Support for PLL LOT

The airline industry was hit especially hard by the COVID-19 pandemic. PLL LOT, as the key element of the Polish transportation system, received financial support under a government aid program. Supported by the loan from PFR, the carrier was able to continue its operations and avoid significant liquidity problems.

PLL LOT repaid two first principal installment of the loan at PLN 450 million each, falling on 31 December 2023 and 31 December 2024, respectively, in accordance with the agreement concluded between PFR and PLL LOT. The scheduled final repayment of the total financing provided by PFR is expected on 30 December 2026.

# Management Board Report on the Activity of PFR S.A. and the PFR Capital Group in 2024

## Chapter 4: Material events affecting PFR and the PFR Capital Group in 2024 and after the balance sheet date


Material events in 2024 ..... 81

Material events after the balance sheet date ..... 82




# Material events in 2024

- On 9 March 2024, PFR made the first redemption of PFR0324 bonds with a nominal value of PLN 16,325 million issued to support Financial Shield programs. As at 31 December 2024, this resulted in a reduction of the Company's bond issue liability down to PLN 57.6 billion. PFR settles all the liabilities following from the issued bonds on an ongoing basis.
- April-May 2024: sale of 42,320 shares in Mabion S.A.
- In May 2024, Annex No. 6 to the loan agreement of 30 May 2017 with Powszechna Kasa Oszczędności Bank Polski S.A. was signed, extending the loan repayment date from 30 May 2024 to 30 May 2026.
- On 11 July 2024, PFR signed a liquidity loan agreement with PFR Portal PPK in the amount of PLN 7 million. Three out of four tranches of the loan were paid out in 2024, for the total amount of PLN 6 million. The loan was repaid in March 2025.
- Changes in the personnel of management boards and supervisory boards of PFR Capital Group companies in Q3 and Q4 2024.
- The Company submitted an application of 21 November 2024 to the Minister of Finance requesting the transfer of treasury securities with a par value of PLN 1 billion for an increase of PFR's share capital. On 30 December 2024, the company received treasury bonds: DS1034, WZ0330, OK0127, PS0130.
- Increase of the share capital of PFR Ventures Innovation Fund Alternatywna Spółka Inwestycyjna S.K.A. with its registered office in Warsaw by PLN 2,094,900 to PLN 4,042,300, i.e. by PLN 1,947,400, through an issue of 19,474 new series C registered common shares.
- On 16 December 2024, an annex to the loan agreement was signed for the purchase of Bank Pekao S.A. shares, increasing the loan collateral by the additional 3.5 million shares.
- On 23 December 2024, PFR contributed to the PFR FI FIZAN fund Series A and B bonds issued by Trenino sp. z o.o. in exchange for the fund's investment certificates.

# Material events after the balance sheet date

- On 7 January 2025, the liquidation of the PFR NFOŚiGW Closed-End Investment Fund of Private Assets in liquidation was completed. As a result of the liquidation, PFR TFI redeemed the investment certificates by paying out the obtained funds of the Fund participants pro rata to the number of investment certificates held. Due funds of PLN 118.06 on account of the Fund's investment certificates held by PFR were paid out on 7 January 2025.
- On 21 January 2025, the Management Board of the Company decided to grant a joint commercial proxy to two Company employees: Ewa Maciąg and Agata Wiśniewska.
- On 10 February 2025, the Company's Supervisory Board approved the document titled "Strategic Directions of the PFR Capital Group for 2025".
- On 12 February 2025, acting pursuant to the agreement of 11 July 2024, PFR paid out the fourth tranche of the loan for PFR Portal PPK in the amount of PLN 1,000,000.
- On 17 February 2025, PFR made a co-payment to Series C Investment Certificates of the Foreign Expansion Fund 2 FIZAN. The amount of the transaction was PLN 20,000,000.
- In February 2025, the Company purchased the issue of Series Z investment certificates of the Housing Sector Development Fund FIZ AN and the issue of Series O10 investment certificates of PFR Fund of Funds FIZ;
- In February 2025, PFR sold 42,321 shares in Mabion S.A. The total amount of the transaction was PLN 432,884.45.
- On 4 March 2025, during the shareholder meeting of Polska Agencja Ratingowa S.A. (PAR) a decision was made to dissolve the company and put it into liquidation. The decision on liquidation was made due to the lack of potential for the company to generate an adequate level of revenues.
- On 18 March 2025, based on the resolution adopted by the Shareholder Meeting, the share capital of PFR S.A. of PLN 646,121,364. The share capital increase was registered in the National Court Register on 2 April 2025.
- On 28 March 2025, PFR redeemed PFR0325 bonds issued under the Financial Shield program in the amount of PLN 18,500,000,000 and paid interest of PLN 269,327,070 on these bonds. The funds for the redemption were provided by the State Treasury.
- On 31 March 2025, PFR Portal PPK repaid a loan in accordance with the agreement of 11 July 2024 along with accrued interest of PLN 7,207,828.22.
- On 2 April 2025, District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, registered the increase of the Company's share capital to PLN 12,122,029,143.
- On 11 April 2025, the Polish Financial Supervision Authority launched an audit at PFR TFI to verify compliance of the Company's activities with the law, articles of association, internal regulations and with the permit granted. The scope of the audit includes the management of investment funds and their representation before third parties. The audit is expected to end by 10 June 2025.
- On 5 May 2025, the Company signed a letter of intent with PFR Ventures on the implementation of the Deep Tech program by using PFR Ventures Innovation Fund ASI SKA. The program aims to support the development of the Polish ecosystem of innovative businesses operating in the Deep Tech sector, by investing in funds operating in the venture capital market that would be selected during the DeepTech call for applications.
- In May 2025, the Company purchased the issue of Series AA investment certificates of the Housing Sector Development Fund FIZ AN and the issue of Series O11 and N5 investment certificates of PFR Fund of Funds FIZ.
- In 2025, until the date of signing the financial statements, PFR extended three sureties for good performance bonds and for advance refund guarantees issued at the request of a portfolio company in a fund (Pojazdy Szynowe PESA Bydgoszcz S.A.), whose portion of the investment portfolio is managed by PFR in connection with contracts performed by that entity. The total value of the two sureties extended in Polish zloty is PLN 23,572,162.72, while the amount of the other surety extended in Romanian lei is RON 47,796,480.00.

# Management Board Report on the Activity of PFR S.A. and the PFR Capital Group in 2024

## Chapter 5: Anticipated development directions for PFR and the PFR Capital Group

**Status of the execution of the PFR Group's Strategy for 2020-2025** ..... **84**

**Strategy of the PFR Capital Group** ..... **85**

1. Strategic directions of the PFR Capital Group for 2025 ..... 85
2. Development directions and business priorities in 2024 ..... 86
3. New Strategy of the PFR Capital Group's Strategy for 2026-2030 ..... 87
4. Participation in industry and international associations ..... 87

# Status of the execution of the PFR Group's Strategy for 2020-2025

In 2024, the PFR Capital Group continued to implement the Strategy for 2020–2025 adopted in 2019. This document outlines a comprehensive action plan for individual development institutions, aimed at supporting Poland's long-term economic growth. The strategy is built around eleven key pillars that address modern economic challenges and seek to create a modern, innovative, and resilient state.

A core focus of the PFR strategy is the **digitalization of the Polish economy**. Investments in digital infrastructure, cybersecurity, and implementation of modern IT solutions accelerate digital transformation across both the public and private sectors. Support for technology start-ups and R&D initiatives has fostered innovation and enhanced Poland's global competitiveness in the tech sector.

The **dynamic development of innovation** remains central to the PFR Capital Group's strategy. The Group supports start-ups and R&D projects, particularly those developing advanced technological solutions, These investments strengthen the national innovation ecosystem but also improve Poland's standing in global innovation rankings.

Modernizing and expanding **modern transport, energy, and telecommunications infrastructure** is a key strategic priority. The PFR Group backs projects such as the construction of modern railway lines, expressways, and energy infrastructure, improving quality of life and increasing Poland's investment appeal.

**International expansion of Polish companies** is another strategic direction. As a result of export support programs, Polish companies are gaining new market opportunities and increasing their global presence. Easier access to capital, insurance programs, and strategic consulting improve the chances of international success for Polish companies.

Support for the **industrial sector** and key infrastructure investments remains an important element of the PFR Capital Group. These activities include modernization and development of strategic economic sectors, such as automotive, aviation, and chemicals. Investments in technologies and implementation of innovative solutions are improving competitiveness across Polish industry.

**Healthy and active society** is another area of focus for the PFR Capital Group. Investments in medical infrastructure, modernization of health care facilities, and digitization of the health care system are raising the quality and accessibility of medical services. Preventive programs and promotion of a healthy lifestyle also aim to improve long-term public health and reduce health care costs.

In the **labor market and education** area, the PFR Capital Group focuses on the development of workforce skills aligned with a modern economy. Training programs, improvement of vocational education, partnerships with academia help prepare workers for market requirements. Investments in digital education initiatives (including reskilling and upskilling) contribute to greater professional mobility and readiness to work in new sectors of the economy.

In the **sustainable economy** area, the PFR Capital Group funds projects in renewable energy and industrial decarbonization. These investment programs focus on developing wind energy and photovoltaic energy sectors and energy storage technologies and contributed to the increased share of green energy in Poland's energy mix. These measures not only helped reduce GHG emissions but also increase Poland's energy independence.

**Competitive SMEs** are another strategic priority of the PFR Group. The Group offers financial and advisory tools to help businesses get access to modern financial instruments that allow them to grow, expand internationally and implement innovative technologies. At the same time it implements initiatives supporting the digitization of companies, which improves their competitiveness and resilience to changing market conditions.

The PFR Capital Group also supports the development of **modern local governments and public-private partnerships** by promoting efficient management at the local level. Investments in modernizing public transport, construction of new public facilities, and digitization of local administration improve services provided to citizens.

In December 2024, the PFR Group Board established a dedicated working group to develop the PFR Group Strategy for 2026-2030.

Full details on current activities and the involvement of individual institutions are available in the full document, which is available on the official PFR website under "About Us / Capital Group Strategy."

# Strategy of the PFR Capital Group

*ESRS 2 SBM-1 40*

## 1. STRATEGIC DIRECTIONS OF THE PFR CAPITAL GROUP FOR 2025

With the 2022-2025 PFR Capital Group Strategy nearing the end of its timeframe and in light of a new vision for development, the newly appointed Management Board of PFR, which began its five-year term on 19 July 2024, decided to revise the strategic directions for 2025.

Accordingly, the PFR Management Board decided to:

- Adapt the Strategy to evolving market and geopolitical conditions, including:
  - the war in Ukraine and increased defense expenditures,
  - rising commodity prices and the decarbonization of the economy,
  - the need to sustain the long-term competitiveness of the Polish economy,
  - challenges linked to the development and adoption of artificial intelligence;
- Incorporate findings from opening audits and reflect the evolution of the PFR business model;
- Recalibrate priorities for 2025;
- Conduct a comprehensive assessment of the implementation of the 2022–2025 PFR Capital Group Strategy, to be performed as part of work on the 2026–2030 Strategy.

As part of the update, the Management Board defined five strategic directions for the PFR Capital Group in 2025:

| | |
|---|---|
| **Energy Transition**<br>renewable energy<br>electromobility<br>low-emission transport<br>decarbonization | Energy transition is one of the cornerstones of the long-term development of the PFR Capital Group. PFR's activities will support the growth of renewable energy sources, electromobility and modernization of energy infrastructure. Investments in this area are aimed at reducing Poland's dependence on fossil fuels, developing green energy and accelerating the decarbonization process in the economy. Special emphasis will be placed on projects in wind and solar energy and energy storage technologies. |
| **Innovation ecosystem**<br>start-ups<br>acceleration programs<br>venture capital<br>private equity | The PFR Capital Group will continue to actively foster the innovation ecosystem by supporting start-ups, venture capital entities and development of digital technologies. The aim is to create favorable conditions (an "ecosystem") for launching new enterprises, scaling innovative projects and attracting investors (also including building capabilities and pursuing investments related to artificial intelligence). |
| **International competitiveness of Polish enterprises**<br>international expansion<br>support for reconstruction of Ukraine | In the face of increasing global competition, the PFR Capital Group sees the need to continue and intensify support for Polish companies expanding onto foreign markets, including those contributing to the reconstruction of Ukraine. This includes providing financing to companies that plan internationalization, supporting exports, and promoting Polish brands on international markets. The Group will also support international partnerships aimed at strengthening the position of Polish companies on global markets. |
| **Development of the capital market**<br>Employee Capital Plans<br>ESG-linked instruments<br>REITs<br>public market disinvestments | A robust and well-functioning capital market is critical for financial stability economic growth of Poland. The PFR Capital Group plans to continue to support and promote Employee Capital Plans, promote ESG-aligned investments, and develop new financial instruments for the public market. It will also strengthen the REIT sector and continue to modernize financial structures. These efforts will increase Poland's appeal to both domestic and international investors. |
| **Long-term economic and defense resilience**<br>defense industry<br>shield programs<br>housing market | The current geopolitical conditions require strategic measures to strengthen Poland's long-term economic resilience. The PFR Capital Group plans to increase support for the defense sector and, including investments in defense technologies. An important element of this direction is improving access to housing. |

Detailed information on planned activities undertaken within the respective strategic directions are presented in the full document entitled "Strategic Directions of the Polish Development Fund's Capital Group for 2025", which is available on the official PFR website.

The activity of the PFR Capital Group is guided by four core principles:

**Complementing the commercial and non-governmental sectors**

- Bridging financing gaps for investment projects supporting Polish enterprises in achieving competitive advantages, and supporting sustainable economy.
- Mobilizing domestic and international partners to finance consortium-based projects;
- Catalyzing the use of EU funds (including POIR and FENG) and cooperating with international institutions (such as the EIB, EBRD, and the World Bank).

**Creating value for shareholders**

- Investing State Treasury capital, while ensuring a market rate of return.

**Striving for self-financing**

- PFR regularly evaluates its portfolio to identify opportunities for reinvestment

**Running development programs and assigned tasks**

- Activities that support growth, build investment capabilities and long-term resilience of the Polish economy.
- Driving development of the capital market.
- Executing tasks delegated by public authorities that require specialized knowledge and experience, for example managing Financial Shield programs, processing payouts from the National Recovery and Resilience Plan, and keeping records of the Employee Capital Plan.

## 2. DEVELOPMENT DIRECTIONS AND BUSINESS PRIORITIES IN 2024

The activity of the PFR Capital Group is based on the System of Development Institutions established in 2019, in which PFR is responsible for the investment area. The PFR Capital Group and the PFR Group have mutually consistent missions, visions, operating rules and values of the organizations.

The strategy indicates areas of organizational activity which are strictly connected with strategic directions for the entire PFR Group referred to on page 19.

Each strategic activity defined in the document meets objectives agreed in the following areas: sustainable development, digital transformation and cutting-edge technologies as well as energy transition and competitiveness, namely:

- to ensure necessary security level for the performance of basic services and to increase productivity of the economy;
- to develop potential for creating and absorbing innovations and increase research potential;

## PFR's values

### Partnership and cooperation

In our work, we treat others as we would like to be treated ourselves. We respect and appreciate the work of others and we listen to their needs. While working together, we share our experience and information, making trust the foundation for the development of the Polish society and the Polish economy.

### Responsibility

We analyze and understand the reality that surrounds us, we are able to combine our own assignments with the objectives of the team and the company in order to achieve the intended results, and in all our activities we seek to achieve benefits for Poland. We learn from our successes and failures and take the necessary risks. We pursue what we have declared in a consistent manner.

### Professionalism

We consistently strive to achieve our objectives and we provide our customers with the highest quality products and services. We are always prepared and we always complete all our assignments.

### Development

We create new ideas, services and solutions, thus supporting the development of the Polish economy and the Polish society. We follow the latest trends while thinking and acting outside the box. We cross borders to achieve amazing new results.



- capital, consulting and organizational support to build a modern, competitive and climate-neutral economy.

The key areas of PFR Capital Group's activity include: investment activity, pro-development activity, corporate social responsibility and corporate activity. Additionally, as part of its activities, PFR also fulfills sustainability objectives in the environmental, social and governance dimensions.

An important element of activities undertaken by PFR is also an internal development of the organization, which aims to maintain a high credit rating and to use capital effectively.

## 3. NEW STRATEGY OF THE PFR CAPITAL GROUP'S STRATEGY FOR 2026-2030

At the beginning of the year, the PFR Capital Group launched work on its 2026-2030 strategy. This initiative is a key step in the Group's continued growth and a response to rapidly evolving economic conditions in Poland and worldwide.

## 4. PARTICIPATION IN INDUSTRY AND INTERNATIONAL ASSOCIATIONS

PFR is also engaged in the activities of industry and international organizations and associations. In this way, experience and best practice can be shared with other organizations in similar areas of work. This type of cooperation is also applied to gain knowledge and launch joint initiatives that enable the whole community to speak with one voice on matters of significance for its operations.

### D20-LTIC (D20 Long-Term Investors Club)

The D20-LTIC is an association of leading global development institutions, predominantly from the G20 countries. Its purpose is to encourage cooperation and establish conditions conducive to long-term investments that support sustainable economic growth. The Club was established in 2009 at the initiative of the French CDC, Italian CDP, German KFW and the European Investment Bank. Currently, the D20-LTIC consists of 21 members with a total balance sheet value of more than USD 5.4 trillion. PFR joined the organization in June 2018.

### UNGC (United Nations Global Compact)

The UNGC is the world's largest business initiative for sustainable development, involving 13,000 companies and stakeholders from 170 countries. The pact requires companies to align their strategies and activities with 10 principles in the areas of human rights, labor standards, natural environment and counteracting corruption, and to take initiatives in support of the UN sustainable development goals. PFR joined the UNGC in December 2020.

### Invest Europe

Invest Europe (formerly known as EVCA) is the world's largest association representing European private equity, venture capital and infrastructure funds and their investors, including some of Europe's largest pension funds and insurers. Invest Europe is involved in the drafting and issuing of opinions on regulations and laws pertaining to investment, provides analyses of the role of its members in the economy and conducts research on trends and changes in the sector. The association also publishes the Professional Standards Handbook containing standards and guidelines for the PE industry. PFR became a member of the organization in January 2018.

### ILPA (Institutional Limited Partners Association)

ILPA is an industry association based in Washington, DC and Toronto, bringing together institutional limited partners (LPs) in the PE asset class. The organization owns over 500 institutions with a total of USD 2 trillion of assets under management, accounting for approx. 50% of all PE assets across the world. The association is the only global organization dedicated solely to protecting the interests of LPs and their beneficiaries through education, representation and organization of events. PFR has been an ILPA member since May 2018.

### Polish Private Equity and Venture Capital Association

The Polish Private Equity and Venture Capital Association (PSIK) brings together private equity/venture capital investors active in Poland. The Association is also open for other persons, companies and institutions interested in the development of the Polish sector of private equity/venture capital. The aim of PSIK is to facilitate investments, support the development of the sector of private equity/venture capital in Poland and represent the interests of the sector. PFR has been a PSIK member since November 2022.

### Chapter Zero Poland

Chapter Zero Poland is part of the Climate Governance Initiative established by the World Economic Forum – an initiative associating members of supervisory boards and CEOs of top companies. The organization has been established to raise awareness of the consequences of climate changes for business and the impact of business on climate. It provides knowledge as well as concrete tools and an experience sharing platform between the members of management and supervisory boards and experts. PFR has been a member of the organization since early 2025.

# Management Board Report on the Activity of PFR S.A. and the PFR Capital Group in 2024

## Chapter 6: Sustainability Statement of the PFR Capital Group for the period from 1 January 2023 to 31 December 2024


**1. ESRS 2 – General disclosures ..... 92**

1.1. BP-1 – General basis for preparation of the Statement ..... 92
1.2. BP-2 – Disclosures in relation to specific circumstances ..... 92
1.3. GOV-1 – Role of administrative, management and supervisory bodies ..... 93
1.4. GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ..... 93
1.5. GOV-3 – Integration of sustainability-related performance in incentive schemes ..... 94
1.6. GOV-4 – Statement on due diligence ..... 94
1.7. GOV-5 – Risk management and internal controls over sustainability reporting ..... 95
1.8. SBM-1 – Strategy, business model and value chain ..... 95
1.9. SBM-2 – Interests and views of stakeholders ..... 98
1.10. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model ..... 100
1.11. IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities ..... 105
1.12. IRO-2 Disclosure Requirements in ESRS covered by the Statement ..... 107

**2. E1 – Environmental involvement ..... 112**

2.1. GOV-3 – Integration of sustainability-related performance in incentive schemes ..... 112
2.2. E1-1 - Transition plan for climate change mitigation ..... 112
2.3. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model ..... 112
2.4. IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities ..... 112
2.5. E1-2 – Policies related to climate change mitigation ..... 113
2.6. E1-3 – Actions and resources related to climate change mitigation and adaptation policies ..... 114
2.7. E1-4 – Targets related to climate change mitigation and adaptation ..... 114
2.8. E1-5 – Energy consumption and mix ..... 115
2.9. E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions ..... 116

**2.10. Sustainable and equitable finance (Additional topic) 117**
2.10.1. Actions undertaken by the PFR Capital Group 117
**2.11. EU Taxonomy 118**
2.11.1. The Taxonomy 118
2.11.2. Minimum Safeguards 118
2.11.3. Evaluation of EU Taxonomy alignment 119
2.11.4. Turnover KPI 119
2.11.5. Capex KPI 123
2.11.6. Opex KPI 126
2.11.7. Nuclear and fossil gas-related activities 129

**3. S1 – Responsibility to employees 130**

**3.1. S1-1, S1-6, S1-7 – PFR Capital Group's own workforce 130**
3.1.1. SBM-2 – Interests and views of stakeholders 130
3.1.2. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 130
**3.2. S1-3, S1-17 – Engaging with own workers 132**
3.2.1. S1-2 – Processes for engaging with own workers 132
3.2.2. S1-3 – Processes to remediate negative impacts 133
3.2.3. S1-17 – Incidents, complaints and severe human rights impacts 133
**3.3. S1-1 – Policies related to own workforce 134**
**3.4. S1-1, S1-4, S1-5, S1-6, S1-7, S1-11 – Secure employment conditions for workers 138**
3.4.1. S1-1 – Employment security policies 138
3.4.2. S1-4 – Taking action on employment security 138
3.4.3. S1-5 – Targets related to employment security 138
3.4.4. S1-11 – Social protection 138
**3.5. S1-1, S1-4, S1-5, S1-10, S1-16 – Adequate wages 139**
3.5.1. S1-1 – Policies for adequate wages 139
3.5.2. S1-4 – Taking action on adequate wages 139
3.5.3. S1-5 – Targets related to adequate wages 139
3.5.4. S1-10, S1-16 – Remuneration metrics 139
**3.6. S1-1, S1-4, S1-5, S1-15 – Working time and work-life balance 139**
3.6.1. S1-1 – Policies related to working time and work-life balance 139
3.6.2. S1-4, S1-15 – Taking action on working time and work-life balance 139
3.6.3. S1-5 – Targets related to working time and employee work-life balance 140
**3.7. S1-1, S1-4, S1-5, S1-9, S1-16 – Gender equality 140**
3.7.1. S1-1 – Diversity policies 140
3.7.2. S1-4 – Taking action on diversity 140
3.7.3. S1-5 – Targets related to diversity 140
3.7.4. S1-9 – Diversity metrics 140
3.7.5. S1-16 – Pay gap metrics 141
**3.8. S1-1, S1-4, S1-5, S1-13 – Training and skills development of employees 141**
3.8.1. S1-1 – Training policies 141
3.8.2. S1-4 – Taking action on training 141
3.8.3. S1-5 – Targets related to training 142
3.8.4. S1-13 – Training metrics 142

**4. S3 – Impact on local communities** 144

**4.1. S3-1, S3-2, S3-3 – Affected communities** 144
4.1.1. SBM-2, SBM-3, S3-2, S3-3 – Interests and views of stakeholders and material impacts, risks and opportunities and their interaction with strategy and business model 144
4.1.2. S3-1 – Policies related to impact on local communities 144

**4.2. S3-1, S3-4 – Adequate housing** 146
4.2.1. S3-4 – Activities to support housing conditions 146
4.2.2. S3-5 – Directional goals for housing conditions 147

**4.3. S3-1, S3-4, S3-5 – Water and sanitation among communities** 147
4.3.1. S3-4 – Activities to support basic infrastructure 147
4.3.2. S3-5 – Directional goals for basic infrastructure 147

**4.4. Crisis assistance (financial shields) (Additional topic)** 147
4.4.1. Financial Shield activities and resources (Additional topic) 147
4.4.2. Targets related to Financial Shields 148

**4.5. Charitable activities (Additional topic)** 148
4.5.1. Employee volunteer activities 148
4.5.2. Targets related to charitable activities 148

**5. S4 – Responsibility to consumers** 149

**5.1. S4-1, S4-2, S4-3 – Clients of the PFR Capital Group** 149
5.1.1. SBM-2 – Interests and views of stakeholders 149
5.1.2. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 149
5.1.3. S4-2 – Processes for engaging with consumers and end-users about impacts 149
5.1.4. S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns 150
5.1.5. S4-1 – Policies related to customers 150

**5.2. S4-1, S4-4, S4-5 – Privacy protection** 152
5.2.1. S4-1 – Policies regarding protection of the privacy of consumers and end-users 152
5.2.2. S4-4 – Taking measures to protect the privacy of consumers and end-users 152
5.2.3. S4-5 – Objectives relating to consumers 152

**5.3. S4-1, S4-4, S4-5 – Security of a person** 152
5.3.1. S4-1 – Policies relating to the personal security of consumers and end-users 152
5.3.2. S4-4 – Taking measures relating to the personal security of consumers and end-users 153
5.3.3. S4-5 – Targets related to consumers 153

**6. G1 – Business conduct** ..... **154**

**6.1. G1-1 – Corporate governance of PFR Capital Group** ..... **154**
6.1.1. GOV-1 – Roles and responsibilities of the administrative, management and supervisory bodies ..... 154
6.1.2. G1-1 – Business conduct policies ..... 154

**6.2. G1-1 – Corporate culture** ..... **160**
6.2.1. G1-1 – Code of Conduct ..... 160

**6.3. G1-1 – Protection of whistleblowers** ..... **161**
6.3.1. G1-1 – Procedure for reporting and following up irregularities and breaches of law ..... 161

**6.4. G1-2, G1-6 – Management of relationships with suppliers** ..... **161**
6.4.1. G1-2 – Management of relationships with suppliers ..... 161
6.4.2. G1-6 – Payment practices ..... 162

**6.5. G1-1, G1-3, G1-4 – Prevention and incidents of corruption** ..... **162**
6.5.1. G1-1 – Policies on preventing corruption and bribery ..... 162
6.5.2. G1-3 – Prevention and detection of corruption and bribery ..... 163
6.5.3. G1-3 – Anti-corruption and anti-bribery training ..... 163
6.5.4. G1-4 – Incidents of corruption and bribery ..... 164

**6.6 G1-5 – Political influence and lobbying activities** ..... **164**

**6.7. Cybersecurity (Additional topic)** ..... **164**
6.7.1. Cybersecurity management at the PFR Capital Group ..... 164
6.7.2. IT and Security Strategy for the PFR Capital Group for 2023-2025 ..... 164
6.7.3. Actions undertaken by the PFR Capital Group ..... 164
6.7.4. Targets related to cybersecurity ..... 165

# 1. ESRS 2 – General disclosures

## 1.1. BP-1 – GENERAL BASIS FOR PREPARATION OF THE STATEMENT

The Sustainability Statement (hereinafter referred to as the "Statement") has been prepared pursuant to Chapter 6c of the Accounting Act of 29 September 1994 (consolidated text in Journal of Laws 2023, item 120, as amended) and in accordance with the Sustainability Reporting Guidelines contained in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, which supplements Directive 2013/34/EU of the European Parliament and of the Council on Sustainability Reporting Standards (*European Sustainability Reporting Standards*, "ESRS") and Regulation 2020/852 on Taxonomy. The parent company of a large (i.e., the entity must employ an average of ≥ 500 people per year and have ≥ PLN 110 million in assets or ≥ PLN 220 million in net revenues) group is required to present in a separate section of the group's management report the information necessary to understand the group's impact on sustainability issues. In the context of the specific nature, scale and activities of the Polish Capital Group ("PFR Capital Group"), the key entity responsible for the impacts, risks and opportunities associated with sustainable development is Polski Fundusz Rozwoju S.A. ("PFR S.A."). The report includes disclosures about the Capital Group, covering both the parent company and individual group companies. Where there are significant differences between the companies, they are clearly indicated in the body of the report.

The PFR Capital Group Statement for 2024 has been prepared in consolidated form and the scope of data consolidation is consistent with the consolidated financial statements and includes the following companies: PFR Ventures sp. z o.o., PFR Ventures Innovation Fund ASI S.K.A., PFR Ventures Inwestycje Bezpośrednie ASI S.K.A., PFR Towarzystwo Funduszy Inwestycyjnych S.A., PFR Portal PPK sp. z o.o, PFR Operacje sp. z o.o and PFR Nieruchomości S.A.

The scope of the Statement was determined as a result of a process of assessing the materiality of impacts, risks and opportunities, which included the organization's entire value chain. This process was carried out in accordance with ESRS 1 guidelines and Guide IG-1 Materiality Assessment, published by the European Financial Reporting Advisory Group (EFRAG). A detailed description of the analysis and its results can be found in the relevant sections of the Statement. The extent to which each topic relates to the value chain, including the policies, activities, targets and metrics used in this regard, is indicated in the relevant disclosures.

In preparing the Statement, the PFR Capital Group did not exercise the option to omit information regarding intellectual property, know-how or innovation results.

The PFR Capital Group has not taken advantage of the exemption from disclosure of impending developments or matters in the course of negotiation.

## 1.2. BP-2 – DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

ESRS standards require companies to define the short-, medium- and long-term time horizons used in the materiality assessment process. To ensure consistency, the Statement adopts the following time perspectives as required by ESRS 1 para. 6.4:

- short-term perspective (1 year);
- medium-term perspective (1-5 years);
- long-term perspective (more than 5 years).

The value chain information in the Statement is based solely on direct data, without the use of indirect sources such as sector averages or other proxies.

The document does not include quantitative measures or amounts that have a high level of measurement uncertainty.

The 2024 Statement is the first PFR Capital Group statement prepared based on ESRS standards. Accordingly, no changes in methodology or presentation of information are applicable, and no errors from previous periods have been reported.

The PFR Capital Group does not take into account sustainability reporting provisions other than those specified in ESRS standards.

The following information is incorporated by reference into other sections of the 2024 Annual Report:

**Table 1. List of references to the PFR Capital Group activity report**

| Ratio | Name | Location in the annual report |
|---|---|---|
| (ESRS 2) SBM-1 40 | Strategy, business model and value chain | Chapter 1: Overview - Description of the PFR Capital Group<br>Chapter 1: Overview - Structure of the PFR Capital Group<br>Chapter: Anticipated development directions for PFR S.A. and the PFR Capital Group |
| (ESRS 2) GOV-1 21 | The role of the administrative, management and supervisory bodies | Chapter 1: Overview – Corporate governance |

As of the balance sheet date, the PFR Capital Group has not exceeded the average number of 750 employees in a financial year, but does not take advantage of the opportunity to phase in disclosure requirements (as defined in Appendix C to ESRS 1), except as follows:

- **SBM-3 48 e)** – potential financial impacts;
- **ESRS E1-6** – greenhouse gas emissions for the value chain (Scope 3 according to the Greenhouse Gas Protocol methodology)
- **ESRS E1-9** – potential financial impacts from significant physical and transformational risks and potential climate-related opportunities.
- **ESRS S1-16** – salary-related disclosures ("Unadjusted gender wage gap" and "Excessive CEO compensation").

- **ESRS S1-15 93** – Disclosure including the percentage of employees entitled to family leave and the percentage of employees who have exercised this entitlement.

## 1.3. GOV-1 – ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

This section outlines the principles for managing the sustainability area in the PFR Capital Group. General information on the Management Board and Supervisory Board (including composition, expertise, roles and responsibilities) is available in the PFR Capital Group Annual Report [Section: Overview - Corporate Governance].

Information on PFR S.A.'s corporate bodies

**Table 2. Information on the composition of PFR S.A.'s corporate bodies (as of 31 December 2024)**

| | Total number of members | Men | Women | Independent members |
|---|---|---|---|---|
| Supervisory Board (supervisory, non-executive body) | 6 | 4 (66.7%) | 2 (33.3%) | 4 (66.7%) |
| Management Board (executive body) | 3 | 3 (100%) | 0 (0%) | n/a |

There are no employee representatives on the PFR Capital Group's bodies.

Below are the key tasks of PFR S.A.'s main supervisory and management bodies, which, in accordance with the PFR S.A. Articles of Association, are responsible for implementing the organization's goals and strategies, including those related to sustainable development:

**Table 3. Key tasks of PFR S.A.'s bodies in the field of sustainable development**

| Authority | Key tasks |
|---|---|
| Shareholder Meeting | Determining the principles of formation and amount of remuneration for members of the Supervisory Board and the Management Board. |
| Supervisory Board | Supervision of PFR S.A. in all areas of its activities, including those related to Sustainable Development. Determining the terms of agreements governing the legal relationship of Management Board members with PFR S.A., including the ability to set Management Board objectives related to sustainable development. |
| Management Board | Implementation of strategies, including those related to sustainable development, risk management and implementation of operational activities in support of PFR S.A.'s goals. |

The Supervisory Board has a Strategy Committee, which is responsible for reviewing and making recommendations on development directions, including those related to sustainable development.

Pursuant to the Articles of Association, oversight of issues related to PFR S.A.'s operations, including impacts, risks and opportunities for sustainable development, remains the responsibility of the Supervisory Board.

PFR's Management Board plays a key role in implementing sustainability activities, making decisions that directly affect the organization's operations. In 2024, as part of the further expansion of the management structure in this area, it was decided to establish the position of Chief Sustainability Officer (CSO) who is also the Director of the Strategy Department of PFR S.A. This department is also responsible for sustainability-related reporting and coordination of activities in this area.

The Management Board and members of the Supervisory Board have experience related to the characteristics of the PFR Capital Group (including business sectors, products and geographic location) and in the field of sustainable development, gained, among other things, while working at international institutions such as the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD). This knowledge is regularly enriched through participation in training courses and collaboration with external experts, allowing the strategy to be adapted to current challenges.

The areas in which the PFR Capital Group has identified key impacts, risks and opportunities overlap with the areas of skills and experience of the members of the Management Board and Supervisory Board, especially in the context of supporting renewable energy and energy efficiency projects.

## 1.4. GOV-2 – INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

At PFR Capital Group, the Strategy Department plays a key role in informing the Management Board on sustainability issues. In 2024, as part of reports to the Management Board, the Department presented, among other things, the ESG Report for 2023 for approval and the establishment of the project "Development of the ESG Area at the PFR Capital Group," which includes, among other things, issues related to preparing the organization for value chain carbon footprint calculations (Scope 3) and reporting in accordance with the CSRD, including conducting a double materiality analysis for the first time, which identified key ESG areas relevant to the PFR Capital Group. The results of the double materiality analysis were presented to and approved by the PFR Management Board. ESG initiatives implemented by the Strategy Department are reported to the Management Board in accordance with the approved schedule for their implementation. On a quarterly basis, the Strategy Department also discusses with the Management Board and Supervisory Board the performance by all departments (including the Strategy Department) of the activities described in the Unit's Operational Plans and the Operational Plans of the PFR Capital Group Companies. The discussion of initiatives includes sustainability initiatives.

In April 2024, the PFR Capital Group adopted the common content of the Policy against Greenwashing, a significant step towards transparency and accountability in this area. The policy is designed to ensure that all of the PFR Capital Group's activities and communications comply with actual sustainability standards. In July 2024, the PFR Management Board approved the policy as part of internal regulations. Key topics for the Group on aspects of sustainable development are reflected in the so-called "operational plans" (a list of key activities implemented by the PFR Capital Group in a given

year). Operational plans are approved by the Management Board and then their implementation is monitored quarterly.

At the same time, the Management Board submits quarterly reports to the Supervisory Board, which include key information on operations (including progress in implementing the set development directions and significant transactions). In the context of sustainable development, the system also enables the communication of information on risks, opportunities and impacts related to this area). In the area of ESG, in 2024, the Management Board of PFR S.A. adopted the following Resolutions:

- Resolution of the Management Board of Polski Fundusz Rozwoju S.A. dated 27 March 2024 on the adoption of the "Policy against Greenwashing",
- Resolution of the Management Board of Polski Fundusz Rozwoju S.A. dated 4 July 2024 on the adoption of the "Procedure for Counteracting Greenwashing",
- Resolution of the Management Board of Polski Fundusz Rozwoju S.A. dated 16 July 2024 on the adoption of the "Development Plan for the ESG area by PFR S.A.",
- Resolution of the Management Board of Polski Fundusz Rozwoju S.A. dated 29 October 2024 on the adoption of "Development of the ESG area in the PFR Capital Group (Sustainability Reporting Report, IT tool, carbon footprint Scope 3)".

## 1.5. GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Remuneration of members of the Supervisory Board does not include variable components. Members of the Management Board are entitled to variable remuneration depending on the achievement of set management objectives (KPIs) in a given financial year. Determining the principles and amount of remuneration for members of the Management Board, including the President of the Management Board, is within the powers of the Shareholder Meeting, while the power to define specific terms of remuneration, including the quantification of remuneration, setting detailed management objectives and determining the content of the management contracts, was granted by the Shareholder Meeting to the Supervisory Board.

The following sustainability-related goals have been defined for the Management Board in 2024:

- Implementation of the National Recovery and Resilience Plan,
- Implementation of the PFR Financial Shield program,
- Development of the ESG area in the PFR Capital Group.

As indicated in the report, the PFR Capital Group recognizes the National Recovery and Resilience Plan and Financial Shield activities as important areas of the PFR Capital Group's impact on the community.

The above targets had a combined weight of 35% for determining the variable compensation of Management Board members.

## 1.6. GOV-4 – STATEMENT ON DUE DILIGENCE

**Table 4. Elements of due diligence**

| Core elements of due diligence | Sections and subsections in the Statement |
|---|---|
| a) inclusion of due diligence in corporate governance, strategy and business model | 1.3. GOV-1 – Role of administrative, management and supervisory bodies<br>1.7. GOV-5 – Risk management and internal controls over sustainability reporting<br>1.10. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| b) Engaging with affected stakeholders in all key steps of the due diligence | 1.9. SBM-2 – Interests and views of stakeholders<br>4.1.1. SBM-2, SBM-3 - Stakeholder interests and opinions, as well as material impacts, risks and opportunities and their interaction with strategy and business model<br>5.1.1. SBM-2 – Interests and views of stakeholders |
| c) Identification and assessment of adverse impacts | 1.11. IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities<br>2.4. IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities |
| d) Taking action to mitigate identified adverse impacts | 2.6. E1-3 – Actions and resources related to climate change mitigation and adaptation policies<br>3.6.2. S1-4 Measures taken regarding working time and employees' work-life balance<br>5.2.2. S4-4 – Taking measures to protect the privacy of consumers and end users<br>6.6. G1-5 – Political influence and lobbying activities |
| e) Tracking the effectiveness of these efforts and communicating | 2.9. E1-6 – Gross Scopes 1, 2, 3 and Total greenhouse emissions<br>3.7.4. S1-9 – Diversity metrics<br>3.8.4. S1-13 – Training metrics |

## 1.7. GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

In connection with the reporting process, PFR Capital Group has identified key risks, such as the risk of non-compliance with sustainability regulations and reputational risk.

In order to ensure effective cooperation in the area of sustainability and ESG, the PFR Capital Group has entered into an *Agreement regarding the area of sustainability and ESG in the PFR Capital Group*. The parties to the Agreement are PFR S.A., PFR Nieruchomości, PFR Ventures, PFR TFI, PFR Portal PPK, PFR Operacje and the PFR Foundation, which have agreed to cooperate with each other and to provide the necessary documents and information that are relevant to the implementation of reporting obligations. Under the Agreement, each unit designates its ESG Coordinator, who is responsible for providing data for reporting on behalf of the unit. In addition, the PFR Capital Group used the support of a specialized entity in preparing the 2024 Statement.

In order to increase the competence of employees responsible for providing data for reporting, the PFR Capital Group organized a series of training sessions with experts. As part of the training, employees gained knowledge of the new reporting requirements, the risks associated with them, and methods for assessing and mitigating them.

In addition, the Internal Audit Department, in an advisory capacity, participated on an advisory basis in the project to prepare the Sustainability Statement. Upon completion of the first reporting period, Audit will analyze whether and how this process should be evaluated in accordance with the audit methodology in the PFR Capital Group.

In 2024, the preparation of the Statement was not included in the audit activities.

In order to effectively manage the challenges identified this year, PFR Capital Group plans to analyze processes and internal controls which will allow for more efficient collection and analysis of sustainability-related data.

## 1.8. SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN

**Information related to PFR Capital Group's business model**

General information on the PFR Capital Group's business model is available in the Annual Report [Section: Overview - Capital Group Characteristics] [Chapter 1: Overview - Capital Group Structure].

The PFR Capital Group offers financial products, training and development support to meet the needs (regarding access to financing, training or long-term savings) of individuals, start-ups, small, medium and large enterprises and local governments.

The PFR Capital Group has a total of 556 employees (total headcount as of 31 December 2024), 96% of whom work at its headquarters in Warsaw and the remaining 4% in Chełm. The opening of the Chełm branch was aimed at supporting the local economy and creating new jobs, as the region had one of the highest levels of unemployment in Poland.

The PFR Capital Group does not offer products and services that are not authorized for trading in certain markets.

The PFR Capital Group's total revenues amounted to PLN 414,649 thousand for 2024 and are reported in accordance with the figures in the financial statements. The PFR Capital Group does not distinguish separate significant sectors for sustainability reporting purposes.

The PFR Capital Group has no significant activities outside the Financial Services - Capital Markets sector. At the same time, the PFR Capital Group notes that the other major source of revenue for the PFR Capital Group is revenue from the implementation of governmental Financial Shield programs. However, it should be noted that this activity does not fit directly into any of the sectors defined by the NACE codes, as it is characteristic only of the PFR Capital Group. At the same time, in the case of Financial Shield programs, the PFR Capital Group performs only roles related to the "technical" operation of the programs.

The PFR Capital Group does not engage in activities related to the fossil fuel sector, chemical production, controversial weapons, tobacco cultivation and production.

**Elements of the PFR Capital Group Strategy relating to sustainable development**

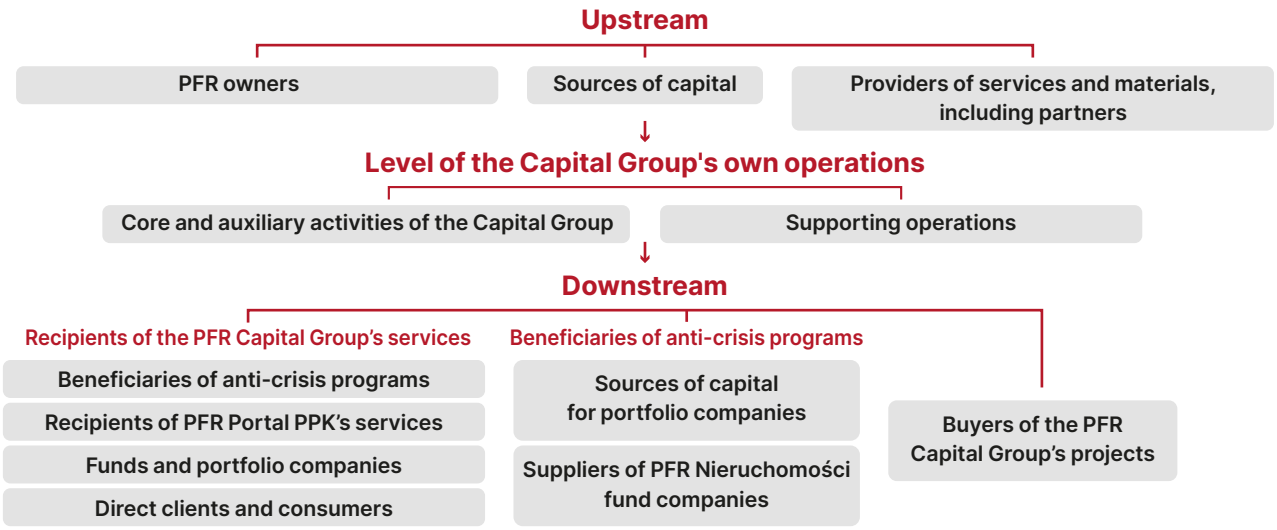
This section focuses on the sustainable aspects of the PFR Capital Group Strategy, which is discussed in detail in the PFR Capital Group Annual Report [Section: Anticipated Development Directions of PFR S.A. and the PFR Capital Group]. As a development institution, the PFR Capital Group operates in accordance with its established goals, values and principles. The PFR Capital Group supports sustainable development through projects that assume a balance between economic, social and environmental needs. Examples of such activities include the energy transition, which supports the goals of reducing emissions and increasing energy efficiency, and the development of an innovation ecosystem that contributes to building the competitiveness of Polish companies, which in turn supports a more sustainable economy. In addition, the development of the Employee Capital Plans Program (ECP) contributes to the financial security of citizens, and the implementation of investments in the housing sector ensures adequate housing, which is crucial for social stability.

Below is a table that summarizes a selection of the PFR Capital Group's strategic objectives related to sustainability, along with related products and significant customer groups. The PFR Capital Group does not have an ESG Strategy, while some of the goals included in Strategy 2022-25 are related to sustainable development, e.g., energy transition issues. The is a plan to develop an ESG Strategy.

**Table 5. Selected strategic objectives of the PFR Capital Group (Strategy 2022-25) linked to sustainable development**

| Sustainability commitments | Related products or services and significant customer groups |
|---|---|
| Increasing productivity of the Polish economy | **Products/Services:** Equity, venture capital and private equity investments that support Polish companies and projects at any stage of development<br>**Clients:** Small, medium and large enterprises |
| Increase in the number of apartments for lease | **Products/Services:** Investment in rental housing construction and housing financing programs<br>**Clients:** Young families, people without creditworthiness |
| Increasing the scale of application of digital solutions in the sphere of public administration | **Products/Services:** Support for digitization of public administration, development of e-government platforms<br>**Clients:** Public administration, local government units |
| Building a center for economic knowledge with an emphasis on knowledge about pension and savings systems in Poland | **Products/Services:** Educational programs on savings and pension schemes, publications and webinars<br>**Clients:** Citizens, retirement planners |
| Increasing the value of private savings of tax residents in Poland | **Products/Services:** Employee Capital Plan programs, financial consulting<br>**Clients:** Tax residents, employees |
| Facilitating control and management of pension products for citizens | **Products/Services:** Platforms for managing pension products, building awareness of the pension system and its products, facilitating the management of pension products<br>**Clients:** Citizens, retirement planners |
| Securing financial liquidity of enterprises in the period of crisis and supporting the economy | **Products/Services:** Financial Shield, liquidity support programs, pandemic liquidity provision for enterprises<br>**Clients:** Enterprises, especially SMEs |
| Increase in the society's economic awareness | **Products/Services:** Educational activities, information campaigns, workshops on personal finance<br>**Clients:** The public, pupils, students |
| Filling gaps in social areas | **Products/Services:** Projects to support local initiatives, integration programs, implementation of projects to support culture, art and protection of national heritage, support for professional activation<br>**Clients:** Local communities, community organizations |
| Development of culture, arts and social activities and protection of national heritage | **Products/Services:** Grants for cultural projects, support programs for artists<br>**Clients:** Artists, cultural organizations, local communities |
| Supporting the energy transition of Polish enterprises to strengthen the Polish value chain and build competitiveness in the Polish and international markets | **Products/Services:** RES technologies, energy audits, energy efficiency support programs for companies<br>**Clients:** Industry, local governments |
| Providing the opportunity for commercialization of high-technology solutions in CleanTech area | **Products/Services:** Investment in CleanTech start-ups, accelerator programs<br>**Clients:** Technology industry, innovation companies |
| Increase in the rate of energy transition and implementation of green strategies in the Polish local governments | **Products/Services:** Support programs for RES projects, consulting on green strategies, supporting the development of cooperation between local governments and technology companies<br>**Clients:** Local governments, local authorities |
| Increasing public awareness of sustainable development | **Products/Services:** Information campaigns, educational programs on ecology<br>**Clients:** The public, NGOs |
| Activation of large enterprises to engage in digital transformation and energy transition and increasing expenditures for innovations | **Products/Services:** Supporting the digitization of the country, enabling public and private entities to join the trend of migration to cloud services, innovation support programs, research and development grants<br>**Clients:** Large enterprises |
| Development of digital competences in the society | **Products/Services:** IT training, online courses, educational programs<br>**Clients:** Citizens, students, employees |

Pictorial structure of the PFR Capital Group's value chain




In 2023, PFR TFI implemented the Strategy of integrating sustainability risks into PFR TFI S.A.'s Investment Decision Making Process, which integrates sustainability risk management into the investment decision-making process.

**PFR Capital Group's value chain**

The PFR Capital Group operates on the basis of a complex business model that includes various elements within the value chain, divided into three main scopes: (i) upstream; (ii) PFR Capital Group's own operations; and (iii) downstream.

At the upstream end of the value chain, as of the end of the reporting period, the PFR Capital Group has two owners: the State Treasury, which holds 99.87% of the shares, and Bank Gospodarstwa Krajowego, which holds 0.13% of the shares. These owners provide the necessary capital and influence the strategic direction of the entire PFR Capital Group. The PFR Capital Group uses both public and private sources of capital, including public funds and bond issues.

In the context of raising, developing and securing inputs, the PFR Capital Group works with a variety of suppliers and partners, which is key to its operations. The main suppliers include:

- **Capital markets** - The PFR Capital Group uses the full infrastructure of capital markets.
- **Utility suppliers** - utilities supplied to the PFR Capital Group offices include: heat and electricity, water, fuel for the vehicle fleet, etc. Electricity is a material utility for the PFR Capital Group due to the need to maintain the operation of IT servers at all times.
- **Equipment and infrastructure providers** - The PFR Capital Group uses only office space and standard office resources, electronic equipment and vehicle fleet.
- **Technology providers** - due to the operation of the Employee Capital Plan portal by PFR Portal PPK and the provision of cyber security services within the PFR Capital Group, technology solution providers are an important part of the value chain. Their services include standard office software and IT services, but also specialized licenses and cyber-security services offered by international players.
- **Professional service providers** - The PFR Capital Group uses standard professional services, such as legal, consulting, PR and accounting services.
- **HR service providers** - The PFR Capital Group uses training provided by specialized entities in the HR field. The PFR Capital Group uses recruitment platforms in its recruitment processes, but without the support of recruitment agencies.
- **Partners** – In its activities, the PFR Capital Group cooperates with a wide range of partners, including industry associations (e.g., the Polish Association of Capital Investors), ministries, and public and private institutions.

At the level of the PFR Capital Group's own operations, it manages all key processes, primarily supporting investment activities, which is the PFR Capital Group's core business area.

- **Core processes** - Business-focused processes are located in specific PFR Capital Group companies. Responsibility for the management of investment funds, as required by the Act on Investment Funds, lies with PFR TFI, which, for some of the investment funds, subcontracts the management of the investment portfolio, to the extent specified by PFR TFI, to PFR Ventures (for private equity and venture capital), PFR S.A. or PFR Nieruchomości (for real estate funds). In addition, PFR Ventures was entrusted with the management of PFR Ventures Innovation Fund ASI S.K.A. and PFR Ventures Inwestycje Bezpośrednie ASI S.K.A. The development of innovation and entrepreneurship is carried out mainly through the programs of PFR S.A., which also serves beneficiaries of government anti-crisis programs (the Polish Development Fund's Financial Shield for Small and Medium Enterprises, Financial Shield 2.0 of the Polish Development Fund for Micro, Small and Medium Enterprises, the Polish Development Fund Financial Shield for Large Companies). Maintenance of the ECP portal and education, information and training activities are carried out by PFR Portal PPK.
- **Management processes** - management processes related to the PFR Capital Group's strategy, audit and control, and corporate governance are carried out primarily by PFR S.A., which oversees the PFR Capital Group. Due to the nature of its business as an investment fund management company, PFR TFI performs a significant amount of activities related to managing investment risk and managing compliance with, for example, investment policies. Man-

agement processes are also carried out by the other PFR Capital Group companies to the extent required.

- **Support processes** - a special case is cybersecurity and IT support activities, which are carried out by PFR Operacje for the PFR Capital Group to varying degrees, depending on the entity. Despite the implementation of all major processes as part of in-house operations, some services may be sub-contracted to external suppliers. This includes, for example, IT licensing and services, legal services, communications and marketing (such as media advertising campaigns).

As part of the downstream of the downstream value chain, the PFR Capital Group provides services to institutional and retail clients:

- **Recipients of the PFR Capital Group's services** - given the profile of the PFR Capital Group's activities, the main recipients of the PFR Capital Group's services (capital) are funds and portfolio companies. Funds in which PFR Capital Group companies invest (through funds or A Sis) perform an important intermediary function as a "distributor" of the PFR Capital Group's funds to portfolio companies. A special category of companies in which PFR has a stake are joint ventures (National Cloud), associates (e.g. Bank Pekao SA) and entities established for a specific purpose (PFR Foundation, PFR Mieszkania). The second major group of the PFR Capital Group's recipients are beneficiaries of government anti-crisis programs (Financial Shields, PLL LOT support program, Shield for the Borderland). The third major group is retail clients and direct consumers, primarily users of the ECP portal, beneficiaries of housing investments, recipients of training activities and entrepreneurship promotion programs.

- **Recipient suppliers** - in programs implemented by the PFR Capital Group, it is often a requirement to use other forms of financing for operations, and funding by the PFR Capital Group, is only part of the investment. Hence, public and private sources of capital for funds and portfolio companies are extremely important downstream in the value chain. A special case is the funds' special-purpose vehicles, whose assets are managed by PFR Nieruchomości, and which, in the investment/construction process, use specialized suppliers, such as architectural firms, construction companies, and at the operational stage of the project - administrative companies, suppliers of utilities, technical services, etc.

- **Buyers of the PFR Capital Group's projects** - the PFR Capital Group's investment cycle ends through portfolio divestment. Therefore, buyers of the PFR Capital Group's projects are an extremely important element. Project divestment can be done through an IPO, a sale to a private entity, another fund or the local government (e.g., the sale of shares of water and sewerage entities or housing, in which the local government may already have a part stake).

## 1.9. SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

As part of the identification of key stakeholder groups, in 2024/2025 an analysis was carried out using qualitative criteria. Stakeholders could be identified as key if they fell into one or two categories from the following lines of influence:

- **The organization's impact on the stakeholder:** Individuals or entities that are affected by an organization's actions, either positively or negatively, throughout the value chain,

- **Stakeholder's impact on the organization:** Individuals or entities that have an impact on the organization, including investors, lenders, business partners, trade unions, NGOs and governments.

The table below shows the ways in which the PFR Capital Group solicits stakeholder opinions:

**Table 6. Processes for engaging key stakeholders of the PFR Capital Group**

| Key stakeholders of the PFR Capital Group | Method of organizing cooperation / channels of dialogue | Purpose of cooperation | Taking into account the results of cooperation |
|---|---|---|---|
| Shareholders | PFR S.A. shareholder meeting, other meetings and periodic performance presentations | ensuring that the organization's activities are consistent with the company's articles of association and the owners' expectations | regular reporting on the results achieved and progress made in implementing the strategy |
| Local governments (making a contribution or a contribution-in-kind to special purpose vehicles) | surveys, needs and satisfaction surveys, meetings and personal discussions, contact by telephone, websites, social media, hotline, newsletter | building long-term relationships based on trust and cooperation | ongoing changes in the conduct of SPVs<br>building SPVs that meet the needs of local government partners |
| Related parties, including funds and subsidiaries and associates | needs research<br>regular reporting<br>meetings and exchange of experiences and documents, including within the framework of the meetings of corporate bodies<br>communication, including email and telephone communication | carrying out investment activities and improving their efficiency<br>standardizing processes, raising standards | implementing the strategy (in 2025 developing a new strategy for 2026-2030)<br>supporting sustainable social and economic development<br>implementing investment policies of individual funds<br>exercising ownership powers |

| Key stakeholders of the PFR Capital Group | Method of organizing cooperation / channels of dialogue | Purpose of cooperation | Taking into account the results of cooperation |
|---|---|---|---|
| Fund beneficiaries and end customers, including portfolio companies, startups and retail entrepreneurs, beneficiaries of crisis shields, and individuals receiving training | For non-investment beneficiaries:<br>satisfaction surveys<br>customer service channels<br>other open channels of communication<br>training<br>For investment beneficiaries:<br>needs surveys meetings and personal conversations<br>phone and email contact<br>websites<br>social media<br>infoline, newsletter | understanding of needs and expectations, which allows for better customization of product and service offerings.<br>building long-term relationships based on trust and cooperation | Development of programs tailored to the needs of beneficiaries |
| Suppliers, including providers of professional services and third-party technology providers | regular communication regarding cooperation and expectations | ensuring the continuity of supplies and services necessary for the operation of the organization.<br>building long-term relationships based on trust and cooperation | operational changes, results of cooperation may affect the term and conditions/ selection of suppliers, provisions of contracts |
| Media | press conferences and interviews given to the media | brand and image promotion<br>public education and information | the results of the collaboration may affect the Communication Policy |
| Regulatory environment and supervisory organizations (local, state, international) | reports and audits<br>formal correspondence<br>ongoing cooperation during inspections | compliance with regulatory requirements | implementation of CSRD guidelines and EU taxonomy requirements in investment activities<br>process changes<br>implementation of policies and other organizational standards |
| Current employees | formal meetings with the management (annual employee evaluation), employee satisfaction surveys, regular team meetings, town halls, strategic meetings, announcements for employees, workshops for new employees, e-mail and phone contacts, meetings and personal discussions, newsletter, Intranet, events, training | building competence and awareness of sustainability<br>ensuring operational stability and continuity<br>building an organizational culture that fosters innovation and engagement. | PFR Capital Group's adoption of a policy against greenwashing<br>changes in HR activities, training, professional development opportunities |
| Beneficiaries of the PFR Foundation | meetings, initiatives and events, reports, e-mail and phone communication | development of public benefit activities | planning further initiatives taking into account the conclusions of the dialogue |

Stakeholder identification was key to conducting the double materiality analysis process. The impact analysis included quantitative research - surveys - and qualitative research, including a series of interviews with employees (more information is available in Section 1.11 of IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities).

Due to the nature of some stakeholder groups, it was not always possible to conduct direct dialogue in the form of a survey. In the absence of the possibility of direct contact with stakeholders, the organization has relied on indirect sources, while maintaining the principles of confidentiality, compliance with the GDPR, and relevance to the type of relationship.

Internal and external stakeholder engagement findings were included in the impact assessment and were presented to the Management Board as part of the summary of the double materiality analysis. Companies take stakeholder feedback into account when shaping their strategy and making operational decisions.

## 1.10. SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Material impacts, risks and opportunities in the PFR Capital Group were identified during the double materiality analysis. The PFR Capital Group identified major impacts in the following areas:

1. The company's Social and Corporate Governance Committee focuses on aspects such as its own workforce, affected communities, consumers and end users, and business conduct, which includes transparency in management and ethical business practices.

2. With regard to environmental issues, the significant impacts identified relate to climate change. These impacts were identified both in the context of the organization's operations and indirect impacts in the context of the PFR Capital Group's investment portfolio, in areas such as energy consumption and climate change mitigation impacts.

   The main risks and opportunities are primarily related to issues related to climate change, but significant opportunities and risks were also noted related to the company's own workforce, cybersecurity, political engagement and lobbying activities, sustainable finance, and crisis shield activities.

3. In addition, due to the specific nature of the business, which is not fully reflected in ESRS issues, the PFR Capital Group has identified specific impacts under additional themes: related to charity, cybersecurity, and sustainable finance and equitable transformation.

**Table 7. Impacts, risks and opportunities of the PFR Capital Group**

**Material impacts, risks and opportunities**

| Type | Time horizons | Description | Location |
|---|---|---|---|
| **E1: Climate change** | | | |
| **Climate change mitigation** | | | |
| Actual negative impact | - | the PFR Capital Group generates emissions, although their impact is limited to the level of the organization itself. These emissions also include those generated by suppliers and end users of PFR Capital Group products and services. Furthermore, the investment portfolio of the PFR Capital Group also contributes to negative climate impact, particularly in high-emission sectors such as metal production, waste management, and construction. | Organization<br>(Upstream and downstream) value chain<br>Portfolio |
| Actual positive impact | - | the PFR Capital Group's portfolio includes investments in the construction of photovoltaic farms and an installation terminal for offshore wind farms, which contribute to climate change mitigation by increasing the share of renewable energy sources in the energy mix. | Portfolio |
| Potential positive impact | Short-, medium- and long-term | The PFR Capital Group has the potential to mitigate climate change through investments in companies that reduce greenhouse gas emissions. In the context of the decarbonization of the Polish economy, it is likely that the share of such companies in the PFR Capital Group's portfolio will increase in the future. | Portfolio |
| Risk | Long-term | Higher operating costs due to climate regulations (e.g., taxes or other forms of fees related to greenhouse gas emissions). | Organization<br>Portfolio |
| Risk | Long-term | Changes in climate regulations and increased requirements for specific products, services, and/or processes. | Organization<br>Portfolio |
| Risk | Long-term | Increased regulatory burdens, including reporting obligations. | Organization<br>Portfolio |
| Risk | Long-term | Higher operating costs due to high energy costs. | Organization<br>Portfolio |
| Risk | Medium-term | The need to adapt the product range to new climate regulations, which may entail additional costs. | Organization |
| Risk | Long-term | New products and technological solutions supporting climate change mitigation. | Portfolio |
| Opportunity | Long-term | The possibility of introducing innovative financial products supporting activities aimed at combating climate change. | Organization |

## Material impacts, risks and opportunities

| Type | Time horizons | Description | Location |
|---|---|---|---|
| **Energy** | | | |
| Actual positive impact | - | The identified positive impact of the PFR Capital Group is attributable to its investments in the energy sector and consists, among others, in strengthening Poland's energy security through the development of renewable energy sources and the modernization of infrastructure, which contributes to the stability of energy supply and reduces dependence on fossil fuels. | Portfolio |
| Opportunity | Long-term | Reduced operating expenses and increased revenues due to investments in renewable energy projects that help diversify the portfolio and reduce dependence on the fossil fuel sector. | Portfolio |
| **S1: Own workforce** | | | |
| **Security of employment** | | | |
| Actual positive impact | - | The PFR Capital Group prefers an employment contract as the main form of employment, and uses civil law contracts mainly for internships or when specific tasks need to be performed within a specified period of time.<br>As a result, the PFR Capital Group provides job stability and security for the majority of its employees, while flexibly adapting to specific operational needs. | Organization |
| Opportunity | Medium-term | Increased operational efficiency and competitiveness in the market due to the implementation of AI solutions | Organization |
| **Adequate wages** | | | |
| Actual positive impact | - | The PFR Capital Group aims to maintain salaries on the market level. | Organization |
| Risk | Medium- and long-term | Costs associated with the need to ensure competitive employment conditions and increase employee salaries | Organization |
| **Work time** | | | |
| Actual positive impact | - | The PFR Capital Group offers its employees the opportunity to take advantage of flexible working hours, including reduced working hours on Friday. | Organization |
| Actual negative impact | - | In some units, there are difficulties with timely settlement of overtime among employees. | Organization |
| **Employee work-life balance** | | | |
| Risk | Medium- and long-term | Increased costs associated with the need to ensure work-life balance | Organization |
| **Gender equality and equal pay for work of equal value** | | | |
| Actual positive impact | - | The PFR Capital Group complies with the implemented Labor Regulations, according to which employees have equal rights when performing the same duties in the same way; this pertains in particular to the equal treatment of men and women with respect to employment. | Organization |
| Risk | Medium- and long-term | Increased costs of implementing equal pay processes. | Organization |

**Material impacts, risks and opportunities**

| Type | Time horizons | Description | Location |
|---|---|---|---|
| **Employee training and development** | | | |
| Actual positive impact | - | The PFR Capital Group offers a wide range of opportunities to improve competencies, including individual training tailored to the specifics of one's job and the possibility to take advantage of subsidized tuition costs. In addition, the PFR Capital Group organizes training for specific groups of employees in three areas: management, expert and well-being, in both on-site and online forms. Moreover, the PFR Capital Group conducts regular employee reviews that are synchronized with the annual goal accounting process, including for training goals. | Organization |
| Opportunity | Medium- and long-term | Increased revenues by developing the competence and responsibility of existing employees and effectively utilizing their potential. | Organization |
| **S3: Affected communities** | | | |
| **Adequate housing conditions among communities** | | | |
| Actual positive impact | - | Investments in adequate housing conditions, supported by programs implemented by the funds' special purpose vehicles, whose assets are managed by PFR Nieruchomości, contribute to increasing the availability of housing and improving the quality of life in communities. | Portfolio |
| **Water and sanitation among communities** | | | |
| Actual positive impact | - | Investments in water and sanitation sectors, increase access to basic infrastructure, which contributes to improving the quality of life of residents and stimulates economic development. | Portfolio |
| **S4: Consumers and end-users** | | | |
| **Privacy of consumers and end-users** | | | |
| Potential negative impact | Short-, medium- and long-term | Improper management of personal data, lack of adequate safeguards or failure to follow data protection procedures can lead to unauthorized access to the data of Employee Capital Plan portal users, housing investment beneficiaries, recipients of training activities and entrepreneurship promotion programs. However, it should be noted that the PFR Capital Group's impact on consumer and end-user privacy is limited, as individual customers are not the organization's core business. | Organization<br>(Downstream) value chain |
| **Security of a person** | | | |
| Actual positive impact | - | As part of ECPs the PFR Capital Group promotes long-term financial security by offering transparent and well-managed saving schemes. In the context of housing programs, the PFR Capital Group provides alternative housing solutions for first-time homebuyers, young families and those who are not creditworthy. | Organization<br>(Downstream) value chain |

## Material impacts, risks and opportunities

| Type | Time horizons | Description | Location |
|---|---|---|---|
| **G1: Business conduct** | | | |
| **Corporate culture** | | | |
| Actual positive impact | - | The PFR Capital Group has a positive impact on corporate culture through the implementation and maintenance of a Code of Conduct, which outlines the principles and approach to business ethics applicable to employees of all PFR Capital Group companies. The Code of Conduct lays the foundation for employees' actions, promoting honesty, accountability and transparency in daily work. | Organization |
| Actual positive impact | - | Identified positive impact resulting from holding portfolio investments in economic sectors such as financial institutions, real estate, transportation equipment manufacturing, for which corporate culture is an issue. | Portfolio |
| **Protection of whistleblowers** | | | |
| Actual positive impact | - | The PFR Capital Group has implemented a procedure that sets out the applicable rules for reporting breaches, the rules for making reports, and the protection of whistleblowers against retaliation. As a result, employees are able to report any violations of the law in a safe and confidential manner, which promotes transparency and accountability within the organization. | Organization<br>(Upstream and downstream) value chain |
| Actual positive impact | - | The PFR Capital Group sees a positive impact on whistleblower protection by investing in sectors where this issue is crucial, such as financial institutions and professional services | Portfolio |
| **Political influence and lobbying activities** | | | |
| Actual positive impact | - | The PFR Capital Group, as an entity with a dominant state treasury shareholding in the scope indicated above identifies a positive impact on the country's economic development. | Portfolio |
| Potential negative impact | - | The PFR Capital Group also identifies a potential negative impact resulting from the potential perception of the participation of PFR Capital Group representatives in public consultations on changes to legislation relevant to the Group's key business areas | Portfolio |
| Risk | Short-, medium- and long-term | Reputational risk, in terms of political involvement and lobbying activities, arising from external stakeholders' perceptions related to the status of PFR S.A. (the parent company of the PFR Capital Group) as a company with State Treasury participation. | Portfolio |
| **Management of relationships with suppliers, including payment practices** | | | |
| Actual positive impact | - | The PFR Capital Group has implemented an ESG survey to assess and monitor suppliers' sustainability practices. In this way, the PFR Capital Group promotes responsible and ethical practices throughout the supply chain, which fosters long-term, sustainable relationships with business partners. | Organization<br>(Upstream) value chain |
| **Prevention and detection of corruption, including training** | | | |
| Actual positive impact | - | The internal regulations and policies for detecting and preventing corruption put in place by the PFR Capital Group ensure that all employees are aware of the ethical principles and procedures in place, which fosters a transparent and honest work environment and prevents the occurrence of corrupt activities in the organization. | Organization |
| Actual positive impact | - | Identified positive impact from having investments in such economic sectors as financial institutions, professional services and real estate in the portfolio, which foster the implementation of high ethical standards and good corporate governance practices in the area. | Portfolio |

**Material impacts, risks and opportunities**

| Type | Time horizons | Description | Location |
|---|---|---|---|
| **Incidents of corruption and bribery** | | | |
| Actual positive impact | - | Identified positive impact from having investments in such economic sectors as financial institutions, professional services and real estate in the portfolio, which foster the implementation of high ethical standards and good corporate governance practices in the area. | Portfolio |
| **Additional topics** | | | |
| **Sustainable finance / equitable transition** | | | |
| Potential positive impact | Short-, medium- and long-term | By creating new initiatives and investment programs, the PFR Capital Group can play a key role in promoting sustainable development in Poland, creating value for all stakeholders and contributing to the long-term development of the economy | Organization<br>(Downstream) value chain |
| Opportunity | Long-term | Increased revenue resulting from developing and offering financial products that are sustainable. | Portfolio |
| **Charitable activities** | | | |
| Actual positive impact | - | The PFR Capital Group carries out charitable activities through its CSR office in cooperation with the PFR Foundation. Cooperation with the PFR Foundation enables employees of the PFR Capital Group to participate in a variety of charitable projects, through which they can not only contribute to improving the quality of life of local communities, but also develop their skills and build social ties | Organization |
| **Cybersecurity** | | | |
| Risk | Long-term | Risk of fines or loss of customer and investor confidence resulting from data breaches or cyber attacks that could lead to disclosure of confidential information and financial losses | Organization |
| **Anti-crisis shields** | | | |
| Risk | Long-term | Solvency risk (minimized by State Treasury guarantees), litigation, financial shield service litigation challenges | Organization |
| Opportunity | Long-term | Opportunity for additional revenues resulting from future activation of anti-crisis shields | Organization |

The PFR Capital Group is conducting an analysis of the current and anticipated effects of significant impacts, risks and opportunities on its business model and strategy. Challenges related to climate change, its own workforce, cyber-security, political engagement and lobbying activities, sustainable finance and crisis shields are the main financial risks and opportunities that the PFR Capital Group plans to address.

The results of the double materiality analysis will be taken into account when developing the 2026-2030 strategy, which plans to take ESG issues into account. As a result, the PFR Capital Group will be able to better adapt its operations to changing market conditions and stakeholder expectations, allowing it to more effectively manage risks and capitalize on opportunities.

The PFR Capital Group has both negative and positive impacts on people and the environment. Negative environmental impacts are mainly due to the investment portfolio, including investments in sectors that contribute to greenhouse gas emissions, such as metal production and construction. On the other hand, the PFR Capital Group's positive inflows come from investments in renewable energy sources and infrastructure projects, which contribute to improving energy security, among other things.

In terms of its impact on employees and society, the PFR Capital Group is committed to job security, offering stable working conditions. In addition, charitable activities and programs that support local communities aim to improve the quality of life of residents, which contributes to their well-being.

With regard to consumers, the PFR Capital Group promotes long-term financial security through programs such as the Employee Capital Plan, which promote saving for the future. Through these initiatives, the PFR Capital Group (through the activities of the PFR Portal PPK) contributes to the financial stability of citizens.

The PFR Capital Group's revenues are closely linked to its business model. Energy transition efforts include financing for high-carbon businesses that require support in the decarbonization process. Such a model of operation is in line with the PFR Capital Group's goals to support the sustainable development of the economy.

In the context of the Employee Capital Plan platform, the PFR Capital Group contributes to the long-term financial security of citizens, which has a positive impact on affected communities. By enabling participants to save for the future, the Employee Capital Plan supports the financial stability of families and improves the quality of life in local communities.

As regards employee influence, the PFR Capital Group places a strong emphasis on staff development, which underscores the importance of taking care of employees. The positive impacts associated with investments in employee training and competence development contribute to employee satisfaction and efficiency, which is crucial to the long-term success of the organization.

Actual impacts are those that occurred in the current financial year, including both positive and negative impacts of the PFR Capital Group. Potential impacts that are expected to occur over the long term include areas such as climate change mitigation, consumer privacy, corruption prevention community engagement, supplier relationship management, corruption prevention, sustainable finance and equitable transition.

In 2024, the identified risks did not materially affect the financial position of the PFR Capital Group. The PFR Capital Group believes there is no significant risk of a material adjustment in the next annual reporting period.

The PFR Capital Group did not analyze its business model and strategy for resilience to counter significant impacts and risks and to take advantage of significant opportunities.

Since the double materiality analysis was conducted for the first time, it is also not possible to describe changes in material impacts, risks and opportunities.

## 1.11. IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In late 2024 and early 2025, the PFR Capital Group conducted a double materiality analysis process to identify the impacts, risks and opportunities that are critical to its business and stakeholders.

**Step 1: Identification and assessment of impacts**

In the process of identifying and assessing the impacts, the PFR Capital Group focused on analyzing the organization's operations and key industries in accordance with EFRAG guidelines. A variety of inputs were used, including information from prior reporting periods, industry data and specialized tools such as ENCORE and S&P Global Industry Materiality Matrices classification. Expert knowledge was also taken into account, which contributed to a better understanding of the potential impact of the PFR Capital Group.

***Process for identifying, assessing, prioritizing and monitoring potential and actual impacts***

In the process of identifying and assessing impacts, prioritizing and monitoring potential and actual impacts, the PFR Capital Group has focused on the entire organization (taking into account the value chain), analyzing the various areas of business that may involve an increased risk of adverse impacts. The impact assessment process involved a comprehensive analysis of the organization's operations and key industries in accordance with EFRAG guidelines. The process included an analysis of the company's foundational data, an assessment of selected reference entities, industry reports and the scope of ESG ratings.

Particular attention was paid to the impact of portfolio companies, particularly on emissions, due to the fact that one of the PFR Capital Group's goals is energy transition. The fact that the PFR Capital Group and the vast majority of its portfolio companies operate in Poland was also taken into account, and the context of the business relationship was considered. In particular, the impacts of the PFR Capital Group in the broader economic context were considered, and what impact the PFR Capital Group has on the environment and society through its investment portfolio and the services it offers was taken into account. This was done using the "Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE)" classification for environmental aspects and the "S&P Global Industry Materiality Matrices" for social and governance issues. The analyses covered 19 sectors in which the PFR Capital Group is most heavily involved, covering about 90% of the total PFR Capital Group portfolio. In addition, key people in the organization were involved in each step of the process, which allowed for a better understanding and assessment of the materiality of the impact.

In the process of assessing impacts, a detailed analysis of impact criteria was carried out, determining how to calculate and distribute impacts across the value chain according to categories: positive/

negative impact and actual/potential impact. Parameters for identifying the magnitude of impacts, such as scale, scope, probability and nature (reversible/irreversible) are also discussed. The evaluation considered all topics listed in the ESRS topic standards and other potentially relevant topics, along with their scopes and definitions.

In the process of assessing impacts, the PFR Capital Group consulted the organization's key stakeholders. A series of in-depth interviews was conducted with representatives of internal stakeholders. A total of 7 stakeholders representing different areas of the PFR Capital Group's business participated in the interviews.

As part of the PFR Capital Group's survey of internal and external stakeholders, a survey was conducted with 140 employees and 38 business partners. The survey allowed stakeholders to evaluate topics in terms of the positive or negative impact of the PFR Capital Group on a given issue and assess its scale. A total of 178 completed surveys were received from stakeholders.

The above elements of stakeholder assessment were taken into account in the final decision on the materiality of the PFR Capital Group's impact on the area.

A self-assessment of the PFR Capital Group's impact was conducted by prioritizing negative impacts based on their scale, scope and reversibility. For positive impacts, the evaluation was based on their scale and scope. The criteria were qualitative in nature and rated on a scale of 1 to 5 to accurately identify key sustainability issues relevant for reporting purposes. Topics to which impacts with an average score of more than 2.5 in at least one time horizon were assigned were included in the list of topics relevant from an impact self-assessment perspective.

The final identification of material impacts took into account all the elements of the analysis, i.e. stakeholder dialogue, analysis of the foundational data and self-assessment of impacts.

**Step 2: Identification and assessment of risks and opportunities**
In the context of financial materiality, the assessment process included the identification of risks and opportunities that could affect the organization's financial performance. The analysis relied on the knowledge of in-house experts, in particular through consultations with fund representatives in the context of investment risk.

***The process of identifying, assessing, prioritizing and monitoring risks and opportunities that have or may have financial implications.***
As part of the double materiality process, the PFR Capital Group identified and evaluated risks and opportunities that could affect the PFR Capital Group's financial performance. As part of this process, 147 financial risks and opportunities have been identified that address 12 key areas, including climate change (taking into account scenario analyses), employee, consumer and corporate governance issues.

The assessment of financial risks and opportunities was based on three key elements: (i) financial impact on the organization, (ii) likelihood of occurrence, and (iii) time horizon. The probability of risks and opportunities was classified on a five-point scale, from "almost certain" to "negligible." In addition, the financial impact of the identified risks and opportunities was rated on the same scale, from "critical impact" to "no impact on the organization's operations." With regard to climate risks and opportunities, the assessment of the above criteria was carried out for two climate scenarios (for a more detailed description, see Section 2.4 Description of processes to identify and assess climate-related material impacts, risks and opportunities). The time horizons within which risks and opportunities were assessed included short-term, medium-term and long-term.

The assessment of risks and opportunities was carried out in three time perspectives: short-term (less than 1 year), medium-term (1-5 years) and long-term (more than 5 years). This provided the PFR Capital Group with a comprehensive understanding of the potential impact of these factors on its business.

Subjects that received 8 or more points (in either time perspective) after evaluation in the two perspectives indicated above combined, were included as relevant from the perspective of financial materiality assessment.

**Step 3: Consolidation and validation of results**
All relevant topics from both an impact and financial perspective were then consolidated into a list of topics relevant to the PFR Capital Group. As part of the double materiality analysis process, the various steps were agreed upon by selected executives. In identifying material impacts in the area of S1 - Own workforce, consultations were held with employee representation, and the results of these consultations were included in the final assessment. The results of the double materiality analysis were approved by the PFR S.A. Management Board.

The process of identifying and assessing impacts, risks and opportunities is carried out as a separate process that is not integrated into the organization's overall risk management system. In the future, the integration of this process into the broader risk management process will be explored, which will provide a better understanding of the company's overall risk profile and enable it to better exploit identified opportunities in a strategic context.

## 1.12. IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE STATEMENT

Table 8. List of disclosure requirements fulfilled in the preparation of the Statement

| Disclosure | Section - Statements |
|---|---|
| **ESRS 2 - General disclosure of information, including information provided under the ESRS thematic application requirements listed in ESRS 2, Appendix C** | |
| BP-1 – General basis for preparation of the Statement | 1.1. |
| BP-2 – Disclosures in relation to specific circumstances | 1.2. |
| GOV-1 – The role of the administrative, management, and supervisory bodies | 1.3. |
| GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | 1.4. |
| GOV-3 – Integration of sustainability-related performance in incentive schemes | 1.5. |
| GOV-4 – Statement on due diligence | 1.6. |
| GOV-5 – Risk management and internal controls over sustainability reporting | 1.7. |
| SBM-1 – Strategy, business model and value chain | 1.8. |
| SBM-2 – Interests and views of stakeholders | 1.9. |
| SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | 1.10. |
| IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities | 1.11. |
| IRO-2 – Disclosure Requirements in ESRS covered by the Statement | 1.12. |
| **ESRS E1 – Climate Change** | |
| ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes | 2.1. |
| E1-1 – Transition plan for climate change mitigation | 2.2. |
| ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | 2.3. |
| ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities | 2.4. |
| E1-2 – Policies related to climate change mitigation and adaptation | 2.5. |
| E1-3 – Actions and resources in relation to climate change policies | 2.6. |
| E1-4 – Targets related to climate change mitigation and adaptation | 2.7. |
| E1-5 – Energy consumption and mix | 2.8. |
| E1-6 – Gross Scopes 1, 2, 3 and Total greenhouse emissions | 2.9. |
| **ESRS S1 – Own workforce** | |
| ESRS 2 SBM-2 – Interests and views of stakeholders | 3.1.1. |
| ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | 3.1.2. |
| S1-1 – Policies related to own workforce | 3.1., 3.3., 3.4.1., 3.5.1., 3.6.1., 3.7.1., 3.8.1. |
| S1-2 – Processes for engaging with own workforce and workers' representatives about impacts | 3.2.1. |
| S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns | 3.2.2. |
| S1-4 – Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches | 3.4.2., 3.5.2., 3.6.2., 3.7.2., 3.8.2. |
| S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 3.4.3., 3.5.3., 3.6.3., 3.7.3., 3.8.3. |
| S1-6 – Characteristics of the undertaking's employees | 3.1. |

| Disclosure | Section - Statements |
|---|---|
| S1-7 – Characteristics of non-employee workers in the undertaking's own workforce | 3.1. |
| S1-9 – Diversity metrics | 3.7.4. |
| S1-10 – Adequate wages | 3.5.4. |
| S1-13 – Training and skills development metrics | 3.8.4. |
| S1-15 – Work-life balance metrics | 3.6.2. |
| S1-16 – Compensation metrics (pay gap and total compensation) | 3.5.4., 3.7.5. |
| S1-17 – Incidents, complaints and severe human rights impacts | 3.2.3. |
| **ESRS S3 – Affected communities** | |
| ESRS 2 SBM-2 – Interests and views of stakeholders | 4.1.1. |
| ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | 4.1.1. |
| S3-1 – Policies related to affected communities | 4.1.2., 4.2., 4.3. |
| S3-2 – Processes for engaging with affected communities about impacts | 4.1.1. |
| S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns | 4.1.1. |
| S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions | 4.2.1., 4.3.1., 4.4.1., 4.5.1. |
| S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 4.2.2., 4.3.2., 4.4.2., 4.5.2. |
| **ESRS S4 – Consumers and end-users** | |
| ESRS 2 SBM-2 – Interests and views of stakeholders | 5.1.1. |
| ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | 5.1.2. |
| S4-1 – Policies related to consumers and end-users | 5.1.5., 5.2.1., 5.3.1. |
| S4-2 – Processes for engaging with consumers and end-users about impacts | 5.1.3. |
| S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns | 5.1.4. |
| S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions | 5.2.2., 5.3.2. |
| S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities | 5.2.3., 5.3.3. |
| **ESRS G1 – Business conduct** | |
| ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies | 6.1.1. |
| ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities | 1.11. |
| G1-1 – Business conduct policies and corporate culture | 6.1.2., 6.2.1., 6.3.1., 6.5.1. |
| G1-2 – Management of relationships with suppliers | 6.4.1. |
| G1-3 – Prevention and detection of corruption and bribery | 6.5.2. |
| G1-4 – Confirmed incidents of corruption or bribery | 6.5.4. |
| G1-5 – Political influence and lobbying activities | 6.6. |
| G1-6 – Payment practices | 6.4.2. |

**Table 9. List of datapoints in cross-cutting and topical standards that derive from other EU legislation**

| Disclosure requirement | Datapoint | Disclosure | Regulation* | Location in the annual report (or: not applicable) |
|---|---|---|---|---|
| ESRS 2, GOV-1 | 21 (d) | Board's gender diversity - percentage data by gender | SFDR/BRR | 1.3. GOV-1 – The role of the administrative, management, and supervisory bodies |
| | 21 (e) | Data on the percentage of independent board members | BRR | 1.3. GOV-1 – The role of the administrative, management, and supervisory bodies |
| ESRS 2, GOV-4 | 30 | Statement on due diligence | SFDR | 1.6. GOV-4 – Statement on due diligence |
| (ESRS 2) SBM-1 40 | 40 (d) | Involvement in activities related to the fossil fuel sector | SFDR/P3/ BRR | 1.8. SBM-1 – Strategy, business model and value chain |
| | 40 (d) (ii) | Involvement in activities related to chemicals production | SFDR/BRR | 1.8. SBM-1 – Strategy, business model and value chain |
| | 40 (d) (iii) | Involvement in activities related to controversial weapons | SFDR/BRR | 1.8. SBM-1 – Strategy, business model and value chain |
| | 40 (d) (iv) | Involvement in activities related to related to the cultivation and production of tobacco | BRR | 1.8. SBM-1 – Strategy, business model and value chain |
| ESRS E1-1 | 14 | Transition plan for climate change mitigation | EUCL | 2.2. E1-1 – Transition plan for climate change mitigation |
| | 16 (g) | Undertakings excluded from Paris-aligned benchmarks | P3/BRR | Not reported |
| ESRS E1-4 | 34 | GHG emission reduction targets set by the undertaking | SFDR/P3/ BRR | 2.7. E1-4 – Targets related to climate change mitigation and adaptation |
| ESRS E1-5 | 38 | Undertaking active in sectors with material climate impacts shall further disaggregate its total energy consumption from fossil sources | SFDR | 2.8. E1-5 – Energy consumption and mix |
| | 37 | Total energy consumption in MWh on own operations | SFDR | 2.8. E1-5 – Energy consumption and mix |
| | 40-43 | Energy intensity associated with activities in high climate impact sectors | SFDR | 2.8. E1-5 – Energy consumption and mix |
| ESRS E1-6 | 44 | GHG emissions in Scope 1, 2, 3 and total GHG emissions | SFDR/P3/ BRR | 2.9. E1-6 – Gross Scopes 1, 2, 3 and Total greenhouse emissions |
| | 53-55 | Gross GHG emissions intensity | SFDR/P3/ BRR | The undertaking does not calculate total greenhouse gas emissions, benefiting from the phased-in implementation provisions under the exemption set out in Appendix C to ESRS 1. |
| ESRS E1-7 | 56 | GHG removals and carbon credits | EUCL | Not reported |
| ESRS E1-9 | 66 | Exposure of the benchmark portfolio to climate-related physical risks | BRR | Not reported |
| | 66 (a); 66 (c) | Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk | P3 | Not reported |
| | 67 (c) | Breakdown of the carrying value of real estate assets by energy efficiency classes | P3 | Not reported |
| | 69 | Degree of the portfolio exposure to climate-related opportunities | BRR | Not reported |

| Disclosure requirement | Datapoint | Disclosure | Regulation* | Location in the annual report (or: not applicable) |
|---|---|---|---|---|
| ESRS E2-4 | 28 | Amount of each pollutant listed in Annex II of the EPRTR Regulation emitted to air, water and soil | SFDR | Not material |
| ESRS E3-1 | 9 | Water and marine resources | SFDR | Not material |
| | 13 | Dedicated policy | SFDR | Not material |
| | 14 | Sustainable oceans and seas | SFDR | Not material |
| ESRS E3-4 | 28 (c) | Total water recycled and reused | SFDR | Not material |
| | 29 | Total water consumption in m3 per net revenue on own operations | SFDR | Not material |
| ESRS E4, SBM-3 (ESRS 2) | 16 (a) (i) | Activities negatively affecting biodiversity-sensitive areas | SFDR | Not material |
| | 16 (b) | Land degradation, desertification or soil sealing | SFDR | Not material |
| | 16 (c) | Endangered Species | SFDR | Not material |
| ESRS E4-2 | 24 (b) | Sustainable land / agriculture practices or policies | SFDR | Not material |
| | 24 (c) | Sustainable oceans / seas practices or policies | SFDR | Not material |
| | 24 (d) | Policies to address deforestation | SFDR | Not material |
| ESRS E5-5 | 37 (d) | Non-recycled waste | SFDR | Not material |
| | 39 | Hazardous waste and radioactive waste | SFDR | Not material |
| ESRS S1, SBM-3 (ESRS 2) | 14 (f) | Risk of incidents of forced labor | SFDR | 3.1.2. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| | 14 (g) | Risk of incidents of child labor | SFDR | 3.1.2. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| ESRS S1-1 | 20 | Human rights policy commitments | SFDR | 3.3. S1-1 – Own workforce policies |
| | 21 | Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 | BRR | 3.3. S1-1 – Own workforce policies |
| | 22 | Processes and measures for preventing trafficking in human beings | SFDR | Not material |
| | 23 | Workplace accident prevention policy or management system | SFDR | Not material |
| ESRS S1-3 | 32 (c) | Grievance/complaints handling mechanisms | SFDR | 3.2.2. S1-3 – Processes to remediate negative impacts |
| ESRS S1-14 | 88 (b) and (c) | Number of fatalities and number and rate of work-related accidents | SFDR/BRR | Not material |
| | 88 (e) | Number of days lost to injuries, accidents, fatalities or illness | SFDR | Not material |
| ESRS S1-16 | 97 (a) | Unadjusted gender pay gap | SFDR/BRR | 3.7.5. S1-16 – Pay gap metrics |
| | 97 (b) | Excessive CEO pay ratio | SFDR | 3.5.4. S1-10, S1-16 – Wage metrics |
| ESRS S1-17 | 103 (a) | Incidents of discrimination | SFDR | 3.2.3. S1-17 – Incidents, complaints and severe human rights impacts |
| | 104 (a) | Non-respect of UNGPs on Business and Human Rights and OECD Guidelines | SFDR/BRR | 3.2.3. S1-17 – Incidents, complaints and severe human rights impacts |

| Disclosure requirement | Datapoint | Disclosure | Regulation* | Location in the annual report (or: not applicable) |
|---|---|---|---|---|
| ESRS S2, SBM-3 (ESRS 2) | 11 (b) | Significant risk of child labor or forced labor in the value chain | SFDR | Not material |
| ESRS S2-1 | 17 | Human rights policy commitments | SFDR | Not material |
| | 18 | Policies related to value chain workers | SFDR | Not material |
| | 19 | Non-respect of UNGPs on Business and Human Rights and OECD Guidelines | SFDR/BRR | Not material |
| | 19 | Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 | BRR | Not material |
| ESRS S2-4 | 36 | Human rights issues and incidents connected to its upstream and downstream value chain | SFDR | Not material |
| ESRS S3-1 | 16 | Human rights policy commitments | SFDR | 4.1.2. S3-1 – Policies related to the management of impact on local communities |
| | 17 | Non-respect of UNGPs on Business and Human Rights, ILO principles or/and OECD guidelines | SFDR/BRR | 4.1.2. S3-1 – Policies related to the management of impact on local communities |
| ESRS S4-1 | 16 | Human rights issues and incidents | SFDR | 5.1.5. S4-1 – Policies related to customers |
| | 16 a) | Policies related to consumers and end users | SFDR | 5.1.5. S4-1 – Policies related to customers |
| | 17 | Non-respect of UNGPs on Business and Human Rights and OECD Guidelines | SFDR/BRR | 5.1.5. S4-1 – Policies related to customers |
| ESRS G1-1 | 10 (b) | United Nations Convention against corruption | SFDR | 6.5.1. G1-1 – Policies on preventing corruption and bribery |
| | 10 (d) | Protection of whistleblowers | SFDR | 6.5.2. G1-3 Prevention and detection of corruption and bribery6.3.1. G1-1 – Procedure for reporting and following up irregularities and breaches of law 6.3. Protection of whistle-blowers |
| ESRS G1-4 | 24 (a) | Fines for violation of anti-corruption and anti-bribery laws | SFDR/BRR | 6.5.4. G1-4 – Incidents of corruption and bribery |
| | 24 (b) | Standards of anticorruption and anti-bribery | SFDR | 6.5.4. G1-4 – Incidents of corruption and bribery |

* SFDR – Sustainable Finance Disclosure Regulation, reference to the regulation on sustainability-related disclosures in the financial services sector

BBR - reference to the Benchmark Regulation

P3 - Reference to Pillar 3

Reference to European Climate Law (EUCL)

# 2. E1 – Environmental involvement

## 2.1. GOV-3 – INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

The manner in which the PFR Capital Group takes climate-related issues into account in the remuneration of members of administrative, management and supervisory bodies is described in section 1.5 GOV-3 – Integration of sustainability performance in incentive systems.

## 2.2. E1-1 - TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

As at the date of this Statement, the PFR Capital Group has not developed a transition plan for climate change mitigation. First, the organization will undertake activities related to calculating emissions in Scope 3, which is a necessary step before formulating a specific plan. Noteworthy, one of the strategic objectives of the PFR Capital Group is to support Poland's energy transition and striving for a low-carbon economy. The PFR Capital Group also plans to remain an active source of financing for companies which will be undergoing this transition process.

The PFR Capital Group will carry out the analyses concerning the legitimacy and scope of the Transition Plan by the end of 2026.

## 2.3. SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

As part of its double materiality analysis, the PFR Capital Group identified six climate-related risks (the risks are described in section 1.10 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model). All climate-related risks to the organization are associated with the transition, and their materialization would lead to higher operating costs for the PFR Capital Group due to more expensive energy, changes in the product offering, or additional administrative obligations.

The PFR Capital Group has not conducted any analysis of the resilience of its strategy and business model in relation to climate change. It is planned as part of the development of the organization's Transition Plan by the end of 2026.

On the other hand, the PFR Capital Group has made a preliminary assessment of its resilience to physical risks. As a group of financial and advisory companies, the PFR Capital Group demonstrates high resilience to physical risks, which stems from a range of key organizational features. The Group has only two head offices, the main one being located in the center of Warsaw. This location minimizes exposure to physical risks, such as flooding and other extreme weather events. A hybrid working model that allows employees to work remotely further reduces the impact of potential disruptions. In the context of the investment portfolio, its diversified structure means that any physical risk that could affect any of the investee companies would have a limited impact on the entire PFR Capital Group's portfolio.

However, transition risks, which may be more material for the PFR Capital Group should not be ignored. The products and services offered by the Group are sensitive to regulatory changes and growing expectations regarding sustainable development. These risks have been taken into account in the double materiality process, which allowed for their accurate mapping and the understanding of their potential impact on the operations of the PFR Capital Group.

## 2.4. IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

At the turn of 2024 and 2025, the PFR Capital Group conducted its first double materiality analysis, including financial materiality, which comprised the identification and assessment of climate-related impacts, risks and opportunities, including greenhouse gas emissions. The identification process is described in section 1.11 of IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities.

**Impact on climate change**

As a result of the double materiality analysis, the PFR Capital Group identified material impacts on the sub-topic of climate change mitigation and energy. An actual negative impact from the perspective of the organization and the portfolio was observed, as well as a potential positive impact from the portfolio perspective on climate change; moreover, an actual positive impact from the perspective of the PFR Capital Group's portfolio in the area of energy was observed.

***Mitigation of climate change***

Actual impact (negative): the PFR Capital Group generates emissions, although their impact is limited to the level of the organization itself. These emissions also include those generated by suppliers and end users of PFR Capital Group products and services. Furthermore, the investment portfolio of the PFR Capital Group also contributes to negative climate impact, particularly in high-emission sectors such as metal production, waste management, and construction.

Actual impact (positive): the PFR Capital Group's portfolio includes investments in the construction of photovoltaic farms and an installation terminal, which contribute to climate change mitigation by increasing the share of renewable energy sources in the energy mix and reducing greenhouse gas emissions.

Potential impact (positive): The PFR Capital Group has the potential to mitigate climate change through investments in companies that reduce greenhouse gas emissions. In the context of the decarbonization of the Polish economy, it is likely that the share of such companies in the PFR Capital Group's portfolio will increase in the future.

***Energy***

Actual impact (positive): The identified positive impact of the PFR Capital Group is attributable to its investments in the energy sector and consists, among others, in strengthening Poland's energy security through the development of renewable energy sources and the modernization of infrastructure, which contributes to the stability of energy supply and reduces dependence on fossil fuels.

**Climate-related hazards and opportunities**
The process of identifying and assessing hazards and opportunities was carried out in cooperation with external experts. First, a list of potential physical and transition hazards was developed, as well as of opportunities, from the perspective of the organization, and of the value chain (portfolio). This process included an analysis of climate scenarios from the Shared Socioeconomic Pathways (SSP), taking into account the methodology of the Polish National Adaptation Platform (Klimada) project, including a high emissions scenario. The assessment was carried out for two scenarios of the Common Socio-Economic Pathways: SSP2-4.5 and SSP5-8.5:

- SSP2-4.5: A medium emissions scenario, assuming that greenhouse gas emissions remain at current levels until the second half of the century, then gradually decline, however not below zero by the end of the 21st century;
- SSP5-8.5: A very high emissions scenario, in which emissions rise rapidly, doubling from current levels by mid-century.

In terms of climate opportunities and hazards, the analysis was additionally based on the ThinkHazard methodology, which describes the probability of adverse events occurring in Poland. The phenomena include floods, landslides, fires, water shortages, earthquakes, and high temperatures.

As part of the analysis carried out in accordance with the methodology described in 1.11 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities, the following risks and opportunities related to the transition to an environmentally sustainable economy were identified:

- Risk: Higher operating costs due to climate regulations (e.g., taxes or other forms of fees related to greenhouse gas emissions).
- Risk: Changes in climate regulations and increased requirements for specific products, services, and/or processes.
- Risk: Increased regulatory burdens, including reporting obligations.
- Risk: Higher operating costs due to high energy costs.
- Risk: The need to adapt the product range to new climate regulations, which may entail additional costs.
- Risk: New products and technological solutions supporting climate change mitigation.
- Opportunity: The possibility of introducing innovative financial products supporting activities aimed at combating climate change.

The analyses for 2024 were qualitative in nature, whereas the need of quantitative analysis will be considered in subsequent years.

As no material impact on the financial result was found, no critical climate-related assumptions were adopted in the financial statements.

## 2.5. E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION

In the PFR Capital Group, the main impacts and risks related to climate change mitigation are concentrated on the investment portfolio, which is reflected in key documents for this area, such as (i) the Agreement on Sustainable Development and ESG in the PFR Capital Group (the "Agreement") and (ii) the Strategy of Integrating Sustainability Risks into the Investment Decision-Making Process of PFR TFI S.A. (the "Strategy"). The Strategy plays a particularly important role for the PFR Capital Group, due to the fact that most of the PFR Capital Group's investments are held in the portfolios of the PFR TFI.

The PFR Capital Group does not currently have a climate policy that comprehensively addresses issues related to climate change mitigation, including reduction of emissions. The validity of implementing such a policy will be considered as part of the work on the Transition Plan.

**Agreement on the sustainable development and ESG in the PFR Capital Group.**
The agreement, concluded in 2023 between entities of the PFR Capital Group, aims, among others, to ensure a consistent approach to activities undertaken in the area of ESG. Under the Agreement, the PFR Capital Group qualifies pro-environmental investments as those connected, among others, with renewable energy, pollution prevention and control, energy efficiency, ecological and clean transport, green construction, circular economy or adaptation to climate change. The Agreement defines environmentally sustainable investments as those which:

i) finance transitional measures for which there are no technologically and economically viable low-carbon alternatives, but which support the transition to a carbon-neutral economy, for example by gradually reducing greenhouse gas emissions, or

ii) activities that enable other actions to make a significant contribution to the achievement of one or more environmental objectives set out in the Taxonomy.

The Agreement also identifies the risk of greenwashing most closely associated with the investment activities of entities within the PFR Capital Group and sets out requirements for procedures to manage this risk within the PFR Capital Group.

The Strategy Department of PFR S.A. is responsible for coordinating activities undertaken in connection with the implementation of this Agreement and cooperates closely with the coordinators appointed by each party to the Agreement.

**The Strategy for Integrating Sustainability Risks into the Investment Decision-Making Process of PFR TFI S.A.**
In 2023, PFR TFI also implemented a Strategy aimed at incorporating sustainable risk management, including ESG issues (such as climate protection), into PFR TFI's investment decision-making process. When developing the Strategy, PFR TFI was guided by the interests of the participants of the investment funds under its management. PFR TFI understands risks to sustainable development as situations or environmental, social or management-related conditions which, should they occur, could have an actual or potential material negative impact on the value of an investment.

As part of its sustainability risk analysis, PFR TFI uses specific methodologies and available databases, which contain data on environmental protection, social responsibility and corporate governance, originating from specialized external analytical entities; it also conducts relevant internal analyses in this area. PFR TFI has developed a tool to support the assessment of sustainability risks, allowing for the determination of an issuer's potential exposure to sustainability risks.

PFR TFI conducts multi-faceted monitoring of its portfolio companies on an ongoing basis. The monitoring also assesses both financial and non-financial risks, including risks to sustainable development. The

unit responsible for risk management at the TFI Company presents the results of risk analyses and assessments, including sustainability risks, during meetings of the investment committee, at which investment proposals concerning a given issuer are discussed. Every year, for funds for which sustainability risk has been identified as material in the risk profile, an analysis of this risk is carried out for all investments in the portfolio.

The strategy has been prepared in accordance with Article 3(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on disclosure of information relating to sustainability in the financial services sector.

To everyone interested, the policy is available on the PFR Capital Group website: Sustainable Investing | under the PFR TFI tag.

## 2.6. E1-3 – ACTIONS AND RESOURCES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION POLICIES

In accordance with the strategic directions set for 2022-2025 and the update of the strategic directions for 2025, the PFR Capital Group is taking measures to mitigate climate change and support the energy transition in Poland. The PFR Capital Group finances and provides substantive support for projects aimed at reducing $CO_2$ emissions. In 2024, the main activities of the PFR Capital Group contributing to climate change mitigation and energy included the following schemes and investments:

i) **Investments in green energy:** The aim of the scheme is to support Poland's energy transition by financing renewable energy source (RES) projects on an arm's length basis, without crowding out private capital. These initiatives aim to increase the share of green energy in the national energy mix and reduce $CO_2$ emissions. In 2024, the PFR Capital Group made new investments in the renewable energy sector. One of them is a loan of PLN 82.5 million granted to Projekt Solartechnik (PST), a leader on the Polish RES market specializing in large-scale photovoltaic installations, wind farms, and green energy trading. These funds will be allocated to the construction of photovoltaic farms with a total capacity of approximately 40 MW, located in twelve provinces. The second investment was a loan of over PLN 235 million granted as part of cooperation with Pad-Res Group. This financing will be used to build a photovoltaic power plant, including the necessary infrastructure, with a total capacity of approximately 117 MW. Both investments address the existing financial gap in the RES sector, supporting the acceleration of Poland's energy transition, strengthening national energy security, and contributing to a reduction of $CO_2$ emissions. These measures complement the other PFR initiatives for the sake of the green transition, such as the development of low-carbon transport through investments in the Pesa and RCP companies, which are engaged in the production of modern electric and hydrogen vehicles.

ii) **Investments in offshore wind energy:** PFR supports the development of offshore wind energy in the Baltic Sea through investments in port infrastructure. One example is the Baltica 2 offshore wind farm, the largest RES project in Poland, which will strengthen the country's energy security and provide green energy for around 2.4 million households. (PFR and Baltic Hub drive Poland's energy transition in the Baltic Sea (the News from Polski Fundusz Rozwoju S.A. tab) | PFR S.A. Company Website) In 2024, the PFR Capital Group also launched the first tranche of financing for the construction of the T5 Installation Terminal for the servicing of offshore wind farms in the Baltic Hub port in Gdańsk. The financing will enable the implementation of this project, which is strategic from the point of view of energy security, and the achievement of its environmental objectives. It is one of the most important project elements of the offshore wind farm construction in the Baltic Sea.

iii) **Local government investments:** The Local Government Investment Department manages the PFR Local Government Investment Fund (PFR FIS), which invests on an arm's length basis in investment projects in the area of municipal investments executed by companies with local government participation. The support offered to local government companies implementing projects that are of key importance for local communities. PFR S.A. also directs its offer to local government units, municipal companies, and private partners implementing Public-Private Partnership (PPP) projects with local governments. (Local Government Investments tab (Program Polski Fundusz Rozwoju S.A.) | PFR S.A. Company Website)

iv) **Energy from waste:** Energy from waste is a scheme that provides local governments and private partners with financing for new WTTP projects and the modernization of heating systems. Local governments wishing to implement PPP projects may, in selected cases, benefit from free financial, legal, and technical advice for their projects, as well as from assistance in selecting a private partner. In November 2024, a Waste Thermal Treatment Plant (WTTP) was launched in Olsztyn. After a month of commissioning work, in December the installation started to supply heat to the city's heating network. (Energy From Waste tab (A Product of Polski Fundusz Rozwoju S.A.) | PFR S.A. Company Website)

v) **PFR initiatives for innovation and sustainable development:** In 2024, PFR implemented initiatives supporting the development of innovation. The third edition of the **PFR for Cities Academy** has been launched, featuring workshops on Urban Resilience and ESG. Another scheme implemented was the **Hack the Climate** scheme – an initiative based on the hackathon formula, whose aim was to develop innovative solutions to environmental and climate challenges faced by Polish cities. The concepts developed in the scheme included improving energy efficiency, greening urban spaces, and engaging residents in climate action. As part of the **Club of Future Cities**, 10 online meetings were held to present best practices in implementing innovation, with over 1,000 representatives of local government and individuals interested in urban issues taking part. Moreover, PFR conducted **workshops on calculating the organization's carbon footprint** (Scopes 1–3), and as part of the **Urban Tech Hub** scheme; 20 technological solutions were selected to be tested in urban conditions, with the participation of nearly 40 local governments.

With regard to the identified climate-related risks, the investment assessment process carried out by PFR TFI S.A. is enriched with a sustainable development risk survey, which takes into account issues related to climate change (in accordance with the principles set out in the Strategy of Integrating Sustainability Risks into the investment decision-making process of PFR TFI S.A., described in item 2.5 E1-2 – Policies related to climate change mitigation).

Climate-related risks were first identified as part of the DMA process in early 2025. The need for additional measures to address them will be considered in the coming years.

## 2.7. E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The PFR Capital Group Strategy for 2022-2025, including its update for 2025, set out the directions for the PFR Capital Group, includ-

ing those related to climate. As part of its current strategy, the PFR Capital Group aims, inter alia, to continue:

1. supporting the energy transition of Polish enterprises in order to strengthen the Polish value chain (building competitiveness on the Polish and international markets) – investment activities related to this objective are primarily directed at large enterprises;

2. supporting start-ups by enabling the commercialization of high-tech solutions.

These objectives are indicative in nature and no metrics have been assigned to them. By the end of 2025, the PFR Capital Group plans to publish its strategy for 2026-2030, which will take into account the ESG aspects.

## 2.8. E1-5 – ENERGY CONSUMPTION AND MIX

The consumption of the following energy inputs was analyzed: electricity, district heating, diesel fuel, and gasoline. Electricity and heat consumption related to office space occupied by employees of companies belonging to the PFR Capital Group, as well as the liquid fuel consumption by the vehicle fleet.

Energy consumption related to processes conducted or managed by the PFR Capital Group was calculated using the same organizational boundaries as those applied for reporting greenhouse gas emissions in Scope 1 and Scope 2. The data available only in units other than MWh (liters, GJ) have been converted to MWh using the relevant conversion factors. All quantitative information relating to energy is reported as final energy consumption.

The PFR Capital Group does not generate electricity. The PFR Capital Group also does not purchase steam, heat, or cooling as part of "energy recovery" from industrial processes. The PFR Capital Group does not use hydrogen as an energy source.

The data on energy and district heating for all PFR Capital Group head offices were known based on the billing invoices for electricity, heat, or on the meter readings. In facilities where it was impossible to obtain consumption figures directly corresponding to the occupied area, these values were calculated on the basis of known consumption, the area to which it relates, and the area occupied by the companies of the PFR Capital Group. The amount of energy used by motor vehicles was calculated based on the fuel consumption data provided by the vehicles used in the PFR Capital Group.

The PFR Capital Group does not operate in industries with significant climate impacts.

**Table 10. PFR Capital Group - Energy consumption and mix**

| Energy consumption and mix | 2024 |
|---|---|
| 1) Consumption of fuel from coal and coal products (MWh) | 0 |
| 2) Consumption of fuel from oil and oil products (MWh) | 1,093.26 |
| 3) Consumption of fuel from natural gas (MWh) | 0 |
| 4) Consumption of fuel from other fossil sources (MWh) | 0 |
| 5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh) | 455.78 |
| **6) Total energy consumption from fossil sources (MWh) (sum total of rows 1-5)** | **1,549.04** |
| Share of fossil sources in the total energy consumption (%) | 85 |
| 7) Energy consumption from nuclear sources (MWh) | 0 |
| **Share of energy consumption from nuclear sources in the total energy consumption (%)** | **0** |
| 8) Fuel consumption from renewable sources, including biomass (and also including industrial and communal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh) | 0 |
| 9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh) | 277.01 |
| 10) Consumption of renewable energy generated independently without use of any fuel (MWh) | 0 |
| **11) Total consumption of renewable and low-emission energy (MWh) (sum total of rows 8-10)** | **277.01** |
| Share of renewable sources in the total energy consumption (%) | 15 |
| Total energy consumption (MWh) (sum total of rows 6 and 11) | **1,826.05** |

## 2.9. E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

Greenhouse gas emissions were calculated based on the global Greenhouse Gas Protocol (GHG Protocol) methodology developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The calculations were made for the PFR Capital Group for 2024, broken down into:

- Scope 1 - direct greenhouse gas emissions occurring when burning energy in stationary and mobile sources that are owned or controlled by the operator.
- Scope 2 - indirect greenhouse gas emissions from the use of purchased or acquired electricity, steam, heating or cooling.

The criterion based on equity holdings was adopted as the method for determining organizational boundaries, according to which the undertaking accounts for 100% of greenhouse gas emissions from the companies belonging to the PFR Capital Group. Therefore the calculations include emissions from the use of office space and vehicle fleet directly by member companies of the PFR Capital Group and the PFR, in the meaning of the Accounting Act (Journal of Laws of 1994 No. 121 Item 591).

**The method of calculations applied**

*Scope 1*

Scope 1 includes emissions associated with mobile combustion sources and equipment owned or operated by the undertaking. Therefore, the following areas of greenhouse gas emissions should be included in Scope 1:

- Vehicle fleet (emissions related to the combustion of liquid fuels – diesel oil and gasoline);
- Cooling equipment (emissions related to coolant depletion).

The analysis of Scope 1 does not include emissions generated by the combustion of fuels in stationary sources, as the undertaking does not consume fuels such as natural gas, coal or heating oil. For the areas analyzed, the operational control approach was adopted, which assumes that Scope 1 included not only emissions related to the combustion of energy inputs in mobile sources belonging to the undertaking, but also in those leased. The fuel emission factors used to calculate emissions in this Scope were taken from the document "Greenhouse Gas Reporting: Conversion Factors for Company Reporting 2024" published by the Department for Environment, Food and Rural Affairs (Defra).

*Scope 2*

Scope 2 includes indirect emissions related to the purchase of electricity from the power grid and district heating from the heating network. For the areas leased by the company, the operational control approach was adopted, which assumes Scope 2 emissions includes emissions related to electricity and heat consumption not only in entities belonging to the organization, but also those used and managed by the undertaking.

Emissions from electricity consumption were calculated using location-based and market-based methods. For location-based calculations, the carbon dioxide factor has been applied, calculated on the basis of the document of the National Center for Emissions Management (KOBiZE), entitled "$CO_2$, $SO_2$, NOx, CO and total dust emission factors for electricity, based on information contained in the National Database on the Emissions of Greenhouse Gases and Other Substances in 2023" (December 2024).

The market-based calculations used emission factors given on the websites of the specific electricity distributors, relevant for the locations analyzed. This situation applies to the office space occupied by the PFR S.A. company in Chełm. For the remaining office space, building administrators hold a guarantee that electricity comes from wind farms. It has been confirmed that the energy volume indicated in the guarantees of origin covers the total energy consumption in the buildings; therefore an emission factor of 0 kg CO2e/MWh has been adopted for these office spaces.

CO2 emission factors for district heating were adopted in accordance with the information provided on the websites of the relevant heating companies distributing heat where the offices are located. The only office space located outside Warsaw is the space in Chełm, used by the PFR S.A. company. Due to the lack of information on the emission factor for the Chełm heating company, the Polish national average of 98.19 kg CO2/GJ has been used for this location, as indicated in the document "Heat Energy in Figures 2023" (January 2025), issued by the Energy Regulatory Office (URE).

As of the balance sheet date, the PFR Capital Group did not exceed an average number of 750 employees in the financial year and so it is exercising its option to omit Scope 3 carbon emissions data in the first year of preparing its sustainability statement in accordance with Appendix C to ESRS 1, which is available to groups of entities that do not meet this criterion. In connection with the above, the PFR Capital Group has not calculated its total greenhouse gas emissions.

Table 11. Total GHG emissions of PFR Capital Group

| Total GHG emissions by Scope 1 and Scope 2 emissions | 2024 |
|---|---|
| **Scope 1 GHG emissions** | [t CO2e] |
| Scope 1 GHG emissions - gross | 249.50 |
| Percentage of Scope 1 GHG emissions from regulated emissions trading schemes | 0 |
| **Scope 2 GHG emissions** | |
| Scope 2 GHG emissions - gross by location-based method | 321.00 |
| Scope 2 GHG emissions - gross by market-based method | 146.02 |
| **Total GHG emissions** | |
| Total GHG emissions (location-based) | 570.50 |
| Total GHG emissions (market-based) | 395.52 |
| **GHG emissions intensity (Scope 1 and 2)** | [PLN million/t CO2e] |
| GHG emissions intensity (location-based) | 1.38 |
| GHG emissions intensity (market-based) | 0.95 |

The PFR Capital Group does not carry out greenhouse gas removal or greenhouse gas emission reduction projects financed by EU allowances.

The PFR Capital Group does not operate a system for determining internal CO2 emission prices.

## 2.10. SUSTAINABLE AND EQUITABLE FINANCE (ADDITIONAL TOPIC)

The PFR Capital Group undertakes activities promoting sustainable development and just transition, which is crucial for long-term economic growth. As part of these activities, the PFR Capital Group plays an important role in promoting sustainable development in Poland, creating value for all stakeholders.

The industry transformation in Poland, including the transition to low-carbon energy sources and the modernization of production processes, is essential in the context of global challenges related to climate change. At the same time, digitization is becoming a key element of this process, enabling increased efficiency and innovation in various sectors. Supporting these changes in the spirit of a just transition is essential to ensure that the transition takes into account the needs of communities affected by the changes, including workers in sectors that will be phased out.

Within the PFR Capital Group, investment policies are developed at the level of the individual funds, which allows for tailoring their respective approaches to the specific nature of each fund's operations. These policies take into account aspects related to sustainable financing; however, at the capital group level, what is missing is a common document that would define the minimum standards, exclusions or targets for investments in the context of sustainable development. The issue of just transition has not yet been addressed in the PFR Group's policies.

Most of the objectives included in the PFR Capital Group's strategy, described in section 1.8 SBM-1 – Strategy, business model and value chain, directly or indirectly relate to the financing of projects related to sustainable development, which arises from the PFR Capital Group's mission. However, at this point in time, there are no specific targets that take into account a just transition, which indicates that these need to be developed in the future.

### 2.10.1. Actions undertaken by the PFR Capital Group

The Group supports Poland's energy transition through investments in RES projects, executed on an arm's length basis and without crowding out private capital. These measures are intended to contribute to the integration of institutions, local governments, and companies operating in the energy market, as well as to the shared endeavors to develop the Polish value chain, thereby improving Poles' quality of life.

The PFR Capital Group implements this scheme through:

- direct investments (dedicated to companies, institutions and developers seeking co-financing partners for significant projects in the area of renewable energy),
- indirect investments (addressed to funds wishing to cooperate with PFR Ventures in areas such as ecology, RES, and clean technologies),
- investments in local government companies (addressed to local governments in need of equity support and advisory in the implementation of energy transition projects), and
- the green innovation system (addressed to innovators and start-ups wishing to expand their knowledge of running a business, benefit from expert support, and establish business relationships).

The objective of direct investments is to develop renewable energy sources based on market electricity prices, via the Green Energy for Business scheme, develop domestic production of products and services related to energy transition, and provide equity for the scaling, acquisition, or succession supported by the Polish Value Chain program. Examples of investments in this area are described above

in chapter 2.6 Actions and resources related to policies on climate change mitigation and adaptation.

Investments supporting local government undertakings (also mentioned in Chapter 2.6 Actions and resources related to climate change mitigation and adaptation policies), aimed at helping local governments in their transition to low-carbon heat sources by providing them, among others, with equity to finance the replacement of coal-fired heating systems with gas-fired ones, as well as to develop domestic solutions in the area of energy efficiency and to reduce energy costs by providing capital support for the energy transition in terms of increasing energy efficiency, securing energy cost stability, and promoting a circular economy.

The green innovation system aims to incubate RES projects through activities supported by the startup.pfr.pl portal and the PFR School of Pioneers. The green innovation system also aims to scale up domestic production of innovative energy transition products and services by establishing the National Center for Research and Development (NCBR) Green Deal Academy and supporting ESG reporting through commercial workshops on carbon footprint calculation.

## 2.11. EU TAXONOMY

### 2.11.1. The Taxonomy

The PFR Group provides its disclosures in accordance with Regulation 2020/852 of the European Parliament and of the Council (EU) of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ("Regulation 2020/852") and amending Regulation (EU) 2019/2088 ("EU Taxonomy"). As part of the disclosure, key performance indicators are published, together with the accompanying information that reflects the degree of the Group's activities' compliance with the EU Taxonomy and identifies environmentally sustainable activities.

The basis for indicator calculations and data presentation is provided by the following legal acts:

- Regulation 2020/852 and Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021; (The Delegated Act setting out the technical screening criteria, updated by the Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023),
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, (The Delegated Act applicable to Article 8 of the Taxonomy),
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, (The Delegated Act covering nuclear energy and natural gas);
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2021/2178, and
- Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023, amending Commission Delegated Regulation (EU) 2021/2139.

This disclosure concerns the activities of the PFR Group for the period from 1 January to 31 December 2024, and includes information on the percentage share of activities:

- which are EU Taxonomy-aligned ("Taxonomy-aligned") and;
- which are EU Taxonomy Eligible/Non-Eligible

in three categories:

- Revenue (Turnover),
- Capital Expenditures (CapEx),
- Operating Expenditures (OpEx).

These indicators have been developed in accordance with the requirements of Delegated Regulation (EU) 2021/2178, based on the best available knowledge and with due diligence.

The disclosure also includes qualitative (explanatory) information, prepared in accordance with Delegated Regulation (EU) 2021/2178, taking into account the amendments introduced by Delegated Regulation (EU) 2022/1214 and Delegated Regulations (EU) 2023/2486 and 2023/2485.

### 2.11.2. Minimum Safeguards

As the PFR Group only partially meets the Minimum Safeguards referred to in Article 18 of Regulation (EU) 2020/852, none of the identified taxonomic activities can be considered EU Taxonomy-aligned.

The assessment of compliance with the Minimum Safeguards was carried out based on the recommendations contained in the Final Report on Minimum Safeguards developed by the Platform on Sustainable Finance (October 2022). This document indicates that the Minimum Safeguards are not met if at least one of the two conditions in four areas of action persists:

- Human rights (examples of grounds for non-compliance: lack of due diligence process with regard to human rights; final court convictions);
- Corruption – this area covers whistleblower protection procedures and anti-corruption procedures (examples of grounds for non-compliance: lack of due diligence in relation to corrupt practices; detected but inadequately addressed cases of corruption);
- Taxes (examples of grounds for non-compliance: lack of transparent tax rules and policies; involvement in practices that violate tax laws)
- Fair competition (examples of grounds for non-compliance: lack of policies addressing fair competition issues; cases of violations of fair competition laws).

**Human Rights**

The PFR Group has adopted a Code of Ethics that partially addresses employee rights and human rights. In the Code, the Group commits to respecting human dignity and equitable treatment of employees, regardless of gender, age, race, religion, or ethnic origin. The Group has also introduced additional policies related to human rights, e.g. concerning counteracting undesirable behavior among employees and associates.

However, internal documents do not refer to the relevant OECD and UN guidelines in this regard. At the group level, there is also a lack of a consistent human rights due diligence process. The PFR Capital Group plans to include human rights in its due diligence process in the coming years.

**Corruption**
The PFR Capital Group has a zero tolerance policy towards corruption. Internal regulations have been introduced to prevent any corrupt practices. This area is regulated by the PFR Compliance Management Strategy and the PFR Capital Group Code of Conduct. In addition, a Gifts and Anti-Corruption Policy has been implemented, setting out the rules and procedures to be followed in the event of undesirable conduct.

Employees of the PFR Capital Group and external entities have the possibility to report irregularities anonymously in various forms (a dedicated IT tool on the website; reporting via email; reporting in paper form at the PFR headquarters).

In 2024, no proceedings were pending against the PFR Capital Group or its senior management in relation to any corruption-related violations.

**Taxes**
The PFR Capital Group addresses tax-related issues by applying internal procedures designed to ensure the correctness of tax settlements and minimization of risks. The Group has regulations in place concerning, among others, reporting tax schemes, circulation of accounting documents, verification of contractors, as well as tax settlements (VAT, CIT, PCC - Civil law transaction tax).

The PFR Capital Group conducts ongoing tax analyses and, in the case of complex issues, uses external advisory or requests individual tax interpretations. The Group cooperates with tax authorities in a transparent and reliable manner, providing full information. The PFR Capital Group does not apply any aggressive tax optimization. The taxation area is supervised by the Vice-President of the Management Board and the Accounting Department, whereas the tax strategy is updated annually and published in accordance with the law.

During the period under review, none of the companies belonging to the PFR Capital Group was found guilty of any tax law breach.

**Fair competition**
The PFR Capital Group is a public institution supporting development activities and, as such, has no direct competitors. However, as part of its activities, the PFR Capital Group operates in various segments of the economy and has an impact on private sector entities. In this regard, the PFR Capital Group is aware of its obligation to comply with the principles of fair competition, transparency, and non-discrimination, particularly when granting financing, selecting partners, or supporting investment projects.

In the coming years, the PFR Capital Group plans to address the area of fair competition by introducing a due diligence procedure and identification of actual and potential adverse effects.

### 2.11.3. Evaluation of EU Taxonomy alignment

According to Regulation 2020/852, activities considered environmentally sustainable (i.e. EU Taxonomy-aligned) must meet all four of the following conditions:

- Make a significant contribution to the achievement of at least one of the six environmental objectives:
  1. Climate change mitigation (CCM);
  2. Climate change adaptation (CCA);
  3. Sustainable use and protection of water and marine resources (WTR);
  4. Transition to a circular economy (CE);
  5. Pollution prevention and control (PPC);
  6. Protection and restoration of biodiversity and ecosystems (BIO);
- No significant harm any other environmental objective ("Do No Significant Harm" – DNSH).
- Be conducted in compliance with the Minimum Safeguards referred to in Article 18 of Regulation 2020/852,
- Comply with the Technical Screening Criteria established by the European Commission.

For every EU Taxonomy-aligned activity, an assessment of compliance has been carried out according to the criteria of significant impact and the DNSH principle, pursuant to the relevant delegated acts.

In 2024, the PFR Group identified activities that are EU Taxonomy eligible. However, they have not been deemed Taxonomy-aligned as they did not meet the technical screening criteria and the requirements arising from the DNSH principle.

### 2.11.4. Turnover KPI

**Accounting principles**
To calculate the Turnover KPI, the Group used the consolidated financial statements of the PFR Group for 2024, prepared in accordance with the Accounting Act. The net revenues from sales disclosed in these statements were used as the denominator of the indicator.

**Information on compliance with Regulation (EU) 2020/852**
For the activities of the PFR Group that are EU Taxonomy eligible, an assessment of compliance with the Technical Screening Criteria and the DNSH principles requirements was carried out. As they were found to be only partially fulfilled, none of these activities were considered Taxonomy-aligned and were not disclosed as such.

An analysis of revenues generated in 2024 showed that 1.42% (PLN 5,902 thousand) of revenues are eligible for the EU Taxonomy. Two eligible activities have been identified, assigned to one environmental objective:

- Objective II: Climate change adaptation
  - Activity 8.2 - Computer programming, consultancy and related activities;
  - Activity 11 - Education

Activity 8.2 generates revenue from services in the field of specialized tool programming, IT infrastructure management, and IT system development and maintenance. The group develops computer software (using external subcontractors) for online calculators and licenses it to external entities. The Group also provides support services for the implementation of YetiForce CRM software. In addition, the PFR Group provides local governments with access to the IT Solutions Testing Exchange.

Under Activity 11, the PFR Group generates revenue through the development and maintenance of the educational platform PFR Knowledge Zone, which offers online courses and workshops for entrepreneurs, local governments, and individuals seeking to develop their professional skills. The topics covered include digitization, finance (including ESG reporting), sustainable development, project management, and R&D. This activity supports the dissemination of knowledge and the development of competencies in key areas of economic transformation.

**Contribution to many objectives**
Not applicable to the PFR Group. No activities contributing to the achievement of several environmental objectives have been identified.

**Disaggregation of key performance indicators**
Not applicable. The PFR Group does not break down turnover key indicators into individual companies within the Group. The taxonomy statement of the Group is based on the consolidated financial statements, which do not include a breakdown of turnover as attributable to separate companies.

**Contextual information**
The nominator of the key performance indicator, as well as the eligible activities do not include amounts related to activities carried out for the Group's own consumption.

In this year's disclosure, adjustments were made to the data in the KPI Turnover for 2023. These changes result from a methodological adjustment aimed at clarifying the rules for the classification of EU Taxonomy-aligned activities and adapting the method of allocating revenues to the current guidelines and regulatory interpretations. The correction affected the structure and levels of the reported indicator.

| Financial Year 2023 | | 2023 | | Substantial contribution criteria | | | | | | Criteria pertaining to the DNSH principle | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business activities (1) | Code(s) (2) | Turnover (3) | Proportion of the turnover, year N (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water and marine resources (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resources (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Percentage represented by Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2) Turnover, year 2022 (18) | Enabling activities category (19) | Transitional activities category (20) |
| | | PLN 000s | % | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T/N | T/N | T/N | T/N | T/N | T/N | T/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Types of environmentally sustainable activities (taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1) | | 0 | 0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Of which enabling activities | | - | | | | | | | | | | | | | | | | | |
| Of which transitional | | - | | | | | | | | | | | | | | | | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Computer programming, consultancy and related activities | CCA 8.2 | 4,968 | 1.18% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 1% | | |
| Education | CCA 11 | 828 | 0.20% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0% | | |
| Turnover from activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy non-aligned) (A.2) | | **5,796** | 1.38% | - | 1.38% | - | - | - | - | | | | | | | | 1% | | |
| **A. Turnover from Taxonomy-eligible activities (A.1+A.2)** | | **5,796** | **1.38%** | - | **1.38%** | - | - | - | - | | | | | | | | **1%** | | |

| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | |
|---|---|---|
| Turnover from Taxonomy-non-eligible activities | 415,178 | 98.58% |
| **TOTAL** | **420,974** | **100%** |

| | Part of turnover / Total turnover | |
|---|---|---|
| | Taxonomy-aligned activities broken down by objectives | Taxonomy-eligible activities broken down by objectives |
| CCM | - | - |
| CCA | - | 1.38% |
| WTR | - | - |
| CE | - | - |
| PPC | - | - |
| BIO | - | - |

Explanations:

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activities for the relevant environmental objective

N - No, Taxonomy-eligible but non-Taxonomy-aligned activities for the relevant environmental objective

EL - Taxonomy-eligible activities for the relevant objective

N/EL - non-Taxonomy-eligible activities for the relevant objective

| Financial Year 2024 | | 2024 | | Substantial contribution criteria | | | | | | Criteria pertaining to the DNSH principle | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business activities (1) | Code(s) (2) | Turnover (3) | Proportion of the turnover, year N (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water and marine resources (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resources (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Percentage represented by Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2) Turnover, 2023 (18) | Enabling activities category (19) | Transitional activities category (20) |
| | | PLN 000s | % | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T/N | T/N | T/N | T/N | T/N | T/N | T/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Types of environmentally sustainable activities (taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1) | | 0 | 0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Of which enabling activities | | - | | | | | | | | | | | | | | | | | |
| Of which transitional | | - | | | | | | | | | | | | | | | | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Computer programming, consultancy and related activities | CCA 8.2 | 5,617 | 1.35% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 1.18% | | |
| Education | CCA 11 | 285 | 0.07% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.20% | | |
| Turnover from activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy non-aligned) (A.2) | | **5,902** | 1.42% | - | 1.42% | - | - | - | - | | | | | | | | 1.38% | | |
| **A. Turnover from Taxonomy-eligible activities (A.1+A.2)** | | **5,902** | **1.42%** | - | **1.42%** | - | - | - | - | | | | | | | | **1.38%** | | |

| B. TAXONOMY-NON-ELIGIBLE ACTIVITIES | | |
|---|---|---|
| Turnover from Taxonomy-non-eligible activities | 408,747 | 98.58% |
| **TOTAL** | **414,649** | **100%** |

| | Part of turnover / Total turnover | |
|---|---|---|
| | Taxonomy-aligned activities broken down by objectives | Taxonomy-eligible activities broken down by objectives |
| CCM | - | - |
| CCA | - | 1.42% |
| WTR | - | - |
| CE | - | - |
| PPC | - | - |
| BIO | - | - |

Explanations:

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activities for the relevant environmental objective

N - No, Taxonomy-eligible but non-Taxonomy-aligned activities for the relevant environmental objective

EL - Taxonomy-eligible activities for the relevant objective

N/EL - non-Taxonomy-eligible activities for the relevant objective

## 2.11.5. Capex KPI

**Accounting principles**
Data on capital expenditures, included in the denominator of the key performance indicator (CapEx KPI), is taken from the Consolidated Financial Statements of the PFR Group, prepared as of 31 December 2024, in accordance with the Accounting Act of 29 September 1994. The denominator of the CapEx KPI includes positive gross values of investments in property, plant and equipment, intangible assets and intangible assets.

**Information on compliance with Regulation (EU) 2020/852**
For the activities of the PFR Group that are EU Taxonomy eligible, an assessment of compliance with the Technical Screening Criteria and the DNSH principles requirements was carried out. As they were found to be only partially fulfilled, none of these activities were considered Taxonomy-aligned and were not disclosed as such.

An analysis of capital expenditures generated in 2024 showed that 0.95% (PLN 42 thousand) of capital expenditures are eligible for the EU Taxonomy. One eligible activity was identified:

- Objective II: Climate change adaptation
  - Activity 8.2 - Computer programming, consultancy and related activities;

Under Activity 8.2, the PFR Group incurs capital expenditures related to the development and implementation of specialized IT tools, including the modernization of systems such as the National Recovery and Resilience Plan Center and e-risk, and the purchase of software licenses to support process management (Adonis) and customer communication (Genesys). Investments also include the hardware infrastructure and software required to implement complex IT projects for PFR Group companies.

**Contribution to many objectives**
Not applicable to the PFR Group. No activities contributing to the achievement of several environmental objectives have been identified.

**Disaggregation of key performance indicators**
Not applicable. The PFR Group does not break down capital expenditures key indicators into individual companies within the Group. The taxonomy statement of the Group is based on the consolidated financial statements, which do not include a breakdown of capital expenditures as attributable to separate companies.

**Contextual information**
In the process of assigning data to the Capex numerator for the PFR Group's reported activities, a proportional approach was adopted due to the impossibility of directly linking capital expenditures incurred to specific taxonomic activities. Accordingly, it was decided to apply the Capex allocation method in proportion to the share of a given activity in the Group's total revenues, according to the previously reported values within the turnover ratio. This approach allows for consistency between reported indicators and provides as objective and transparent a method as possible for allocating capital expenditures to activities covered by the EU Taxonomy.

This report also adjusts the data under the Capex indicator for 2023. This change is due to the revision of the adopted methodology for allocating capital expenditures, particularly in the context of their assignability to EU Taxonomy-aligned activities. Due to the limited availability of detailed data, it was decided to use a proportional approach based on the share of a given activity in the Group's total revenues.

| Financial Year 2023 | | 2023 | | Substantial contribution criteria | | | | | | Criteria pertaining to the DNSH principle | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business activities (1) | Code(s) (2) | Capital Expenditures (CapEx) (3) | Proportion of the turnover, year N (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water and marine resources (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resources (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Percentage represented by Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2) Turnover, year 2022 (18) | Enabling activities category (19) | Transitional activities category (20) |
| | | PLN 000s | % | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T/N | T/N | T/N | T/N | T/N | T/N | T/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Types of environmentally sustainable activities (taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Capital expenditures concerning environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Of which enabling activities | | - | | | | | | | | | | | | | | | | | |
| Of which transitional | | - | | | | | | | | | | | | | | | | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Computer programming, consultancy and related activities | CCA 8.2 | 67 | 0.66% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | - | | |
| Capital expenditures for activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy non-aligned) (A.2) | | 67 | 0.66% | - | 0.66% | - | - | - | - | | | | | | | | - | | |
| **A. Capital expenditures on Taxonomy-eligible activities (A.1+A.2)** | | **67** | **0.66%** | - | **0.66%** | - | - | - | - | | | | | | | | **-** | | |

| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | |
|---|---|---|
| Capital expenditures for Taxonomy-non-eligible activities | **10,064** | **99.34%** |
| **TOTAL** | **10,131** | **100%** |

| | Part of capital expenditures / Total capital expenditures | |
|---|---|---|
| | Taxonomy-aligned activities broken down by objectives | Taxonomy-eligible activities broken down by objectives |
| CCM | - | - |
| CCA | - | 0.66% |
| WTR | - | - |
| CE | - | - |
| PPC | - | - |
| BIO | - | - |

Explanations:

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activities for the relevant environmental objective

N - No, Taxonomy-eligible but non-Taxonomy-aligned activities for the relevant environmental objective

EL - Taxonomy-eligible activities for the relevant objective

N/EL - non-Taxonomy-eligible activities for the relevant objective

| Financial Year 2024 | | 2024 | | Substantial contribution criteria | | | | | | Criteria pertaining to the DNSH principle | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business activities (1) | Code(s) (2) | Capital Expenditures (CapEx) (3) | Proportion of the turnover, year N (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water and marine resources (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resources (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Percentage represented by Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2) Turnover, 2023 (18) | Enabling activities category (19) | Transitional activities category (20) |
| | | PLN 000s | % | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T/N | T/N | T/N | T/N | T/N | T/N | T/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Types of environmentally sustainable activities (taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Capital expenditures concerning environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Of which enabling activities | | - | | | | | | | | | | | | | | | | | |
| Of which transitional | | - | | | | | | | | | | | | | | | | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Computer programming, consultancy and related activities | CCA 8.2 | 42 | 0.95% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.66% | | |
| Capital expenditures for activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy non-aligned) (A.2) | | 42 | 0.95% | - | 0.95% | - | - | - | - | | | | | | | | 0.66% | | |
| **A. Capital expenditures on Taxonomy-eligible activities (A.1+A.2)** | | **42** | **0.95%** | - | **0.95%** | - | - | - | - | | | | | | | | **0.66%** | | |

| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | |
|---|---|---|
| Capital expenditures for Taxonomy-non-eligible activities | **4,354** | **95.05%** |
| **TOTAL** | **4,396** | **100%** |

Explanations:

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activities for the relevant environmental objective

N - No, Taxonomy-eligible but non-Taxonomy-aligned activities for the relevant environmental objective

EL - Taxonomy-eligible activities for the relevant objective

N/EL - non-Taxonomy-eligible activities for the relevant objective

| | Part of capital expenditures / Total capital expenditures | |
|---|---|---|
| | Taxonomy-aligned activities broken down by objectives | Taxonomy-eligible activities broken down by objectives |
| CCM | - | - |
| CCA | - | 0.95% |
| WTR | - | - |
| CE | - | - |
| PPC | - | - |
| BIO | - | - |

## 2.11.6. Opex KPI

**Accounting principles**
Data on operating expenses included in the denominator of the key performance indicator (Opex KPI) is taken from the PFR Group's Consolidated Financial Statements as of 31 December 2024, in accordance with the Accounting Act of 29 September 1994.

Operating expenses were included in the statement of profit and loss under the operating expenses category.

According to Annex 1 to Regulation (EU) 2021/2178, the calculation of the Opex KPI takes into account expenses incurred for:

- research and development work,
- building renovation activities,
- short-term leasing,
- maintenance and repairs,
- other direct expenses related to the day-to-day operation of property, plant and equipment - whether performed in-house or outsourced - provided they could be fully allocated to the Opex KPI denominator.

**Information on compliance with Regulation (EU) 2020/852**
For the activities of the PFR Group that are EU Taxonomy eligible, an assessment of compliance with the Technical Screening Criteria and the DNSH principles requirements was carried out. As they were found to be only partially fulfilled, none of these activities were considered Taxonomy-aligned and were not disclosed as such.

Analysis of operating expenses received in 2024 showed that 0.18% (PLN 43 thousand) of operating expenses are EU Taxonomy-eligible. One eligible activity was identified:

- Objective II: Climate change adaptation
  - Activity 8.2 - Computer programming, consultancy and related activities;

The PFR Group's 8.2 activities involve operating expenses for the maintenance and development of specialized IT systems that support business and communication processes, such as the National Recovery and Resilience Plan Center, e-risk, Genesys and Adonis. These expenses include, among others, license fees, software maintenance, hardware management and external services to support the maintenance and development of the IT infrastructure.

**Contribution to many objectives**
Not applicable to the PFR Group. No activities contributing to the achievement of several environmental objectives have been identified.

**Disaggregation of key performance indicators**
Not applicable. The PFR Group does not break down the operating expenses key indicator into individual companies within the Group. The taxonomy statement of the Group is based on the consolidated financial statements, which do not include a breakdown of operating expenses as attributable to separate companies.

**Contextual information**
When assigning data to the Opex numerator for activities covered by the EU Taxonomy, the PFR Group used an estimation approach based on the proportion of revenue, due to the inability to clearly distinguish eligible operating expenses at the level of individual activities. The analysis showed that direct attribution to Opex would be inadequate due to the shared nature of many operating expenses. Therefore, the proportional allocation method was adopted, in which the share of taxonomy activities in the Group's total revenues forms the basis for the allocation of the relevant Opex items. This solution allows methodological consistency while taking into account the limitations of the available data.

With regard to the Opex KPI for 2023, an adjustment has been made to the data resulting from an update of the methodological approach. In the original version of the reporting, some operating expenses were not properly included or assigned to taxonomic activities. Accordingly, in accordance with the adopted methodology of proportional allocation of operating expenses based on the share of business in the Group's revenue, the values of the indicator were adjusted. This adjustment allows for a more adequate representation of attributed EU Taxonomy-aligned operating expenses.

| Financial Year 2023 | | 2023 | | Substantial contribution criteria | | | | | | Criteria pertaining to the DNSH principle | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business activities (1) | Code(s) (2) | Capital expenditures, Opex (3) | Proportion of the turnover, year N (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water and marine resources (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resources (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Percentage represented by Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2) Turnover, year 2022 (18) | Enabling activities category (19) | Transitional activities category (20) |
| | | PLN 000s | % | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T/N | T/N | T/N | T/N | T/N | T/N | T/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Types of environmentally sustainable activities (taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Operating expenses related to environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Of which enabling activities | | - | | | | | | | | | | | | | | | | | |
| Of which transitional | | - | | | | | | | | | | | | | | | | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Computer programming, consultancy and related activities | CCA 8.2 | 253 | 1.31% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | - | | |
| Operational expenditures for activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy non-aligned) (A.2) | | 253 | 1.31% | - | 1.31% | - | - | - | - | | | | | | | | - | | |
| **A. Operating expenses on Taxonomy-eligible activities (A.1+A.2)** | | **253** | **1.31%** | - | **1.31%** | - | - | - | - | | | | | | | | **-** | | |

| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | |
|---|---|---|
| Operational expenditures for Taxonomy-non-eligible activities | **19,108** | **98.69** |
| **TOTAL** | **19,361** | **100%** |

| | Part of operating expenses / Total operating expenses | |
|---|---|---|
| | Taxonomy-aligned activities broken down by objectives | Taxonomy-eligible activities broken down by objectives |
| CCM | - | - |
| CCA | - | 1.31% |
| WTR | - | - |
| CE | - | - |
| PPC | - | - |
| BIO | - | - |

Explanations:

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activities for the relevant environmental objective

N - No, Taxonomy-eligible but non-Taxonomy-aligned activities for the relevant environmental objective

EL - Taxonomy-eligible activities for the relevant objective

N/EL - non-Taxonomy-eligible activities for the relevant objective

| Financial Year 2024 | | 2024 | | Substantial contribution criteria | | | | | | Criteria pertaining to the DNSH principle | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Business activities (1) | Code(s) (2) | Capital expenditures, Opex (3) | Proportion of the turnover, year N (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water and marine resources (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water and marine resources (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum Safeguards (17) | Percentage represented by Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2) Turnover, 2023 (18) | Enabling activities category (19) | Transitional activities category (20) |
| | | PLN 000s | % | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T; N; N/EL | T/N | T/N | T/N | T/N | T/N | T/N | T/N | % | E | T |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1. Types of environmentally sustainable activities (taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| Operating expenses related to environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Of which enabling activities | | - | | | | | | | | | | | | | | | | | |
| Of which transitional | | - | | | | | | | | | | | | | | | | | |
| **A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| Computer programming, consultancy and related activities | CCA 8.2 | 43 | 0.18% | N/EL | EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 1.31% | | |
| Operational expenditures for activities that are Taxonomy-eligible but not environmentally sustainable (Taxonomy non-aligned) (A.2) | | 43 | 0.18% | - | 0.18% | - | - | - | - | | | | | | | | 1.31% | | |
| **A. Operating expenses on Taxonomy-eligible activities (A.1+A.2)** | | **43** | **0.18%** | - | **0.18%** | - | - | - | - | | | | | | | | **1.31%** | | |

| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | |
|---|---|---|
| Operational expenditures for Taxonomy-non-eligible activities | **23,931** | **99.82%** |
| **TOTAL** | **23,974** | **100%** |

| | Part of operating expenses / Total operating expenses | |
|---|---|---|
| | **Taxonomy-aligned activities broken down by objectives** | **Taxonomy-eligible activities broken down by objectives** |
| CCM | - | - |
| CCA | - | 0.18% |
| WTR | - | - |
| CE | - | - |
| PPC | - | - |
| BIO | - | - |

Explanations:

Y - Yes, Taxonomy-eligible and Taxonomy-aligned activities for the relevant environmental objective

N - No, Taxonomy-eligible but non-Taxonomy-aligned activities for the relevant environmental objective

EL - Taxonomy-eligible activities for the relevant objective

N/EL - non-Taxonomy-eligible activities for the relevant objective

## 2.11.7. Nuclear and fossil gas-related activities

The PFR Group does not conduct, finance nor is exposed to the types of activities referred to in sections 4.26 – 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, as shown in the breakdowns below.

| Row | Nuclear energy related activities | KPI Turnover | KPI Capex | KPI Opex |
|---|---|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | **NO** | **NO** | **NO** |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available techniques. | **NO** | **NO** | **NO** |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | **NO** | **NO** | **NO** |

| Row | Nuclear energy related activities | KPI Turnover | KPI Capex | KPI Opex |
|---|---|---|---|---|
| 1 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | **NO** | **NO** | **NO** |
| 2 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | **NO** | **NO** | **NO** |
| 3 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | **NO** | **NO** | **NO** |

As no activities 4.26-4.31 are conducted, the presentation of additional tables contained in Annex XII of Commission Delegated Regulation 2022/1214 has been abandoned.

# 3. S1 – Responsibility to employees

## 3.1. S1-1, S1-6, S1-7 – PFR CAPITAL GROUP'S OWN WORKFORCE

### 3.1.1. SBM-2 – Interests and views of stakeholders

The PFR Capital Group recognizes the importance of employee interests and rights as a key element of its business model. As part of its sustainability efforts, the organization ensures that the labor rights of those who are employed by the PFR Capital Group are respected, and that employees - to the extent prescribed by generally applicable laws - have the opportunity to actively participate in decision-making processes affecting them. The PFR Capital Group's current strategy does not directly address labor issues, but in developing the PFR Capital Group's strategy for 2026-2030, consideration is being given to reflecting issues relating to its own workforce.

### 3.1.2. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

As a result of the double materiality analysis process, material positive or negative impacts of the PFR Capital Group and risks an opportunities for the organization were identified with respect to the following areas (the identification process is described in Section 1.11 of IRO-1 - Description of the process for identifying and evaluating material impacts, risks and opportunities):

- Security of employment,
- Adequate wages,
- Work time,
- Employee work-life balance,
- Gender equality and equal pay for equal work,
- Employee training and development.

The PFR Capital Group presents the identified impacts of the PFR Capital Group's activities on the PFR Capital Group's employees in the context of each of the above areas in Disclosure 1.10.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

The identified areas of influence are key elements of the PFR Capital Group's business model, which is based on specialized personnel, allowing the effective use of competencies in achieving the organization's goals.

The PFR Capital Group has identified opportunities in job security through increased operational efficiency and improved organizational competitiveness in the market resulting from the implementation of AI solutions as AI-based tools help the PFR Capital Group both more accurately determine the areas of the organization's operations that need to be improved (operational efficiency) and better understand the needs and potential of employees (organizational competitiveness in the market). In addition, the PFR Capital Group has identified opportunities in the area of job security by creating an environment that provides employees with opportunities for training and skill development, such as through the effective use of their potential.

The PFR Capital Group has identified risks related to the issue of adequate pay due to the need to remain competitive in terms of the salaries and terms of employment offered. On the issue of work-life balance for employees, the PFR Capital Group identified the risk of increased costs associated with the need to implement solutions to ensure greater work-life balance, and in the case of gender equality, the risk of increased costs of implementing equal pay processes.

The term "own workforce" of the PFR Capital Group includes all employees, i.e. both those employed under an employment contract and those cooperating under civil law contracts or management service agreements (management contracts).

The PFR Capital Group has identified a negative impact in the area of working time related to the occurrence of overtime. At PFR Operacje, where there are additional tasks due to the specifics, such as those related to IT system testing or security testing, some work is carried out outside standard working hours, such as on weekends or at night.

The PFR Capital Group's activities are having a significant positive impact through its efforts to promote job security, gender equality, adequate pay, working time and the development of employee competence. At the PFR Capital Group, the preferred form of employment is a contract of employment, and training programs support the professional development of all individuals included in PFR Capital Group's own workforce.

In the context of the PFR Capital Group's operations as a development institution, no significant impact on its own workforce has been identified that is directly related to transformational plans to reduce negative environmental impacts and achieve climate neutrality. At the same time, in order to ensure adequate competence internally to integrate sustainability issues, the expert team in the Strategy Department was expanded.

The PFR Capital Group does not employ juveniles, and there are no cases of forced labor.

The PFR Capital Group does not identify among its own workforce individuals with a higher risk of harm or influence due to their special characteristics (e.g., age or life situation). The PFR Capital Group also does not identify individuals on whom its operations would be particularly dependent with high risk exposure.

### Characteristics of the PFR Capital Group's own workforce

Table 12. Characteristics of the PFR Capital Group's workforce (number of employees by gender)*

| Number of employees as a total and by gender (as at 31 December 2024) | |
|---|---|
| Gender | PFR CAPITAL GROUP |
| Male | 265 |
| Female | 291 |
| **Total workers** | **556** |

Table 13. Characteristics of the PFR Capital Group's companies' workforce (number of employees by gender)*

| Number of employees as a total and by gender (as at 31 December 2024) | | | | | | |
|---|---|---|---|---|---|---|
| Gender | PFR S.A. | PFR Nieruchomości | PFR Operacje | PFR Portal PPK | PFR TFI | PFR Ventures |
| Male | 99 | 38 | 42 | 12 | 43 | 31 |
| Female | 137 | 52 | 11 | 27 | 37 | 27 |
| **Total workers** | **236** | **90** | **53** | **39** | **80** | **58** |

* In the case of FTEs divided among the PFR Capital Group companies, in order to avoid doublings, 4 employees were assigned to one company.

At the end of 2024, the PFR Capital Group employed 556 persons, including 52% of women, and 48% of men.

Table 14. Description of the PFR Capital Group (number of workers by agreement term and type)

Number of employees as a total and by agreement term and type (as at 31 December 2024)

| | PFR CAPITAL GROUP | | |
|---|---|---|---|
| Total | Women | Men | Total |
| Number of temporary employees | 22 | 8 | 30 |
| Number of permanent employees | 269 | 257 | 526 |
| Number of non-guaranteed hours employees | 0 | 0 | 0 |
| Number of full-time workers | 282 | 263 | 545 |
| Number of part-time workers | 9 | 2 | 11 |

The turnover rate for 2024 was 17.52%, which is comparable to the figure presented by the PFR Capital Group in the consolidated annual statements for 2023 (16.02%). The turnover rate was calculated in accordance with the requirements of ESRS S1 as the ratio of the number of persons who left the company for any reason to the average number of employees in the period.

**Table 15. The number of employees who left the PFR Capital Group in the reporting period and the employee turnover rate**

| | PFR CAPITAL GROUP | | |
|---|---|---|---|
| | Women | Men | Total |
| Average number of employees | 296.5 | 280 | 576.5 |
| Number of employees who left | 43 | 58 | 101 |
| Employee turnover rate | 14.50% | 20.71% | 17.52% |

**Table 16. Characteristics of non-employees in the PFR Capital Group's own workforce**

| Characteristics of non-employees in the undertaking's own workforce (as at 31 December 2024) | PFR CAPITAL GROUP |
|---|---|
| Number of non-employees in the undertaking's own workforce working for the undertaking on the basis of mandate contract | 57 |
| Number of non-employees in the undertaking's own workforce: people with contracts with the undertaking to supply labor ("self-employed people") based on contracts to supply management services (management contracts) | 12 |
| Number of non-employees in the undertaking's own workforce: people provided by undertakings primarily engaged in "employment activities" (NACE Code N78) | 0 |

## 3.2. S1-3, S1-17 – ENGAGING WITH OWN WORKERS

### 3.2.1. S1-2 – Processes for engaging with own workers

In the PFR Capital Group, engagement with own workforce is organized at the level of each company making up the PFR Capital Group. Actions taken with regard to the above by the parent company – PFR S.A. – are based on cooperation with the employee representatives. They are elected for a two-year term by employees in an anonymous vote. The tasks of the three-person representation of employees include to represent employee interests and to cooperate with the employer in the areas defined by the generally applicable laws, including consultations or arrangements to the extent required by the law. It should be noted that in PFR Nieruchomości, PFR Operacje, PFR TFI and PFR Ventures, there were also employee representatives in 2024. On the other hand, PFR Portal PPK, because of the size of the company, has no employee representatives at all.

PFR S.A. also engages in regular dialog with the employees by:

- Employee surveys (signed and anonymous) about the working environment, making it possible to evaluate such issues as work organization and working time, autonomy, communication, relationships with managers and co-employees (e.g. "Puls Check" surveys or other surveys of employee commitment and satisfaction),
- Regular meetings of the management staff with workers organized to prepared to present action directions, new initiatives and responses to questions important for workers,
- Employee surveys on reasons for terminating the cooperation (exit interviews),
- Obtaining information from workers about atmosphere at work by their managers on an ongoing basis.

An important element of the cooperation with workers at the PFR Capital Group is also regular communication of implemented changes and initiatives important from the workers' point of view. PFR S.A. provides the information using, among others:

- Intranet of the PFR Capital Group,
- newsletter of PFR S.A.
- HR newsletter,
- Informacja ważna dla Ciebie [Information important to you] mailing service,
- offline information campaigns,
- Horyzonty electronic magazine addressed to employees of all the institutions making up the system of development institutions.

The person responsible for managing relationships with workers in each company of the PFR Capital Group is the Personnel Management Department Director, who reports directly to the Management Board, which is responsible for the area of human resources management.

PFR Portal PPK, PFR TFI, PFR Ventures and PFR Nieruchomości apply different rules of engagement with workers adjusted appropriately to the company size, organizational structure and the number of employees. In PFR Portal PPK – because of a low number of workers – consultations with them are held during weekly meetings and everyday contacts with the Management Board members. In PFR TFI, PFR Nieruchomości and PFR Ventures, employee representatives were appointed to represent workers' interests in cases that require consultations or arrangements. PFR TFI, through the HR Management Office, cooperates directly with workers and uses anonymous surveys of employee commitment and satisfaction.

In the PFR Capital Group, there are no formal principles of cooperation and no tools for monitoring the effectiveness of communication.

### 3.2.2. S1-3 – Processes to remediate negative impacts

Apart from engagement with employee representatives and conducting regular dialog with workers, PFR S.A. also provides all the workers with the opportunity to report information about any irregularities or breaches by workers, including undesirable behaviors. The matter is regulated by the Policy to Counteract Undesirable Behavior, which has established a procedure for reporting and handling cases of undesirable behavior by employees and co-workers. Persons who have experienced, witnessed or learned about such behaviors should immediately report the information to the dedicated mailbox or directly to the Personnel Management Department Director or the Human Capital Development Office Director. The Policy to Counteract Undesirable Behavior has also established a procedure for a special commission to review the grounds for reports about undesirable behaviors.

When undesirable behaviors or breaches are reported, the organization implements an inquiry to assess the validity of the report, verify the facts of the described event, provide support to the affected parties and implement remediation actions. Personal data and reports are treated with utmost confidence.

PFR S.A., PFR Operacje, PFR Nieruchomości, PFR Portal PPK, PFR TFI and PFR Ventures have mechanisms for reporting doubts and breaches as defined in the Procedure for reporting and following up irregularities and breaches of law. At PFR Portal PPK, employees may contact the Management Board in person, on the telephone, by email or via Teams app, and they can also use the physical mailbox for reports in the office. At PFR TFI, an Anonymous Whistleblowing Procedure is in force, which guarantees anonymity to whistleblowers and ensures that reports are reviewed impartially by the commission for conducting inquiries. PFR Operacje, PFR Ventures and PFR Nieruchomości have in place Policies to Counteract Undesirable Behavior and Policies to Report Breaches. Workers in each company may report their doubts using formal channels, including a website, with guaranteed anonymity, if they wish to use it.

The PFR Capital Group companies monitor the number of reports and based on that, they determine the level of workers' activity in using available tools for reporting irregularities or breaches by workers, including undesirable behaviors.

Furthermore, educational campaigns are performed to raise workers' awareness of accessible mechanisms for reporting undesirable behaviors. In 2024, PFR S.A. conducted a cycle of training courses for the management staff (3 training groups), employees (9 training groups) and employees being members of the commission for conducting inquiries set up in accordance with the Policy to Counteract Undesirable Behavior (1 training group), increasing knowledge about psychological mechanisms for the emergence of undesirable behaviors. Topics of the training courses include:

- Definitions of workplace and sexual harassment and discrimination.
- Situations of conflict at a workplace and cases of workplace harassment and discrimination.
- Causes of workplace harassment and discrimination.
- Consequences of stress connected with a difficult situation at a workplace.
- Actions and entitlements to counteract unethical practices at the workplace: setting boundaries, disciplining and taking appropriate measures. Assertive attitude in communication.
- What cannot be regarded as workplace harassment and discrimination in the organization – groundless abuse of the terms.

### 3.2.3. S1-17 – Incidents, complaints and severe human rights impacts

In 2024, PFR S.A. received three reports about undesirable behaviors. In two cases, pursuant to the Policy to Counteract Undesirable Behavior, having assessed the reports, PFR S.A. decided not to set up commission to conduct inquiries about the reports. In one case, such a commission was established and it has been another year for continuing its inquiry.

In 2024, PFR Nieruchomości received two reports about breaches of law, which were verified by dedicated commissions for conducting inquiries. As a result of the completed proceedings, irregular activities were not confirmed in either case.

In the remaining companies of the PFR Capital Group, no impact of similar reports or complaints was recorded.

Summing up, the PFR Capital Group received five reports in 2024. No fines or orders to compensate losses resulting from breaches, irregularities or reports of undesirable behaviors were imposed on the PFR Capital Group.

## 3.3. S1-1 – POLICIES RELATED TO OWN WORKFORCE

Table 17. **Key policies of the PFR Capital Group companies connected with own workforce**

| **Policy name** | Work Rules and Regulations |
|---|---|
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR Portal PPK<br>PFR TFI<br>PFR Ventures |
| **Description** | The Work Rules and Regulations define general rules of work organization and order, including rights and obligations of the employer and employees. In accordance with the Work Rules and Regulations, the employer is obligated, among others:<br>▪ to respect the worker's dignity and other personal interests,<br>▪ to influence the shape of principles of social life,<br>▪ to counteract discrimination in employment and not to discriminate against workers, especially with respect to sex, age, disability, race, religion, nationality, political convictions, union membership, ethnic origin, denomination, sexual orientation, employment for a definite or indefinite term or on a full-time or part-time basis,<br>▪ to counteract workplace harassment,<br>▪ to guarantee equal treatment of employees doing the same work or work of equal value,<br>▪ to apply fair and objective criteria to assess work results,<br>▪ to protect workers' personal data.<br>The aim of the rules and regulations is also to ensure effective working time management for workers and to protect their rights. The employer keeps working time records, which is an important obligation for the employer and also affects the remuneration amount. The introduction of various working time systems such as equivalent working time system, which allows for greater flexibility, making it possible for employees to better adjust working hours to their individual needs and personal arrangements. When changes are made to working time schedules, workers are informed in advance, allowing them to arrange their work and personal lives accordingly.<br>The Work Rules and Regulations also introduces initiatives which support workers' commitment to social activities, such as the Employee Volunteering Day. |
| **Scope** | All employees |
| **Responsibility** | Personnel Management Department Director (at PFR S.A.)<br>or as appropriate<br>persons holding the position of Personnel Management Department Director or those appointed as entitled to perform duties in the area of labor law (in the other companies of the PFR Capital Group) |
| **External standards** | Labor Code<br>The Public Benefit Activity and Volunteerism Act of 24 April 2003 |
| **Availability** | Intranet |
| **Related material ESRS topics** | Secure employment conditions for workers<br>Working time and employee work-life balance<br>Gender equality |

| **Policy name** | Remote Work Rules and Regulations |
|---|---|
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Portal PPK<br>PFR TFI<br>PFR Ventures<br>PFR Operacje |
| **Description** | The sets of rules and regulations adopted in the PFR Capital Group companies define remote work rules which aim to ensure work-life balance for workers. Workers doing remote work are obligated to work for the number of hours following from their employment contract and the Work Rules and Regulations, which means that they have to be available with specified remote communication devices during the set working hours. The Rules and Regulations allow workers to request to do work remotely, which will make it possible for them to be flexible in work organization and adjust professional responsibilities better to their private lives.<br>The employer contributes to the costs associated with remote work, such as electricity and telecommunications services, through a lump sum payment. |
| **Scope** | All employees |
| **Responsibility** | Personnel Management Department Director (at PFR S.A.)<br>or as appropriate<br>persons holding the position of Personnel Management Department Director or those appointed as entitled to perform duties in the area of labor law (in the other companies of the PFR Capital Group) |
| **External standards** | Labor Code |
| **Availability** | Intranet, Employee Zone |
| **Related material ESRS topics** | Secure employment conditions for workers<br>Working time and employee work-life balance |

| **Policy name** | Remuneration rules and regulations |
|---|---|
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR Portal PPK<br>PFR TFI<br>PFR Ventures |
| **Description** | Remuneration rules and regulations are an internal legal act for a work establishment, i.e. applicable and binding in a given work establishment. Remuneration rules and regulations supplement and develops several important details, such as remuneration amount, additional remuneration components, fringe benefits, etc.<br>The basic remuneration reflects the skills required for a given job, the complexity of work, the scope of responsibility and professional experience, as well as practices applied in the relevant reference markets. These are reviewed every year in view of the external remuneration market.<br>At PFR S.A., the Personnel Management Department reviews (in principle, once a year) the Rules and Regulations to find if they work in accordance with the assumed objectives. |
| **Scope** | All workers except for the Management Board members and the Chief Accountant of PFR S.A. or the Management Board members and the Chief Accountant of the other companies (whose remunerations are defined by resolutions of the Shareholder Meeting or the Supervisory Board respectively) |
| **Responsibility** | Personnel Management Department Director (at PFR S.A.)<br>or as appropriate<br>persons holding the position of Personnel Management Department Director or those appointed as entitled to perform duties in the area of labor law (in the other companies of the PFR Capital Group) |
| **External standards** | Labor Code<br>Regulation issued by the Minister of Labor and Social Policy on 29 May 1996 regarding the manner of calculating remuneration... |
| **Availability** | Intranet |
| **Related material ESRS topics** | Adequate wage |

| | |
|---|---|
| **Policy name** | Bonus bylaws |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR TFI<br>PFR Ventures |
| **Description** | The bylaws define the rules for granting as well as calculating the amount and payment of bonuses, which depend on the extent to which the targets set to employees and management objectives (MBO system) have been achieved. The MBO system is based on setting specific, measurable, achievable, [relevant] and time-bound goals for each employee, and bonus targets are set individually depending on their position and role in the company so that these targets must be achieved in at least 80% to acquire the right to an annual bonus. The Personnel Management Department periodically reviews the bonus policies to ensure that they are in line with the objectives and adequate to changing market conditions.<br>Employee bonus bylaws adopted in the PFR Capital Group companies take into consideration working time rules which aim to ensure fair remuneration for performed work. In the event of overtime work, the bylaws state that an employee must inform his or her manager about the need to work overtime for the manager to make a decision about it. An employee is entitled to regular remuneration and extra compensation for overtime and to be granted time off for the hours worked. |
| **Scope** | All employees except for the Management Board members (whose remuneration is set by the Shareholder Meeting) |
| **Responsibility** | Personnel Management Department Director (at PFR S.A.)<br>or as appropriate<br>persons holding the position of Personnel Management Department Director or those appointed as entitled to perform duties in the area of labor law (in the other companies of the PFR Capital Group) |
| **External standards** | Labor Code |
| **Availability** | Intranet |
| **Related material ESRS topics** | Adequate wage<br>Working time and employee work-life balance |

| | |
|---|---|
| **Policy name** | Code of Conduct |
| **Companies which have implemented the policy (to a significant extent)** | PFR Capital Group<br>PFR Nieruchomości |
| **Description** | Described in detail in G1-1 – Business conduct policies. |
| **Related material ESRS topics** | Secure employment conditions for workers<br>Gender equality |

| | |
|---|---|
| **Policy name** | Policy to Counteract Undesirable Behavior among employees and other workers |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR Portal PPK<br>PFR Ventures<br>PFR TFI |
| **Description** | The policy describes systemic measures to prevent any undesirable behaviors and the manner in which reports of such behavior are to be handled. The document defines systemic measures aimed to eliminate undesirable behaviors, in particular procedures for reporting and handling reports.<br>The PFR Capital Group has established a special channel for employees and co-workers to report, securely and confidentially, any observed undesirable behaviors, such as discrimination, bullying, workplace and sexual harassment or unequal treatment. |
| **Scope** | All employees |
| **Responsibility** | Management Board |
| **External standards** | Labor Code<br>Act of 3 December 2010 on the implementation of certain equal treatment regulations of the European Union |
| **Availability** | Intranet |
| **Related material ESRS topics** | Gender equality |

| | |
|---|---|
| **Policy name** | Policy for employee training and skills development management |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR TFI<br>PFR Ventures |
| **Description** | The policy for employee training and skills development management introduces the obligation to inform all workers to the same extent about aims, rules and opportunities for participation in training and skills development activities.<br>The training policy is based on the identification of employee development needs through job analysis, job evaluation, individual development and the employer's strategic objectives. Training activities are carried out according to a program that defines the aims, subject matter, methods, forms, schedule, costs and sources of funding. The selection of training methods and forms is tailored to the needs and capabilities of participants, and in the learning process appropriate tools are used, such as onsite training, online training, e-learning, coaching, mentoring, internships, projects and workshops.<br>The effectiveness of training activities is monitored by collecting feedback from participants, suppliers and management staff, analyzing indicators of training quality and quantity, and assessing the impact of training on employee work performance and development.<br>The policy for employee training and skills development management is regularly updated depending on the strategy and goals set, changes in the environment and workers' needs and expectations. |
| **Scope** | All employees |
| **Responsibility** | Personnel Management Department Director (at PFR S.A.)<br>or as appropriate<br>persons holding the position of Personnel Management Department Director or those appointed as entitled to perform duties in the area of labor law (in the other companies of the PFR Capital Group) |
| **External standards** | Labor Code |
| **Availability** | Intranet |
| **Related material ESRS topics** | Gender equality<br>Training and skills development for our employees |

| | |
|---|---|
| **Policy name** | Procedure for reporting and following up irregularities and breaches of law |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR Portal PPK<br>PFR TFI<br>PFR Ventures |
| **Description** | Described in detail in G1-1 – Business conduct policies. |
| **Related material ESRS topics** | Secure employment conditions for workers |

Employee policies do not refer explicitly to the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. However, it should be noted that the policies of PFR Capital Group are consistent with applicable Polish law, which incorporates international law, including human rights law. As part of those policies, PFR Capital Group implements appropriate processes and control mechanisms to monitor compliance with these standards (however, it has been identified that these policies do not currently include all due diligence mechanisms required by the guidelines).

Among the policies referred to in the Table below, the following ones aim to eliminate discrimination, promote equal opportunities and increase diversity and social inclusion among our workers: the Code of Conduct, Policy to Counteract Undesirable Behavior among employees and other workers and the Policy for employee training and skills development management.

## 3.4. S1-1, S1-4, S1-5, S1-6, S1-7, S1-11 – SECURE EMPLOYMENT CONDITIONS FOR WORKERS

The PFR Capital Group cares for secure employment conditions of employees and employment contracts are the preferred form of employment. Cooperation under civil law contracts is used mainly for interns or when specific tasks need to be performed within a specified period of time.

Owing to this approach, the PFR Capital Group provides job stability and security, while flexibly adapting to specific operational needs. Detailed solutions supporting employment security are adopted in the organization at the level of each of the companies.

### 3.4.1. S1-1 – Employment security policies

In the PFR Capital Group, employment security issues are regulated first of all in the Work Rules and Regulations and the Remote Work Rules and Regulations (each company in the group has its own corresponding rules and regulations). The Work Rules and Regulations define general rules of work organization and order, including rights and obligations of the employer and workers. The Remote Work Rules and Regulations define the conditions of doing work remotely as well as rights and obligations of workers and the employer. Detailed descriptions of the content of the policies can be found in Table 17. Key policies of the PFR Capital Group companies connected with own workforce in section 3.3 S1-1 Policies related to own workforce

Furthermore, the issue of employment security is appropriately addressed in other internal regulations of particular companies. The documents are available to all workers in the online resources and amendments to the policies – if needed – consulted with employee representatives.

### 3.4.2. S1-4 – Taking action on employment security

In PFR Capital Group, activities related to employment security are carried out at the level of individual companies. In PFR S.A., in accordance with the statistics presented at the beginning of the chapter, the basic action related to the impact of the PFR Capital Group on employment security in 2024 was – like in the entire PFR Capital Group – using employment contracts as a preferred form of employment.

In 2024, over 90% of employment contracts in the PFR Capital Group were permanent contracts.

The PFR Capital Group informs employees on an ongoing basis about any changes introduced in regulations about workers, including the Work Rules and Regulations. In addition, the PFR Capital Group takes communicative actions to remind workers of deadlines important to them, e.g. the deadline for filing income declarations for the Company Social Benefits Fund („ZFŚS").

Among the subsidiaries, action plans for 2025 related to employment security were drawn up by PFR Portal PPK. PFR Portal PPK plans to introduce clear descriptions of positions for each employee, remuneration grid for each position and set targets for employees as conditions for granting a bonus.

At the moment, the PFR Capital Group takes no active measures related to the identified opportunity concerning an increased operational efficiency and competitiveness in the market due to the implementation of AI solutions.

### 3.4.3. S1-5 – Targets related to employment security

The entities of PFR Capital Group have not adopted measurable targets related to employment security.

### 3.4.4. S1-11 – Social protection

The PFR Capital Group companies ensure to their workers social protection at a level at least in compliance with the law.

All the PFR Group companies cover their employees with appropriate social protection in compliance with provisions of law with regard to financial security, social security and social welfare (connected with loss of income caused by sickness, unemployment starting from when the own worker is working for the PFR Capital Group, employment injury, acquired disability, parental leave or retirement).

Under Employee Capital Plans (PPK), employees receive financial support for pensions by paying contributions at a maximum level provided for by the law, amounting to 4% of their remuneration.

In the PFR Capital Group entities, persons employed on the basis of employment contracts, apart from public services, have the opportunity to join group life insurance (which covers a broad range of risks, which increases the sense of security and stability) and private

health care. Life insurance may also cover employees' life partners / spouses, while health care may be also extended to cover their children and parents.

Employees are also entitled to parental leaves (on the terms and conditions provided for in the law).

In accordance with applicable laws, when losing a job, a former employee, having satisfied formal requirements, has the right to unemployment benefit, which ensures financial support and assistance to find a new job. Persons receiving the benefit are at the same time covered by health insurance.

At PFR, SA PFR Operacje, PFR Portal PPK, PFR S.A., PFR TFI and PFR Nieruchomości, company social benefit funds operate to grant benefits to employees having serious financial problems.

## 3.5. S1-1, S1-4, S1-5, S1-10, S1-16 – ADEQUATE WAGES

### 3.5.1. S1-1 – Policies for adequate wages

In the PFR Capital Group, adequate remuneration issues are regulated first of all in the Remuneration Rules and Regulations and Bonus Bylaws (each company in the group has its own corresponding rules and regulations). The Remuneration Rules and Regulations set out remuneration rules aiming to ensure adequate wages, competitive in the job market, and to motivate employees to achieve high results. The Bonus bylaws for Employees define rules for acquiring and setting the amount and payment of bonuses. Detailed descriptions of the content of the policies can be found in Table 17. Key policies of the PFR Capital Group companies connected with own workforce in section "3. S1-1 – Own workforce policies".

### 3.5.2. S1-4 – Taking action on adequate wages

To ensure adequate working conditions, a review of market benchmarks is carried out. Remuneration benchmarks are implemented continuously – with every change of rates, positions and during a review of remuneration. For comparisons, a database of market data is used, updated twice a year, which makes it possible to relate to current market conditions. The PFR Capital Group ensures remuneration in compliance with provisions of the labor laws, including laws on minimum wage, and employees receive remuneration in time and in the full amount, additionally taking advantage of a package of benefits, such as private health care, group life insurance, social support in the form of benefits from the Company Social Benefits Fund (ZFŚS), monthly, half-yearly or annual bonuses and subsidies for transports to work.

### 3.5.3. S1-5 – Targets related to adequate wages

The ambition of the PFR Capital Group companies is to reduce differences in remuneration on similar positions by analyzing remuneration and also to increase the transparency of the Remuneration Rules and Regulations and the Bonus Bylaws. These objectives are indicative in nature and no metrics have been assigned to them.

### 3.5.4. S1-10, S1-16 – Remuneration metrics

At the PFR Capital Group, all employees and co-workers receive remuneration above or equal to the minimum wage in force, which is verified by analyzing remuneration in terms of compliance of calculations with the law.

The previous financial year was a period of preparation for the Capital Group for monitoring total remuneration. For this reason, in accordance with the requirements defined in ESRS 1 (Appendix C: List of phased-in Disclosure Requirements), the PFR Capital Group in its first reporting period took advantage of the exemption from reporting remuneration metrics.

## 3.6. S1-1, S1-4, S1-5, S1-15 – WORKING TIME AND WORK-LIFE BALANCE

### 3.6.1. S1-1 – Policies related to working time and work-life balance

In the PFR Capital Group, working time issues are regulated first of all in the Work Rules and Regulations and the Remote Work Rules and Regulations (each company in the group has its own corresponding rules and regulations). The Work Rules and Regulations define rules about working time. The Remote Work Rules and Regulations define remote work rules which aim to ensure work-life balance for workers. Detailed descriptions of the content of the policies can be found in Table 17. Key policies of the PFR Capital Group companies connected with own workforce in section 3.3 S1-1 Policies related to own workforce

### 3.6.2. S1-4, S1-15 – Taking action on working time and work-life balance

The PFR Capital Group complies with the applicable working time laws. Responsibility for compliance with working time regulations is vested in managers of organizational units, and is also described in the Work Rules and Regulations and the Bonus Bylaws. In situations where employees are required to work overtime, they have the option of taking a day off or receiving remuneration in accordance with the relevant laws. In one of the PFR Capital Group company, an adverse impact was identified because the special character of work on certain positions may require non-standard hours (e.g. performing system tests outside regular working hours).

To promote work-life balance, the following initiatives were introduced in the PFR Capital Group in 2024:

- Flexible working time arrangements, which allow employees to adjust their schedules to their individual needs,
- The Remote Work Rules and Regulations, which make it possible to do work using a hybrid system, providing a greater freedom in organizing working time. Employees have a pre-defined monthly pool of days for remote work. Initiatives which support workers' commitment to social activities, such as the Employee Volunteering Day. Such a volunteering day is granted for a period of daily working time, allowing employees to pursue their passions and interests outside of their work duties,
- Workshops on rules and ergonomics at a workplace; for example, in 2024, workshops on healthy spine and healthy lifestyle were organized,
- In PFR S.A., the campaign, started a year before, was continued, with the slogan #Zdrowa Organizacja [Healthy Organization], aiming to provide holistic support for workers' well-being on many levels and to promote best practices in the organization. The initiatives included the following events:
  - educational days devoted to the health of women and men Profilaktyka #ToNieRocketScience [Prevention is not rocket science],
  - educational days for developing healthy diets and the right nutritional habits,
  - regular publications of materials on various aspects of well-being and benefits offered by the employer, including topics such as physical health, safety, mental health, relationship building, and family and social concerns.

In 2024, the PFR Capital Group used the exemption from the obligation to report the ratio of employees on parental leaves.

### 3.6.3. S1-5 – Targets related to working time and employee work-life balance

The PFR Capital Group aims to develop a healthy and sustainable work environment, conducive to maintaining work-life balance by workers. The organization has not set any formal objectives in this regard.

## 3.7. S1-1, S1-4, S1-5, S1-9, S1-16 – GENDER EQUALITY

### 3.7.1. S1-1 – Diversity policies

The PFR Capital Group exerts a positive impact on gender equality and equal pay for the same work, taking special care to treat women and men equally. The PFR Capital Group ensures equal treatment at work, and employees enjoy equal rights when performing the same duties in the same way; this pertains in particular to the equal treatment of men and women with respect to employment. Detailed solutions concerning equal treatment are implemented at the level of each company in the organization.

In the PFR Capital Group, a number of internal regulations are in force, aiming to support the employer's activity for building a secure and inclusive work environment, which are defined in the Code of Conduct, the Work Rules and Regulations, the Policy to Counteract Undesirable Behaviors among employees and co-workers, the Policy for PFR S.A. employee training and skills development management; except for PFR Nieruchomości, the PFR Capital Group companies have their own corresponding sets of rules and regulations, which is described in Table 17. Key policies of the PFR Capital Group companies connected with own workforce in section 3.3 S1-1 Policies related to own workforce

At PFR Operacje, issues of preventing workplace harassment and bullying as well as equal treatment principles are regulated in its Work Rules and Regulations. PFR Operacje and PFR Nieruchomości have also implemented their Policies to Counteract Undesirable Behavior, which corresponds to the policy in force in PFR S.A. PFR Portal PPK has implemented provisions about counteracting workplace harassment and bullying, sexual harassment and discrimination, as well as provisions regarding equal treatment at work within its Work Rules and Regulations. In PFR TFI, Policies to Counteract Workplace Harassment and Discrimination are in force, and the Work Rules and Regulations include provisions about protecting working women and young people as well as equal treatment. PFR Ventures has no formal diversity policy but is guided by the principle of non-discrimination in its activities. In recruitment processes, equal opportunities are ensured.

### 3.7.2. S1-4 – Taking action on diversity

Measures taken by PFR S.A. in the area of gender equality in 2024 focused on introducing an inclusive and neutral language in the employer's communication. PFR S.A. uses the language, among others, in job advertisements, taking into account diversity of readers, also in terms of gender. Linguistic neutrality is also present in HR documents, which specify the name of job positions. In PFR S.A., feminine forms are commonly used. PFR S.A. regularly conducts training and information campaigns, aiming to raise awareness about what each undesirable behavior involves and how it is manifested.

### 3.7.3. S1-5 – Targets related to diversity

In the context of diversity, the PFR Capital Group has not measurable targets now but plans in 2025 to implement guidelines of the Ministry of State Assets, which aim to promote equal opportunities and increase the representation of diverse groups at a workplace. In a new strategy, which will be developed for 2026-2030, it will be also considered whether additional diversity objectives should be set in order to respond to changing needs of the organization more effectively.

### 3.7.4. S1-9 – Diversity metrics

Table 18. **Diversity metrics of employees of the PFR Capital Group**

**Diversity metrics of employees of the PFR Capital Group**

| | PFR CAPITAL GROUP | | | |
|---|---|---|---|---|
| | Women | % of women | Men | % of men |
| Management boards of the PFR Capital Group companies | 3 | 25% | 9 | 75% |
| Directors (all the positions whose names include the term "director") | 50 | 43.48% | 65 | 56.52% |
| Managers (persons supervising at least one worker) | 13 | 46.43% | 15 | 53.57% |
| Management positions (other persons, also managers without teams) | 228 | 55.21% | 185 | 44.79% |

Table 19. **Age structure of employees of the PFR Capital Group**

**Age structure of employees: below 30; aged 30-50; older than 50**

| | PFR CAPITAL GROUP | |
|---|---|---|
| | Number of employees | % |
| below 30 years | 86 | 15.33% |
| 30-50 years | 400 | 71.30% |
| over 50 years | 70 | 12.48% |

### 3.7.5. S1-16 – Pay gap metrics

The previous financial year was a period of preparation for the Capital Group with respect to monitoring pay gap (as described in section S1-10, S1-16 – Remuneration metrics). In PFR S.A., in 2024, the job grading process, which is of key importance for activities in this regard, was continued. Furthermore, PFR S.A. is waiting for regulatory guidelines about the manner of calculating pay gap so that its calculation complies with provisions on remuneration transparency. In the other PFR Capital Group companies, measures are planned aimed to analyze it and eliminate pay gap.

## 3.8. S1-1, S1-4, S1-5, S1-13 – TRAINING AND SKILLS DEVELOPMENT OF EMPLOYEES

### 3.8.1. S1-1 – Training policies

The PFR Capital Group has a positive impact on workers' training and development, offering a broad range of opportunities for improving their competences. In the PFR Capital Group, individual training courses are conducted, tailored to the special nature of the particular position at work, which allows employees to develop skills necessary to perform their duties. Employees are also able to take advantage of subsidies for education costs, which supports their further educational development. In the PFR Capital Group, issues of training are regulated at the level of individual companies belonging to the Capital Group.

In the PFR Capital Group, the regulation about educational activities for own workforce is the Policy for employee training and skills development management (companies from the Capital Group have their own corresponding rules and regulations, which is described in Table 17. Key policies of the PFR Capital Group companies connected with own workforce in section 3.3. S1-1 – Own workforce policies and below). The Policy for employee training and skills development management defines general rules regarding access to training and workers' growth opportunities.

The approach to training and skills development in PFR Portal PPK, PFR Nieruchomości, PFR Operacje, PFR TFI and PFR Ventures differs, depending on the organization but in all cases, it takes into consideration the needs of workers and financial capabilities of the companies. PFR Nieruchomości has Best Practices for raising professional qualifications and employee training system, which define objectives, conditions and organization of training for employees. The Human Resources Management Department is responsible for training coordination and management. Decisions on funding training are made individually, depending on the needs of employees and available resources. In PFR Portal PPK, the Rules and Regulations for raising professional qualifications are in force. In PFR TFI, the Staff Training and Development Management Rules and Regulations are in force and responsibility for implementing them is vested in the HR Office of PFR TFI. Each employee is allocated a training budget for the calendar year, which is subject to monitoring. Similar rules and regulations also operate in PFR Operacje, with the responsibility for their implementation entrusted to the PFR Operacje Management Board. PFR Ventures has implemented the Staff Training and Development Management Rules and Regulations, which provide workers with the opportunity for development in areas related to the performed job and in the area of soft competences. The body responsible for implementing the policies is the Management Board and Staff Management Office of PFR Ventures. The documents are available to all workers in the online resources.

### 3.8.2. S1-4 – Taking action on training

Activities connected with employee training in 2024 in PFR S.A. included various opportunities for development of professional competences and qualifications. Employees had access to a wide range of training courses, including both individual and group training, performed on-site, online or as e-learning. PFR S.A. offered development schemes adjusted to individual or group needs as well as opportunities for refunding or financing costs of postgraduate and doctoral studies, apprenticeships for legal counsels and attorneys at law, examinations raising professional competences and financing of partial costs of MBA studies.

In addition, employees were provided with access to materials supporting their development, such as publications, podcasts and reports. Group training and development activities were conducted in the direction of developing competences of the future in three lines:

- Management line (e.g. training on building a safe and inclusive work environment, training on maintaining balance in the work of a manager).
- Expert line (e.g. training in the area of effective cooperation and communication, training on building personal brand, training on energy management).
- Well-being line (e.g. practical training on fire protection, meetings during days of good diet, meetings devoted to prevention of female and male cancers).

Furthermore, in 2024, PFR S.A. offered its employees the opportunity to participate in training to develop digital competences, e.g. SQL and PowerBI.

The effectiveness of training and skills development activities is monitored on the basis of quantitative and qualitative data collected with the use of, among others:

- surveys to determine the level of satisfaction of participants with training and development activities,
- interviews with participants of training and development activities and/or their managers,
- reports made available by the vendor after completion of training and development activities,
- assessment of changes in the ratios related to the area of training and development.

In the subsidiaries of PFR S.A., such as PFR TFI, PFR Ventures, PFR Operacje and PFR Nieruchomości, in 2024, training activities were performed to raise employees' qualifications and achieve strategic objectives of the organization. The effectiveness of the training is assessed with surveys and interviews during the annual employee assessment.

Employees participate in training on portfolio management, sustainable development and soft competences. The management staff improve their leadership skills, whereas newly hired employees are trained on personal data protection and risk management.

For 2025, PFR S.A. has planned to start the implementation of career paths, which will include important programs of managerial succession and mentoring. With respect to these objectives, PFR S.A. will place a special stress on continued active involvement management staff in the implementation of the above measures.

### 3.8.3. S1-5 – Targets related to training

In the PFR Capital Group, ambitions regarding training are adopted at the level of each company. The objectives are indicative in nature and no metrics have been assigned to them. Training initiatives pertain in particular to:

- increasing effectiveness and productivity of employees and improving the quality of their work,
- adjusting to changing needs and requirements of the job market and new technologies,
- supporting development of careers and motivation of employees and strengthening their commitment,
- creating a positive organizational climate and a learning culture,
- ensuring continuity and succession of management staff and experts.

The objectives of PFR S.A. follow directly from the Policy for employee training and skills development management adopted in the company.

PFR S.A. monitors effectiveness of training by collecting qualitative and quantitative data. What should be specially noted with regard to quantitative data is monitoring of the participation level for women and men in individual forms of development and monitoring average costs of the activities in both groups.

### 3.8.4. S1-13 – Training metrics

The previous financial year was a period of preparation for the PFR Capital Group with respect to monitoring employee training and skills development. As part of the preparations, PFR S.A. performed, among others, the process of verifying methods of monitoring of employees' access to training, which is of key importance for continued activities in this regard. Due to these activities, the PFR Capital Group will be able to disclose training metrics in the consolidated format in future statements.

Selected statistics of training courses completed by employees of selected PFR Capital Group companies in the reporting year are presented below.

Table 20. **Statistics of completed training courses for workers of PFR S.A.**

| | PFR S.A. | | |
|---|---|---|---|
| **Individual training** | **Women** | **Men** | **Total** |
| Number of employees who completed at least 1 training course | 54 | 26 | 80 |
| Total training hours used by workers | 1,333 | 511 | 1,844 |
| Average training hours used by workers | 25 | 20 | 23 |
| **Group training** | **Women** | **Men** | **Total** |
| Percentage of workers participating in training | 58% | 42% | 100% |
| Total training hours used by workers | 3,073 | 2,512 | 5,585 |
| **Individual and group training** | **Women** | **Men** | **Total** |
| Total number of training hours offers to workers (total number of hours devoted to individual and group training) | 4,406 | 3,023 | 7,429 |
| Average training hours per worker and gender (total number of training hours divided by the total number of workers by gender) | 32.2 | 30.5 | 31.5 |

Table 21. **Statistics of completed training courses for workers of PFR Nieruchomości**

| | PFR Nieruchomości | | |
|---|---|---|---|
| **Total training** | **Women** | **Men** | **Total** |
| Total number of hours devoted by workers for completing training | 392 | 168 | 560 |
| Average training hours per worker and gender (total number of training hours divided by the total number of workers by gender) | 7.5 | 4.4 | 6.2 |

Table 22. **Statistics of completed training courses for workers of PFR TFI**

| | PFR TFI | | |
|---|---|---|---|
| **Total training** | **Women** | **Men** | **Total** |
| Number of employees who completed at least 1 training course | 37 | 43 | 80 |
| Total training hours used by workers | 2,017 | 2,921 | 4,938 |
| Average training hours per worker and gender (total number of training hours divided by the total number of workers by gender) | 54.5 | 67.9 | 61.7 |

In the PFR Capital Group, regular reviews of performance and career development are performed but at the moment, the PFR Capital Group does not monitor the percentage of employees who participated in the process.

# 4. S3 – Impact on local communities

## 4.1. S3-1, S3-2, S3-3 – AFFECTED COMMUNITIES

### 4.1.1. SBM-2, SBM-3, S3-2, S3-3 – Interests and views of stakeholders and material impacts, risks and opportunities and their interaction with strategy and business model

Within the conducted activity, the PFR Capital Group performs investments in the infrastructure (mainly through the PFR Local Government Investment Fund FIZAN) and construction of residential units (mainly via PFR Nieruchomości). PFR Nieruchomości carries out investment projects involving the construction and rental of residential units for individuals, with the aim of meeting the needs of local communities and improving the quality of life of their residents. PFR S.A. handles repayments of subsidies for business owners, whose purpose was to secure liquidity for businesses and support the economy (the "Financial Shield"), which translates into job protection and stability of the community.

As a result of the double materiality analysis, material positive impacts were identified in relation to the following issues (the identification process is described in section 1.11 of IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities):

- adequate housing conditions among communities,
- water and sanitation among communities,
- additional topics:
  - emergency aid (financial shields),
  - charitable activities.

The PFR Capital Group describes the identified impacts in the context of each of the above areas in Disclosure 1.10.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

The PFR Capital Group identified the opportunity related to the organization's potential to handle government schemes and the liquidity risk (minimized by the State Treasury's obligation following from Article 21a(4) of the Act on the System of Development Institutions and agreements executed with the State Treasury to pay costs incurred by the PFR Capital Group as a result of performing government schemes), litigation, procedural challenges connected with handling anti-crisis shields.

Since the PFR Capital Group has not identified adverse impacts on affected communities, the organization has not implemented the process of cooperation with the affected communities or a dedicated channel for them to report their doubts. In addition, investments of the PFR Capital Group are often performed upon local governments' orders or in cooperation with local governments, which are intermediaries in contacts with the affected communities.

### 4.1.2. S3-1 – Policies related to impact on local communities

Policies of companies in the PFR Capital Group regarding affected communities on which programs carried out by the PFR Capital Group have impact are gathered in Table 23. Key policies of companies in the PFR Capital Group relating to the management of impact on local communities have been described in more detail in the subsequent sections of the chapter.

Table 23. Key policies of companies in the PFR Capital Group relating to the management of impact on local communities

| | |
|---|---|
| **Policy name** | Rules and regulations for application for participation in the government scheme of the Polish Development Fund's financial shield for small and medium enterprises 1.0<br>Rules and regulations for application for participation in the government scheme of the Polish Development Fund's Financial Shield for Large Companies<br>Rules and regulations for application for participation in the government scheme of the Polish Development Fund's financial shield for small and medium enterprises 2.0 |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A. |
| **Description** | Rules and regulations of the government schemes of the Polish Development Fund's (PFR) Financial Shield for Small and Medium Enterprises (1.0 and 2.0) and for Large Companies include detailed terms and conditions of the participation and rules of settlement of received funds. The documents specify the purposes for which financial subsidies may be used, as well as the application procedures and appeal paths in the event of rejections. The rules and regulations define the beneficiary's duties, including conditions for retaining the support and situations in which PFR may terminate the agreement and demand repayment of the funds. The aim of the provisions is to ensure transparency and reduce the risk of abuses. In addition, the documents include controls and reporting obligations to monitor the use of subsidies on an ongoing basis. Each version of the scheme is adapted to the special character and needs of different groups of business owners. |
| **Scope** | PFR S.A.<br>Beneficiaries of financial shields |
| **Responsibility** | Management Board of PFR S.A. |
| **External standards** | The rules and regulations refer to, among others:<br>▪ Act on Anti-Money Laundering and Countering the Financing of Terrorism (AML Act)<br>▪ Civil Code<br>▪ Commercial Company Code<br>▪ Commission Regulation (EU) No 651/2014 (GBER)<br>▪ Act on the System of Development Institutions (SDI Act)<br>▪ Act on Combating Infectious Diseases<br>▪ Temporary Aid Framework |
| **Availability** | Website<br>Attachment to the agreement, it was required to accept the rules and regulations when entering into the Financial Subsidy Agreement |
| **Related material ESRS topics** | Emergency aid (financial shields) |

| | |
|---|---|
| **Policy name** | Rules and Regulations for Employee Volunteerism performed by the PFR Foundation in cooperation with Polski Fundusz Rozwoju S.A. |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR TFI<br>PFR Ventures |
| **Description** | Rules and Regulations for Employee Volunteerism performed by the PFR Foundation in cooperation with Polski Fundusz Rozwoju S.A. describe the rules of participation in volunteerism as well as the rights and obligations of a volunteer. The policy aims to promote and create conditions for employees to engage in volunteer initiatives through organizational and financial support and employees are allowed to use up to one working day per quarter for volunteer activities. Volunteerism may take various forms and concerns various social initiatives. |
| **Scope** | All employees |
| **Responsibility** | The entity with organizes and coordinates Employee Volunteerism is the PFR Foundation. The Volunteerism Coordinator is authorized by the Foundation Management Board to manage activities related to volunteerism. |
| **External standards** | The Public Benefit Activity and Volunteerism Act of 24 April 2003<br>Civil Code |
| **Availability** | Intranet<br>The document is an attachment to the work rules and regulations in each of the companies making up the PFR Capital Group |
| **Related material ESRS topics** | Charitable activities |

Policies about affected communities do not refer explicitly to the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. However, it should be noted that the policies of PFR Capital Group are consistent with applicable Polish law, which incorporates international law, including human rights law. As part of those policies, PFR Capital Group implements appropriate processes and control mechanisms to monitor compliance with these standards (however, it has been identified that these policies do not currently include all due diligence mechanisms required by the guidelines).

## 4.2. S3-1, S3-4 – ADEQUATE HOUSING

PFR Nieruchomości manages two funds: Rental Housing Fund and Housing Sector Development Fund, which offer stable and long-term rental of residential units, which contributes to improvement of living conditions in local communities.

In spite of identified positive impacts on the living conditions in local communities, the PFR Capital Group has no formal policies or processes to manage the impacts.

### 4.2.1. S3-4 – Activities to support housing conditions

The Housing Sector Development Fund, managed by PFR Nieruchomości, performs investing activity in a way oriented to supporting communities living in areas with limited developer activity and areas requiring revitalization. The investments are made both in response to the shortage of housing stock and as part of local housing policies, supporting the social and economic development of these areas.

In the process of selecting investment sites, special attention is paid to areas where commercial developers do not perform projects due to a higher investment risk or a small scale of the project. Examples of such towns include Kępno, Kępice, Sianów, Nakło nad Notecią and Oława.

The investing activity of PFR Nieruchomości in the locations brings about additional advantages. First, new residential buildings raise the standard of living of the population; second, the investments are important tools to perform local housing strategies – it is local governments which select areas for investments, whereas the Fund finances their performance. Once construction is completed, it is the local government that decides on the rules for selecting tenants and the terms of lease, allowing it to tailor the offer to the special features and needs of the local community.

In some cases, the investments also fulfill additional social functions. A good example is Kępice, where new residential units have become a device to keep in the town persons practicing professions which are in short supply, which aimed to have a favorable impact on the stability of the local job market. In addition, in many towns after completing investment projects by the Fund, other developers were observed to show a greater interest in the given area, resulting in a continued development of the infrastructure and increased availability of residential units.

The activity of PFR Nieruchomości involving housing investment projects exerts an impact on local communities, both in small towns and in larger conurbations. Performed projects not only increase the availability of residential units, but can also stimulate the local real estate market; they also improve the infrastructure and support housing policies of the local governments.

Apart from investments in small towns, PFR Nieruchomości also performs projects in large conurbations, focusing on providing residential units for lease in locations with high demand for affordable housing. One example is the city of Wrocław, where the Fund performs investment projects in six locations, for the total number of residential units exceeding 3,000. These projects contribute to stabilizing the city's rental market, increasing the availability of housing for people who cannot afford to purchase real estate or rent a residential

unit in the commercial segment. The projects also aim at revitalization of historic buildings, such as Hoffman Brothers' 19-century factory of railway cars, which will be transformed into catering, service and office spaces, as well as a modern exhibition center for Wrocław Office of Artistic Exhibitions. Similar projects are also performed in Łódź, where on ul. Składowa Street, the Fund delivered a higher standard investment, offering residential units for institutional rental. Detailed information can be found in the Annual Report of the PFR Capital Group [Section: Activity in 2024 – The most important events in subsidiaries and other subordinated entities]

### 4.2.2. S3-5 – Directional goals for housing conditions

Directional goals in the present strategy include an increase in the number of apartments for lease and filling in gaps in the social dimension. The ambition of investing activity is to develop the Polish institutional rental market by investing directly in the housing sector but for now, no specific number of residential units planned to be built has been defined because this depends on the level of received funding.

In the strategy which will be developed for 2026-2030, the PFR Capital Group will consider whether objectives should be set in order to respond to changing needs of the market and local communities.

## 4.3. S3-1, S3-4, S3-5 – WATER AND SANITATION AMONG COMMUNITIES

In the context of water and sanitation, the PFR Capital Group has no formal policies or procedures to manage impacts on the communities. Investments in water and sewage infrastructure are made as requested by local governments, which serve as intermediaries in contacts with inhabitants. Local governments organize meetings and consultations to collect opinions of local communities, which makes it possible to understand their needs better. The PFR Capital Group supports the initiatives by financing projects (on market conditions), which contributes to improving the standard of living of the people and provides them with access to basic services.

### 4.3.1. S3-4 – Activities to support basic infrastructure

The PFR Capital Group, via the Local Government Investment Fund (PFR FIS), actively supports investments in the infrastructure by local government units. PFR FIS invests on market conditions in urban projects, in particular those connected with own tasks of local governments, which also includes water and sewage infrastructure. Due to these activities, which are consistent with the strategy of the PFR Capital Group, local governments perform projects crucial from the perspective of local communities, including those related to water supply and sanitation.

In the previous years, an example of such support was the investment in Przedsiębiorstwo Wodociągów i Kanalizacji (Water Supply and Drainage System Company, PEWIK) in Gdynia. The initiative involved PFR purchasing 25% of shares in PEWIK, which provided the city with additional funds to perform infrastructural projects important for the residents. The investment not only strengthened the water supply company in financial terms but also made it possible to continue to develop the water and sewage infrastructure in Gdynia, which had a direct positive impact on the local community. Similar investments were also performed in Tarnobrzeg, Nowy Sącz, Limanowa, Opole and other places.

### 4.3.2. S3-5 – Directional goals for basic infrastructure

As part of the strategy in force, the PFR Capital Group pursues supporting infrastructural projects by capital investments, which aim to improve water supply and sewage systems in local communities, but the goals have no measurable metrics. In the strategy which will be developed for 2026-2030, the PFR Capital Group will consider whether objectives should be set in order to respond to present challenges connected with access to clean water and improvement of sanitation in vulnerable regions.

## 4.4. CRISIS ASSISTANCE (FINANCIAL SHIELDS) (ADDITIONAL TOPIC)

In response to the challenges connected with the COVID-19 pandemic, the Council of Ministers entrusted the PFR Capital Group with performing a number of financial support schemes aiming to assist businesses in hard times. The schemes known as "shields" offer various forms of support, adjusted to the needs of micro, small and medium-sized enterprises and large companies. By committing its financial resources and highly qualified personnel, the PFR Capital Group is able to perform the tasks effectively and provide financial subsidies. Additional information on the rules and regulations for the schemes, including rules of their operation and earmarking granted funds, can be found in Table 23. Key policies of companies in the PFR Capital Group relating to the management of impact on local communities S3-1 – Policies related to impact on local communities.

### 4.4.1. Financial Shield activities and resources (Additional topic)

The aim of the scheme of Financial Shields was to protect jobs and financial security of citizens and also to ensure financial liquidity to businesses in the period of serious disturbances in the economy, irrespective of geographical areas. The result of the scheme was the provision of financial support to 348 thousand businesses. It is estimated that due to the measures it was possible to save 3 million workers employed in companies which received support (funds from the scheme were distributed in 2020-2021).

In 2023, PFR S.A. terminated active tasks connected with the performance of PFR Financial Shields, which involved settlement of remissions of the subsidies granted under the Financial Shield for SMEs and the Financial Shield for MSMEs 2.0. The beneficiaries had to submit a relevant application, and PFR S.A. analyzed grounds for remission of subsidies and recovery of receivables. The beneficiaries who do not agree with a decision made by PFR S.A. have the right to request an inquiry which is conducted on a case-by-case basis. If a dispute is not resolved, PFR S.A. or the beneficiary have the right to go to court.

In the context of managing the government schemes: "The Polish Development Fund's financial shield for small and medium enterprises", "The Polish Development Fund's Financial Shield 2.0 for micro, small and medium enterprises" and "The Polish Development Fund's financial shield for large companies", the activities of PFR S.A. in the area of settlement of pecuniary claims in court aim to address the identified risk of insolvency, which is minimized by guarantees of the State Treasury, as well as risks related to litigation and procedural challenges. More information about the service of the schemes can be found in the Annual Report for 2024 [Section: Overview – Corporate governance – Description of significant pending litigation] [Section: Activity in 2024 – Involvement in fighting the effects of the COVID-19 crisis]

The shield schemes gradually expire and their service is more often passive (as at 31 December 2024):

- 92.1% of liabilities under the Financial Shield for MSMEs 1.0 were repaid.
- under the Financial Shield for MSMEs 2.0, 64.5% of unremitted portions of financial subsidies were repaid,

- 57 agreements remain under the Financial Shield for Large Companies.

At the moment, PFR S.A. takes no active measures connected with the possibility of launching further anti-crisis shields in the future.

### 4.4.2. Targets related to Financial Shields

The PFR Capital Group has no formal objectives related to the performance of shield schemes but performs objectives ordered by government institutions within schemes to ensure efficient service of the scheme and provision of funds to beneficiaries. As shown above, in 2024, the shield schemes were at the stage of repayments and settlements – no new financing was granted. At the moment, no new activities are planned in that area.

## 4.5. CHARITABLE ACTIVITIES (ADDITIONAL TOPIC)

Employees of the PFR Capital Group are actively involved in charitable activities, especially by participating in the initiatives taken by the PFR Foundation (the "Foundation"). Information on employee volunteerism can be found in Table 23. Key policies of companies in the PFR Capital Group relating to the management of impact on local communities S3-1 – Policies related to impact on local communities.

### 4.5.1. Employee volunteer activities

Employee volunteerism in the PFR Capital Group has been crucial activity both in the Foundation itself and in the entire PFR Capital Group since the Foundation was established in 2018.

At the end of the year, a survey was conducted among volunteers, as a result of which the achievement of goals of employee volunteer activities in 2024 was assessed at 4.76 with the maximum grade being 5.00.

The activities carried out by volunteers responded to the problems of poverty, illness, loneliness and exclusion of the elderly, as well as with providing equal opportunities for children and young people. The activities also supported local communities affected by flooding, among other disasters, and groups activating children and adults with disabilities. Volunteers also carried out their volunteer projects, supporting organizations and people in need of assistance and in difficult life situations.

The Rules and Regulations for Employee Volunteerism performed by the PFR Foundation in cooperation with PFR S.A. describe the rules of participation in volunteerism as well as the rights and obligations of a volunteer. The policy is described in section S3-1 – Policies related to impact on local communities.

In 2024, all the volunteer activities involved 208 male and female volunteers from the PFR Capital Group, which represents 29% of the employees. Volunteers participated in a total of 14 social campaigns and initiatives related to ecology, social assistance to socially excluded groups as well as actions for local communities, including two grant schemes under the "Get Ready, Volunteers" internal grant scheme. Employees of the PFR Capital Group also engaged in volunteer competence activities, using their professional knowledge and experience to provide mentoring to young people from children's homes and foster care. The activity of employee volunteerism in the PFR Capital Group was supplemented with development workshops and meetings which aimed to increase the motivation and satisfaction and to strengthen social competences.

### 4.5.2. Targets related to charitable activities

At present, the PFR Capital Group has no set strategic objectives connected with charitable activities. In the strategy which will be developed for 2026-2030, the PFR Capital Group will consider whether objectives should be set in the area of charitable activities in order to better respond to changing needs of communities.

# 5. S4 – Responsibility to consumers

## 5.1. S4-1, S4-2, S4-3 – CLIENTS OF THE PFR CAPITAL GROUP

Major recipients of the PFR Capital Group's services are business owners. However, major areas of the PFR Capital Group's activity, whose beneficiaries are "consumers and end-users", is training activity (PFR S.A.), provision of information via mojeppk.pl portal (PFR Portal PPK) and using housing investment projects (PFR Nieruchomości).

### 5.1.1. SBM-2 – Interests and views of stakeholders

The PFR Capital Group considers that consumers' interests, views and rights are elements influencing its strategy and business model. The entity takes into consideration the needs associated with providing apartments, offering support with business development as well as allowing for collecting savings for pensions for those who want to secure their future.

### 5.1.2. SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

As a result of the double materiality analysis, material positive impacts were identified in relation to the following issues (the identification process is described in section 1.11 of IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities):

- Privacy of consumers and end-users and
- Security of a person.

The PFR Capital Group describes the identified impacts in the context of each of the above areas in Disclosure 1.10.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

Identified areas of impact are important elements of the PFR Capital Group's business model, which assumes supporting the Polish economy and society, and thus caring for interests of consumers and end-users.

The PFR Capital Group identified a potential adverse impact on consumers regarding personal data protection resulting from the risk of improper management of personal data, lack of adequate safeguards or failure to follow data protection procedures. This can lead to unauthorized access to the data of Employee Capital Plan (PPK) portal users, housing investment beneficiaries as well as participants in training activities and entrepreneurship promotion programs. The impact is of systemic character and pertains to the companies: PFR Portal PPK, PFR SA and PFR Nieruchomości. It should be nevertheless noted that the impact is relatively limited because of applied safeguards.

The PFR Capital Group has identified positive impacts on consumers and end-users in the area of personal security due to the promotion of long-term financial security by PFR Portal PPK under ECP programs, offering transparent and well-managed saving schemes. Furthermore, within investment schemes performed by PFR Nieruchomości, the PFR Capital Group provides alternative housing solutions for persons starting their professional careers, young families and those who are not creditworthy, thus supporting their stability in life and social security.

The PFR Capital Group has not identified any material risks or opportunities connected with consumers or end-users during the double materiality analysis process carried out in 2024.

### 5.1.3. S4-2 – Processes for engaging with consumers and end-users about impacts

In the PFR Capital Group, cooperation with consumers takes place at various stages, adjusted to the special nature of each group.

**Workshop participants**

In the large companies team in the Development and Innovation Department of PFR S.A., direct cooperation occurs at the stage of selling and assessing workshops. Surveys carried out regularly make it possible to collect opinions and tailor the activities to the participants' needs. Surveys are conducted immediately after completing the service and periodically – quarterly and annually. This makes it possible to evaluate customer experience and the effectiveness of cooperation with customers in the long term, and to identify areas for improvement, in particular to make appropriate adjustments in the organized workshops.

**Users of the ECP Portal**

PFR Portal PPK cooperates with consumers by educational and information activities, concentrating mainly on providing current information on the ECP on the mojeppk.pl portal, maintaining profiles in the social media, free training for employees and employers and consultations via the hotline. The company uses the hotline to contact users. A user can also talk to the company's representatives during online or on-site trainings and express their opinion in post-training surveys. In addition, contacts between representatives of PFR Portal PPK and consumers take place during events with the participation of ECP experts.

The cooperation with portal users is supervised by department directors and a Management Board Member of PFR Portal PPK (responsible for comprehensive supervision of all contact channels with consumers), which ensures that results of the cooperation are analyzed and used for continued improved of the services.

The PFR Capital Group verifies cooperation quality by analyzing data on satisfaction of users, times of responding to questions and effectiveness of solutions to problems. It also reviews hotline call recordings to evaluate the quality of answers provided. Additionally, it assesses the number of training courses conducted, participant attendance, and the results of post-training surveys, which allows for a comprehensive evaluation of the effectiveness of educational activities.

**Tenants of apartments**

Tasks relating to providing services to tenants which are the responsibility of the Rental Housing Fund and Housing Sector Development

Fund are carried out by PFR Mieszkania (a portfolio company of the fund). The companies: PFR Nieruchomości and PFR Mieszkania have a shared office that redirects tenants to contact the hotline managed by PFR Mieszkania.

People renting an apartment can submit their requests to the Tenants' Ombudsman, who facilitates communication and proposes effective solutions for customer service. The Tenants' Ombudsman and data protection officer are responsible for providing support to tenants and monitoring their needs. Request submission processes are regularly monitored, which enables identification of areas for improvement and introducing relevant changes to the services provided to tenants.

### 5.1.4. S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

PFR Capital Group takes specific corrective measures if a material negative impact on consumers or end-users have been found. If such impacts are discovered, the entity assesses the effectiveness of introduced measures which enables improvement of processes and minimization of future occurrence of similar situations. An example of such measures are procedures in case of personal data breach where the currently applied safeguards are analyzed, and corrective measures, adapted to the nature of breach, its scale and whether data have been processed in the IT system, are taken. PFR S.A. has a procedure for handling complaints and withdrawals in place that sets out the manner and rules for considering such reports.

To enable consumers and end-users to report their doubts and needs, all companies in the PFR Capital Group offer a number of communication channels available for consumers.

- **PFR S.A.** provides the possibility to submit comments by telephone, e-mail, instant messaging or traditional mail. Information on those channels are available on the PFR S.A. website and in the purchasing policy to facilitate their use by consumers.
- **PFR Portal PPK** provides a hotline, available on business days, where information regarding the Employee Capital Plans can be obtained. Users can use the contact form on the website, express their opinions during online and on-site training, or submit complaints via email or letter. Information about available communication channels is regularly updated on the website and in the Terms and Conditions for the Electronic Services Provided by PPK Portal.
- **PFR Nieruchomości** appointed the Tenants' Ombudsman whose role is to streamline the communication with tenants and recommend good solutions in the area of services for tenants. Tenants can submit their requests to the Ombudsman, if they think that consideration of their report has been unsatisfactory. Additionally, it is possible to contact the data officer directly by email, which provides an additional level of support in privacy protection. Information on the Ombudsman and how to contact them is available on the website of PFR Nieruchomości.

To improve the quality of service through the hotline in case of each company, all calls are recorded and then analyzed. In addition, the hotlines conduct anonymous customer satisfaction surveys.

All information provided will be treated confidentially and with respect for privacy and data protection rights. PFR Capital Group does not allow consumers to provide information anonymously, due to the need to obtain data enabling feedback. PFR S.A. does not take retaliatory measures against consumers who submit reports, although this issue is not formally regulated in the organization's policies.

Entities in the PFR Capital Group regularly monitor reports and the processes of resolving them, which allows for the identification of areas requiring improvement and the introduction of appropriate changes. For example, PFR S.A. uses for this purpose the customer relationship management system (CRM) which generates reports on complaints and their resolution. These reports are used to evaluate the effectiveness of corrective actions and to make decisions regarding further process improvements.

### 5.1.5. S4-1 – Policies related to customers

Policies of companies in the PFR Capital Group related to customers are gathered in Table 24. Key policies of companies in the PFR Capital Group relating to the customer relationships have been described in more detail in the subsequent sections of the chapter.

Table 24. Key policies of companies in the PFR Capital Group relating to the customer relationships

| | |
|---|---|
| **Policy name** | Privacy Policy |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości |
| **Description** | PFR S.A. offers workshops through the strefawiedzypfr.pl platform, and issues related to ensuring the privacy and security of user data are regulated in the Privacy Policy. This document sets out the rules for processing users' personal data for the purposes of operating the website, handling requests, communication, and marketing activities – based on consent, legal obligations, or the legitimate interests of the controller.<br>PFR Portal PPK has adopted its own Privacy Policy for mojeppk.pl. The policy sets out the rules for processing personal data for the purposes of fulfilling legal obligations, handling requests, statistical analysis, and website administration.<br>PFR Nieruchomości has also adopted its own privacy policy, which sets out the rules for processing users' personal data for the purposes of, among other things, communication, responding to questions, and marketing activities. |
| **Scope** | PFR S.A. as an operator of strefawiedzypfr.pl and website users |
| **Responsibility** | Management Board of PFR S.A. |
| **External standards** | GDPR<br>UN Guiding Principles on Business and Human Rights<br>International Labour Organization Declaration on Privacy<br>OECD Guidelines for Multinational Enterprises |
| **Availability** | Public |
| **Related material ESRS topics** | Privacy of consumers and end-users |

| | |
|---|---|
| **Policy name** | Terms and Conditions for the Electronic Services Provided by Portal PPK |
| **Companies which have implemented the policy (to a significant extent)** | PFR Portal PPK |
| **Description** | The document regulates the rules for operating the Portal PPK and sets out the technical requirements for offers of financial institutions. The Terms and Conditions ensure that every user has the right to obtain information about the functioning of ECP schemes, including the conditions of participation and the rights arising from participation in ECPs as well as the obligations and rights arising from the functioning of ECPs. |
| **Scope** | All users of PPK portal, including financial institutions |
| **Responsibility** | Development Project Office |
| **External standards** | - |
| **Availability** | Public |
| **Related material ESRS topics** | Security of a person |

| | |
|---|---|
| **Policy name** | Terms and Conditions for the Electronic Services Provided by strefawiedzypfr.pl |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A. |
| **Description** | The document sets out how to manage the impact of PFR S.A on consumers through the strefawiedzypfr.pl educational platform and specifies the rules for using the platform.<br>The Terms and Conditions include provisions regarding intellectual property, complaints, and the possibility of withdrawing from the agreement. |
| **Scope** | PFR S.A. as an operator of strefawiedzypfr.pl and website users |
| **Responsibility** | President of the Management Board who is in charge of supervising the works of the Innovation Development Department |
| **External standards** | - |
| **Availability** | Public |
| **Related material ESRS topics** | Security of a person |

Consumer policies do not refer explicitly to the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. However, it should be noted that the policies of PFR Capital Group are consistent with applicable Polish law, which incorporates international law, including human rights law. As part of those policies, PFR Capital Group implements appropriate processes and control mechanisms to monitor compliance with these standards (however, it has been identified that these policies do not currently include all due diligence mechanisms required by the guidelines).

In 2024 PFR S.A. has not identified, within its own operations or upstream and downstream value chains, any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises, which relate to consumers.

## 5.2. S4-1, S4-4, S4-5 – PRIVACY PROTECTION

### 5.2.1. S4-1 – Policies regarding protection of the privacy of consumers and end-users

In PFR Capital Group consumer privacy issues are regulated by individual companies that have direct contact with consumers.

In PFR S.A. the management of this material impact on consumers is based on regulations governing the educational activities organized by the company. PFR S.A. offers workshops through the strefawiedzypfr.pl platform, and issues related to ensuring the privacy and security of user data are regulated in the Privacy Policy. The document is described in Table 24. Key policies of companies in the PFR Capital Group related to customer relations in section S4-1 – Policies related to customers.

The Privacy Policy applies to all users of the portal and constitutes the company's commitment to respect human rights in terms of privacy protection. The Policy indicates that personal data processing is carried out in accordance with the GDPR and other applicable laws, and the provisions of the regulations give users the opportunity to contact the data controller, obtain information about data processing, exercise their rights, and lodge complaints. The document provides for specific corrective measures in the event of breaches, such as the user's right to request rectification, erasure of data, restriction of processing, or to lodge a complaint with a supervisory authority.

The Privacy Policy is available for consumers at Strefawiedzy.pl.

The PFR S.A. Management Board is responsible for implementing the provisions of the Privacy Policy.

PFR Portal PPK has also adopted its own Privacy Policy for mojeppk.pl. The policy sets out the rules for processing personal data by PFR Portal PPK – data is processed in accordance with the GDPR, among others for the purposes of fulfilling legal obligations, handling requests, statistical analysis, and website administration. Users have the right to access their data, rectify it, delete it, restrict its processing, and object to its processing. The website may use cookies for analytical purposes and to improve the functionality of the website. Data may be transferred to entities processing them on behalf of the controller in compliance with the security principles. The document also contains information about the data retention period, the legal basis for processing, and the contact details of the data protection officer. PFR Nieruchomości has also adopted its own privacy policy which is available on the website.

### 5.2.2. S4-4 – Taking measures to protect the privacy of consumers and end-users

In the PFR Capital Group, activities related to consumer privacy protection are carried out at the level of individual companies. In 2024, PFR S.A., among other things, hired an external company specializing in cybersecurity to conduct so-called "penetration tests", i.e., simulated digital attacks on PFR S.A. systems to identify potential vulnerabilities and repair them. You can find more information on activities related to consumer privacy protection in the chapter dedicated to cybersecurity activities 'Actions undertaken by the PFR Capital Group'.

### 5.2.3. S4-5 – Objectives relating to consumers

The entities of PFR Capital Group have not adopted measurable objectives related to the protection of consumer and end-user privacy.

## 5.3. S4-1, S4-4, S4-5 – SECURITY OF A PERSON

### 5.3.1. S4-1 – Policies relating to the personal security of consumers and end-users

As part of the Employee Capital Plans (ECP), PFR Capital Group promotes long-term financial security by offering transparent and well-managed saving schemes. These schemes are designed to ensure financial stability for participants, which is particularly

important for people starting their careers, young families, and those who may have difficulty obtaining loans.

PPK Portal plays a key role in this process by making available offers from financial institutions regarding ECP schemes, among other things. In this way, the portal contributes to the long-term financial security of participants by providing them with access to a variety of savings and investment products.

The main document governing the rules of operating the PPK Portal are the Terms and Conditions for the Electronic Services Provided by PPK Portal. The document sets out the technical requirements for offers of financial institutions. The Terms and Conditions are described in Table 24. Key policies of companies in the PFR Capital Group relating to the customer relationships. The Terms and Conditions are available on the website of the portal, and the entity responsible for its implementation is the Development Project Office at PFR Portal PPK.

Additionally, PFR S.A. promotes long-term personal security of consumers by offering them courses and workshops relating, among others, to financial security and competences of the future. The company's primary educational platform is strefawiedzypfr.pl, and the document defining how the company manages its impact on consumers in this area is the Terms and Conditions for the Electronic Services Provided by strefawiedzypfr.pl. The Terms and Conditions apply to all website users and defines how the platform can be used. In accordance with the provisions, users may freely view the content made available, such as articles, analyses, reports, educational materials, and other publications of an informational, expert, or training nature. Registration provides access to additional features and materials. The content is intended to support the development of knowledge in the field of entrepreneurship and economic development. The Terms and Conditions include provisions regarding intellectual property, complaints, and the possibility of withdrawing from the agreement.

The Terms and Conditions are available to consumers on the website. To set up an account on the platform, consumers need to accept its terms and conditions. The President of the Management Board, who is in charge of supervising the works of the Innovation Development Department, is responsible for implementation of the Terms and Conditions.

PFR Nieruchomości manages the assets of the Rental Housing Fund and the Housing Development Fund which are to deliver housing on stable financial conditions, which contributes to the impact on security as identified above.

### 5.3.2. S4-4 – Taking measures relating to the personal security of consumers and end-users

In PFR Capital Group, activities related to the personal security of consumers are carried out at the level of individual companies. In 2024, PFR Portal PPK focused on the following activities:

- Education about the ECP scheme: the portal with up-to-date information on the ECP scheme, which published 155 updates, and was visited by 2.5 million users in 2024,
- Social media accounts and training in schools, with communication aimed specifically at younger audiences.

PFR Portal PPK monitors the level of participation of persons eligible to participate in ECPs in individual provinces on an ongoing basis, which allows for focusing activities in places where the scheme is less frequently chosen. The effectiveness of activities is measured by monitoring participation broken down by region of the country and by company and public sector, as well as by analyzing participation by age, gender, and other demographic factors.

### 5.3.3. S4-5 – Targets related to consumers

As part of the applicable strategy, PFR Capital Group aims to ensure retirement security by raising awareness of retirement and pension products and facilitating the management of pension products.

The entities of PFR Capital Group have not adopted measurable targets related to the personal security of consumers and end-users.

# 6. G1 – Business conduct

## 6.1. G1-1 – CORPORATE GOVERNANCE OF PFR CAPITAL GROUP

As a result of the double materiality analysis, material impacts, opportunities, and risks were identified in relation to the following issues related to business conduct (the identification process is described in chapter 1.11 of IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities):

- Corporate culture
- Protection of whistleblowers
- Political influence and lobbying activities
- Management of relationships with suppliers, including payment practices
- Prevention and detection of corruption, including training
- Incidents of corruption and bribery
- Cybersecurity

PFR Capital Group describes identified impacts, opportunities and risks in the context of business conduct in Disclosure 1.10.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model.

### 6.1.1. GOV-1 – Roles and responsibilities of the administrative, management and supervisory bodies

Within the PFR Capital Group, key tasks related to corporate governance are carried out by the Management Board and Supervisory Board of PFR S.A. These bodies are responsible for, respectively, managing the Company's activities and supervising its operations, which is essential for ensuring responsible business conduct.

The Supervisory Board is responsible for monitoring the compliance of PFR S.A. actions with legal regulations and internal policies, which includes also the assessment of effectiveness of risk management systems, including the corruption risk. Whereas the Management Board is responsible for day-to-day management and implementation of policies that ensure compliance with ethical standards. It regularly informs the Supervisory Board of any incidents related to violation of ethical principles and actions taken to prevent them.

In the context of PFR TFI, as a result of the specific nature of operations of this investment fund management company, the management bodies have special obligations in corporate governance.

These actions allow PFR Capital Group to effectively manage risks and promote best practice in corporate governance.

Competencies and knowledge of members of PFR Capital Group's bodies complement each other and guarantee the proper and correct functioning of the management and supervisory body in the PFR Capital Group, in particular as part of entrusted tasks.

In the context of PFR TFI, members of management bodies must have thorough knowledge of provisions on investment funds and asset management. PFR TFI ensures an appropriate organizational structure, including the separation of key functions and the division of responsibilities, which is regulated by the Policy for assessing and verifying compliance with the requirements for integrity, knowledge, competency, and experience by members of the Management Board and the Supervisory Board of PFR TFI. This document aims to ensure that members of the bodies have the appropriate qualifications to provide effective management, taking into account the scope, scale and complexity of their activities. The PFR TFI has also the Policy with regard to retention and improvement of knowledge and competences of members of Management Board and Supervisory Board of PFR Towarzystwo Funduszy Inwestycyjnych S.A. in place to ensure that the Bodies Members retain and improve their knowledge and competencies.

### 6.1.2. G1-1 – Business conduct policies

Policies of companies in the PFR Capital Group regarding business conduct are gathered in Table 25. Key policies of companies in the PFR Capital Group relating to the business conduct have been described in more detail in the subsequent sections of the chapter.

Table 25. **Key policies of companies in the PFR Capital Group relating to the business conduct**

| **Policy name** | Code of Conduct |
|---|---|
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR Portal PPK<br>PFR TFI<br>PFR Ventures |
| **Description** | The Code defines ethical standards applicable within the organization, emphasizing integrity, professionalism and social responsibility. Its aim is to support employees in making the right decisions and build relationships based on respect, transparency and compliance with laws. |
| **Scope** | All employees |
| **Responsibility** | President of the Management Board of a given company |
| **External standards** | - |
| **Availability** | Public |
| **Related material ESRS topics** | Corporate culture<br>Corruption prevention and incidents |

| **Policy name** | Procedure for reporting and following up irregularities and breaches of law |
|---|---|
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Portal PPK<br>PFR Operacje<br>PFR TFI<br>PFR Ventures |
| **Description** | The procedure sets out the applicable rules for reporting breaches, the rules for making reports, and the protection of whistleblowers against retaliation. The solutions implemented enable anonymous reporting of irregularities and the possibility of secure and confidential reporting of any breaches of the law.<br>Whistleblowers are protected under the provisions of the Act and the Procedure from the moment of reporting or public disclosure. No retaliatory measures may be taken against whistleblowers. |
| **Scope** | All current and former employees (also associates) |
| **Responsibility** | President of the Management Board of a given company |
| **External standards** | Whistleblower Protection Act<br>Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law |
| **Availability** | Intranet |
| **Related material ESRS topics** | Protection of whistleblowers |

| | |
|---|---|
| **Policy name** | Bylaws of making purchases |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR TFI<br>PFR Ventures<br>PFR Operacje<br>PFR Portal PPK |
| **Description** | The aforementioned companies have implemented their own regulations regarding relationships with suppliers. These procedures are intended to clarify the rules of conduct for the selection, cooperation and evaluation of counterparties. |
| **Scope** | Employees and suppliers of a given company |
| **Responsibility** | Administration and Procurement Department of a given company |
| **External standards** | Public Procurement Law |
| **Availability** | Intranet |
| **Related material ESRS topics** | Management of relationships with suppliers |

| | |
|---|---|
| **Policy name** | Sustainability Code for Suppliers |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A. |
| **Description** | PFR S.A. has also developed the Sustainability Code for Suppliers, promoting sustainability and social responsibility principles. The Code specifies the expectations of PFR S.A. towards suppliers, responsible management of environmental impact and respect for human rights. |
| **Scope** | Suppliers of PFR S.A. |
| **Responsibility** | Administration and Procurement Department with the support of Strategy Department |
| **External standards** | UN Global Impact |
| **Availability** | Public |
| **Related material ESRS topics** | Management of relationships with suppliers |

| | |
|---|---|
| **Policy name** | The Strategy of Integrating Sustainability Risks into the Investment Decision-Making Process of PFR TFI |
| **Companies which have implemented the policy (to a significant extent)** | PFR TFI |
| **Description** | The Strategy incorporates sustainable risk management, including ESG issues, into the investment decision-making process.<br>The Strategy has been described in detail in section 2.5 E1-2 – Policies related to climate change mitigation. |
| **Scope** | Investments made by the funds managed by PFR TFI |
| **Responsibility** | PFR TFI Management Board |
| **External standards** | Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”) |
| **Availability** | Public |
| **Related material ESRS topics** | Corruption prevention<br>Protection of whistleblowers |

| | |
|---|---|
| **Policy name** | Gifts and Anti-Corruption Policy as part of the Compliance Management Strategy |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR Portal PPK<br>PFR Ventures<br>PFR TFI |
| **Description** | The aim of the Gifts and Anti-Corruption Policy is to define the principles and frameworks for counteracting corruption and regulations for accepting and offering gifts. The policy forms an integral part of the Compliance Management Strategy and is based on "zero tolerance for corruption" principle.<br>The Compliance Department monitors compliance with the principles and keeps the Register of Gifts. The aim of the policy is to ensure transparency and ethics in business relationships, minimizing the risk of corruption and conflicts of interest. |
| **Scope** | All employees |
| **Responsibility** | Management boards of given companies and designated organizational units |
| **External standards** | - |
| **Availability** | Intranet |
| **Related material ESRS topics** | Corruption prevention and incidents |

| | |
|---|---|
| **Policy name** | Conflict of Interest Prevention and Management Policy |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR Portal PPK<br>PFR TFI<br>PFR Ventures |
| **Description** | The aim of the Conflict of Interest Prevention and Management Policy is to define the standards of conduct for employees to avoid situation which may lead to the conflict of interest in operations of a given company. The Policy defines the term of conflict of interest and detailed rules for its identification, disclosure and management.<br>The document imposes on employees an obligation to report any situations that may indicate a conflict of interest and to comply with ethical principles in professional relationships. The Policy introduces monitoring mechanisms such as registers of conflicts of interest and rules on the disclosure of confidential information.<br>It also contains detailed procedures for the Management Board members and other persons involved in the investment processes to ensure transparency and objectivity in decision-making. |
| **Scope** | All employees of a given company |
| **Responsibility** | Management boards of given companies and designated organizational units |
| **External standards** | Commercial Company Code<br>Act on the Development Institutions System of 4 July 2019<br>Act on Trading in Financial Instruments of 29 July 2005<br>Regulation (EU) No 596/2014 of the European Parliament and of the Council (MAR) |
| **Availability** | Intranet |
| **Related material ESRS topics** | Corruption prevention and incidents |

| | |
|---|---|
| **Policy name** | Rules of Conduct and Management of Conflicts of Interest in Financial Markets |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A. |
| **Description** | The aim of the Rules of Conduct and Management of Conflicts of Interest in Financial Markets in PFR S.A. is to define the standards of conduct for employees who are involved in investment processes and other actions related to financial markets. The document defines the term of conflict of interest and detailed rules for its identification, disclosure and management.<br>The Policy imposes on employees an obligation to comply with ethical principles and to report any situations that may lead to the conflict of interest. It also introduces mechanism for monitoring and registering personal transactions and ensures that all actions are taken in an objective and impartial manner. Additionaly, these rules are consistent with the applicable legal regulations, including the Act on Trading in Financial Instruments and MAR, which emphasizes their importance in compliance with laws. The Policy is regularly reviewed and updated to adapt it to the changing market and regulatory conditions. |
| **Scope** | All employees of PFR S.A. |
| **Responsibility** | Compliance Department |
| **External standards** | Act on Trading in Financial Instruments of 29 July 2005<br>Regulation (EU) No 596/2014 of the European Parliament and of the Council (MAR) |
| **Availability** | Intranet |
| **Related material ESRS topics** | Corruption prevention and incidents |

| | |
|---|---|
| **Policy name** | Know Your Customer (KYC) Policy |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR TFI<br>PFR Ventures<br>PFR Operacje<br>PFR Portal PPK |
| **Description** | The aim of the Know Your Customer (KYC) Policy is to define the rules and procedures related to the identification and screening of customers and counterparties to minimize the risk associated with the establishment of economic relationships.<br>The KYC Policy defines the operational procedures aimed at risk assessment, screening of customers against sanctions lists, and reporting beneficial owners of the Company to the Central Register of Beneficial Owners.<br>The compliance with the policy is monitored by the Compliance Department which also ensures support in interpretation of policy provisions. |
| **Scope** | All companies |
| **Responsibility** | Management boards of given companies and designated organizational units |
| **External standards** | Act on Anti-Money Laundering and Countering the Financing of Terrorism (AML Act)<br>GDPR |
| **Availability** | Intranet |
| **Related material ESRS topics** | Corruption prevention and incidents |

| **Policy name** | Regulations of the Management Board |
|---|---|
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR TFI<br>PFR Ventures<br>PFR Operacje<br>PFR Portal PPK |
| **Description** | The Bylaws define the organization and manner of work of the PFR S.A. Management Board which runs PFR's affairs and represents PFR before third parties.<br>The Bylaws also define the scope of competence of the Management Board members and the rules for adopting resolutions, as well as supervisory and reporting duties towards the Supervisory Board. In the event of a conflict of interest, members of the Management Board are required to immediately inform the other members and refrain from participating in decisions on such matters. |
| **Scope** | Management Boards of all companies |
| **Responsibility** | Management boards of given companies and designated organizational unit |
| **External standards** | Commercial Company Code |
| **Availability** | For members of Management Boards of given companies |
| **Related material ESRS topics** | Corruption prevention and incidents |

| **Policy name** | Regulations of the Supervisory Board |
|---|---|
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR TFI<br>PFR Ventures |
| **Description** | The Bylaws define the organization and the manner of performance of duties by the PFR S.A. Supervisory Board which exercises continuous supervision over the company's activities.<br>The document specifies the rights and obligations of the members of the Supervisory Board, the rules for convening meetings, setting the agenda and adopting resolutions.<br>The Bylaws also define the rules of conduct in the event of a conflict of interest. The Supervisory Board is also required to avoid conflicts of interest, and if they arise, members are required to inform the others and refrain from voting.<br>PFR Nieruchomości and PFR TFI have similar bylaws for their Supervisory Boards. |
| **Scope** | PFR S.A. Supervisory Board<br>PFR Nieruchomości Supervisory Board<br>PFR TFI Supervisory Board<br>PFR Ventures Supervisory Board |
| **Responsibility** | PFR S.A. Supervisory Board and designated organizational unit<br>PFR Nieruchomości Supervisory Board and designated organizational unit<br>PFR TFI Supervisory Board and designated organizational unit |
| **External standards** | Commercial Company Code |
| **Availability** | For the members of the Supervisory Board of PFR S.A., PFR Nieruchomości and PFR TFI |
| **Related material ESRS topics** | Corruption prevention and incidents |

| | |
|---|---|
| **Policy name** | IT and Security Strategy for the PFR Capital Group for 2023-2025, |
| **Companies which have implemented the policy (to a significant extent)** | PFR S.A.<br>PFR Nieruchomości<br>PFR Operacje<br>PFR Portal PPK<br>PFR TFI<br>PFR Ventures |
| **Description** | The PFR Capital Group's IT and Security Strategy aims to increase operational resilience to disruptions caused by geopolitical factors. Includes business continuity management and cyber security initiatives to minimize the impact of potential disruptions and ensure uninterrupted service delivery to stakeholders. |
| **Scope** | All employees |
| **Responsibility** | The PFR Capital Group's Security Committee<br>The PFR Capital Group's Architecture Committee<br>The PFR Capital Group's Project Committee |
| **External standards** | ISO 22316 (Operational Resilience)<br>ISO 22301 (Business Continuity)<br>Act on the National Cyber Security System<br>ISO 27001/002, NIST<br>CYBER Resilience Act<br>DORA<br>NIS2 |
| **Availability** | Public |
| **Related material ESRS topics** | Cybersecurity |

## 6.2. G1-1 – CORPORATE CULTURE

### 6.2.1. G1-1 – Code of Conduct

The purpose and mission of the PFR Capital Group, as a system of development institutions providing financial and advisory support to entrepreneurs, local governments and individuals investing in Poland's sustainable economic development, form the foundation of its corporate culture. The PFR Capital Group's activities in innovation, modernization and support for startups are the foundation on which the organization rests, promoting values such as social responsibility and partnership. In addition to these values, the PFR Capital Group's Code of Conduct also emphasizes integrity, professionalism, cooperation, development, mutual respect, and joint pursuit of goals.

In addition, the PFR Capital Group sees a positive impact on corporate culture through investments in sectors such as financial institutions, professional services, real estate and transportation equipment manufacturing, where corporate culture is important. Investments in these sectors support the development of a strong corporate culture, based on principles and processes that ensure that the company's operations are in the interests of owners and stakeholders. They also promote good corporate governance practices that prioritize accountability, transparency and ethics.

The Code of Conduct, adopted in 2023, is the key document that governs operations at the PFR Capital Group. The Code defines the ethical standards of the organization. Its aim is to support employees in making the right decisions and build relationships based on respect, transparency and compliance with laws.

The document describes the mission and vision of the PFR Capital Group as an institution that supports the sustainable economic development of Poland and the values that guide its activities. The Code imposes an obligation on employees to take care of the organization's image and uphold ethics both in the workplace and on social media.

The code also emphasizes the PFR Capital Group's responsibility in its relations with stakeholders, including employees, business partners, shareholders and the community. Business relationships should comply with the principles of transparency and integrity, and cooperation should be established only with entities that share the values of the PFR Capital Group. The organization strongly opposes corruption and fraud, and any cases of conflict of interest must be reported and eliminated. The Code also emphasizes the Fund's social and environmental responsibility, committing the organization to promoting sustainability and integrating ESG factors into its operations. He attaches particular importance to transparency of operations and avoiding misrepresentation in marketing communications.

The document applies to all employees of the PFR Capital Group and also provides practical guidelines for them to evaluate ethical behavior.

The Code of Conduct was consulted at a workshop held for employee representatives from the PFR Capital Group.

Every person starting work at PFR Capital Group companies is required to attend a training course on corporate culture. The training covers internal regulations, the Fund's basic powers and duties, as well as the principles of internal communication and workflow in the PFR Capital Group. Training on anti-corruption is repeated periodically.

Some of the subsidiaries in the PFR Capital Group have adopted regulations detailing the provisions of the Code of Conduct, including the Code of Conduct and Business Standards (PFR Nierucho-

mości), Anti-Corruption Policy and Conflict of Interest Management Policy (PFR Portal PPK, PFR Ventures), and Corporate Governance Principles for Supervised Institutions (PFR Ventures), among others.

With regard to the PFR Capital Group's investment portfolio, at this point PFR Capital Group is not taking any actions related to the impact on corporate culture at the PFR Capital Group's portfolio companies, other than standard monitoring to detect any significant incidents.

According to the PFR Capital Group's Strategy 2022-2025, the group aims to build compliance awareness (responsibility for acting in accordance with generally applicable laws - including developing and promoting the Code of Conduct).

## 6.3. G1-1 – PROTECTION OF WHISTLEBLOWERS

### 6.3.1. G1-1 – Procedure for reporting and following up irregularities and breaches of law

PFR Capital Group companies - in addition to the channels listed in the Code of Conduct - have also established separate ways to report illegal information. The PFR Capital Group's parent company, PFR S.A., has adopted the Procedure for reporting and following up irregularities and breaches of law at PFR S.A., which sets out the company's policies on whistleblowing, rules for making reports, and protecting whistleblowers from retaliation. The solutions implemented enable anonymous reporting of irregularities and the possibility of secure and confidential reporting of any breaches of the law. Other PFR Capital Group companies have implemented their own internal regulations, which are in line with the organization's standard.

Reports may be made orally, at a meeting with authorized company employees, or in writing. Written reports can be made via a dedicated IT whistleblowing tool, email or physical boxes at PFR S.A. headquarters.

The PFR Capital Group's Code of Conduct and the Procedure for reporting and following up irregularities and breaches of law at PFR S.A. clearly define the procedures for reporting irregularities. According to the provisions of the Code, every employee has a duty to respond to situations that are inconsistent with the values of the organization. Employees can report violations in several ways:

- through a whistleblowing system - information on the functioning of the system is available on the websites of individual PFR Capital Group companies,
- through dedicated email addresses for individual PFR Capital Group entities - the Code provides specific email addresses,
- directly with the manager - employees can report concerns or irregularities to their immediate manager,
- in person to the unit dedicated to compliance management in the respective PFR Capital Group company.

Information on these channels is passed on to employees through training sessions that specifically focus on new employees, ensuring that they are knowledgeable about reporting procedures and whistleblower protection, which fosters trust in the reporting system.

Whistleblowers are protected under the provisions of the Act and the Procedure from the moment of reporting or public disclosure. No retaliatory action may be taken against whistleblowers that could negatively affect their employment, compensation or working conditions, including, but not limited to, refusal to establish an employment relationship, termination, reduction in pay or transfer to a lower position. The provisions on the prohibition of retaliation also apply to persons assisting in the filing of the report, persons associated with the whistleblower, and legal entities or other organizational units that support or are associated with the whistleblower, including those owned by the whistleblower.

Provisions similar to those adopted by PFR S.A. also apply to all PFR Capital Group companies. Each company allows violations to be reported both through formal business channels and anonymously, providing protection for reporters. PFR Nieruchomości, PFR Operacje, PFR Portal PPK,PFR Ventures and PFR TFI have implemented procedures for whistleblower protection, allowing whistleblowers to report irregularities through various channels - in writing, by phone, by email and in person. These procedures guarantee anonymity, no retaliation and legal protection for whistleblowers. At PFR TFI and PFR Nieruchomości, employee training on anonymous whistleblowing was conducted, and at PFR Portal PPK, mandatory training is scheduled for 2025. PFR Ventures promotes a culture of openness and accountability.

In accordance with current regulations, as of 2024, the PFR Capital Group has brought its operations into compliance with legal requirements for whistleblower protection.

With regard to the PFR Capital Group's investment portfolio, at this point the PFR Capital Group is not undertaking any activities related to influencing the whistleblower protection in portfolio companies, other than standard monitoring to detect any significant incidents.

## 6.4. G1-2, G1-6 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

### 6.4.1. G1-2 – Management of relationships with suppliers

PFR Capital Group companies manage supplier relationships in a manner consistent with applicable internal regulations, which specify standards of conduct for the selection, cooperation and evaluation of contractors. The rules adopted are designed to ensure transparency in purchasing processes, fair competition and compliance with the highest ethical and business standards. The parent company bases its activities in this regard on implemented mechanisms for verification of contractors in purchasing and investment processes and control of conflicts of interest. The principles of supplier selection and purchasing processes are defined in the Purchasing Regulations, along with the recommendation to apply Best Purchasing Practices. In addition, the company has implemented mechanisms to prevent potential conflicts of interest as described in the Contractor Verification Procedure.

The organization has also developed a Code of Sustainability for PFR S.A. suppliers to promote the principles of sustainability and social responsibility. The Code sets out PFR S.A.'s expectations of suppliers with regard to, among other things, responsible management of environmental impacts and respect for Human Rights (new suppliers are required to commit to the 10 UNGC principles by accepting the so-called ESG clause in the contract). If cases are identified where a supplier fails to comply with the provisions of the Code or is unable to confirm its application without reservations, an investigation is undertaken and the scope of necessary action is determined (in justified and documented cases, the business owner of the Code may approve an exception to its application). The organization does not conduct audits or visits to suppliers.

PFR S.A. subsidiaries have implemented their own regulations related to supplier relations. PFR Nieruchomości has a PFR Nieruchomości S.A. Purchasing Procedure, which will be expanded in 2025 to include verification of the ESG survey of suppliers. For procurements above a certain amount, it is required to conduct a purchasing proceeding in accordance with the above Procedure, with the possibility of taking into account ESG criteria. The PFR Portal PPK operates in accordance with the Public Procurement Law, which requires the company to organize tenders for purchases above PLN 130,000, with price as the main selection criterion. PFR Portal PPK has not implemented ESG guidelines in its relationships with suppliers. PFR TFI has a Procurement Policy and plans to update it in 2025 with an additional component related to verification of the ESG survey for a given service provider. PFR Ventures applies the Procurement Regulations, but does not consider environmental or social criteria when selecting suppliers. The purchasing process depends on the value of the contract and can be done through a simplified procedure, market discernment or a request for proposal published on the website. PFR Ventures does not provide training to suppliers or evaluate their ESG activities.

The PFR Capital Group does not have separate policies to prevent late payments, particularly to SMEs.

### 6.4.2. G1-6 – Payment practices

The PFR Capital Group uses structured payment processes that ensure timely payment of obligations to counterparties and minimize the risk of delays. With the control mechanisms and payment procedures in place, the PFR Capital Group ensures the financial stability and trust of its counterparties, eliminating the risk of litigation and ensuring the liquidity of financial transactions.

The average payment terms are in accordance with the terms of the contracts and are most often between 7 and 14 days, and in selected cases up to 30 days.

The PFR Capital Group does not differentiate payment terms according to supplier size, which ensures equal treatment of all contractors - small, medium and large enterprises alike.

Each company in the PFR Capital Group has internal regulations and procedures that determine how payments are made, and in some cases dedicated units are also designated to monitor the status of invoices and payments.

The average time for settling a cost invoice in the PFR Capital Group is 10 days counted from the day the invoice is received.

Payment details available to the Group for PFR S.A. indicated that in 2024, 72% of the company's payments were paid on time. Overdue payments were mainly due to organizational changes that took place at PFR S.A. last year, and to extended approval paths for invoices with a net value exceeding PLN 100,000.

There are currently no pending lawsuits regarding late payments.

## 6.5. G1-1, G1-3, G1-4 – PREVENTION AND INCIDENTS OF CORRUPTION

### 6.5.1. G1-1 – Policies on preventing corruption and bribery

The PFR Capital Group companies have implemented internal regulations that apply to all employees and define the rules of cooperation with relevant state authorities, and a firm stance against corrupt activities is included in the PFR Capital Group Code of Conduct. At PFR S.A., the prevention of any activities bearing the hallmarks of corruption is also one of the elements of the adopted PFR Compliance Management Strategy and Presentation and Anti-Corruption Policy.

The provisions of the Policy apply to all employees, with respect to any business relationship established on behalf of and for the benefit of PFR S.A. with external entities. The company's anti-corruption efforts cover areas including:

- gift acceptance and offering policies,
- participation in events not organized by PFR S.A.,
- the purchasing process (additional anti-corruption regulations for purchases are included in the PFR S.A. Purchasing Regulations),
- carry out investigations regulated in the Procedure for Internal Reports on Breaches of Law at PFR S.A.

In the PFR Capital Group, similar Conflict of Interest Prevention and Management Policies have been implemented in accordance with the adopted group standard. In addition, PFR S.A. has implemented the Rules of Conduct and Management of Conflicts of Interest in Financial Markets. Employees in the companies are obliged to report any suspicion or possibility of occurrence of a potential or actual conflict of interest, in particular where personal interests prevent or might preclude the due and proper performance of official duties. The PFR Capital Group has also developed a Know Your Customer (KYC) Policy with detailed regulations, which is one of the mechanisms for preventing and managing conflicts of interest within the investment and procurement process. The rules for preventing conflicts of interest are also contained in the Regulations of the Supervisory Board and the Regulations of the Management Board of Polski Fundusz Rozwoju S.A. - members of these are obliged to avoid any situations, in which a conflict of interest might occur; where interest is defined as a source of any type of benefits: professional, financial, material, personal or other non-material benefits. If there is a conflict of interest of a PFR Capital Group company with the personal interests of a member of the body and persons with whom he or she is personally related, or the possibility of such a conflict arising, the member of the body is obliged to immediately inform the relevant persons and refrain from any votes and discussions concerning the issue.

Implementation of policies related to anti-corruption in the PFR Capital Group is the responsibility of the Management Boards. All regulations in this regard are available to employees in an internal information system and are part of the mandatory training for every person starting work at the company. Policy provisions were not consulted with stakeholders and do not refer to external standards.

PFR Nieruchomości, PFR Operacje, PFR Portal PPK, PFR TFI and PFR Ventures have implemented anti-corruption systems that include codes of ethics, procedures for gift giving, anti-money laundering and whistleblowing. At PFR TFI, the investigators are independent of the management board, and the investigation reports go to the relevant authorities. Employees make annual declarations of compliance with procedures and participate in training. PFR Ventures has mechanisms in place to eliminate corruption by prohibiting unlawful benefits and overseeing employment in other entities. Employees report suspected corruption to the Compliance and Risk Management Manager, who conducts investigations.

### 6.5.2. G1-3 – Prevention and detection of corruption and bribery

In the PFR Capital Group, issues of corruption and bribery prevention are regulated at the central level through the PFR Capital Group Code of Conduct and at the level of individual companies through relevant regulations. These procedures are described in this Statement in Section G1-1 - Business conduct policies. The PFR Capital Group prevents corruption by, among other things:

- Implementing procedures for reporting violations and irregularities through anonymous channels,
- Developing and implementing a procedure for dealing with the detection of corruption incidents, including corrective actions and cooperation with law enforcement agencies in cases of serious violations,
- Promoting a culture of ethics and transparency throughout the organization.

The organization's preventive measures against corruption, include a clear declaration of non-acceptance of bribery posted on the website in the PFR S.A. Compliance Strategy and the PFR Capital Group's Code of Conduct, as well as mandatory anti-corruption training for new employees as part of the onboarding process. PFR S.A. is also prepared to report any violations of the law to the relevant law enforcement authorities.

At PFR S.A., signals of corruption incidents go to the Compliance Department (CD). The Department is an impartial internal organizational unit authorized to receive reports and follow up, including verification of the report and further communication with the whistleblower, including requesting additional information and providing feedback to the whistleblower. If the nature of the report requires it, the President of the PFR Management Board or other designated Management Board Member or the Director of the CD may appoint an impartial Investigation Committee. The composition of the Committee is determined on case by case basis based on the content, nature and subject matter of the specific report, and the selection of the person coordinating the work of the Committee is determined in accordance with the principles of impartiality. The process at the other PFR Capital Group companies operates on a similar basis.

The CD, in order to exercise due diligence, submits a quarterly report to the Management Board of PFR S.A. on the number of reports received. In addition, the Management Board of PFR S.A. is immediately informed of reports whose content carries a high risk for PFR S.A. The process at the other PFR Capital Group companies operates on similar principles.

The PFR Capital Group does not have any defined individuals in risk-exposed roles. Corruption training programs cover all employees, with anti-corruption training not covering members of the Supervisory Board and the Management Board.

With regard to the PFR Capital Group's investment portfolio, at this point the PFR Capital Group is not undertaking any activities related to influencing the prevention and incidents of corruption and bribery in portfolio companies, other than standard monitoring to detect any significant incidents.

In implementing the PFR Capital Group's Strategy for 2022-2025, the group has introduced a zero-tolerance approach to corruption, and has effectively implemented and maintained management mechanisms that counteract conflicts of interest and ensure their proper management.

### 6.5.3. G1-3 – Anti-corruption and anti-bribery training

The PFR Capital Group ensures that employees are aware of anti-corruption regulations. The anti-corruption and anti-bribery training programs implemented at the PFR Capital Group are aimed at increasing employees' awareness of corruption risks and introducing ethical and legal principles that should be followed in the organization's daily operations.

The training is:

- practical: it includes case studies that illustrate real-life corruption situations and how to resolve them,
- interactive: methods that engage participants, such as online quizzes linked to learning, are used,
- mandatory for all employees.

The scope of training includes:

- the organization's policies - participants are familiarized with anti-corruption policies, including procedures for reporting corruption,
- identifying risks: focus on identifying potential corruption risks in the company's operations,
- ethical principles: promoting ethical principles and an organizational culture conducive to anti-corruption.

In 2024, training and quizzes on anti-corruption and conflicts of interest were conducted at PFR S.A. In PFR Nieruchomości, PFR Portal PPK and PFR Ventures anti-corruption training is held at least once a year and covers employees and Management Board members. At PFR TFI, annual training sessions have a high level of detail and are delivered in the form of a presentation with a knowledge test. At PFR Ventures, additionally, all participants must confirm that they have read and agree to comply with anti-corruption regulations.

**Table 26. Anti-corruption and anti-bribery training**

| | PFR CAPITAL GROUP |
|---|---|
| Total number of people in the organization | 556 |
| Total number of people who received training in 2024 | 522 |
| Percentage of people in the organization who received training | 93.9% |

### 6.5.4. G1-4 – Incidents of corruption and bribery

During the reporting period, no incidents of corruption or bribery were reported in the PFR Capital Group. Also, the PFR Capital Group has not been convicted in court of violating anti-corruption laws, nor has it been fined in connection with such violations. All anti-corruption and anti-bribery procedures and standards have been followed, and preventive measures are being implemented according to accepted standards. Since there were no confirmed cases of corruption - there was no need to take disciplinary action against employees or terminate contracts with business partners for this reason. In 2024, there were no public court cases involving corruption or bribery against the company or its employees.

## 6.6 G1-5 – POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

The PFR Capital Group identifies both potential positive and negative impacts on political involvement in the context of investments in sectors such as real estate, financial institutions and transportation equipment manufacturing. Companies in these sectors engage in lobbying activities and participate in public discussions, which requires ensuring the transparency of these activities. The PFR Group has no knowledge of the political and lobbying activities carried out by individual entities in the PFR portfolio (or fund portfolios).

The Group does not have a policy governing political influence and lobbying activities. Companies in the PFR Capital Group do not engage in lobbying activities or cooperate with political parties.

The companies in the PFR Capital Group have not recorded instances of financial or in-kind contributions of a political or lobbying nature.

Polski Fundusz Rozwoju is registered in the European Union Transparency Register under the number 168593196314-96. The registration was made on 19 February 2025, and as of the date of publication of this Statement, PFR has not performed any activities subject to disclosure in the register (meetings with the European Commission or the European Parliament, public consultations, comments on plans, participation in expert groups).

Due to the role of certain PFR Capital Group companies, i.e., in the case of PFR TFI, as the designated institution obliged to provide employers with access to the offer to run Employee Capital Plans (ECP) and, in the case of PFR Portal PPK, as the entity responsible for disseminating and promoting the ECP program, representatives of the PFR Capital Group actively participate in public consultations organized by public administration, regulatory and supervisory authorities. The Group is also submitting proposals to the relevant central government authorities for regulatory changes to ECP-related laws.

The PFR Capital Group also participates in public consultations on amendments to other legislation relevant to key areas of the PFR Capital Group's operations (e.g., the Act on Investment Funds and Management of Alternative Investment Funds).

None of the current members of the PFR S.A. Management Board has held positions in public administration in the last 2 years preceding the date of appointment.

None of the members of the PFR S.A. Supervisory Board appointed during the reporting period held positions in public administration in the 2 years preceding the date of appointment.

## 6.7. CYBERSECURITY (ADDITIONAL TOPIC)

### 6.7.1. Cybersecurity management at the PFR Capital Group.

Cybersecurity is a specific topic identified as important due to the PFR Capital Group's business profile. This is due to the PFR Capital Group's activities in the field of infrastructure providing information on retirement savings (PFR Portal PPK), servicing government programs (Financial Shields, National Recovery and Resilience Plan) or making investments supporting the Polish economy. In the current geopolitical environment, carrying out the activities indicated above involves a significant risk of "cyber-attacks." The principle guiding the PFR Capital Group is to protect the customer data of its companies. To this effect, risk management, business continuity and cybersecurity processes are implemented at the PFR Capital Group level. The Competence Center for the entire PFR Capital Group, represented by PFR Operacje, is implementing initiatives to mitigate data leakage risks, including an information security risk management platform. Ongoing communication efforts are aimed at raising employee awareness of data security and educational campaigns on phishing risks. The risk management process is based on international ISO standards and PFR Operacje's own methodology.

In order to best protect data, the PFR Capital Group has introduced the IT and Security Strategy for the PFR Capital Group for 2023-2025, which applies across the PFR Capital Group. Each PFR Capital Group company has its own information security policy, and PFR Operacje has a Cybersecurity Risk Management Policy, a Business Continuity Policy and a Security Awareness Strategy.

### 6.7.2. IT and Security Strategy for the PFR Capital Group for 2023-2025

Due to the outbreak of war in Ukraine, there has been an increased threat to the continuity of business processes at the PFR Capital Group and a widespread risk of cyber attacks. For this reason, the PFR Capital Group's IT and Security Strategy focuses on improving operational resilience to disruptions from geopolitically driven external factors.

Operational resilience is defined as initiatives for the PFR Capital Group that are expanded through business continuity management and cyber security programs. Their goal is to focus on the impact of potential disruptions, identify an acceptable level of risk, and ensure that the delivery of products and services to the PFR Capital Group's internal and external stakeholders is carried out without disruption.

These initiatives are used to coordinate the management of risk assessments, risk monitoring and control. They affect employees, processes, resources and services, technology (related to information technology, operational technology, internet of things, physical and cyber-physical technology) and third parties.

Implementation of the Strategy at the PFR Capital Group level is supported by teams and coordinating bodies responsible for the areas of security, architecture and project management.

To build business continuity resilience, the strategy remains in line with ISO 22316 (Operational Resilience), ISO 22301 (Business Continuity), the National Cyber Security System Act, ISO 27001/002, NIST, the CYBER Resilience Act, DORA and NIS2.

### 6.7.3. Actions undertaken by the PFR Capital Group

Due to the aforementioned risks, among others, in 2024 special emphasis has been placed on building operational resilience

by expanding business continuity and cyber security management programs. [ESRS 2) 68(b)] This took into account the risk appetite and tolerance for disruption in the delivery of products or services to internal and external stakeholders. These initiatives ensure coordination of the management of risk assessments, risk monitoring and inspections in the following areas:

- security (digital and physical),
- information security and privacy,
- continuity of business processes,
- development of systems and applications,
- compliance,
- Reliability.

Key activities undertaken in 2024 and planned for 2025 based on the IT and Security Strategy for the PFR Capital Group for 2023-2025 in the area of cybersecurity include the development of competencies and services based on cloud-based hybrid solutions. It is based on the realization of goals such as support for projects such as building the support infrastructure for the next government projects implemented under the National Recovery and Resilience Plan, building internal competencies, and transferring maintenance services from current providers to PFR Operacje. The PFR Capital Group also conducts periodic security tests to manage business continuity. The PFR Capital Group wants to unify the management of third-party providers of IT and security services by achieving the goal of extending monitoring of providers to PFR Operacje's Security Operations Center.

The PFR Capital Group takes a number of measures to ensure a high level of operational security. This includes audits of security systems to assess their effectiveness and identify areas for improvement. The organization uses virus and malware security software as an essential element of protection against cyber threats.

Regular training for employees on recognizing phishing attempts and applying security best practices is key to building awareness among employees. In addition, the implementation of monitoring systems makes it possible to quickly detect unusual activities and attempted cyber attacks, which significantly speeds up the response to potential threats.

The PFR Capital Group also conducts annual penetration tests (known as pentests) to help identify potential security vulnerabilities. In response to identified threats, an incident response plan is being developed with clear procedures for dealing with data breaches or cyber attacks.

Cooperation with relevant law enforcement agencies and oversight bodies, such as Poland's Personal Data Protection Office, is essential to ensure compliance and effective incident response. In addition, the PFR Capital Group establishes agreements with partners and suppliers that include clauses on personal data protection and liability in case of violations. Regularly updating policies and procedures in response to changing legislation provides the foundation for continuous improvement of the PFR Capital Group security system.

### 6.7.4. Targets related to cybersecurity

Objectives in the area of cybersecurity and enhancing security are set top-down by the Management Boards of PFR Capital Group companies. The main goal is to build resilience to business continuity disruptions, with measurable targets set only for the availability of key systems to end users.

**Warsaw, 29 May 2025**

Piotr Matczuk
President of the Management Board

Mariusz Jaszczyk
Vice-President of the Management Board

Mikołaj Raczyński
Vice-President of the Management Board

# Financial highlights of PFR S.A.



# Financial highlights as at 31 December 2024 and 31 December 2023

| Statement of profit and loss | 1.01-31.12.2024 | 1.01-31.12.2024 | 1.01-31.12.2023 | 1.01-31.12.2023 |
|---|---|---|---|---|
| **Financial highlights** | **PLN thousand** | **EUR thousand** | **PLN thousand** | **EUR thousand** |
| Net revenues from sales | 248,369 | 58,125 | 281,539 | 64,751 |
| Net sales profit (loss) | 101,048 | 23,648 | 114,933 | 26,434 |
| Profit (loss) before tax | 786,070 | 183,962 | 359,715 | 82,731 |
| Net profit (loss) | 751,855 | 175,955 | 318,987 | 73,364 |

| Balance sheet | 31.12.2024 | 31.12.2024 | 31.12.2023 | 31.12.2023 |
|---|---|---|---|---|
| **Financial highlights** | **PLN thousand** | **EUR thousand** | **PLN thousand** | **EUR thousand** |
| Non-current assets | 18,624,993 | 4,358,763 | 19,179,138 | 4,411,025 |
| Current assets | 59,260,512 | 13,868,596 | 73,396,760 | 16,880,580 |
| Equity | 16,951,467 | 3,967,111 | 15,682,068 | 3,606,731 |
| Provisions for liabilities | 681,570 | 159,506 | 564,370 | 129,800 |
| Non-current liabilities | 24,727,463 | 5,786,909 | 57,145,071 | 13,142,841 |
| Current liabilities | 35,524,813 | 8,313,787 | 19,183,764 | 4,412,089 |
| Prepayments and accruals | 192 | 45 | 625 | 144 |

| Cash flow statement | 1.01-31.12.2024 | 1.01-31.12.2024 | 1.01-31.12.2023 | 1.01-31.12.2023 |
|---|---|---|---|---|
| **Financial highlights** | **PLN thousand** | **EUR thousand** | **PLN thousand** | **EUR thousand** |
| Cash flow on operating activity | (203,331) | (47,585) | (4,768,558) | (1,096,724) |
| Cash flow on investing activity | 2,516,983 | 589,044 | 10,726,294 | 2,466,949 |
| Cash flow on financing activity | (18,171,984) | (4,252,746) | (1,385,516) | (318,656) |
| Total net cash flows | (15,858,332) | (3,711,288) | 4,572,220 | 1,051,569 |

| | | |
|---|---|---|
| **EUR exchange rate** | **4.2730** | **4.3480** |

Warsaw, 29 May 2025

Piotr Matczuk
President of the Management Board

Mariusz Jaszczyk
Vice President of the Management Board

Mikołaj Raczyński
Vice President of the Management Board

Ewa Maciąg
Person preparing the statement

# Standalone Financial Statements for the financial year ended 31 December 2024


Introduction to the Standalone Financial Statements ..... 171

Balance sheet: Assets ..... 174

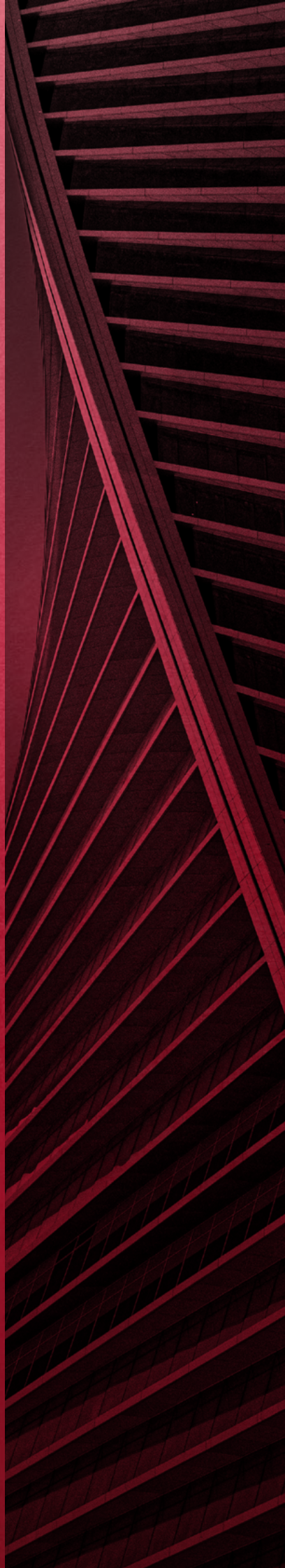
Balance sheet: Equity and liabilities ..... 176

Statement of profit and loss ..... 178

Statement of changes in equity ..... 180

Cash flow statement ..... 182

Notes and explanations ..... 184

# Introduction to the Standalone Financial Statements

## 1. INFORMATION ABOUT THE COMPANY

**1.1. Company name**
Polski Fundusz Rozwoju S.A.

**1.2. Company's registered office**
ul. Krucza 50
00-025 Warsaw

**1.3. Registration in the National Court Register (KRS)**
Seat of the court: District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register
Date: 19 June 2013
Registration no.: 0000466256

**1.4. Information on changes in the composition of the Company's Management Board**
In the period from 1 January 2024 to 2 April 2024, the Company's Management Board was composed of:

1. Paweł Borys – President of the Management Board
2. Bartłomiej Pawlak – Vice President of the Management Board
3. Bartosz Marczuk – Vice President of the Management Board
4. Tomasz Fill – Vice President of the Management Board

In connection with the resignation of Paweł Borys from the position of the President of the Company's Management Board from 3 April 2024 to 18 July 2024, the Company's Management Board was composed of:

1. Bartłomiej Pawlak – Vice President of the Management Board
2. Bartosz Marczuk – Vice President of the Management Board
3. Tomasz Fill – Vice President of the Management Board

On 12 June 2024, the Company's Supervisory Board elected new members of the Management Board of the 3rd term of office, specifying that it would begin on the day following the date of approval of the Financial Statements for the previous financial year by the Ordinary Shareholder Meeting.

On 18 July 2024, the Ordinary Shareholder Meeting approved the Company's Financial Statements for 2023 and therefore the mandates of the previous Management Board expired.

Since 19 July 2024, the Company's Management Board has been composed of:

1. Piotr Matczuk – President of the Management Board
2. Mariusz Jaszczyk – Vice President of the Management Board
3. Mikołaj Raczyński – Vice President of the Management Board

**1.5. Main line of business**
7010Z

**1.6. Period covered by the financial statements**
The financial statements have been prepared for the period from 1 January 2024 to 31 December 2024.

**1.7. Going concern assumption**
These financial statements have been prepared based on the assumption that the entity will continue as a going concern. No circumstances have been identified that would indicate a threat to the Company's ability to continue as a going concern.

## 2. ACCOUNTING POLICY

### 2.1. Valuation methodology of assets and liabilities (including depreciation)

1. Non-current investments are non-current assets whose realization time is longer than 12 months.
   They have been acquired by the Company with a view to economic benefits resulting from incremental value growth. At present, the Group's investments include investments in financial assets – in particular shares of Bank Pekao S.A., investment certificates and bonds. The Company invests through Closed-end Non-Public Investment Funds, subscribing and paying for investment certificates. The value of an investment certificate is determined based on a valuation of assets of the given fund performed by a specialized external entity, by determining the net asset value and net asset value per investment certificate. Then fair value of each investment certificate held by the Company is determined, taking into consideration the principle that investment certificates paid for at the initial price do not give the right to increase net assets, as a result of which their fair value is equal to their initial value, while the remaining investment certificates participate in the growth of net assets in proportion to the level of payment for them. The acquired investment certificates, regardless of whether they are fully-paid or not, are classified as available-for-sale financial assets. The effects of fair value remeasurement, or revaluation gains or losses, are recognized in the revaluation reserve until the certificate is redeemed (profit or loss is realized) or until impairment is recognized. Investment certificates paid for at the initial price are recognized at the amount of the portion paid up. Investment certificates that are not fully paid up, with the exception of paid-up certificates with an initial price of PLN 0.10, are recognized at the amount of the paid-up portion, adjusted in subsequent periods by the impact of the net asset value measurement per investment certificate.

2. Non-current investments created and acquired in connection with the execution of the Financial Shield government programs
   In connection with the execution of the Financial Shield government program referred to in Article 21a sec. 1 of the Act on the System of Development Institutions and on the terms and conditions defined in the Program Documents, PFR could: a. Grant interest-free financial subsidies which are classified in the category of loans granted and own receivables and measured at the amount of funds granted reduced by the repayments of the nominal amount. The Company has applied measurement at the nominal amount because it does not have data making it possible to estimate in a reliable way the amount and dates of receipt of funds from the State Treasury in connection with remissions of subsidies and loans. Nevertheless, considering the absence of interest (for financial subsidies) and commission, the measurement at the nominal amount is deemed close to the measurement at adjusted purchase price, b. Grant loans classified in the category of loans granted and own receivables and measured at adjusted purchase price calculated using the effective interest rate method, c. Subscribe for or purchase bonds issued by other entities which are classified in the category of loans granted and own receivables, and measured at adjusted purchase price calculated using the effective interest rate method, d. Purchase shares or ownership interests of other entities which are classified in the category of financial assets available for sale if they do not satisfy the definition of subordinated entities. Financial assets available for sale are measured at fair value, i.e. the total amount which PFR will receive from both a possible buyer and the State Treasury.

3. Impairment of debt securities created and acquired in connection with the execution of the Financial Shield government programs
   For financial subsidies, loans granted, bonds subscribed for/purchased, purchased receivables, created or acquired in connection with financing granted under the Financial Shield government programs, no revaluation allowances are recognized, since the Company is not exposed to credit risk in the economic sense in connection with these debt instruments. In the assessment, PFR takes into consideration the probability that the asset will not generate, fully or substantially, expected economic benefits in the future and the effects of the mechanism of tranches from the State Treasury, which involves supplementation of cash by the State Treasury to service external financing and other costs, which are first covered from repayments of granted financing, in accordance with the principles specific for the guarantee which constitutes an integral part of the agreements.

4. Non-current liabilities arising from the issue of debt securities
   A non-current liability is a duty – arising from past events – to make a payment of a reliably estimated value, which will result in using the existing or future assets of the PFR, with maturity longer than 12 months as from the balance sheet date. Items classified as non-current liabilities include non-current liabilities arising from the issue of debt securities, including bonds issued by the PFR in connection with the execution of the Financial Shield government programs. As at the balance sheet date, non-current liabilities arising from the issue of debt securities are measured at adjusted purchase price, while the effects of the measurement as well as revenues and expenses associated with the issue of bonds financing the execution of the Financial Shield government programs are recognized as increases and decreases of settlements with the State Treasury.

### 2.2. Determination of the financial result

1. Revenue and expenses: Revenue and expenses are recognized on an accrual basis, i.e. in the financial year to which they relate, regardless of when the payment is received or made.

2. Interest income: Interest income is recognized using the effective interest rate.

3. Dividend income: Dividend income is recognized as financial income as at the date of adoption of the resolution by the Company's Shareholder Meeting in which the entity has invested, to distribute the profit, unless the resolution specifies a different record date.

## 2.3. Determining the methodology for preparing the financial statements

1. The financial statements have been drawn up pursuant to the accounting principles in force in the territory of the Republic of Poland, as laid down in the Accounting Act of 29 September 1994 (Journal of Laws of 2023, item 120, as amended) and in the executive regulations thereto, as well as the Finance Minister's Regulation of 12 December 2001 on the detailed principles of recognition, valuation methods, scope of disclosure and manner of presentation of financial instruments. The accounting principles adopted by the Company have been applied continuously and comply with the accounting principles applied in the previous financial year.

2. The Company prepares a comparative version of the statement of profit and loss.

3. The cash flow statement has been prepared using the indirect method.

4. Specification of the item of financial statements where assets / liabilities and revenues/costs connected with the execution of the Financial Shield government programs are recognized:

   Item A.IV.3. Non-current financial assets
   c) in other entities
   - shares - Equity investments acquired in the execution of the Financial Shields government programs
   - loans granted – Financial subsidies and loans granted in performance of the government programs: the Shield for MSMEs, Shield for MSMEs 2.0., the Shield for Large Companies and the Shield for LOT Polish Airlines – the non-current part

   Item B.II.3. Receivables from other entities
   c) other – Settlements with the State Treasury in the execution of the Financial Shield government programs

   Item B.III.1. Current financial assets
   b) in other entities
   - other securities – Certificates of deposit purchased with the Financial Shield funds
   - loans granted – Financial subsidies and loans granted in performance of the government programs: the Shield for MSMEs, Shield for MSMEs 2.0., the Shield for Large Companies and the Shield for LOT Polish Airlines – the current part
   c) cash and cash equivalents
   - cash on hand and at bank – Cash in the accounts of the Financial Shield programs
   - other cash - Term deposits from Financial Shield funds

   Item B.II.3.b) Non-current liabilities towards other entities arising from the issue of debt securities - PFR bonds issued for the purposes of executing the Financial Shield government programs – the non-current part

   Item B.III.3.b) Non-current liabilities towards other entities arising from the issue of debt securities - PFR bonds issued for the purposes of executing the Financial Shield government programs – the current part

   Item B.III.4. Special-purpose funds – Settlements with the State Treasury in the execution of the Financial Shield government programs

   Item A.I. Net revenues from sales of products – Remuneration for PFR from the State Treasury for the execution of the Financial Shield government programs

5. Specification of the item of financial statements where assets / liabilities and revenues/costs connected with the handling of Poland's National Recovery and Resilience Plan:

   Item B.II.3. Receivables from other entities
   c) other – Settlements with the State Treasury in the execution of the KPO program

   Item B.III.1. Current financial assets
   c) cash and cash equivalents
   - cash on hand and at bank – Cash in the accounts of the KPO program
   - other cash - Term deposits from KPO funds

   Item B.III.3.i) Current liabilities to other entities – other

   Item A.I. Net revenues from sales of products – Remuneration for PFR from the State Treasury for the execution of the KPO program

# Balance sheet: Assets

| ASSETS | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **A Non-current assets** | | **18,624,993,091.34** | **19,179,138,320.96** |
| **I. Intangible assets** | 4.1. | **1,036,690.04** | **6,085,450.96** |
| 3. Other intangible assets | | 1,036,690.04 | 6,085,450.96 |
| **II. Property, plant and equipment** | 5.1. | **2,492,478.36** | **3,128,416.41** |
| 1. Fixed assets | | 2,492,478.36 | 3,128,416.41 |
| c) plant and machinery | | 125,250.93 | 222,154.41 |
| d) means of transport | | 509,131.20 | 756,649.33 |
| e) other fixed assets | | 1,858,096.23 | 2,149,612.67 |
| **III. Non-current receivables** | | **10,816,698.85** | **1,909,420.29** |
| 3. From other entities | 11. | 10,816,698.85 | 1,909,420.29 |
| **IV. Non-current investments** | 10.1. | **18,598,343,989.34** | **19,152,381,555.32** |
| 3. Non-current financial assets | | 18,598,343,989.34 | 19,152,381,555.32 |
| a) in related parties | 10.2.1. | 321,667,801.08 | 302,193,801.08 |
| - shares | | 321,667,801.08 | 302,193,801.08 |
| b) in other entities in which the company holds an equity stake | 10.2.2. | 4,710,787,948.30 | 5,190,111,004.45 |
| - shares | | 4,710,787,948.30 | 5,190,111,004.45 |
| c) in other entities | 10.2.3. | 13,565,888,239.96 | 13,660,076,749.79 |
| - shares | | 31,410,834.60 | 52,732,428.33 |
| - other securities | | 259,187,969.60 | 350,036,626.34 |
| - loans granted | | 596,891,161.48 | 2,110,264,858.25 |
| - other non-current financial assets | | 12,678,398,274.28 | 11,147,042,836.87 |
| **V. Non-current prepayments and accruals** | | **12,303,234.75** | **15,633,477.98** |
| 1. Deferred tax assets | 12. | 11,544,699.49 | 14,617,629.70 |
| 2. Other prepayments and accruals | | 758,535.26 | 1,015,848.28 |

| ASSETS | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **B. Current assets** | | **59,260,511,939.20** | **73,396,759,411.19** |
| **I. Inventory** | | **-** | **-** |
| **II. Current receivables** | | **51,990,163,112.00** | **51,225,824,146.79** |
| 1. Receivables from related parties | | 32,429,212.79 | 27,463,743.38 |
| a) trade receivables, with the repayment period set: | 13.1. | 32,429,212.79 | 27,463,743.38 |
| - up to 12 months | | 32,429,212.79 | 27,463,743.38 |
| 2. Receivables [from other entities] in which the company holds an equity stake | | 19,680.00 | 9,225.00 |
| a) trade receivables, with the repayment period set: | 13.2. | 19,680.00 | 9,225.00 |
| - up to 12 months | | 19,680.00 | 9,225.00 |
| 3. Receivables from other entities | | 51,957,714,219.21 | 51,198,351,178.41 |
| a) trade receivables, with the repayment period set: | 13.3. | 5,356,646.07 | 3,207,739.04 |
| - up to 12 months | | 5,356,646.07 | 3,207,739.04 |
| b) on taxes, subsidies, customs duties, social insurance and health insurance or other public dues | | 1,653,908.66 | 2,066,651.48 |
| c) other | 13.6. | 51,950,703,664.48 | 51,193,076,787.89 |
| **III. Current investments** | 10.1. | **7,267,883,286.18** | **22,168,169,226.60** |
| 1. Current financial assets | | 7,267,883,286.18 | 22,168,169,226.60 |
| a) in related parties | 14.1. | 6,099,915.59 | 4,055,432.87 |
| - loans granted | | 6,099,915.59 | 4,055,432.87 |
| b) in other entities | 14.3. | 5,855,227,161.21 | 4,867,107,866.88 |
| - other securities | | 1,420,940,338.43 | 382,079,001.11 |
| - loans granted | | 4,434,286,822.78 | 4,485,028,865.77 |
| c) cash and cash equivalents | 14.4. | 1,406,556,209.38 | 17,297,005,926.85 |
| - cash in hand and at bank | | 562,974,854.29 | 110,710,518.70 |
| - other cash | | 843,581,355.09 | 17,186,295,408.15 |
| **IV. Current prepayments and accruals** | 15. | **2,465,541.02** | **2,766,037.80** |
| **C. Unpaid contribution to share capital (fund)** | | **-** | **-** |
| **D. Treasury shares** | | **-** | **-** |
| **TOTAL ASSETS** | | **77,885,505,030.54** | **92,575,897,732.15** |

# Balance sheet: Equity and liabilities

| EQUITY AND LIABILITIES | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **A. Equity** | | **16,951,466,942.62** | **15,682,067,864.12** |
| **I. Share capital** | 16.1. | **11,475,907,779.00** | **11,475,907,779.00** |
| **II. Supplementary capital, including:** | 16.3. | **1,944,957,031.93** | **1,625,969,933.15** |
| - share premium account | | 531,174,535.18 | 531,174,535.18 |
| **III. Revaluation reserve, including:** | 16.2. | **2,778,747,565.68** | **2,261,203,053.19** |
| - from fair value remeasurement | | 2,778,747,565.68 | 2,261,203,053.19 |
| **VI. Net profit** | 16.4. | **751,854,566.01** | **318,987,098.78** |
| **B. Liabilities and provisions for liabilities** | | **60,934,038,087.92** | **76,893,829,868.03** |
| **I. Provisions for liabilities** | | **681,569,907.21** | **564,369,892.43** |
| 1. Deferred tax liability | | 654,701,366.24 | 536,054,150.11 |
| 2. Provision for pension and similar benefits | 17.1. | 25,821,969.72 | 27,056,992.73 |
| - non-current | | 302,693.88 | 306,030.01 |
| - current | | 25,519,275.84 | 26,750,962.72 |
| 3. Other provisions | 17.2. | 1,046,571.25 | 1,258,749.59 |
| - current | | 1,046,571.25 | 1,258,749.59 |
| **II. Non-current liabilities** | | **24,727,463,382.68** | **57,145,070,753.93** |
| 3. To other entities | 18.3. | 24,727,463,382.68 | 57,145,070,753.93 |
| a) loans and borrowings | | 1,010,390,936.83 | - |
| b) issues of debt securities | 18.4. | 23,716,460,027.75 | 57,144,192,554.20 |
| c) other financial liabilities | | 612,418.10 | 878,199.73 |

| EQUITY AND LIABILITIES | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **III. Current liabilities** | | **35,524,812,866.50** | **19,183,764,083.94** |
| 1. To related parties | 19.1. | 2,758,748.57 | 1,348,426.71 |
| a) trade liabilities, payable within | | 2,758,748.57 | 1,348,426.71 |
| - up to 12 months | | 2,758,748.57 | 1,348,426.71 |
| 2. To other entities in which the company holds an equity stake | 19.2. | 96,715.20 | 1,126,853.77 |
| a) trade liabilities, payable within | | 96,715.20 | 1,126,853.77 |
| - up to 12 months | | 96,715.20 | 1,126,853.77 |
| 3. To other entities | 19.3. | 35,521,231,279.78 | 19,151,437,879.82 |
| a) loans and borrowings | | 76,011,994.48 | 1,694,768,529.62 |
| b) issues of debt securities | 18.4. | 34,395,838,006.07 | 17,405,007,278.37 |
| d) trade liabilities, payable within | | 14,177,947.55 | 13,455,939.32 |
| - up to 12 months | | 14,177,947.55 | 13,455,939.32 |
| g) on taxes, customs duties, social insurance and health insurance or other public dues | | 12,362,624.56 | 22,435,201.76 |
| h) for payroll | | 478,915.68 | 426,690.99 |
| i) other | | 1,022,361,791.44 | 15,344,239.76 |
| 4. Special-purpose funds | | 726,122.95 | 29,850,923.64 |
| **IV. Prepayments and accruals** | 20. | **191,931.53** | **625,137.73** |
| 2. Other prepayments and accruals | | 191,931.53 | 625,137.73 |
| - current | | 191,931.53 | 625,137.73 |
| **TOTAL EQUITY AND LIABILITIES** | | **77,885,505,030.54** | **92,575,897,732.15** |

# Statement of profit and loss

| | | Note | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|---|---|
| **A.** | **Net revenues from sales and equivalents** | 22. | | |
| | *- including from related parties* | | *121,039,020.84* | *103,687,067.55* |
| | **I. Net revenues from sales of products** | | 248,028,520.28 | 280,550,469.55 |
| | **IV. Net revenues from sales of goods** | | 340,144.72 | 988,618.69 |
| | | | **248,368,665.00** | **281,539,088.24** |
| **B.** | **Operating expenses** | | | |
| | **I. Depreciation and amortization** | | (5,148,358.30) | (6,843,706.49) |
| | **II. Consumption of materials and energy** | | (738,788.47) | (1,032,866.87) |
| | **III. Third party services** | | (47,339,175.79) | (46,241,827.96) |
| | **IV. Taxes and charges** | | (555,354.68) | (704,683.05) |
| | **V. Payroll** | | (69,090,599.34) | (68,647,005.30) |
| | **VI. Social insurance and other benefits** | | (14,245,839.28) | (13,972,299.51) |
| | *- pension* | | (4,392,843.49) | (4,076,632.53) |
| | **VII. Other costs by nature** | | (9,894,357.88) | (28,413,123.38) |
| | **VIII. Value of goods sold** | | (308,296.33) | (751,066.21) |
| | | | **(147,320,770.07)** | **(166,606,578.77)** |
| **C.** | **Profit (loss) on sales** | | **101,047,894.93** | **114,932,509.47** |
| **D.** | **Other operating income** | | | |
| | **I. Profit on disposal of non-financial non-current assets** | | 382.93 | 1,056.91 |
| | **II. Subsidies** | | 995,012.74 | 6,550,868.23 |
| | **IV. Other operating income** | | 5,681,059.39 | 3,564,874.10 |
| | | | **6,676,455.06** | **10,116,799.24** |
| **E.** | **Other operating expenses** | | | |
| | **III. Other operating expenses** | | (11,150,881.83) | (9,798,281.65) |
| | | | **(11,150,881.83)** | **(9,798,281.65)** |
| **F.** | **Operating profit (loss)** | | **96,573,468.16** | **115,251,027.06** |

| | | Note | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|---|---|
| **G.** | **Financial income** | | | |
| **I.** | **Dividends and profit sharing** | | 645,046,387.20 | 182,091,219.72 |
| | b) from other entities, including: | | 645,046,387.20 | 182,091,219.72 |
| | *- in which the company holds an equity stake* | | *645,046,387.20* | *182,091,219.72* |
| **II.** | **Interest, including:** | 23. | 83,088,027.61 | 115,006,199.74 |
| | *- including from related parties* | | *180,489.85* | *55,432.87* |
| **III.** | **Profit on disposal of financial assets** | | 47,464,730.92 | 71,814,543.12 |
| **IV.** | **Revaluation of financial assets** | | 1,168,022.75 | - |
| **V.** | **Other** | | 20,445,317.36 | 22,852,186.40 |
| | | | **797,212,485.84** | **391,764,148.98** |
| **H.** | **Financial costs** | | | |
| **I.** | **Interest** | 24. | (96,621,297.26) | (141,831,535.26) |
| | *- including to related parties* | | - | *(1,166,699.74)* |
| **III.** | **Revaluation of financial assets** | 25. | (8,730,148.36) | (3,119,020.85) |
| **IV.** | **Other** | | (2,364,614.17) | (2,350,060.23) |
| | | | **(107,716,059.79)** | **(147,300,616.34)** |
| **I.** | **Profit (loss) before tax** | | **786,069,894.21** | **359,714,559.70** |
| **J.** | **Income tax** | 26. | **(34,215,328.20)** | **(40,727,460.92)** |
| **K.** | **Other obligatory decreases of profit** | | **-** | **-** |
| **L.** | **Net profit (loss)** | | **751,854,566.01** | **318,987,098.78** |

# Statement of changes in equity

| | | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **I.** | **Equity at the beginning of the period** | **15,682,067,864.12** | **12,420,553,560.14** |
| **I.a.** | **Equity at the beginning of the period, after adjustments for errors** | **15,682,067,864.12** | **12,420,553,560.14** |
| **1.** | **Share capital at the beginning of the period** | **11,475,907,779.00** | **11,475,907,779.00** |
| 1.1. | Change in share capital | | |
| **a)** | **additions** | **-** | **-** |
| **b)** | **reductions** | **-** | **-** |
| **1.2.** | **Share capital at the end of the period** | **11,475,907,779.00** | **11,475,907,779.00** |
| **2.** | **Supplementary capital at the beginning of the period** | **1,625,969,933.15** | **1,356,601,238.72** |
| 2.1. | Change in supplementary capital | | |
| **a)** | **additions** | **318,987,098.78** | **269,368,694.43** |
| | - profit distribution (statutory) | 318,987,098.78 | 236,755,481.43 |
| | - other additions | - | 32,613,213.00 |
| **b)** | **reductions** | **-** | **-** |
| **2.2.** | **Supplementary capital at the end of the period** | **1,944,957,031.93** | **1,625,969,933.15** |
| **3.** | **Revaluation reserve at the beginning of the period** | **2,261,203,053.19** | **(648,710,939.01)** |
| 3.1. | Change in revaluation reserve | | |
| **a)** | **additions** | **1,114,329,591.53** | **3,592,486,410.13** |
| | - fair value remeasurement of investments | 1,114,329,591.53 | 3,592,486,410.13 |
| **b)** | **reductions** | **(596,785,079.04)** | **(682,572,417.93)** |
| | - fair value remeasurement of investments | (475,385,748.90) | - |
| | - deferred tax | (121,399,330.14) | (682,572,417.93) |
| **3.2.** | **Revaluation reserve at the end of the period** | **2,778,747,565.68** | **2,261,203,053.19** |
| **4.** | **Other reserve capital at the beginning of the period** | - | - |
| 4.1. | Change in other reserve capital | | |
| **a)** | **additions** | **-** | **-** |
| **b)** | **reductions** | **-** | **-** |
| **4.2.** | **Other reserve capital at the end of the period** | **-** | **-** |

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **5. Retained earnings (losses) at the beginning of the period** | **318,987,098.78** | **236,755,481.43** |
| 5.1. Retained earnings at the beginning of the period | 318,987,098.78 | 236,755,481.43 |
| 5.2. Retained earnings at the beginning of the period, adjusted | 318,987,098.78 | 236,755,481.43 |
| **a) additions** | **-** | **-** |
| **b) reductions** | **(318,987,098.78)** | **(236,755,481.43)** |
| - from profit distribution (above the minimum value required by law) | (318,987,098.78) | (236,755,481.43) |
| **5.3. Retained earnings at the end of the period** | **-** | **-** |
| **5.4. Retained loss at the beginning of the period** | **-** | **-** |
| **5.5. Retained loss at the beginning of the period, adjusted** | **-** | **-** |
| **a) additions** | **-** | **-** |
| **b) reductions** | **-** | **-** |
| **5.6. Retained loss at the end of the period** | - | - |
| **5.7. Retained earnings (losses) at the end of the period** | **-** | **-** |
| **6. Net result** | **751,854,566.01** | **318,987,098.78** |
| a) net profit | 751,854,566.01 | 318,987,098.78 |
| b) net loss | - | - |
| c) profit write-offs | - | - |
| **II. Equity at the end of the period** | **16,951,466,942.62** | **15,682,067,864.12** |
| **III. Equity after taking into consideration the proposed distribution of profit** | **16,951,466,942.62** | **15,682,067,864.12** |

# Cash flow statement

| | | Note | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|---|---|
| **A.** | **Cash flows from operating activities** | | | |
| **I.** | **Net profit** | | **751,854,566.01** | **318,987,098.78** |
| **II.** | **Total adjustments:** | | **(955,185,408.17)** | **(5,087,544,667.40)** |
| 1. | Depreciation and amortization | | 5,148,358.30 | 6,843,706.49 |
| 3. | Interest and profit sharing (dividends) | | (631,513,117.55) | (155,265,884.20) |
| 4. | Investment (gain) / loss | | (47,464,730.92) | (71,814,543.12) |
| 5. | Change in provisions | | 117,200,014.78 | 450,445,244.14 |
| 6. | Change in inventories | | - | 547,942.32 |
| 7. | Change in receivables | 27.3. | (8,177,946.47) | 399,430,918.91 |
| 8. | Change in current liabilities, except for loans and borrowings | 27.2. | (6,135,425.42) | 8,651,206.79 |
| 9. | Change in prepayments and accruals | | 3,197,533.81 | 232,239,064.98 |
| 10. | Other adjustments | 27.5. | (387,440,094.70) | (5,958,622,323.71) |
| **III.** | **Net cash flows from operating activities** | | **(203,330,842.16)** | **(4,768,557,568.62)** |
| **B.** | **Cash flows from investing activities** | | | |
| **I.** | **Proceeds** | | **4,479,736,157.70** | **13,100,734,038.57** |
| 1. | Sale of intangible assets and property, plant and equipment | | 892,287.01 | 988,618.69 |
| 3. | From financial assets, of which: | | 4,478,843,870.69 | 13,099,745,419.88 |
| a) | in related parties | | 5,136,007.13 | - |
| b) | in other entities | | 4,473,707,863.56 | 13,099,745,419.88 |
| | - disposal of financial assets | | 3,000,161.10 | 1,117,558,350.33 |
| | - dividends and profit-sharing | | 645,046,387.20 | 182,091,219.72 |
| | - repayment of long-term loans granted | | 1,731,834,276.54 | 6,479,892,964.42 |
| | - interest | | 501,418,452.81 | 1,301,330,460.45 |
| | - other proceeds from financial assets | | 1,592,408,585.91 | 4,018,872,424.96 |
| **II.** | **Expenditures** | | **(1,962,753,140.14)** | **(2,374,440,424.06)** |
| 1. | Purchase of intangible assets and property, plant and equipment | 27.4. | (119,315.97) | (1,631,291.33) |
| 3. | For financial assets, including: | | (1,410,640,252.42) | (604,310,679.84) |
| a) | in related parties | | (26,474,000.00) | (24,999,000.00) |
| | - purchase of financial assets | | (19,474,000.00) | (20,999,000.00) |
| | - long-term loans granted | | (7,000,000.00) | (4,000,000.00) |
| b) | in other entities | | (1,384,166,252.42) | (579,311,679.84) |
| | - purchase of financial assets | | (1,380,292,332.75) | (562,747,075.46) |
| | - long-term loans granted | | (3,873,919.67) | (16,564,604.38) |
| 4. | Other investment expenditures | 27.6. | (551,993,571.75) | (1,768,498,452.89) |
| **III.** | **Net cash flows from investing activities** | | **2,516,983,017.56** | **10,726,293,614.51** |

| | | Note | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|---|---|
| **C.** | **Cash flows from financing activities** | | | |
| | **I. Proceeds** | | **-** | **-** |
| | **II. Expenditures** | | **(18,171,984,414.93)** | **(1,385,516,030.47)** |
| | 4. Repayment of loans and borrowings | | (607,882,387.20) | (84,427,770.44) |
| | 5. Redemption of debt securities | | (16,325,000,000.00) | - |
| | 7. Liabilities paid under financial lease agreements | | (375,902.29) | (376,627.59) |
| | 8. Interest | | (1,238,726,125.44) | (1,300,711,632.44) |
| | **IV. Net cash flows from financing activities** | | **(18,171,984,414.93)** | **(1,385,516,030.47)** |
| **D.** | **Total net cash flows** | | **(15,858,332,239.53)** | **4,572,220,015.42** |
| **E.** | **Balance sheet change in cash** | | **(15,858,332,239.53)** | **4,572,220,015.42** |
| | *- including change in cash on account of foreign exchange differences* | | - | - |
| **F.** | **Cash at the beginning of the period** | | **17,263,407,124.13** | **12,691,187,108.71** |
| **G.** | **Cash at the end of the period** | | **1,405,074,884.60** | **17,263,407,124.13** |
| | *- including restricted cash* | | 1,217,035,571.51 | 16,868,984,280.34 |

# Notes and explanations

## 1. FINANCIAL SHIELD GOVERNMENT PROGRAMS

Pursuant to the Act on the System of Development Institutions of 4 July 2019 (Journal of Laws of 2024, Item 923), PFR S.A. performs tasks entrusted by the state administration authorities, i.e. handling of the government programs: the Financial Shield for Large Companies, the Financial Shield for MSMEs and the government support program for PLL LOT S.A.

When performing the duties arising from the Financial Shield government programs, PFR S.A. takes action for the account of the State Treasury represented by the Development Minister acting in agreement with the Finance Minister and at its exclusive cost and risk. These actions included raising third party financing through the issue of bonds and granting financing pursuant to the contractual terms of the Financial Shield government programs.

On initial recognition, the measurement of the subsidies and loans granted under the Financial Shield government programs is equal to their nominal value. On subsequent balance sheet dates, interest-free financial subsidies which are classified in the category of loans granted and own receivables, are measured at the amount of funds granted, less remissions and repayments of the nominal amount. PFR S.A. has applied measurement at the nominal amount because it does not have data making it possible to estimate in a reliable way the amount and dates of receipt of funds from the State Treasury in connection with remissions of subsidies and loans. Nevertheless, considering the absence of interest (for financial subsidies) and commission, the measurement at the nominal amount is deemed close to the measurement at adjusted purchase price.

Pursuant to the adopted accounting policy, PFR S.A. does not recognize permanent impairment losses for the financial subsidies and loans granted because the State Treasury incurs all the costs and risks associated with the performance of the Financial Shield government programs, which includes being ready to cover the costs resulting from failures to repay the subsidies and loans.

The financial subsidies granted under the government program – Financial Shield for MSMEs, and some of the loans granted under the government program – Financial Shield for Large Companies, were subject to remission, after satisfying the conditions defined in the agreements. PFR S.A. presents remissions of financial subsidies and loans granted as well as interest income and revaluations as settlements with the State Treasury as referred to below.

Pursuant to the rules and regulations of the government program – Financial Shield for MSMEs 1.0, the maximum remission level could amount to 75% of the subsidy amount after beneficiaries satisfy the conditions defined in the program, except for entrepreneurs operating in the industries most affected by the effects of Covid-19-related administrative restrictions who, having satisfied the conditions defined in the program, were exempt from the duty to repay financial subsidies entirely.

Pursuant to the rules and regulations of the Financial Shield for MSMEs 2.0 government program, entrepreneurs operating in the industries most affected by the effects of Covid-19-related administrative restrictions were exempt from the duty to repay the financial subsidies entirely having satisfied the conditions defined in the program. Repayments under the program are a result of the MSME 2.0 beneficiaries settlement of the surplus of the financial subsidy determined based on actual data as regards the amount of fixed costs or the reduction in revenue, as per the rules and regulations of the program.

Pursuant to the rules and regulations of the government program – Financial Shield for Large Companies, the maximum remission level for preferential loans could be 75% of the loan amount after the beneficiary satisfies the conditions defined in the program. Liquidity loans are not subject to remission.

Non-current liabilities arising from the issue of debt securities include bonds issued by PFR S.A. in connection with obtaining funds for granting financing related to the execution of the Financial Shield government programs. The bonds are secured by the State Treasury's guarantee and the costs of issuing the bonds, payment of interest on the bonds and the bond redemption are subject to the mechanism of tranches from the State Treasury, which involve payout of cash to cover the above costs and redemption if there are no funds in the accounts of the Financial Shield government programs. Both the costs of issues, costs of interest and tranches from the State Treasury are recognized as settlements with the State Treasury.

In the item of receivables / liabilities on account of settlements with the State Treasury, PFR S.A. presents effects of operations connected with the execution of the Financial Shield government programs, based on the mechanism of tranches from the State Treasury, which guarantee that costs are refunded and redemption of the issued bonds is covered and which involve the condition that cash surpluses remaining in the accounts of the Financial Shield government programs have to be returned after repayment of the external financing (bonds).

As a result of the amendments made in 2021 to the Act on the System of Development Institutions, pursuant to which PFR S.A., executing the government program, maintains stand-alone accounting in accordance with Article 11 sec. 4 and 5, including creation for the government program of a fund not counted into equity (funds) disclosed in the equity and liabilities of the Group's balance sheet

as a special-purpose fund (pursuant to Article 46 sec. 4 of the Accounting Act of 29 September 1994), in 2021 the Company changed its accounting policy in this respect and the credit balance sheet of settlements with the State Treasury is presented in current liabilities, in the item: special-purpose funds.

As at 31 December 2024, settlements with the State Treasury under the MSMEs 1.0, MSMEs 2.0 and the Financial Shield for Large Companies and the LOT support programs showed a debit balance, therefore they are presented in PFR S.A.'s balance sheet in the item: "Current receivables from other entities – other" in the total amount of PLN 51,940,004,978.01.

**Components of assets and liabilities of the Financial Shield for MSMEs 1.0**

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program assets, including:** | | **45,010,308,745.37** | **61,459,410,916.71** |
| Non-current investments, including: | 10.2.3. | 2,982,043.00 | 2,982,043.00 |
| Garmond Press S.A. shares | | 987,600.00 | 987,600.00 |
| IDH DEVELOPMENT S.A. shares | | 1,781,943.00 | 1,781,943.00 |
| Rubicone Sp. z o.o. shares | | 212,500.00 | 212,500.00 |
| Loans granted: | | 2,369,384,696.62 | 2,398,737,466.09 |
| Financial subsidies granted within the Financial Shield for MSMEs 1.0 government programs – non-current | 10.2.3. | 61,530,342.05 | 40,643,007.27 |
| Financial subsidies granted within the Financial Shield for MSMEs 1.0 government programs – current | 14.3. | 2,307,854,354.57 | 2,358,094,458.82 |
| Cash in hand and at bank, including: | 14.4. | 131,701,811.96 | 15,380,456,149.01 |
| Bank account of the Financial Shield for MSMEs 1.0 program | | 2,533,198.81 | 500,531.20 |
| Term deposits of the Financial Shield for MSMEs 1.0 program | | 129,168,613.15 | 15,379,955,617.81 |
| Receivables on account of settlements with the State Treasury, including: | | 42,506,240,193.79 | 43,677,235,258.61 |
| Cost of interest on bonds issued | | 4,462,347,740.97 | 3,634,457,511.54 |
| Adjustment of the valuation of bonds issued (SCN) | | (2,515,236.24) | (5,725,658.62) |
| Remissions of financial subsidies | | 37,204,870,636.72 | 37,092,898,730.14 |
| External costs of the Financial Shield for MSMEs 1.0 government program | | 147,792,550.29 | 78,846,364.23 |
| Remuneration to PFR for the execution of the Financial Shield for MSMEs 1.0 government program | | 645,753,904.75 | 557,237,833.33 |
| Cash received from the State Treasury in tranches | | (959,667,750.00) | (959,667,750.00) |
| Interest income | | (2,255,673,769.30) | (1,754,389,862.67) |
| Mutual settlements between the program and the National Recovery Plan | | 5,272,371,913.29 | 5,183,917,127.97 |
| PFR's remuneration for the execution of the Shield for the Borderland government program | | 738,000.00 | 738,000.00 |
| Correction of the subsidy amount after the "Anti-Fraud" analysis | | (244,884,011.70) | (146,908,058.19) |
| Reimbursement of court fees/stamp duty | | (9,893,784.99) | (4,168,979.12) |
| Mutual settlements between the Financial Shield programs | | (1,755,000,000.00) | - |

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program liabilities, including:** | | **45,010,308,745.37** | **61,459,410,916.71** |
| Liabilities arising from the issue of debt securities – non-current | 18.4. | 10,782,420,199.15 | 44,212,850,026.53 |
| Liabilities arising from the issue of debt securities – current | 19.3. | 34,201,356,816.58 | 17,210,530,576.39 |
| Cash payable to PFR as remuneration | | 19,065,000.00 | 28,597,500.00 |
| Current trade liabilities | | 7,466,729.64 | 7,432,813.79 |

The remuneration for executing the government program for Micro, Small and Medium-sized Enterprises (MSMEs) 1.0 is defined as a percentage of the maximum value of the program and is settled on a quarterly basis. In 2024, the gross remuneration for handling the Financial Shield for MSMEs 1.0 government program was PLN 88.52 million.

"Anti-Fraud" analyses that were carried out in 2023 identified groups of entities that were requested to provide clarification or to return some or all of the assistance received under the MSME 1.0 government program. These measures were taken mainly in respect of the beneficiaries for whom irregularities were found at the assistance application stage. These analyses concerned: (i) manipulation of revenues, (ii) manipulation of employment figures, (iii) incorrect identification of the entrepreneur's status, (iv) exceeding the limit of state aid. These groups of beneficiaries were required to return all or part of the assistance provided (depending on the circumstances of each case). If the beneficiary failed to return the assistance within the specified time limit, the claims have been pursued through litigation. As of 31 December 2024, as a result of the "Anti-Fraud" analyses, the amount of financial subsidies subject to repayment was PLN 252.93 million.

**Components of assets and liabilities of the Financial Shield for Large Companies**

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program assets, including:** | | **4,509,365,650.39** | **4,053,701,566.56** |
| Non-current investments, including: | 10.2.3. | 28,428,791.60 | 49,750,385.33 |
| MTG S.A. shares | | 28,428,791.60 | 49,750,385.33 |
| Loans granted: | | 1,179,606,600.05 | 1,744,249,325.10 |
| Loans - non-current receivables | 10.2.3. | 58,769,466.92 | 1,151,625,958.92 |
| Loans – current receivables | 14.3. | 1,120,837,133.13 | 592,623,366.18 |
| Cash in hand and at bank, including: | 14.4. | 888,897,274.81 | 880,384,241.85 |
| Bank account of the Financial Shield for Large Companies program | | 475,218,620.02 | 1,441,043.49 |
| Term deposits of the Financial Shield for Large Companies program | | 413,678,654.79 | 878,943,198.36 |
| Receivables on account of settlements with the State Treasury, including: | | 2,395,032,983.93 | 1,379,317,614.28 |
| Cost of interest on bonds issued | | 285,813,053.08 | 219,008,640.39 |
| Adjustment of the valuation of bonds issued (SCN) | | (172,606.22) | (318,832.48) |
| Remissions of loans | | 864,269,622.95 | 864,269,622.95 |
| External costs of the Financial Shield for Large Companies government program | | 10,849,310.53 | 9,624,201.66 |
| Remuneration to PFR for the execution of the Financial Shield for Large Companies government program | | 251,491,071.42 | 215,799,107.14 |
| Cash received from the State Treasury in tranches | | (29,287,500.00) | (29,287,500.00) |
| Interest income | | (192,444,758.47) | (138,570,822.29) |
| Mutual settlements between the Financial Shield programs | | 980,000,000.00 | 9,500,000.00 |
| Sale of Financial Shield financial assets | | 224,514,790.64 | 229,293,196.91 |
| Receivables on the sale of Financial Shield financial assets, including: | | 17,400,000.00 | - |
| Receivables on the sale of Financial Shield financial assets - non-current | | 8,700,000.00 | - |
| Receivables on the sale of Financial Shield financial assets - current | | 8,700,000.00 | - |

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program liabilities, including:** | | **4,509,365,650.39** | **4,053,701,566.56** |
| Liabilities arising from the issue of debt securities – non-current | 18.4. | 3,979,589,448.61 | 3,977,704,040.53 |
| Liabilities arising from the issue of debt securities – current | 19.3. | 64,395,198.25 | 64,392,467.38 |
| Cash payable to PFR as remuneration | | 7,687,500.00 | 11,531,250.00 |
| Current trade liabilities | | 37,339.15 | 73,808.65 |
| Cash to be transferred between Financial Shield programs | | 457,656,164.38 | - |

The remuneration for executing the government program for Large Companies is defined as a percentage of the maximum value of the program and is settled on a quarterly basis. In 2024, the gross remuneration for handling the Financial Shield Program for Large Companies government program was PLN 35.69 million.

**Components of assets and liabilities of the Financial Shield for LOT Polish Airlines**

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program assets, including:** | | **1,817,333,555.40** | **1,845,551,768.84** |
| Loans granted: | | 939,501,369.86 | 1,845,172,602.74 |
| Loans - non-current receivables | 10.2.3. | 476,591,352.51 | 917,995,892.06 |
| Loans – current receivables | 14.3. | 462,910,017.35 | 927,176,710.68 |
| Cash in hand and at bank, including: | 14.4. | 24,810,900.70 | 379,166.10 |
| Bank account of the Financial Shield for LOT Polish Airlines program | | 171,250.67 | 78,752.59 |
| Term deposits of the Financial Shield for LOT Polish Airlines | | 24,639,650.03 | 300,413.51 |
| Receivables on account of settlements with the State Treasury, including: | | 395,365,120.46 | - |
| Cost of interest on bonds issued | | 103,652,232.87 | - |
| Adjustment of the valuation of bonds issued (SCN) | | 76,242.53 | - |
| External costs of the Financial Shield for LOT Polish Airlines government program | | 598,628.78 | - |
| Interest income | | (134,961,983.72) | - |
| Mutual settlements between the Financial Shield programs | | 426,000,000.00 | - |
| Cash to be transferred between Financial Shield programs | | 457,656,164.38 | - |

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program liabilities, including:** | | **1,817,333,555.40** | **1,845,551,768.84** |
| Liabilities arising from the issue of debt securities – non-current | 18.4. | 1,792,653,756.56 | 1,791,444,898.77 |
| Liabilities arising from the issue of debt securities – current | 19.3. | 24,675,798.84 | 24,675,306.40 |
| Current trade liabilities | | 4,000.00 | 4,000.00 |
| Special-purpose funds, including: | | - | 29,427,563.67 |
| Cost of interest on bonds issued | | - | (77,653,059.72) |
| Adjustment of the valuation of bonds issued (SCN) | | - | (6,065.45) |
| External costs of the Financial Shield for LOT Polish Airlines government program | | - | (579,308.35) |
| Interest income | | - | 98,165,997.19 |
| Mutual settlements between the Financial Shield programs | | - | 9,500,000.00 |

The remuneration for executing the government program for LOT Polish Airlines is paid as a total amount with the remuneration for executing the government program for Large Companies.

**Components of assets and liabilities of the Financial Shield for MSMEs 2.0**

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program assets, including:** | | **7,274,212,822.63** | **7,274,543,759.61** |
| Loans granted: | | 542,685,317.73 | 607,134,330.09 |
| Financial subsidies granted within the Financial Shield for MSMEs 2.0 government programs - current | 14.3. | 542,685,317.73 | 607,134,330.09 |
| Cash in hand and at bank, including: | 14.4. | 88,160,825.06 | 531,625,621.70 |
| Bank account of the Financial Shield for MSMEs 2.0 program | | 542,905.06 | 428,322.19 |
| Term deposits of the Financial Shield for MSMEs 2.0 program | | 87,617,920.00 | 531,197,299.51 |
| Receivables on account of settlements with the State Treasury, including: | | 6,643,366,679.84 | 6,135,783,807.82 |
| Cost of interest on bonds issued | | 413,001,134.56 | 307,642,272.32 |
| Adjustment of the valuation of bonds issued (SCN) | | (42,376.23) | 34,686.75 |
| Remissions of financial subsidies | | 5,966,529,715.92 | 5,830,015,934.80 |
| External costs of the Financial Shield for MSMEs 2.0 government program | | 23,386,987.54 | 9,046,568.58 |
| Remuneration to PFR for the execution of the Financial Shield for MSMEs 2.0 government program | | 108,719,309.51 | 90,159,488.09 |
| Cash received from the State Treasury in tranches | | (25,000,000.00) | (25,000,000.00) |
| Interest income | | (138,206,943.00) | (75,803,853.05) |
| Mutual settlements between the Financial Shield programs | | 349,000,000.00 | - |
| Reimbursement of court fees/stamp duty | | (951,793.03) | (311,289.67) |
| Correction of the subsidy amount after the "Anti-Fraud" analysis | | (53,069,355.43) | - |

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program liabilities, including:** | | **7,274,212,822.63** | **7,274,543,759.61** |
| Liabilities arising from the issue of debt securities – non-current | 18.4. | 7,161,796,623.43 | 7,162,193,588.37 |
| Liabilities arising from the issue of debt securities – current | 19.3. | 105,410,192.40 | 105,408,928.20 |
| Cash payable to PFR as remuneration | | 3,997,500.00 | 5,996,250.00 |
| Current trade liabilities | | 3,008,506.80 | 944,993.04 |

The remuneration for executing the government program for Micro, Small and Medium-sized Enterprises (MSMEs) 2.0 is defined as a percentage of the maximum value of the program and is settled on a quarterly basis. In 2024, the gross remuneration for handling the Financial Shield for MSMEs 2.0 government program was PLN 18.56 million.

"Anti-Fraud" analyses that were carried out in 2024 identified groups of entities that were requested to provide clarification or to return some or all of the assistance received under the MSME 2.0 government program. These measures were taken mainly in respect of the beneficiaries for whom irregularities were found at the assistance application stage. These analyses concerned: (i) manipulation of revenues, (ii) manipulation of employment figures, (iii) incorrect identification of the entrepreneur's status. These groups of beneficiaries were required to return all or part of the assistance provided (depending on the circumstances of each case). If the beneficiary failed to return the assistance within the specified time limit, the claims have been pursued through litigation. As of 31 December 2024, as a result of the "Anti-Fraud" analyses, the amount of financial subsidies subject to repayment was PLN 60.32 million.

## 2. POLAND'S NATIONAL RECOVERY AND RESILIENCE PLAN

Poland's National Recovery and Resilience Plan (hereinafter: "KPO") is a development plan that sets out the goals related to recovery and creation of Poland's social and economic resilience after the crisis caused by the Covid-19 pandemic, as well as the reforms and investments undertaken to achieve these goals. The document forms the basis for applying for support from the European Recovery and Resilience Facility (RRF) established by Regulation of the European Parliament and of the Council (EU) No. 2021/241 of 12 February 2021.

Pursuant to the Act of 28 April 2022 on the principles of the performance of tasks financed from EU funds in the 2021-2027 financial perspective, which amended the Act of 6 December 2006 on the Principles of Development Policy (hereinafter: "PDP Act"), PFR S.A. has been tasked with making payouts under the development plan referred to in Article 5 par. 7aa of the PDP Act as regards non-reimbursable payments. To this end, PFR S.A. may receive payments from EU budget funds and may obtain and use funds in compliance with the principles stipulated in Article 16a of the Act of 4 July 2019 on the System of Development Institutions (hereinafter: "SDI Act"), up to the amount specified in the financial plan. In order to finance investments and undertakings performed as part of the development plan, PFR S.A. may:

1. issue bonds on the domestic and international markets;

2. use funds from reimbursements or repayments of the financial support provided with funds designated for the performance of the government support program for businesses referred in Article 21a sec. 1 of the SDI Act, and other income generated from the management of these funds.

The detailed scope of PFR S.A.'s tasks was defined in the agreement on performing tasks connected with the implementation of the National Recovery and Resilience Plan concluded on 5 August 2022 under Article 14In sec. 5 of the PDP Act between PFR S.A. and the minister in charge of regional development acting in consultation with the minister in charge of public finance.

Additionally, pursuant to Article 14Io of the PDP Act, PFR S.A. has entered into investment financing agreements with the Institutions responsible for the implementation of investments, which set forth, among other things, the terms and conditions under which the Institutions responsible for the implementation of investments (hereinafter "IIIs") or the Entities supporting the development plan (hereinafter "SEs") will submit to PFR S.A. payout orders and the template for such orders, the procedure for submitting requests for funds, and the terms and conditions under which PFR S.A. will transfer funds based on such payout orders.

Under the agreement of 5 August 2022 executed by the State Treasury represented by the Minister of Development Funds and Regional Policy and the Minister of Finance and PFR S.A., PFR S.A. provided access to an IT system supporting the creation and forwarding by PFR S.A. of payment orders to fund investment projects prepared by ministries, local governments and other institutions. Payments under the National Reconstruction Plan are executed by PFR S.A. in accordance with the schedule of payments approved by the MFiPR and the MF. The responsibility of PFR S.A. was limited to obtaining the funds and transferring them to the authorized recipients; the decisions to grant the funds are made by the designated authorities.

In 2022 and 2023, due to the absence of European funds, PFR S.A. ensured the financing of the development plan (KPO) with funds from the reimbursement of subsidies with no debt remission decisions or from the repayment of financial support provided under the Financial Shield government programs.

As of the beginning of 2024, the payments from the KPO are made from European funds and funds from the reimbursement of subsidies with no debt remission decisions or from the repayment of financial support provided under the Financial Shield government programs with respect to VAT.

The total amount of payouts made from the date of the agreement until 31 December 2024 was PLN 16,184,608,894.41. The total amount of payouts, reduced by reimbursement of unused funds and transfers rejected by banks of payout recipients (as at the end of December 2024) was PLN 14,814,811,440, of which PLN 5,272,089,166.85 from domestic funds and PLN 9,542,722,383.80 from European funds (data based on the Reports on disbursement of development funds provided by PFR S.A. quarterly to the Ministry of Development Funds and Regional Policy and the Ministry of Finance).

These payouts were financed by repayments and refunds of financial subsidies granted under the Financial Shield for MSMEs 1.0 government program with respect to VAT, and the European funds.

**Components of assets and liabilities of the KPO**

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program assets, including:** | | **5,272,667,810.03** | **5,184,004,570.82** |
| Settlements with the State Treasury - payouts and refunds (domestic funds) | | 5,250,115,108.63 | 5,182,387,354.11 |
| Settlements with the State Treasury - payouts (domestic funds) | | 6,554,413,908.91 | 6,392,241,395.58 |
| Settlements with the State Treasury - refunds (domestic funds) | | (1,304,298,800.28) | (1,209,854,041.47) |
| Settlements with the State Treasury - payouts and refunds (European funds) | | (5,995,151.19) | - |
| Settlements with the State Treasury - payments from the Ministry of Finance (European funds) | | (9,547,216,586.09) | - |
| Settlements with the State Treasury - payouts (European funds) | | 9,624,782,997.10 | - |
| Settlements with the State Treasury - refunds (European funds) | | (83,561,562.20) | - |
| Settlements with the State Treasury - payouts and refunds (other receivables under the program) | | (1,963,683.88) | - |
| Settlements with the State Treasury - refunds (other receivables under the program) | | (1,963,683.88) | - |
| Cash in hand and at bank, including: | 14.4. | 30,511,536.47 | 1,617,216.71 |
| Bank account of the KPO program | | 30,511,536.47 | 1,617,216.71 |

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Program liabilities, including:** | | **5,272,667,810.03** | **5,184,004,570.82** |
| Interest on deposits to be transferred between the program and Financial Shield MSME 1.0 | | 295,896.74 | 87,442.85 |
| Mutual settlements between the program and the Financial Shield MSME 1.0 | 1. | 5,272,371,913.29 | 5,183,917,127.97 |

The remuneration for the execution of the KPO program is settled on a monthly basis, and in 2024 it amounted to a gross amount of PLN 7.92 million.

| | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Payouts under the program, including:** | | **16,184,608,894.41** | **6,395,408,622.45** |
| Ministry of Digital Affairs | | 2,392,048,731.63 | 1,348,164,586.40 |
| Ministry of State Assets | | 1,324,010.44 | 246,236.09 |
| Ministry of National Education | | 920,271,598.67 | 751,663,011.31 |
| Ministry of Development Funds and Regional Policy | | 151,532,324.83 | 3,764,455.21 |
| Minister of Infrastructure | | 2,612,044,947.80 | 1,539,960,747.32 |
| Ministry of Climate and Environment | | 7,237,787,368.74 | 2,079,288,698.00 |
| Ministry of Culture and National Heritage | | 9,409,208.78 | - |
| Ministry of Science and Higher Education | | 176,246,384.27 | - |
| Ministry of Family, Labour and Social Policy | | 672,795,181.35 | 158,435,227.15 |
| Ministry of Agriculture and Rural Development | | 1,719,738,192.47 | 496,749,425.19 |
| Ministry of Economic Development and Technology | | 136,828,197.19 | 16,663,537.10 |
| Ministry of the Interior and Administration | | 50,798,751.00 | - |
| Ministry of Health | | 103,783,997.24 | 472,698.68 |

The amount of payouts ordered under the KPO program is PLN 5.41 million higher because some of the transfers were rejected by banks of the recipients.

## 3. INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

Major related party transactions include: the management fee due to the Company for managing some of the Funds' assets based on the agreement with PFR Towarzystwo Funduszy Inwestycyjnych S.A.

In addition to the above transactions:

1. On 25 October 2024, the Company made a capital injection to PFR Ventures Sp. z o.o. Innovation Fund ASI S.K.A. amounting to PLN 19,474,000.00;

2. The Company performed transactions with related parties in respect of general support, HR services, Contact Center/CRM services and cost recharge invoices.

Transactions with related parties are not executed on a non-arm's length basis.

*in the period from 1 January 2024 to 31 December 2024*

| | Receivables, including debt instruments | Liabilities | Revenue | Revenues on recharge invoices | Purchases of services | Other |
|---|---|---|---|---|---|---|
| PFR Ventures Sp. z o.o. | 37,864.44 | 15,269.81 | 178,084.23 | 64,715.81 | 150,781.29 | - |
| PFR Towarzystwo Funduszy Inwestycyjnych S.A. | 32,177,601.29 | - | 120,041,596.45 | 36,664.86 | - | - |
| PFR Nieruchomości S.A. | 30,615.35 | - | 325,692.47 | 28,586.48 | 5,314.71 | - |
| PFR Portal PPK Sp. z o.o. | 6,189,917.17 | 3,153.28 | 251,685.37 | 764,266.71 | 8,216.39 | 180,489.85 |
| PFR Operacje Sp. z o.o. | 93,130.13 | 4,034,685.86 | 184,906.76 | 470,010.63 | 19,712,607.92 | 563,119.10 |
| | **38,529,128.38** | **4,053,108.95** | **120,981,965.28** | **1,364,244.49** | **19,876,920.31** | **743,608.95** |

*in the period from 1 January 2023 to 31 December 2023*

| | Receivables, including debt instruments | Liabilities | Revenue | Revenues on recharge invoices | Purchases of services | Other |
|---|---|---|---|---|---|---|
| PFR Ventures Sp. z o.o. | 58,038.73 | 14,920.25 | 168,057.60 | 41,522.17 | 147,554.51 | - |
| PFR Towarzystwo Funduszy Inwestycyjnych S.A. | 26,995,176.06 | 272,734.79 | 101,285,292.31 | 20,240.07 | 303,623.35 | 133,912.50 |
| PFR Nieruchomości S.A. | 30,229.01 | - | 359,242.43 | 26,732.89 | 5,156.04 | - |
| PFR Portal PPK Sp. z o.o. | 4,361,550.14 | 173,243.81 | 1,690,508.57 | 707,121.11 | 603,876.07 | - |
| PFR Operacje Sp. z o.o. | 74,182.31 | 887,527.86 | 270,336.85 | 170,276.61 | 17,571,386.91 | - |
| | **31,519,176.25** | **1,348,426.71** | **103,773,437.76** | **965,892.85** | **18,631,596.88** | **133,912.50** |

## 4. INTANGIBLE ASSETS

### 4.1. Change in intangible assets

*in the period from 1 January 2024 to 31 December 2024*

| | Other intangible assets | Total |
|---|---|---|
| ***Gross amount*** | | |
| **Opening balance 1 January 2024** | **23,293,610.68** | **23,293,610.68** |
| Reductions | (1,296,936.55) | (1,296,936.55) |
| **Closing balance 31 December 2024** | **21,996,674.13** | **21,996,674.13** |
| ***Accumulated amortization*** | | |
| **Opening balance 1 January 2024** | **(17,208,159.72)** | **(17,208,159.72)** |
| Additions on account of depreciation and amortization | (4,282,983.62) | (4,282,983.62) |
| Reductions | 531,159.25 | 531,159.25 |
| **Closing balance 31 December 2024** | **(20,959,984.09)** | **(20,959,984.09)** |
| ***Impairment allowances*** | | |
| **Opening balance 1 January 2024** | **-** | **-** |
| **Closing balance 31 December 2024** | **-** | **-** |
| ***Net value*** | | |
| **Opening balance 1 January 2024** | **6,085,450.96** | **6,085,450.96** |
| **Closing balance 31 December 2024** | **1,036,690.04** | **1,036,690.04** |

*in the period from 1 January 2023 to 31 December 2023*

| | Other intangible assets | Total |
|---|---|---|
| ***Gross amount*** | | |
| **Opening balance 1 January 2023** | **21,976,051.32** | **21,976,051.32** |
| Additions | 1,367,178.47 | 1,367,178.47 |
| Reductions | (49,619.11) | (49,619.11) |
| **Closing balance 31 December 2023** | **23,293,610.68** | **23,293,610.68** |
| ***Accumulated amortization*** | | |
| **Opening balance 1 January 2023** | **(11,480,769.29)** | **(11,480,769.29)** |
| Additions on account of depreciation and amortization | (5,777,009.54) | (5,777,009.54) |
| Reductions | 49,619.11 | 49,619.11 |
| **Closing balance 31 December 2023** | **(17,208,159.72)** | **(17,208,159.72)** |
| ***Impairment allowances*** | | |
| **Opening balance 1 January 2023** | **-** | **-** |
| **Closing balance 31 December 2023** | **-** | **-** |
| ***Net value*** | | |
| **Opening balance 1 January 2023** | **10,495,282.03** | **10,495,282.03** |
| **Closing balance 31 December 2023** | **6,085,450.96** | **6,085,450.96** |

## 5. PROPERTY, PLANT AND EQUIPMENT

### 5.1. Change in fixed assets

*in the period from 1 January 2024 to 31 December 2024*

| | Plant and machinery | Means of transport | Other fixed assets | Total |
|---|---|---|---|---|
| ***Gross amount*** | | | | |
| **Opening balance 1 January 2024** | **2,594,296.32** | **1,499,470.04** | **4,001,156.42** | **8,094,922.78** |
| Additions | - | 110,120.66 | 119,315.97 | 229,436.63 |
| *- acquisitions* | - | - | *119,315.97* | *119,315.97* |
| *- leasing* | - | *110,120.66* | - | *110,120.66* |
| Reductions | - | (328,784.98) | - | (328,784.98) |
| **Closing balance 31 December 2024** | **2,594,296.32** | **1,280,805.72** | **4,120,472.39** | **7,995,574.43** |
| ***Accumulated amortization*** | | | | |
| **Opening balance 1 January 2024** | **(2,372,141.91)** | **(742,820.71)** | **(1,851,543.75)** | **(4,966,506.37)** |
| Additions | (96,903.48) | (357,638.79) | (410,832.41) | (865,374.68) |
| Reductions | - | 328,784.98 | - | 328,784.98 |
| **Closing balance 31 December 2024** | **(2,469,045.39)** | **(771,674.52)** | **(2,262,376.16)** | **(5,503,096.07)** |

| | | | | |
|---|---|---|---|---|
| ***Impairment allowances*** | | | | |
| **Opening balance 1 January 2024** | **-** | **-** | **-** | **-** |
| **Closing balance 31 December 2024** | **-** | **-** | **-** | **-** |
| ***Net value*** | | | | |
| **Opening balance 1 January 2024** | **222,154.41** | **756,649.33** | **2,149,612.67** | **3,128,416.41** |
| **Closing balance 31 December 2024** | **125,250.93** | **509,131.20** | **1,858,096.23** | **2,492,478.36** |

*in the period from 1 January 2023 to 31 December 2023*

| | Plant and machinery | Means of transport | Other fixed assets | Total |
|---|---|---|---|---|
| ***Gross amount*** | | | | |
| **Opening balance 1 January 2023** | **3,944,016.86** | **1,672,445.65** | **5,240,013.42** | **10,856,475.93** |
| Additions | 11,773.97 | 240,644.06 | 252,338.89 | 504,756.92 |
| *- acquisitions* | *11,773.97* | *-* | *252,338.89* | *264,112.86* |
| *- leasing* | *-* | *240,644.06* | *-* | *240,644.06* |
| Reductions | (1,361,494.51) | (413,619.67) | (1,491,195.89) | (3,266,310.07) |
| **Closing balance 31 December 2023** | **2,594,296.32** | **1,499,470.04** | **4,001,156.42** | **8,094,922.78** |
| ***Accumulated amortization*** | | | | |
| **Opening balance 1 January 2023** | **(3,520,534.72)** | **(799,662.42)** | **(2,845,922.35)** | **(7,166,119.49)** |
| Additions | (213,101.70) | (356,777.96) | (496,817.29) | (1,066,696.95) |
| Reductions | 1,361,494.51 | 413,619.67 | 1,491,195.89 | 3,266,310.07 |
| **Closing balance 31 December 2023** | **(2,372,141.91)** | **(742,820.71)** | **(1,851,543.75)** | **(4,966,506.37)** |
| ***Impairment allowances*** | | | | |
| **Opening balance 1 January 2023** | **-** | **-** | **-** | **-** |
| **Closing balance 31 December 2023** | **-** | **-** | **-** | **-** |
| ***Net value*** | | | | |
| **Opening balance 1 January 2023** | **423,482.14** | **872,783.23** | **2,394,091.07** | **3,690,356.44** |
| **Closing balance 31 December 2023** | **222,154.41** | **756,649.33** | **2,149,612.67** | **3,128,416.41** |

### 5.2. Fixed assets that are not depreciated

Polski Fundusz Rozwoju S.A.The Company also has other non-depreciated fixed assets – 6 items of office equipment (printers) worth PLN 9,700.00 and 6 coffee makers worth PLN 56,006.25, which are used by the Company based on a lease agreements. The valuation is based on estimates.

## 6. IMPAIRMENT ALLOWANCES FOR PROPERTY, PLANT AND EQUIPMENT

The Company did not make any revaluation allowances for property, plant and equipment in the reporting period.

## 7. OUTLAYS FOR NON-FINANCIAL NON-CURRENT ASSETS INCURRED LAST YEAR AND PLANNED FOR THE NEXT YEAR

In 2024, the Company did not make any capital expenditures.

The capital expenditures planned for 2025 amount to PLN 0.4 million and are mainly related to the development of software used for the management of programs entrusted to PFR S.A.

Capital expenditures on environmental protection amounted to PLN 0.00 (PLN 0.00 in 2023).

## 8. COMPLETED DEVELOPMENT WORK

Not applicable.

## 9. LAND IN PERPETUAL LEASEHOLD

Not applicable.

## 10. INVESTMENTS

### 10.1. Change in investments

*in the period from 1 January 2024 to 31 December 2024*

| | Non-current and current financial assets | Total |
|---|---|---|
| ***Gross amount*** | | |
| **Opening balance 1 January 2024** | **21,301,189,693.97** | **21,301,189,693.97** |
| Additions by virtue of purchases, including: | 3,185,612,524.00 | 3,185,612,524.00 |
| *- subsidies and loans granted under the Financial Shield government programs ** | *154,892,402.11* | *154,892,402.11* |
| Additions by virtue of accrued interest, including: | 261,356,305.09 | 261,356,305.09 |
| *- on subsidies and loans granted under the Financial Shield government programs* | *261,311,822.37* | *261,311,822.37* |
| Reductions by virtue of repayment, including: | (3,280,037,044.55) | (3,280,037,044.55) |
| *- subsidies and loans granted under the Financial Shield government programs* | *(1,731,834,276.54)* | *(1,731,834,276.54)* |
| Reductions by virtue of sale | (23,649,193.73) | (23,649,193.73) |
| Reductions on account of remission | (248,485,687.70) | (248,485,687.70) |
| Reductions - other | (90,052,409.06) | (90,052,409.06) |
| **Closing balance 31 December 2024** | **21,105,934,188.02** | **21,105,934,188.02** |
| ***Fair value measurement*** | | |
| **Opening balance 1 January 2024** | **2,722,355,161.10** | **2,722,355,161.10** |
| Revaluation | 631,381,717.02 | 631,381,717.02 |
| **Closing balance 31 December 2024** | **3,353,736,878.12** | **3,353,736,878.12** |
| ***Net value*** | | |
| **Opening balance 1 January 2024** | **24,023,544,855.07** | **24,023,544,855.07** |
| **Closing balance 31 December 2024** | **24,459,671,066.14** | **24,459,671,066.14** |

| | | |
|---|---|---|
| ***Including the part that is:*** | | |
| **Current, including:** | **5,861,327,076.80** | **5,861,327,076.80** |
| - financial instruments on account of Financial Shield government programs | 4,434,286,822.78 | 4,434,286,822.78 |
| **Non-current, including:** | **18,598,343,989.34** | **18,598,343,989.34** |
| - financial instruments on account of Financial Shield government programs | 628,301,996.08 | 628,301,996.08 |

*in the period from 1 January 2023 to 31 December 2023*

| | Non-current and current financial assets | Total |
|---|---|---|
| ***Gross amount*** | | |
| **Opening balance 1 January 2023** | **30,373,680,907.22** | **30,373,680,907.22** |
| Additions by virtue of purchases, including: | 2,533,603,880.43 | 2,533,603,880.43 |
| *- subsidies and loans granted under the Financial Shield government programs ** | *152,209,447.32* | *152,209,447.32* |
| *- shares acquired under the Financial Shield government programs* | *1,994,443.00* | *1,994,443.00* |
| Additions by virtue of accrued interest, including: | 133,011,415.52 | 133,011,415.52 |
| *- on subsidies and loans granted under the Financial Shield government programs* | *132,955,982.65* | *132,955,982.65* |
| Reductions by virtue of repayment, including: | (11,555,215,355.29) | (11,555,215,355.29) |
| *- subsidies and loans granted under the Financial Shield government programs* | *(6,479,892,964.42)* | *(6,479,892,964.42)* |
| Reductions by virtue of sale | (18,911,054.24) | (18,911,054.24) |
| Reductions on account of remission | (151,089,308.58) | (151,089,308.58) |
| Reductions - other | (13,890,791.09) | (13,890,791.09) |
| **Closing balance 31 December 2023** | **21,301,189,693.97** | **21,301,189,693.97** |
| ***Fair value measurement*** | | |
| **Opening balance 1 January 2023** | **(867,012,228.18)** | **(867,012,228.18)** |
| Revaluation | 3,589,367,389.28 | 3,589,367,389.28 |
| **Closing balance 31 December 2023** | **2,722,355,161.10** | **2,722,355,161.10** |
| ***Net value*** | | |
| **Opening balance 1 January 2023** | **29,506,668,679.04** | **29,506,668,679.04** |
| **Closing balance 31 December 2023** | **24,023,544,855.07** | **24,023,544,855.07** |
| ***Including the part that is:*** | | |
| **Current, including:** | **4,871,163,299.75** | **4,871,163,299.75** |
| - financial instruments on account of Financial Shield government programs | 4,485,028,865.77 | 4,485,028,865.77 |
| **Non-current, including:** | **19,152,381,555.32** | **19,152,381,555.32** |
| - financial instruments on account of Financial Shield government programs | 2,110,264,858.25 | 2,110,264,858.25 |

** Additions related to the provision of subsidies and loans under government FS programs are presented after deducing the refunds made the beneficiaries of the programs.*

## 10.2. Non-current investments

### 10.2.1. Non-current financial assets in related parties

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Shares | 321,667,801.08 | 302,193,801.08 |
| | **321,667,801.08** | **302,193,801.08** |

**Shares**

As at 31 December 2024, an indication for carrying out an impairment test arose.

Impairment tests were carried out for a selected company (PFR Portal PPK Sp. z o.o.) in which PFR S.A. holds an equity stake and which is a party related to PFR S.A. The impairment test was performed for the company in which the indication of impairment arose, i.e. there was a surplus of the PFR S.A. investment value over the company's net asset value attributable to PFR S.A., and the surplus amount makes a material difference. The test was conducted based on the company's 5-year financial projection. As a result of the impairment test carried out using the income method based on discounted cash flows, no impairment was identified for any related party.

### 10.2.2. Non-current financial assets in other entities in which the company holds an equity stake

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Shares | 4,710,787,948.30 | 5,190,111,004.45 |
| Bank Pekao S.A. | 4,632,911,291.40 | 5,108,297,040.30 |
| Co-subsidiaries and associates | 77,500,000.00 | 80,277,730.00 |
| Other | 376,656.90 | 1,536,234.15 |
| | **4,710,787,948.30** | **5,190,111,004.45** |

On 7 June 2017, as a result of the performance of block transactions on the exchange market, PFR S.A. and PZU S.A. acquired from UniCredit S.p.A. shares of Bank Pekao S.A., which were subject to a preliminary share purchase agreement entered into on 8 December 2016. The block of 33,596,165 shares purchased by PFR S.A. represents 12.80% of the overall number of votes at the Shareholder Meeting of Bank Pekao S.A.

On 10 May 2024, Bank Pekao S.A. paid out a dividend to the shareholders in the amount of PLN 19.20 per one share, which for PFR S.A. translated into the amount of PLN 645.05 million. The amount of PLN 568.97 million was used for early repayment of the principal of the loan to purchase shares, while the remaining funds, i.e. PLN 76.08 million, was used to secure future interest installments.

As at 31 December 2024, PFR S.A. held a block of 33,596,166 shares (approx. 12.80% of the overall number of shares) of Bank Pekao S.A. According to the measurement, the value of shares held by the Company as at 31 December 2024 was PLN 4,632,911,291.40 (the price per share being PLN 137.90).

As at 31 December 2024, an indication arose to carry out the impairment test for Operator Chmury Krajowej Sp. z o.o., in which PFR S.A. holds equity stakes and which is a co-subsidiary of PFR S.A. The impairment test was carried out in connection with the indications of impairment that arose, i.e. a surplus of the value of PFR S.A.'s investment over the net asset value of the company attributable to PFR S.A., where the amount of the surplus is material. The test was conducted based on the company's 5-year financial projection. As a result of the impairment test for the company using the income method based on discounted cash flows, no impairment was identified for the Operator Chmury Krajowej Sp. z o.o.

### 10.2.3. Non-current financial assets in other entities

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Other non-current financial assets, including: | 12,678,398,274.28 | 11,147,042,836.87 |
| Investment certificates of PFR FIS | 681,288,263.98 | 628,108,864.22 |
| Investment certificates of PFR FF | 1,164,644,608.40 | 947,674,704.54 |
| Investment certificates of FSMdR | 2,622,272,666.67 | 2,471,629,097.96 |
| Investment certificates of FSMnW | 1,579,489,865.44 | 1,525,760,547.58 |
| Investment certificates of PFR KOFFI | 91,909,413.89 | 96,714,905.96 |
| Investment certificates of PFR FI | 6,430,158,554.61 | 5,458,195,190.42 |
| Investment certificates of FEZ 2 | 108,634,783.23 | 18,959,274.38 |
| Investment certificates of PFR NFOŚiGW | 118.06 | 251.81 |
| Loans granted, including: | 596,891,161.48 | 2,110,264,858.25 |
| Financial subsidies granted under the Financial Shield for MSMEs 1.0 | 61,530,342.05 | 40,643,007.27 |
| Loans granted under the Financial Shield for Large Companies | 58,769,466.92 | 1,151,625,958.92 |
| Loans granted under the Financial Shield for LOT Polish Airlines | 476,591,352.51 | 917,995,892.06 |
| Other securities, including: | 259,187,969.60 | 350,036,626.34 |
| Bonds of PFR Porty Sp. z o.o. | 259,187,969.60 | 260,130,162.49 |
| Bonds of Trenino Holding Sp. z o.o. | - | 89,906,463.85 |
| Shares, including shares acquired under Financial Shield government programs: | 31,410,834.60 | 52,732,428.33 |
| MTG S.A. shares | 28,428,791.60 | 49,750,385.33 |
| Garmond Press S.A. shares | 987,600.00 | 987,600.00 |
| IDH DEVELOPMENT S.A. shares | 1,781,943.00 | 1,781,943.00 |
| Rubicone Sp. z o.o. shares | 212,500.00 | 212,500.00 |
| | **13,565,888,239.96** | **13,660,076,749.79** |

**Financial subsidies granted under the Financial Shield for MSMEs 1.0 and MSMEs 2.0 government programs and loans granted under the Financial Shield for Large Companies and for LOT Polish Airlines government programs**
Detailed information on the subsidies and loans granted under the Financial Shield government programs are presented in Note 1.

**Shares acquired under the Financial Shield government programs**
The obligation to purchase the shares of MTG S.A. arose under the terms and conditions of the government program titled "Polish Development Fund's Financial Shield for Large Companies". In accordance with the provisions of the program, when granting financing under the program and where a given commercial undertaking is a portfolio company of the fund, whose portion of the asset portfolio is managed by PFR S.A., then PFR S.A. is obligated, before granting such financing, to transfer the previous exposure to the program's account. The transfer was effected at the value following from the measurement of the fund's assets as at 31 March 2020. On 19 December 2024, under the agreement between PFR S.A. and MTG S.A., some of the MTG S.A. shares were partially sold by PFR S.A. to MTG S.A. The amount of the transaction was PLN 8,700,000.00. It was entered in the register of shareholders on 23 December 2024. As at 31 December 2024, PFR S.A. held a block of 125,000 shares of MTG S.A. (12.43% of the overall number of shares). On 27 December 2024, under the same agreement, some of the MTG S.A. shares were sold by PFR S.A. to MTG S.A. The amount of the transaction was PLN 8,700,000.00. It was entered in the register of shareholders on 2 January 2025 and therefore the transaction had no effect on PFR S.A.'s holding as at 31 December 2024. After this transaction, PFR S.A. held a block of 100,000 shares of MTG S.A. (10.18% of the overall number of shares).

**Bonds**
As at 23 December 2024, during the subscription for Series AK investment certificates, PFR S.A. contributed to the PFR Investment Fund FIZAN 54,412 (fifty four thousand four hundred twelve) Series A registered discount bonds and 62,047 (sixty two thousand forty seven) Series B registered discount bonds issued by Trenino Holding Sp. z o.o. As part of the transaction, PFR S.A. subscribed to 89,704 investment certificates from the PFR Investment Fund FIZAN.

As at 31 December 2024, PFR S.A. held 275,500 (two hundred seventy five thousand five hundred) Series B registered bonds purchased from PFR Porty Sp. z o.o., with a total nominal value of PLN 275,500,000.00 maturing on 19 April 2029. As at the date of this report, the bonds bore interest at the rate of 9.85% (Wibor 3M = 5.85% + margin 4%). On 30 August 2024, the Series B bonds were redeemed early in the total amount of PLN 4,500,000.00.

PFR S.A. believes that there are no indications for carrying out an impairment test for bonds issued by PFR Porty Sp. z o.o. The issuer receives proceeds from the servicing of loans it granted and from a dividend paid by Baltic Hub Sp. z o.o., which ensures a stable source of servicing debt financing. In 2025 and in the following years, PFR Porty Sp. z o.o. does not plan to amend the loan agreements and the terms and conditions of the bond issue in a way that would result in deferring repayment by PFR Porty Sp. z o.o.

**Investment certificates**
Investment certificates: PFR Local Government Investment Fund FIZAN (PFR FIS):
As at 31 December 2024, PFR S.A. held 595,196 fully paid-up PFR FIS Investment Certificates with a nominal value of PLN 597,937,295.46 and 50,604 not fully paid-up Investment Certificates with a nominal value of PLN 54,998,957.40, for which PFR S.A. paid a total of PLN 5,060.40. This represented 100% of the investment certificates in the PFR FIS fund. The total fair value of PFR FIS Investment Certificates was PLN 681,288,263.98.

Scope of operation: PFR Local Government Investment Fund FIZAN (PFR FIS):
According to its strategy, PFR FIS makes investments to support local governments in Poland in financing their important projects. The fund invests in equity and debt. Some of the entities the fund invests in include: water and sewage companies, municipal property management companies, exhibition companies, companies building and managing parking spaces, companies engaged in construction and management of waste thermal treatment plants.

PFR FIS is planning both direct investment in local government companies as well as investment in companies of private partners engaged in the execution of local government tasks, which is reflected in the fund's investment goals.

Investment certificates: PFR Investment Fund FIZAN (PFR FI):
As at 31 December 2024, PFR S.A. held 6,080,741 fully paid-up PFR FI Investment Certificates which represented approx. 65.85% of investment certificates in the PFR FI fund. The fair value of PFR FI Investment Certificates held by PFR S.A. as at 31 December 2023 was PLN 6,430,158,554.61.

Scope of operation: PFR Investment Fund FIZAN (PFR FI):
According to its strategy, PFR FI invests in projects in various sectors of the economy, including infrastructure, industry, energy sector, commerce and services and other sectors. The main forms of PFR FI's investments include equity (shares) and debt financing. The fund focuses on projects, in which (i) primary production resources are located in Poland or the Polish exclusive economic zone on the Baltic sea, (ii) the major part of their revenue is derived from the Polish market, or (iii) operations are otherwise strongly linked to the Polish economy.

Investment certificates: PFR Fund of Funds FIZ (PFR FF):
As at 31 December 2024, PFR S.A. held 1,050,831 fully paid-up PFR FF Investment Certificates with a nominal value of PLN 1,019,440,295.95 and 99,000 non fully paid-up Investment Certificates with a nominal value of PLN 99,000,000.00, for which PFR S.A. contributed a total of PLN 40,709,900.00. This represented 100% of the investment certificates in the PFR FF fund. As at 31 December 2024, the total fair value of PFR FF Investment Certificates was PLN 1,164,644,608.40.

Scope of operation: PFR Fund of Funds FIZ (PFR FF):
According to its strategy, PFR FF invests in Private Equity, Private Debt and Venture Capital funds. The fund's extended investment strategy envisages that part of its assets is allocated into private equity funds whose investment strategy addresses predominantly projects in climate-tech sectors or related industries, supporting the so-called green energy transition (the GreenHub Program).

Investment certificates: Housing Sector Development Fund (Fundusz Sektora Mieszkań dla Rozwoju) FIZAN (FSMdR):
As at 31 December 2024, PFR S.A. held 9,852,217 fully paid-up FSMdR Investment Certificates representing 100% of the fund's investment certificates with a total fair value of PLN 2,622,272,666.67.

Scope of operation: Housing Sector Development Fund FIZAN (FSMdR):
The purpose of the Fund is to increase the availability of price-attractive apartments by cooperating with local government units, in order to carry out investments increasing the availability of apartments in selected cities across Poland and enabling the use of rent subsidies pursuant to the act on residential spending and the act on the protection of residents' rights.

In accordance with its strategy, FSMdR's investments are made in the form of debt financing or acquisition of shares in special purpose companies that acquire or construct large real estate projects (land and residential buildings) in Poland intended for rental in a price segment aimed at a large group of tenants. FSMdR also has a special investment form, i.e. shares in an operating company providing operational services (i.e., for example, coordination of financial, corporate and rental management support) for special purpose companies of the FSMdR and of another real estate fund, i.e. FSMnW.

The planned time horizon of its investments, which make up the Investment Projects, is about 35 years.

Investment Certificates: Rental Housing Fund (Fundusz Sektora Mieszkań na Wynajem) FIZAN (FSMnW):
In 2024, 51,681 FSMnW Investment Certificates were redeemed.
As at 31 December 2024, PFR S.A. held 857,020 fully paid-up FSMnW Investment Certificates representing 100% of the fund's investment certificates with a total fair value of PLN 1,579,489,865.44.

Scope of operation: Rental Housing Fund FIZAN (FSMnW):
In accordance with its strategy, FSMnW's investments are made in the form of debt financing or acquisition of shares in special purpose companies that acquire or construct real estate projects (land and residential buildings) in Poland intended for commercial rentals on market terms.

The fund makes its investments in the largest cities of Poland and has a broad range of apartments on offer.

The FSMnW concept is a response to the growing demand for medium and long-term rental of fitted-out and furnished apartments.

Investment certificates: PFR KOFFI FIZ (KOFFI):
As at 31 December 2024, PFR S.A. held 99,398 fully paid-up KOFFI Investment Certificates representing approx. 47.94% of the fund's investment certificates with a total fair value of PLN 91,909,413.89.

Scope of operation: PFR KOFFI FIZ (KOFFI):
According to its strategy, KOFFI is an alternative investment fund, designated to implement the financial instrument under the Smart Growth Operational Programme, Measure 3.1: Financing of innovations in SMEs with venture capital, sub-measure 3.1.4. KOFFI (Konkurencyjny Ogólnopolski Fundusz Funduszy Innowacyjnych, Competitive All-Poland Fund of Innovation Funds).

The primary objective of the KOFFI Fund is indirect financing of the development of Polish innovative micro, small and medium-sized enterprises by building the investment portfolio of Venture Capital funds and growing their value. KOFFI's intermediate goal is to support the development of Polish companies in the stage of growth, development and expansion, to take the business of Polish companies international, as well as to activate private investors in Poland.

Investment Certificates: Foreign Expansion Fund 2 FIZAN (FEZ2)
As at 31 December 2024, PFR S.A. held 100,000 fully paid-up PFR FEZ2 Investment Certificates with a nominal value of PLN 100,000,000.00 and 500,000 not fully paid-up PFR FEZ2 Investment Certificates with a nominal value of PLN 500,000,000.00, for which PFR S.A. made an additional contribution in the total amount of PLN 16,000,000.00. This represented 100% of the investment certificates in the FEZ2 fund. The fair value of FEZ2 Investment Certificates held by PFR S.A. as at 31 December 2024 was PLN 108,634,783.23.

Scope of operation: Foreign Expansion Fund 2 FIZAN (FEZ2):
In accordance with its strategy, FEZ2 supports and finances foreign expansion of Polish companies. The Fund's main goal is to provide financing through co-investment in international projects in order to accelerate the development and increase the scale of operation of Polish companies. The Fund finances projects related to acquisitions abroad, construction of own production or distribution facilities, establishment of a new or development of an existing foreign subsidiary of a Polish company. The Fund invests in various sectors of the economy in both developed and developing countries. The Fund invests in production, distribution and service companies.

Investment certificates: PFR NFOŚiGW FIZAN w likwidacji (NFOŚiGW):
As at 31 December 2024, PFR S.A. held 1 Investment Certificate of NFOŚiGW. The fair value of NFOŚiGW Investment Certificates held by PFR S.A. as at 31 December 2023 was PLN 118.06.

Scope of operation of PFR NFOŚiGW FIZAN w likwidacji (NFOŚiGW):
The Fund was established to implement the priority program named "Industry for Transformation - Increasing the Potential of Businesses to Produce Zero and Low Carbon Solutions", which is part of Measure E1.1.1. (Support for a low carbon economy) of the National Recovery and Resilience Plan. The Fund has not yet started its operations because of the ongoing negotiations of the program documentation between the involved parties and the planned revisions of the National Recovery and Resilience Plan related to Measure E1.1.1. investments. As at 31 December 2024 the Fund was in liquidation. The liquidation of the Fund was completed on 7 January 2025.

## 10.3. Revaluation of non-current investments

*in the period from 1 January 2024 to 31 December 2024*

| | Other shares | Investment certificates | Shares of Bank Pekao S.A. |
|---|---|---|---|
| **Opening balance 1 January 2024** | **(18,319,020.85)** | **1,765,192,102.42** | **975,482,079.53** |
| Increase by virtue of revaluation allowance/ remeasurement | 1,168,022.75 | 1,114,329,591.53 | - |
| Decrease by virtue of revaluation allowance/ remeasurement | (2,777,730.00) | (5,952,418.36) | (475,385,748.90) |
| **Closing balance 31 December 2024** | **(19,928,728.10)** | **2,873,569,275.59** | **500,096,330.63** |

*in the period from 1 January 2023 to 31 December 2023*

| | Other shares | Investment certificates | Shares of Bank Pekao S.A. |
|---|---|---|---|
| **Opening balance 1 January 2023** | **(18,077,794.00)** | **396,991,961.88** | **(1,226,746,601.77)** |
| Increase by virtue of revaluation allowance/ remeasurement | - | 1,368,200,140.54 | 2,202,228,681.30 |
| Decrease by virtue of revaluation allowance/ remeasurement | (241,226.85) | - | - |
| **Closing balance 31 December 2023** | **(18,319,020.85)** | **1,765,192,102.42** | **975,482,079.53** |

## 10.4. List of other companies in which the Company holds an equity stake (excluding associates and co-subsidiaries)

*in the period from 1 January 2024 to 31 December 2024*

| Company name | Registered office | % of shares held | % of total number of votes in the governing body | Net profit for the financial year (in PLN thousand) | Equity as at the balance sheet date (in PLN thousand) | Carrying amount (in PLN thousand) |
|---|---|---|---|---|---|---|
| Bank Pekao S.A. | Poland | 12.80% | 12.80% | 6,425,000 | 31,516,000 | 4,632,911 |
| Mabion S.A. | Poland | 0.26% | 0.26% | (6,334) | 111,442 | 377 |

*in the period from 1 January 2023 to 31 December 2023*

| Company name | Registered office | % of shares held | % of total number of votes in the governing body | Net profit for the financial year (in PLN thousand) | Equity as at the balance sheet date (in PLN thousand) | Carrying amount (in PLN thousand) |
|---|---|---|---|---|---|---|
| Bank Pekao S.A. | Poland | 12.80% | 12.80% | 6,718,000 | 29,895,000 | 5,108,297 |
| Mabion S.A. | Poland | 0.50% | 0.50% | 41,269 | 117,776 | 1,536 |

## 10.5. List of associates, co-subsidiaries and subsidiaries

*in the period from 1 January 2024 to 31 December 2024*

| Company name | Registered office | % of shares held | % of total number of votes in the governing body | Net profit for the financial year (in PLN thousand) | Equity as at the balance sheet date (in PLN thousand) |
|---|---|---|---|---|---|
| PFR Ventures Sp. z o.o. | Poland | 100.00% | 100.00% | 19,089 | 124,142 |
| PFR Towarzystwo Funduszy Inwestycyjnych S.A. | Poland | 100.00% | 100.00% | 8,537 | 76,530 |
| PFR Nieruchomości S.A. | Poland | 100.00% | 100.00% | 10,590 | 65,484 |
| PFR Portal PPK Sp. z o.o. | Poland | 100.00% | 100.00% | (8,708) | (392) |
| PFR Operacje Sp. z o.o. | Poland | 100.00% | 100.00% | 1,185 | 19,608 |
| Operator Chmury Krajowej Sp. z o.o. | Poland | 50.00% | 50.00% | 844 | 25,665 |
| Polska Agencja Ratingowa S.A. w likwidacji | Poland | 35.86% | 35.86% | (1,042) | 416 |
| PFR Ventures Sp. z o.o. Inwestycje Bezpośrednie ASI S.K.A. | Poland | 100.00% | 100.00% | (2,343) | 11,398 |
| PFR Ventures Sp. z o.o. Innovation Fund ASI S.K.A. | Poland | 100.00% | 100.00% | (6,952) | 32,092 |

*in the period from 1 January 2023 to 31 December 2023*

| Company name | Registered office | % of shares held | % of total number of votes in the governing body | Net profit for the financial year (in PLN thousand) | Equity as at the balance sheet date (in PLN thousand) |
|---|---|---|---|---|---|
| PFR Ventures Sp. z o.o. | Poland | 100.00% | 100.00% | 5,063 | 105,053 |
| PFR Towarzystwo Funduszy Inwestycyjnych S.A. | Poland | 100.00% | 100.00% | 6,273 | 67,993 |
| PFR Nieruchomości S.A. | Poland | 100.00% | 100.00% | 10,381 | 54,894 |
| PFR Portal PPK Sp. z o.o. | Poland | 100.00% | 100.00% | (1,813) | 8,316 |
| PFR Operacje Sp. z o.o. | Poland | 100.00% | 100.00% | 1,714 | 18,423 |
| Operator Chmury Krajowej Sp. z o.o. | Poland | 50.00% | 50.00% | (12,626) | 24,820 |
| Polska Agencja Ratingowa S.A. | Poland | 35.86% | 35.86% | (465) | 1,313 |
| PFR Ventures Sp. z o.o. Inwestycje Bezpośrednie ASI S.K.A. | Poland | 100.00% | 100.00% | (522) | 12,844 |
| PFR Ventures Sp. z o.o. Innovation Fund ASI S.K.A. | Poland | 100.00% | 100.00% | (930) | 19,570 |

## 11. NON-CURRENT RECEIVABLES

### 11.1. Structure of non-current receivables

*in the period from 1 January 2024 to 31 December 2024*

| | Gross amount | Impairment allowances for receivables | Net value |
|---|---|---|---|
| From related parties | - | - | - |
| From other entities in which the company holds an equity stake | - | - | - |
| From other entities | 10,816,698.85 | - | 10,816,698.85 |
| | **10,816,698.85** | **-** | **10,816,698.85** |

*in the period from 1 January 2023 to 31 December 2023*

| | Gross amount | Impairment allowances for receivables | Net value |
|---|---|---|---|
| From related parties | - | - | - |
| From other entities in which the company holds an equity stake | - | - | - |
| From other entities | 1,909,420.29 | - | 1,909,420.29 |
| | **1,909,420.29** | **-** | **1,909,420.29** |

### 11.2. Impairment allowances for non-current receivables

The Company did not make any revaluation allowances for non-current receivables in the reporting period.

## 12. NON-CURRENT PREPAYMENTS AND ACCRUALS

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Insurance | 744,179.11 | 999,326.23 |
| IT services | 3,256.99 | 3,859.10 |
| Training courses and conferences | 11,099.16 | 12,662.95 |
| | **758,535.26** | **1,015,848.28** |

## 13. CURRENT RECEIVABLES

### 13.1. Age structure of current trade receivables from related parties

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Remaining maturity:* | | |
| Up to 12 months | 32,429,212.79 | 27,463,743.38 |
| Over 12 months | - | - |
| | **32,429,212.79** | **27,463,743.38** |
| Accounts receivable, gross | 32,429,212.79 | 27,463,743.38 |
| Revaluation allowance for receivables | - | - |
| **Net receivables** | **32,429,212.79** | **27,463,743.38** |

### 13.2. Age structure of current trade receivables from other entities, in which the company holds an equity stake

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Remaining maturity:* | | |
| Up to 12 months | 19,680.00 | 9,225.00 |
| Over 12 months | - | - |
| | **19,680.00** | **9,225.00** |
| Accounts receivable, gross | 19,680.00 | 9,225.00 |
| Revaluation allowance for receivables | - | - |
| **Net receivables** | **19,680.00** | **9,225.00** |

### 13.3. Age structure of current trade receivables from other entities

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Remaining maturity:* | | |
| Up to 12 months | 5,356,646.07 | 3,207,739.04 |
| Over 12 months | - | - |
| | **5,356,646.07** | **3,207,739.04** |
| Accounts receivable, gross | 5,356,646.07 | 3,207,739.04 |
| Revaluation allowance for receivables | - | - |
| **Net receivables** | **5,356,646.07** | **3,207,739.04** |

### 13.4. Structure of other receivables from related parties

Not applicable.

### 13.5. Structure of other receivables from other entities in which the company holds an equity stake

Not applicable.

### 13.6. Structure of other receivables from other entities

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Receivables associated with the Shield, KPO | 51,949,350,340.67 | 51,192,917,801.29 |
| Other receivables | 1,353,323.81 | 158,986.60 |
| | **51,950,703,664.48** | **51,193,076,787.89** |
| Accounts receivable, gross | 51,950,703,664.48 | 51,193,076,787.89 |
| Revaluation allowance for receivables | - | - |
| **Net receivables** | **51,950,703,664.48** | **51,193,076,787.89** |

The change in the balance of receivables is mainly due to the balance of settlements with the State Treasury related to the Financial Shield programs, including related to the transfer of funds for the KPO program.

## 14. CURRENT INVESTMENTS

### 14.1. Current financial assets in related parties

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Loans granted | 6,099,915.59 | 4,055,432.87 |
| | **6,099,915.59** | **4,055,432.87** |

Pursuant to the Agreement of 11 July 2024, PFR S.A. granted a loan to PFR Portal PPK Sp. z o.o. in the amount of PLN 7,000,000.00. The amount of the disbursed loan tranches as at 31 December 2024 was PLN 6,000,000.00 and the balance with interest was PLN 6,099,915.59.

### 14.2. Current financial assets in other entities in which the company holds an equity stake

Not applicable.

### 14.3. Current financial assets in other entities

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Other securities, including: | 1,420,940,338.43 | 382,079,001.11 |
| Bonds of PFR Porty Sp. z o.o. | 25,494,766.70 | 29,923,410.01 |
| Treasury bonds | 975,643,259.64 | - |
| Corporate bonds | 419,802,312.09 | 352,155,591.10 |
| Loans granted, including: | 4,434,286,822.78 | 4,485,028,865.77 |
| Financial subsidies granted under the Financial Shield for MSMEs 1.0 government programs | 2,307,854,354.57 | 2,358,094,458.82 |
| Loans granted under the Financial Shield for Large Companies government program | 1,120,837,133.13 | 592,623,366.18 |
| Financial subsidies granted under the Financial Shield for MSMEs 2.0 government programs | 542,685,317.73 | 607,134,330.09 |
| Loans granted under the Financial Shield for LOT Polish Airlines government program | 462,910,017.35 | 927,176,710.68 |
| | **5,855,227,161.21** | **4,867,107,866.88** |

On 30 December 2024, PFR S.A. received from the State Treasury, as contribution-in-kind, 1,000,000 treasury bonds, including Series WZ030 (300,000 bonds), Series PS0130 (350,000 bonds), Series DS1034 (200,000 bonds) and Series OK0127 (150,000 bonds) with a total nominal value of PLN 1,000,000,000.00, with fair value of PLN 975,643,259.64 as at 31 December 2024.

### 14.4. Cash and cash equivalents

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Cash in hand and at bank, including: | 562,974,854.29 | 110,710,518.70 |
| Bank account of the Financial Shield for MSMEs 1.0 program | 2,533,198.81 | 500,531.20 |
| Bank account of the Financial Shield for Large Companies program | 475,218,620.02 | 1,441,043.49 |
| Bank account of the program of the Financial Shield for LOT Polish Airlines | 171,250.67 | 78,752.59 |
| Bank account of the Financial Shield for MSMEs 2.0 program | 542,905.06 | 428,322.19 |
| Bank account of the KPO program | 30,511,536.47 | 1,617,216.71 |
| Other cash, including: | 843,581,355.09 | 17,186,295,408.15 |
| Bank deposits of the Financial Shield for MSMEs 1.0 program | 129,168,613.15 | 15,379,955,617.81 |
| Bank deposits of the Financial Shield for Large Companies program | 413,678,654.79 | 878,943,198.36 |
| Bank deposits of the Financial Shield program for LOT Polish Airlines | 24,639,650.03 | 300,413.51 |
| Bank deposits of the Financial Shield for MSMEs 2.0 program | 87,617,920.00 | 531,197,299.51 |
| VAT bank account | - | 296,575.43 |
| | **1,406,556,209.38** | **17,297,005,926.85** |
| ***including:*** | | |
| restricted cash | 1,217,035,571.51 | 16,868,984,280.34 |

In accordance with item 20 (Accounts) of the Loan Agreement of 30 May 2017 granted to PFR S.A. by Powszechna Kasa Oszczędności Bank Polski S.A. earmarked for the purchase of a block of shares of Bank Pekao S.A., PFR S.A. was obligated to set up a Debt Service Reserve Account. In accordance with the Loan Agreement, PFR S.A. is obligated to deposit cash needed to service the debt in the Debt Service Reserve Account. The cash was presented as at 31 December 2024 as restricted cash.

Pursuant to the agreement of 27 April 2020 on the conditions and procedure for providing funds for the execution of government programs (as amended), PFR S.A. set up separate bank accounts dedicated to each government program, which are used exclusively to: (i) deposit cash received under external financing; (ii) pay out program financing; (iii) deposit program revenues; and (iv) perform other settlements related to the execution of government programs. In connection with the above, the cash deposited in the accounts was presented as at 31 December 2024 as restricted cash.

As at 31 December 2024, the cash included in the cash flow statement is PLN 1,217,035,571.51.

## 15. CURRENT PREPAYMENTS AND ACCRUALS

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Insurance | 1,531,513.23 | 1,279,757.05 |
| IT services | 135,850.27 | 221,730.37 |
| Access to information service platforms | 471,047.04 | 388,015.60 |
| Promotional and advertising activities | 98,784.80 | 9,820.25 |
| Training courses and conferences | 106,123.37 | 155,818.82 |
| Subsidies | 90.00 | 519,322.92 |
| Membership fees | - | 12,002.69 |
| Commissions | 22,500.00 | 30,521.75 |
| Other | 99,632.31 | 149,048.35 |
| | 2,465,541.02 | 2,766,037.80 |

## 16. EQUITY

### 16.1. Share capital

*in the period from 1 January 2024 to 31 December 2024*

| | Number of shares | Par value of shares | Share in % |
|---|---|---|---|
| **Shareholder** | | | |
| State Treasury | 11,460,907,779.00 | 11,460,907,779.00 | 99.869% |
| Bank Gospodarstwa Krajowego | 15,000,000.00 | 15,000,000.00 | 0.131% |
| | **11,475,907,779.00** | **11,475,907,779.00** | **100.000%** |

| | State Treasury | BGK |
|---|---|---|
| Series A | 300,000.00 | - |
| Series B | - | 15,000,000.00 |
| Series C | 1,143,062,525.00 | - |
| Series D | 1,294,964,028.00 | - |
| Series E | 2,499,926,000.00 | - |
| Series F | 6,522,655,226.00 | - |
| | **11,460,907,779.00** | **15,000,000.00** |

On 30 December 2024, PFR S.A. received from the State Treasury, as contribution-in-kind, 1,000,000 treasury bonds with a total nominal value of PLN 1,000,000,000.00 and fair value of PLN 975,643,259.64 as at 31 December 2024. The contribution-in-kind was made towards the new issue of PFR S.A. shares. As at 31 December 2024, the amount of PLN 975,643,259.64 was recognized as current liability to the State Treasury. On 18 March 2025, based on the resolution adopted by the Shareholder Meeting, the share capital of PFR S.A. of PLN 646,121,364.00 and supplementary capital of PLN 329,521,895.64 were increased The share capital increase was registered in the National Court Register on 2 April 2025.

*in the period from 1 January 2023 to 31 December 2023*

| | Number of shares | Par value of shares | Share in % |
|---|---|---|---|
| **Shareholder** | | | |
| State Treasury | 11,460,907,779.00 | 11,460,907,779.00 | 99.869% |
| Bank Gospodarstwa Krajowego | 15,000,000.00 | 15,000,000.00 | 0.131% |
| | **11,475,907,779.00** | **11,475,907,779.00** | **100.000%** |

| | State Treasury | BGK |
|---|---|---|
| Series A | 300,000.00 | - |
| Series B | - | 15,000,000.00 |
| Series C | 1,143,062,525.00 | - |
| Series D | 1,294,964,028.00 | - |
| Series E | 2,499,926,000.00 | - |
| Series F | 6,522,655,226.00 | - |
| | **11,460,907,779.00** | **15,000,000.00** |

300,000 Series A shares owned by the State Treasury are preferred shares in terms of voting rights with two votes per share.

## 16.2. Change in the revaluation reserve

### Revaluation reserve

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **As at the beginning of the period** | **2,261,203,053.19** | **(648,710,939.01)** |
| Fair value remeasurement of investment certificates | 1,114,329,591.53 | 1,368,200,140.54 |
| Fair value remeasurement of Bank Pekao S.A. shares | (475,385,748.90) | 2,202,228,681.30 |
| Fair value remeasurement of Treasury bonds | - | 19,179,794.29 |
| Fair value remeasurement of Mabion S.A. shares | - | 2,877,794.00 |
| Deferred tax liability | (116,284,394.27) | (448,142,964.22) |
| Deferred tax asset | (5,114,935.87) | (234,429,453.71) |
| **Balance as at the end of the period** | **2,778,747,565.68** | **2,261,203,053.19** |

The change in the revaluation reserve is due to the fair value remeasurement of investment certificates and shares in Bank Pekao S.A. and from recognition of the amounts of the deferred tax assets and liabilities in the revaluation reserve item. The tables below present each revaluation of investment certificates and shares of Bank Pekao S.A.:

### Investment certificates

*as at 31 December 2024*

| | Amount paid by PFR | Fair value of IC | Increase/Decrease | Valuation difference |
|---|---|---|---|---|
| PFR FIS | 597,942,355.86 | 681,288,263.98 | 83,345,908.12 | 41,827,347.10 |
| PFR FF | 1,060,150,195.95 | 1,164,644,608.40 | 104,494,412.45 | 37,524,191.32 |
| FSMdR | 2,249,076,967.58 | 2,622,272,666.67 | 373,195,699.09 | 47,643,835.79 |
| FSMnW | 1,169,627,981.31 | 1,579,489,865.44 | 409,861,884.13 | 115,865,530.62 |
| PFR KOFFI | 97,861,832.25 | 91,909,413.89 | (5,952,418.36) | (4,805,492.07) |
| PFR FI (after the merger) | 4,509,168,965.37 | 6,430,158,554.61 | 1,920,989,589.24 | 875,646,385.31 |
| FEZ 2 | 121,000,000.00 | 108,634,783.23 | (12,365,216.77) | (5,324,491.15) |
| PFR NFOŚiGW | 700.37 | 118.06 | (582.31) | (133.75) |
| **Total** | **9,804,828,998.69** | **12,678,398,274.28** | **2,873,569,275.59** | **1,108,377,173.17** |

As at 31 December 2024, an analysis was carried out to determine whether there were any indications of impairment of the investment certificates held by PFR S.A. The analysis carried out in all Funds (excluding the PFR KOFFI FIZ Fund) did not identify any indications that an impairment test was required, as most of the investment certificates have appreciated in value relative to the amounts originally invested, or (in the case of 2 funds) a small, temporary decline in value consistent with the fund's life cycle.

As a result of the recognition of impairment loss on investment certificates of the PFR KOFFI FIZ Fund in the amount of PLN 5,952,418.36, the valuation difference of the investment certificates presented in the table is not consistent with the fair value remeasurement of the investment certificates included in the revaluation reserve.

*as at 31 December 2023*

| | Amount paid by PFR | Fair value of IC | Increase/Decrease | Valuation difference |
|---|---|---|---|---|
| PFR FIS | 586,590,303.20 | 628,108,864.22 | 41,518,561.02 | 50,027,688.58 |
| PFR FF | 880,704,483.41 | 947,674,704.54 | 66,970,221.13 | (35,131,987.19) |
| FSMdR | 2,146,077,234.66 | 2,471,629,097.96 | 325,551,863.30 | 182,906,854.77 |
| FSMnW | 1,231,764,194.07 | 1,525,760,547.58 | 293,996,353.51 | 176,505,567.16 |
| PFR KOFFI | 97,861,832.25 | 96,714,905.96 | (1,146,926.29) | (8,532,586.31) |
| PFR FI (after the merger) | 4,412,851,986.49 | 5,458,195,190.42 | 1,045,343,203.93 | 1,009,465,777.71 |
| FEZ 2 | 26,000,000.00 | 18,959,274.38 | (7,040,725.62) | (7,040,725.62) |
| PFR NFOŚiGW | 700.37 | 251.81 | (448.56) | (448.56) |
| **Total** | **9,381,850,734.45** | **11,147,042,836.87** | **1,765,192,102.42** | **1,368,200,140.54** |

As at 31 December 2023, an analysis was carried out to determine whether there were any indications of impairment of the investment certificates held by PFR S.A. The analysis did not identify any indications that an impairment test was required, as most of the investment certificates have appreciated in value relative to the amounts originally invested, or (in the case of 2 funds) a small, temporary decline in value consistent with the fund's lifecycle.

**Shares of Bank Pekao S.A.**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Share purchase value | 4,132,814,960.77 | 4,132,814,960.77 |
| Fair value | 4,632,911,291.40 | 5,108,297,040.30 |
| | **500,096,330.63** | **975,482,079.53** |

## 16.3. Change in supplementary capital

**Supplementary capital**

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **As at the beginning of the period** | **1,625,969,933.15** | **1,356,601,238.72** |
| Additions, including mainly: | 318,987,098.78 | 269,368,694.43 |
| *- distribution of profit (statutory)* | *318,987,098.78* | *236,755,481.43* |
| **Balance as at the end of the period** | **1,944,957,031.93** | **1,625,969,933.15** |

Pursuant to Resolution No. 7 of 18 July 2024, the Ordinary Shareholder Meeting of the Company adopted a resolution to allocate the Company's net profit of PLN 318,987,098.78 for the reporting period from 1 January 2023 to 31 December 2023 to supplementary capital.

## 16.4. Proposals how to distribute profit or cover loss for the financial year

For the net profit of PLN 751,854,566.01 for the reporting period from 1 January 2024 to 31 December 2024, the Company's Management Board proposes to allocate the entire amount to supplementary capital.

## 17. PROVISIONS

### 17.1. Provisions for pension and similar benefits

*in the period from 1 January 2024 to 31 December 2024*

| | Provisions for retirement and disability severance pay | Provisions for non-utilized annual leaves | Provisions for bonuses | Total |
|---|---|---|---|---|
| **1.01.2024** | **318,705.28** | **3,434,916.25** | **23,303,371.20** | **27,056,992.73** |
| Additions | 320,195.68 | 2,777,046.15 | 22,724,727.89 | 25,821,969.72 |
| Utilization | - | - | (20,454,250.29) | (20,454,250.29) |
| Reversal | (318,705.28) | (3,434,916.25) | (2,849,120.91) | (6,602,742.44) |
| **31.12.2024** | **320,195.68** | **2,777,046.15** | **22,724,727.89** | **25,821,969.72** |
| *non-current* | 302,693.88 | - | - | **302,693.88** |
| *current* | 17,501.80 | 2,777,046.15 | 22,724,727.89 | **25,519,275.84** |

*in the period from 1 January 2023 to 31 December 2023*

| | Provisions for retirement and disability severance pay | Provisions for non-utilized annual leaves | Provisions for bonuses | Total |
|---|---|---|---|---|
| **1.01.2023** | **189,029.00** | **3,605,564.39** | **20,289,283.59** | **24,083,876.98** |
| Additions | 318,705.28 | 3,434,916.25 | 23,303,371.20 | 27,056,992.73 |
| Utilization | - | - | (17,410,511.72) | (17,410,511.72) |
| Reversal | (189,029.00) | (3,605,564.39) | (2,878,771.87) | (6,673,365.26) |
| **31.12.2023** | **318,705.28** | **3,434,916.25** | **23,303,371.20** | **27,056,992.73** |
| *non-current* | 306,030.01 | - | - | **306,030.01** |
| *current* | 12,675.27 | 3,434,916.25 | 23,303,371.20 | **26,750,962.72** |

### 17.2. Other provisions

*in the period from 1 January 2024 to 31 December 2024*

| | Provisions for accounting, consulting and audit services | Provisions for rental of office space | Other provisions | Total |
|---|---|---|---|---|
| **1.01.2024** | **183,236.56** | **1,075,513.03** | **-** | **1,258,749.59** |
| Additions | 920,570.85 | - | 126,000.40 | 1,046,571.25 |
| Utilization | (183,236.56) | (561,137.04) | - | (744,373.60) |
| Reversal | - | (514,375.99) | - | (514,375.99) |
| **31.12.2024** | **920,570.85** | **-** | **126,000.40** | **1,046,571.25** |
| *non-current* | - | - | - | **-** |
| *current* | 920,570.85 | - | 126,000.40 | **1,046,571.25** |

*in the period from 1 January 2023 to 31 December 2023*

| | Provisions for accounting, consulting and audit services | Provisions for rental of office space | Other provisions | Total |
|---|---|---|---|---|
| **1.01.2023** | **197,505.53** | **1,636,650.07** | **-** | **1,834,155.60** |
| Additions | 183,236.56 | - | - | 183,236.56 |
| Utilization | (197,505.53) | (561,137.04) | - | (758,642.57) |
| **31.12.2023** | **183,236.56** | **1,075,513.03** | **-** | **1,258,749.59** |
| *non-current* | - | - | - | **-** |
| *current* | 183,236.56 | 1,075,513.03 | - | **1,258,749.59** |

## 18. NON-CURRENT LIABILITIES

**18.1. Age structure of non-current liabilities to related parties**
Not applicable.

**18.2. Age structure of non-current liabilities to other entities in which the company holds an equity stake**
Not applicable.

**18.3. Age structure of non-current liabilities towards other entities**

*as at 31 December 2024*

| | Loans and borrowings | Issues of debt securities | Other financial liabilities | Bill-of-exchange liabilities | Other | Total |
|---|---|---|---|---|---|---|
| *Maturing in:* | | | | | | |
| 1 to 3 years | 1,010,390,936.83 | 18,670,629,841.12 | 612,418.10 | - | - | **19,681,633,196.05** |
| 3 to 5 years | - | 2,065,161,674.09 | - | - | - | **2,065,161,674.09** |
| over 5 years | - | 2,980,668,512.54 | - | - | - | **2,980,668,512.54** |
| | **1,010,390,936.83** | **23,716,460,027.75** | **612,418.10** | **-** | **-** | **24,727,463,382.68** |

As at 31 December 2024 non-current liabilities included mainly liabilities of PFR S.A. arising from the issue of debt securities for Financial Shield programs carried out by PFR S.A. and a loan granted by Bank PKO BP S.A. to PFR S.A. for the purchase of Bank Pekao S.A. shares.

*as at 31 December 2023*

| | Loans and borrowings | Issues of debt securities | Other financial liabilities | Bill-of-exchange liabilities | Other | Total |
|---|---|---|---|---|---|---|
| *Maturing in:* | | | | | | |
| 1 to 3 years | - | 34,193,163,774.13 | 878,199.73 | - | - | **34,194,041,973.86** |
| 3 to 5 years | - | 19,969,845,872.77 | - | - | - | **19,969,845,872.77** |
| over 5 years | - | 2,981,182,907.30 | - | - | - | **2,981,182,907.30** |
| | **-** | **57,144,192,554.20** | **878,199.73** | **-** | **-** | **57,145,070,753.93** |

As at 31 December 2023 non-current liabilities included mainly liabilities of PFR S.A. arising from the issue of debt securities under Financial Shield programs executed by PFR S.A.

## 18.4. Liabilities arising from the issue of debt securities – Financial Shield

*in the period from 1 January 2024 to 31 December 2024*

| Abbreviated bond name | Issue date | Par value | Issue price | Currency | Maturity | Interest rate | Carrying amount as at 31 December 2024 |
|---|---|---|---|---|---|---|---|
| PFR0324 | 27.04.2020 | 16,325,000,000.00 | 16,306,879,250.00 | PLN | 2024 | 1.375% | - |
| PFR0325 | 08.05.2020 | 18,500,000,000.00 | 18,423,595,000.00 | PLN | 2025 | 1.625% | 18,690,215,781.90 |
| PFR0925 | 22.05.2020 | 15,175,000,000.00 | 15,134,634,500.00 | PLN | 2025 | 1.625% | 15,320,004,580.08 |
| PFR0627 | 05.06.2020 | 10,000,000,000.00 | 9,923,200,000.00 | PLN | 2027 | 1.750% | 10,072,195,927.83 |
| PFR0330 | 05.06.2020 | 2,000,000,000.00 | 1,993,080,000.00 | PLN | 2030 | 2.000% | 2,019,002,745.54 |
| PFR1227 | 10.12.2020 | 500,000,000.00 | 500,000,000.00 | PLN | 2027 | 1.400% | 500,407,998.22 |
| PFR0927 | 14.12.2020 | 2,000,000,000.00 | 1,997,980,000.00 | PLN | 2027 | 1.500% | 2,000,602,242.64 |
| PFR092027 | 23.12.2020 | 900,000,000.00 | 893,682,000.00 | PLN | 2027 | 1.375% | 897,654,713.28 |
| PFR0827 | 15.01.2021 | 5,250,000,000.00 | 5,243,490,000.00 | PLN | 2027 | 1.375% | 5,316,654,853.57 |
| PFR0330 B | 03.02.2021 | 1,250,000,000.00 | 1,279,143,837.50 | PLN | 2030 | 2.000% | 1,271,696,625.91 |
| PFR0228 | 05.02.2021 | 1,000,000,000.00 | 1,000,000,000.00 | PLN | 2028 | 1.300% | 1,011,725,778.64 |
| PFR0228 B | 12.02.2021 | 1,000,000,000.00 | 1,000,000,000.00 | PLN | 2028 | 1.375% | 1,012,136,786.21 |
| | | **73,900,000,000.00** | **73,695,684,587.50** | **-** | **-** | **-** | **58,112,298,033.82** |

*in the period from 1 January 2023 to 31 December 2023*

| Abbreviated bond name | Issue date | Par value | Issue price | Currency | Maturity | Interest rate | Carrying amount as at 31 December 2023 |
|---|---|---|---|---|---|---|---|
| PFR0324 | 27.04.2020 | 16,325,000,000.00 | 16,306,879,250.00 | PLN | 2024 | 1.375% | 16,475,585,284.14 |
| PFR0325 | 08.05.2020 | 18,500,000,000.00 | 18,423,595,000.00 | PLN | 2025 | 1.625% | 18,673,558,437.18 |
| PFR0925 | 22.05.2020 | 15,175,000,000.00 | 15,134,634,500.00 | PLN | 2025 | 1.625% | 15,311,588,893.40 |
| PFR0627 | 05.06.2020 | 10,000,000,000.00 | 9,923,200,000.00 | PLN | 2027 | 1.750% | 10,060,678,679.20 |
| PFR0330 | 05.06.2020 | 2,000,000,000.00 | 1,993,080,000.00 | PLN | 2030 | 2.000% | 2,018,208,102.28 |
| PFR1227 | 10.12.2020 | 500,000,000.00 | 500,000,000.00 | PLN | 2027 | 1.400% | 500,391,554.32 |
| PFR0927 | 14.12.2020 | 2,000,000,000.00 | 1,997,980,000.00 | PLN | 2027 | 1.500% | 2,000,227,497.50 |
| PFR092027 | 23.12.2020 | 900,000,000.00 | 893,682,000.00 | PLN | 2027 | 1.375% | 896,685,895.42 |
| PFR0827 | 15.01.2021 | 5,250,000,000.00 | 5,243,490,000.00 | PLN | 2027 | 1.375% | 5,315,483,321.09 |
| PFR0330 B | 03.02.2021 | 1,250,000,000.00 | 1,279,143,837.50 | PLN | 2030 | 2.000% | 1,272,992,297.30 |
| PFR0228 | 05.02.2021 | 1,000,000,000.00 | 1,000,000,000.00 | PLN | 2028 | 1.300% | 1,011,695,304.26 |
| PFR0228 B | 12.02.2021 | 1,000,000,000.00 | 1,000,000,000.00 | PLN | 2028 | 1.375% | 1,012,104,566.48 |
| | | **73,900,000,000.00** | **73,695,684,587.50** | **-** | **-** | **-** | **74,549,199,832.57** |

On 29 March 2024, PLN 16,325.0 million worth of Series PFR0324 bonds issued under the PFR Financial Shield for Micro, Small and Medium Enterprises were redeemed. The entire redemption amount was covered with funds from repayments of the amounts without debt remission decisions made by beneficiaries of the Financial Shield programs.

**The amount of liabilities arising from the issue of debt securities includes the following values:**

| | Liabilities arising from the issue of debt securities as at 31 December 2024 | Liabilities arising from the issue of debt securities as at 31 December 2023 |
|---|---|---|
| Non-current liabilities arising from the issue of debt securities | 23,716,460,027.75 | 57,144,192,554.20 |
| Value of current liabilities arising from the issue of debt securities | 34,395,838,006.07 | 17,405,007,278.37 |
| | **58,112,298,033.82** | **74,549,199,832.57** |

## 19. CURRENT LIABILITIES

### 19.1. Age structure of current liabilities to related parties

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Maturing in:* | | |
| up to 1 year | 2,758,748.57 | 1,348,426.71 |
| | **2,758,748.57** | **1,348,426.71** |

### 19.2. Age structure of current liabilities to other entities in which the company holds an equity stake

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| *Maturing in:* | | |
| up to 1 year | 96,715.20 | 1,126,853.77 |
| | **96,715.20** | **1,126,853.77** |

## 19.3. Age structure of current liabilities to other entities

*as at 31 December 2024*

| | Loans and borrowings | Issues of debt securities | Other financial liabilities | Trade liabilities | Advance payments received for deliveries and services | Bill-of-exchange liabilities | On taxes, customs duties, social insurance and health insurance or other public dues | On payroll | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Maturing in: | | | | | | | | | | |
| up to 1 year | 76,011,994.48 | 34,395,838,006.07 | - | 14,177,947.55 | - | - | 12,362,624.56 | 478,915.68 | 1,022,361,791.44 | **35,521,231,279.78** |
| | **76,011,994.48** | **34,395,838,006.07** | **-** | **14,177,947.55** | **-** | **-** | **12,362,624.56** | **478,915.68** | **1,022,361,791.44** | **35,521,231,279.78** |

Current liabilities include, among others, interest on the loan granted by Powszechna Kasa Oszczędności Bank Polski S.A. under the loan agreement of 30 May 2017 (according to Annex No. 6, the loan is to be repaid by 30 May 2026).

Other current liabilities included, among others, State Treasury bonds contributed to the Company by its shareholder as contribution-in-kind, for a future share capital increase. As at 31 December 2024, the Company held 1,000,000 treasury bonds worth PLN 975,643,259.64.

*as at 31 December 2023*

| | Loans and borrowings | Issues of debt securities | Other financial liabilities | Trade liabilities | Advance payments received for deliveries and services | Bill-of-exchange liabilities | On taxes, customs duties, social insurance and health insurance or other public dues | On payroll | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Maturing in: | | | | | | | | | | |
| up to 1 year | 1,694,768,529.62 | 17,405,007,278.37 | - | 13,455,939.32 | - | - | 22,435,201.76 | 426,690.99 | 15,344,239.76 | **19,151,437,879.82** |
| | **1,694,768,529.62** | **17,405,007,278.37** | **-** | **13,455,939.32** | **-** | **-** | **22,435,201.76** | **426,690.99** | **15,344,239.76** | **19,151,437,879.82** |

Current liabilities include, among others, the loan granted by Powszechna Kasa Oszczędności Bank Polski S.A. under the loan agreement of 30 May 2017 (according to Annex 5, the loan is to be repaid by 30 May 2024).

## 20. PREPAYMENTS AND ACCRUALS

### 20.1. Other non-current prepayments and accruals

Not applicable.

### 20.2. Other current prepayments and accruals

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Subsidies | 191,931.53 | 625,137.73 |
| | **191,931.53** | **625,137.73** |

## 21. ASSETS OR LIABILITIES PRESENTED IN MORE THAN ONE BALANCE SHEET ITEM

| | Item in the balance sheet | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Receivables from loans (principal)** | | | |
| **in the non-current part** | | **596,891,161.48** | **2,110,264,858.25** |
| from other entities | A IV 3 c) indent 3 | 596,891,161.48 | 2,110,264,858.25 |
| **in the current part** | | **4,440,386,738.37** | **4,489,084,298.64** |
| from related parties | B III 1 a) indent 3 | 6,099,915.59 | 4,055,432.87 |
| from other entities | B III 1 b) indent 3 | 4,434,286,822.78 | 4,485,028,865.77 |
| | | **5,037,277,899.85** | **6,599,349,156.89** |

| | Item in the balance sheet | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Liabilities on loans and borrowings** | | | |
| **in the non-current part** | | **1,010,390,936.83** | **-** |
| from other entities | B II 3 a) | 1,010,390,936.83 | - |
| **in the current part** | | **76,011,994.48** | **1,694,768,529.62** |
| from other entities | B III 3 a) | 76,011,994.48 | 1,694,768,529.62 |
| | | **1,086,402,931.31** | **1,694,768,529.62** |

| | Item in the balance sheet | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| **Liabilities arising from the issue of debt securities** | | | |
| **in the non-current part** | | **23,716,460,027.75** | **57,144,192,554.20** |
| from other entities | B II 3 b) | 23,716,460,027.75 | 57,144,192,554.20 |
| **in the current part** | | **34,395,838,006.07** | **17,405,007,278.37** |
| from other entities | B III 3 b) | 34,395,838,006.07 | 17,405,007,278.37 |
| | | **58,112,298,033.82** | **74,549,199,832.57** |

## 22. STRUCTURE OF SALES REVENUES

### 22.1. Geographic structure

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Revenues from sales of products** | | |
| Domestic | 248,028,520.28 | 280,550,469.55 |
| | **248,028,520.28** | **280,550,469.55** |
| **Revenues from sales of goods and materials** | | |
| Domestic | 340,144.72 | 988,618.69 |
| | **340,144.72** | **988,618.69** |

### 22.2. Structure by category

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Management revenue | 119,846,290.49 | 101,094,930.67 |
| Activities arising from the Employee Capital Plan Act | 2,702,224.28 | 1,691,742.36 |
| Revenues from the execution of the Financial Shield government programs | 116,071,428.56 | 166,071,428.56 |
| Revenues from the execution of the KPO program | 6,436,742.04 | 5,713,407.60 |
| Other revenue | 3,311,979.63 | 6,967,579.05 |
| | **248,368,665.00** | **281,539,088.24** |

The major sales revenues in the Company include: remuneration on account of the execution of the Financial Shield government programs and the management fee. The remuneration for the execution of the government programs is defined as a percentage of the maximum value of the program and is settled on a quarterly basis. A management fee is due for managing some of the Funds' assets. In accordance with the formula of calculating the management fee, the fee is in principle dependent on the net asset value [NAV] of the Funds, reduced by the cash in the Funds' bank accounts and increased by the amounts of planned involvement of the Funds in the executed Investment Projects.

Other Company's revenues from sales are primarily revenues on account of services provided to affiliated and non-affiliated entities (in the area of general support, HR services, Contact Center services, etc.).

## 23. INTEREST INCOME AND EXPENSE (INCLUDING RESULTING FROM DEBT FINANCIAL INSTRUMENTS, LOANS GRANTED AND OWN RECEIVABLES)

*in the period from 1 January 2024 to 31 December 2024*

| | | Interest outstanding, payable within | | | |
|---|---|---|---|---|---|
| | Interest realized | up to 3 months | 3 to 12 months | over 12 months | Total |
| Loans granted and own receivables | 136,007.13 | 44,482.72 | - | - | **180,489.85** |
| Other assets | 73,776,399.94 | 1,201,378.11 | - | 7,929,759.71 | **82,907,537.76** |
| | **73,912,407.07** | **1,245,860.83** | **-** | **7,929,759.71** | **83,088,027.61** |

*in the period from 1 January 2023 to 31 December 2023*

| | | Interest outstanding, payable within | | | |
|---|---|---|---|---|---|
| | Interest realized | up to 3 months | 3 to 12 months | over 12 months | Total |
| Loans granted and own receivables | - | 55,432.87 | - | - | **55,432.87** |
| Other assets | 70,856,845.84 | 3,246,314.63 | 33,424,130.24 | 7,423,476.16 | **114,950,766.87** |
| | **70,856,845.84** | **3,301,747.50** | **33,424,130.24** | **7,423,476.16** | **115,006,199.74** |

## 24. INTEREST EXPENSE (INCLUDING RESULTING FROM INCURRED FINANCIAL LIABILITIES)

*in the period from 1 January 2024 to 31 December 2024*

| | | Interest outstanding, payable within | | | |
|---|---|---|---|---|---|
| | Interest realized | up to 3 months | 3 to 12 months | over 12 months | Total |
| Current financial liabilities | (96,748,523.92) | - | - | - | **(96,748,523.92)** |
| Other equity and liabilities | (673,362.52) | - | - | - | **(673,362.52)** |
| | **(97,421,886.44)** | **-** | **-** | **-** | **(97,421,886.44)** |
| SCN adjustment | - | - | - | - | 800,589.18 |
| | **(97,421,886.44)** | **-** | **-** | **-** | **(96,621,297.26)** |

*in the period from 1 January 2023 to 31 December 2023*

| | | Interest outstanding, payable within | | | |
|---|---|---|---|---|---|
| | Interest realized | up to 3 months | 3 to 12 months | over 12 months | Total |
| Current financial liabilities | (140,117,643.97) | - | - | - | **(140,117,643.97)** |
| Non-current financial liabilities | (1,166,699.74) | - | - | - | (1,166,699.74) |
| Other equity and liabilities | (314,852.20) | - | - | - | **(314,852.20)** |
| | **(141,599,195.91)** | **-** | **-** | **-** | **(141,599,195.91)** |
| SCN adjustment | - | - | - | - | (232,339.35) |
| | **(141,599,195.91)** | **-** | **-** | **-** | **(141,831,535.26)** |

## 25. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Impairment loss on financial assets | (8,730,148.36) | (3,119,020.85) |
| | **(8,730,148.36)** | **(3,119,020.85)** |

In 2024, PFR S.A. recognized an impairment loss on its block of shares in Polska Agencja Ratingowa in the amount of PLN 2,777,730.00 and an impairment loss on 99,398 investment certificates of the PFR KOFFI FIZ Investment Fund in the amount of PLN 5,952,418.36.

## 26. CORPORATE INCOME TAX

### 26.1. Structure of corporate income tax

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Current income tax | (33,613,981.00) | (41,861,566.01) |
| Additional tax liabilities for previous years | (280,531.00) | (17,045.00) |
| Change in deferred income tax | (320,816.20) | 1,151,150.09 |
| | **(34,215,328.20)** | **(40,727,460.92)** |

### 26.2. Calculation of corporate income tax

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Pre-tax profit** | **786,069,894.21** | **359,714,559.70** |
| **Amounts increasing the taxable income base** | | |
| Fixed costs not classified as tax-deductible expenses | 62,785,192.72 | 20,819,446.69 |
| Costs transitionally not classified as tax deductible expenses | 23,971,087.43 | 24,932,507.38 |
| Tax revenues not included in the books | 931.20 | (88,080.02) |
| | **86,757,211.35** | **45,663,874.05** |
| **Amounts reducing the taxable income base** | | |
| Non-taxable income | 658,059,293.19 | 189,434,239.76 |
| Transitional tax costs from previous periods | 26,648,895.62 | 21,748,614.54 |
| | **684,708,188.81** | **211,182,854.30** |
| Tax income / (loss) | 188,118,916.75 | 194,195,579.45 |
| Tax income / (loss) – capital gains | 3,338,412.41 | (33,186,575.05) |
| Tax income / (loss) – other sources of revenues | 184,780,504.34 | 227,382,154.50 |
| Donations | (7,800,000.00) | (7,000,000.00) |
| Tax relief | (64,813.14) | (58,122.01) |
| Retained losses | (3,338,412.41) | - |
| Taxable income – other sources of revenues | 176,915,691.20 | 220,324,032.49 |
| Adjustment of tax brought forward | (280,531.00) | (17,045.00) |
| **Income tax** | **(33,894,512.00)** | **(41,878,611.00)** |

## 26.3. Deferred tax

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Deductible temporary differences** | | |
| Effects of remeasurement of ICs to market prices | 14,767,626.84 | 28,326,651.01 |
| Effects of remeasurement of shares | 17,077,695.00 | 17,077,695.00 |
| Provision for accounting, consulting and audit services | 920,570.85 | 183,236.56 |
| Provision for variable remuneration | 22,724,727.89 | 23,303,371.20 |
| Provision for unused holiday leaves | 2,777,046.15 | 3,434,916.25 |
| Provision for retirement severance pays | 320,195.68 | 318,705.28 |
| Provisions for other costs | 126,000.40 | 1,075,513.03 |
| Other | 96,715.20 | 95,784.00 |
| Effects of remeasurement of shares to market prices | 1,950,998.10 | 3,119,020.85 |
| | **60,761,576.11** | **76,934,893.18** |
| **Tax losses to be settled in subsequent years** | | |
| 2019 tax loss (total) | - | - |
| Settled part of the tax loss | - | - |
| 2019 tax loss to be settled | **-** | **-** |
| 2020 tax loss (total) | - | - |
| Settled part of the tax loss | - | - |
| 2020 tax loss to be settled | **-** | **-** |
| 2021 tax loss (total) | - | - |
| Settled part of the tax loss | - | - |
| 2021 tax loss to be settled | **-** | **-** |
| 2022 tax loss (total) | - | - |
| Settled part of the tax loss | - | - |
| 2022 tax loss to be settled | **-** | **-** |
| 2023 tax loss | - | - |
| 2024 tax loss | - | - |
| **Sum total of tax losses to be settled in subsequent periods** | **-** | **-** |
| Gross value of deferred tax assets | 11,544,699.46 | 14,617,629.70 |
| Deferred tax assets not recognized in the balance sheet | - | - |
| **Net value of deferred tax assets** | **11,544,699.46** | **14,617,629.70** |

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Taxable temporary differences:** | | |
| Interest accrued on bank deposits | 476,487.12 | 1,402,273.53 |
| Effects of remeasurement of Bank Pekao S.A. shares to market prices | 500,096,330.63 | 975,482,079.53 |
| Effects of remeasurement of ICs to market prices | 2,945,223,846.48 | 1,844,453,279.12 |
| | **3,445,796,664.23** | **2,821,337,632.18** |
| **Corporate income tax rate in the current year** | **19%** | **19%** |
| **Value of deferred tax liability** | **654,701,366.20** | **536,054,150.11** |
| Set-off | - | - |
| **Deferred tax assets recognized in the balance sheet** | **11,544,699.46** | **14,617,629.70** |
| **Deferred tax liability recognized in the balance sheet** | **654,701,366.20** | **536,054,150.11** |
| **Net balance sheet change in deferred tax assets/liability** | **(121,720,146.33)** | **(681,421,267.84)** |
| **Value of deferred tax recognized in equity in the period** | **121,399,330.14** | **682,572,417.93** |
| **Change in deferred tax recognized in profit or loss** | **(320,816.19)** | **1,151,150.09** |

## 27. NOTES TO THE CASH FLOW STATEMENT

### 27.1. Investment (gain) / loss

| | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|
| (Gain) / Loss from the sale of financial assets | (47,464,730.92) | (71,814,543.12) |
| | **(47,464,730.92)** | **(71,814,543.12)** |

### 27.2. Change in current liabilities (except for loans and borrowings)

| | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|
| Change in current liabilities | (6,135,425.42) | 8,651,206.79 |
| | **(6,135,425.42)** | **8,651,206.79** |

### 27.3. Change in receivables

| | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|
| Change in receivables in the balance sheet | 773,246,243.77 | 4,821,277,759.66 |
| Change in receivables in the cash flow statement | (8,177,946.47) | (399,430,918.91) |
| | **765,068,297.30** | **4,421,846,840.75** |

The difference between the change of receivables in the balance sheet and in the cash flow statement is mainly a result of exclusion of the movement in the balance of settlements with the State Treasury under the Financial Shield programs. Changes in cash resulting from these settlements have been charged to the item: "Other adjustments".

### 27.4. Purchase of intangible assets and property, plant and equipment

| | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|
| Increases in intangible assets by virtue of purchases | - | 1,367,178.47 |
| Increases in fixed assets by virtue of purchases | 119,315.97 | 264,112.86 |
| | **119,315.97** | **1,631,291.33** |

### 27.5. Explanations to the item "Other adjustments"

| | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|
| Value of deferred tax recognized in equity in the period | (121,399,330.14) | (682,572,417.93) |
| Remuneration to PFR for the execution of Financial Shield programs | (142,767,857.12) | (204,267,857.12) |
| External costs incurred in connection with the execution of Financial Shield programs | (67,650,914.53) | (42,126,721.34) |
| Payouts/(Refunds) under KPO | (60,478,541.76) | (5,064,028,840.89) |
| Civil law transaction tax on capital increase | - | 32,613,213.00 |
| Other | 4,856,548.85 | 1,760,300.57 |
| | **(387,440,094.70)** | **(5,958,622,323.71)** |

### 27.6. Explanations to the item "Other capital expenditures"

| | 1.01-31.12.2024 | 1.01-31.12.2023 |
|---|---|---|
| Contributions to partially paid-up investment certificates | (551,993,571.75) | (1,768,498,452.89) |
| | **(551,993,571.75)** | **(1,768,498,452.89)** |

### 27.7. Additional explanations

As at 31 December 2024, the difference between the amount of cash presented in the balance sheet, i.e. PLN 1,406,556,209.38 and the amount presented in the cash flow statement of PLN 1,405,074,884.60 concerns interest accruing on bank deposits amounting to PLN 1,481,324.78.

## 28. INFORMATION ON THE NATURE AND BUSINESS OBJECTIVE OF THE COMPANY'S AGREEMENTS NOT REFLECTED IN THE BALANCE SHEET

Not applicable.

## 29. HEADCOUNT

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| White collar workers (number of people on the last day of the year) | 237 | 272 |
| | **237** | **272** |

## 30. COMPENSATION AND LOANS AND SIMILAR BENEFITS FOR PERSONS IN THE MANAGEMENT, SUPERVISORY OR ADMINISTRATION BODIES

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Compensation of Management Board members | 9,466,712.50 | 7,129,630.44 |
| Compensation of Supervisory Board members | 589,428.87 | 556,100.83 |
| | **10,056,141.37** | **7,685,731.27** |

The base compensation of the Management Board Members in the 2024 financial year resulted from management services contracts, in accordance with the principles defined in the Act of 9 June 2016 on the Rules of Defining Compensation of Managers of Certain Companies. The cost of Management Board compensation includes the cost of variable compensation.

Compensation paid in 2024 for the current year was PLN 5,087,463.55.

Variable compensation paid in 2024 for previous years: PLN 4,379,248.95

In the financial year, the gross compensation of the Supervisory Board Members amounted to PLN 589,428.87 in 2024.

In 2023, the gross compensation of the Supervisory Board Members was PLN 556,100.83.

In 2023-2024, no loans or similar benefits were granted to persons on management, supervisory or administration bodies.

In 2023-2024, no liabilities were assumed on behalf of persons on management, supervisory or administration bodies on account of any kind of guarantees or sureties.

## 31. AUDIT FIRM FEE, PAID OR DUE

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Fee for the audit of the annual standalone and consolidated financial statements | 203,195.51 | 203,195.51 |
| Remuneration of assurance services rendered with regard to the PFR Capital Group annual sustainability report | 160,740.09 | - |
| | **363,935.60** | **203,195.51** |

## 32. MATERIAL EVENTS DURING THE REPORTING YEAR

The following material events affecting the Company's operation took place during the current reporting year:

1. The Management Board analyzed the impact of the continuing war in Ukraine and the related sanctions against the Russian Federation and the Republic of Belarus. The Management Board has identified the risk of adverse impact of the changes in financial markets on the value of the Company's financial instruments portfolio. The Management Board has been monitoring the impact of the political and economic situation in Ukraine on the Company's operations on an ongoing basis. To the best of Management Board's knowledge, the situation related to the war in Ukraine has not materially affected the Company's operations.

2. The Management Board has not identified any matters that would jeopardize the company's ability to continue as a going concern, nor has it identified any breach of special contractual terms, either as at the balance sheet date or as at the date of signing the financial statements.

## 33. EVENTS CONCERNING PREVIOUS YEARS INCLUDED IN THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR

No events concerning previous years were captured in the financial statements.

## 34. EVENTS AFTER THE BALANCE SHEET DATE NOT CAPTURED IN THE FINANCIAL STATEMENTS

On 7 January 2025, the liquidation of the PFR NFOŚiGW Closed-End Investment Fund of Private Assets in liquidation was completed. As a result of the liquidation, PFR TFI S.A. redeemed the investment certificates by paying out the obtained funds of the Fund participants pro rata to the number of investment certificates held. The payment of due funds of PLN 118.06 on account of the Fund's investment certificates held by PFR S.A. occurred on 7 January 2025.

On 4 February 2025, PFR S.A. acquired 59,188 O10 series Investment Certificates of the PFR Fund of Funds FIZAN. The amount of the transaction was PLN 55,999,542.44.

On 12 February 2025, PFR S.A., acting pursuant to the agreement of 11 July 2024, paid out the fourth tranche of the loan for PFR Portal PPK Sp. z o.o in the amount of PLN 1,000,000.00.

On 12 February 2025, PFR S.A. acquired 484,839 Z Series Investment Certificates of the Housing Sector Development Fund FIZAN. The amount of the transaction was PLN 129,999,881.07.

On 17 February 2025, PFR S.A. made a co-payment to Series C Investment Certificates of the Foreign Expansion Fund 2 FIZAN. The amount of the transaction was PLN 20,000,000.00.

In February 2025, PFR S.A. sold 42,321 shares in Mabion S.A. The total amount of the transaction was PLN 432,884.45.

On 4 March 2025, during the shareholder meeting of Polska Agencja Ratingowa S.A. (PAR) a decision was made to dissolve the company and put it into liquidation. The decision on liquidation was made due to the lack of potential for the company to generate an adequate level of revenues.

On 18 March 2025, based on the resolution adopted by the Shareholder Meeting, the share capital of PFR S.A. of PLN 646,121,364.00 and supplementary capital of PLN 329,521,895.64 were increased The share capital increase was registered in the National Court Register on 2 April 2025.

On 24 March 2025, 4,505 D2 series Investment Certificates of the PFR KOFFI FIZ fund were redeemed. The value of the certificate redemption transaction was PLN 4,062,338.70.

On 31 March 2025, PFR S.A. redeemed PFR0325 bonds issued under the Financial Shield program in the amount of PLN 18,500,000,000.00, and paid interest of PLN 269,327,070.00 on these bonds. The funds for the redemption were provided by the State Treasury.

On 31 March 2025, PFR Portal PPK Sp. z o.o. repaid a loan in accordance with the agreement of 11 July 2024 along with accrued interest of PLN 7,207,828.22.

On 6 May 2025, PFR S.A. acquired 90,588 011 series Investment Certificates of the PFR Fund of Funds Investment Fund. The amount of the transaction was PLN 84,999,626.28.

On 12 May 2025, PFR S.A. acquired 376,236 Z Series Investment Certificates of the Housing Sector Development Fund FIZAN. The amount of the transaction was PLN 99,999,766.44.

In 2025, until the date of signing the financial statements, PFR S.A. extended three sureties for good performance bonds and for advance refund guarantees issued at the request of a portfolio company in a fund (Pojazdy Szynowe PESA Bydgoszcz S.A.), whose portion of the investment portfolio is managed by PFR S.A. in connection with contracts performed by that entity. The total value of the two sureties extended in Polish zloty is PLN 23,572,162.72, while the amount of the other surety extended in Romanian lei is RON 47,796,480.00.

## 35. CONTINGENT LIABILITIES AND PLEDGES

As at 31 December 2024, PFR S.A. held:

1. A surety extended for the benefit of Operator Chmury Krajowej Sp. z o.o. (OChK) in the amount of PLN 196,857,600.00:
   The surety applies to OChK's liabilities arising under a Guarantee Agreement granted by Bank PKO BP S.A. The surety is up to the amount of USD 48,000,000 (say: forty eight hundred million USD dollars 00/100), i.e. 50% (say: fifty per cent) of the guarantee amount, whereby the surety amount will be reduced pro rata to the reduction of the guarantee amount.

2. Sureties extended for the benefit of Pojazdy Szynowe PESA Bydgoszcz S.A. in the amount of PLN 1,461,885,258.64:
   As at 31 December 2024, PFR S.A. has extended sureties for the good performance bond and the advance refund guarantee issued at the request of Pojazdy Szynowe PESA Bydgoszcz S.A. for the total amount of PLN 1,461,885,258.64.

## 36. ESTABLISHED ASSET-BACKED SECURITY

As at 31 December 2024, pursuant to an agreement entered into on 30 May 2017 between PFR S.A. and Bank Powszechna Kasa Oszczędności Bank Polski S.A., the Company established financial pledge and registered pledge on 16,096,165 shares of Bank Pekao S.A. worth PLN 1,737,011,153.50 as at 31 December 2024.

## 37. INFORMATION ON FINANCIAL INSTRUMENTS

### 37.1. Financial risk management objectives and policies

The Company's operations are exposed, among others, to the following risks arising from financial instruments held by the Company:

- Credit risk;
- Liquidity risk;
- Market risk.

**Key risk management principles**

The Management Board is responsible for the establishment and oversight of the Company's risk management, including the identification and analysis of risks to which the Company is exposed, definition of principles for their measurement and control. Rules and risk management procedures are regularly reviewed to reflect changes in the market conditions and changes in the Company's activities. The scope of risk management also includes managing the risk of some of the Funds' assets managed by the Company.

**Credit risk**

Credit risk is the risk of the Company incurring a financial loss in a situation in which a party to a financial instrument fails to perform its contractual obligations. The risk arises both directly in the Company and concerns investment agreements signed by the Company on its own behalf and indirectly through Investment Certificates, representing the portfolio of investments performed by the Company on behalf of and for the benefit of the Funds. Credit risk arises principally from debt instruments. The purpose of risk management is to maintain a stable and balanced (in terms of quality and value) receivables portfolio following from loans granted and other investments in debt financial instruments. Credit risk is subject to detailed analysis for each investment proposal. The Company aims to limit credit risk by structuring transactions appropriately.

For the debt instruments granted under the Financial Shield government programs, no credit risk is identified because it is the State Treasury that incurs exclusively the cost and risk of the Financial Shield government programs pursuant to Article 21a section 4 of the SIR Act and the Financial Shield Program Documents.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. Liquidity management in the Company involves ensuring, as far as possible, that the Company has sufficient liquidity to settle its due and payable liabilities, both in a normal and a crisis situation, without exposing the Company to unacceptable losses or undermining its reputation. For this purpose, the Company monitors its cash flows on an ongoing basis and prepares liquidity forecasts and keeps sufficient cash to cover anticipated operating and current expenditures and to fulfill long-term investment commitments, by maintaining adequate funds on bank deposits with a time structure matching the liability structure, with flexibility buffers.

**Market risk**

Market risk means that changes of market prices, such as foreign exchange rates, interest rates, liquidity of capital markets will impact the Company's results or the value of the financial instruments it holds and the possibility of exiting an investment. Market risk management aims to maintain and control the Company's degree of exposure to market risk within acceptable bounds, while simultaneously making efforts to optimize the rate of return on investments. The Company manages the risk both with regard to the investment agreements executed directly by the Company and also with regard to the investment agreements entered into by the Company on behalf of and to the benefit of the Funds, some of whose assets are managed by the Company.

**a) Currency risk**

At present, the Company has no material exposure to currency risk. Investments, both the projects undertaken directly by the Company as well as the investments made indirectly by the Funds, are denominated mainly in PLN, and the future cash flows are also planned in PLN. For projects which generate some cash flows in foreign currencies, the Group minimizes its currency risk by structuring transactions appropriately and taking into consideration the currency risk in the models used to assess investment projects:

- proper structuring of its assets and liabilities denominated in foreign currencies;
- executing forward contracts for purchase/sale of currencies;
- using hedge derivatives such as forwards, swaps.

**b) Interest rate risk**

The Company's activity, both in the case of investments made directly by the Company and those made indirectly through the Funds, because the latter affect the value of the Investment Certificates held by the Company, is inextricably linked to non-current investments, some of which are naturally exposed to interest rate risk by defining a fixed rate of return on the investment. This risk may materialize by the failure to obtain an assumed risk premium compared to the risk-free rate. The Company seeks to mitigate this risk by taking it into account in the structure of transactions or in appropriate clauses that make it possible to renegotiate investment returns if certain circumstances occur.

Interest rate risk may also materialize through an increase in interest expense resulting from the floating rate loan granted by PKO BP S.A. This risk is partially offset by an adequate diversification of deposits and management of the timing of deposits. In addition, if there are signals that interest rates will be raised, deposits are opened for shorter periods.

## 37.2. Description of financial instruments

*in the period from 1 January 2024 to 31 December 2024*

| Portfolio | Description | Carrying amount | Terms and conditions affecting future cash flows |
|---|---|---|---|
| **Financial assets available for sale:** | Investment Certificates | 12,678,398,274.28 | - |
| | Bank Pekao S.A. shares | 4,632,911,291.40 | - |
| | Mabion S.A. shares | 376,656.90 | - |
| | Garmond Press S.A. shares | 987,600.00 | - |
| | MTG S.A. shares | 28,428,791.60 | - |
| | Rubicone Sp. z o.o. shares | 212,500.00 | - |
| | IDH DEVELOPMENT S.A. shares | 1,781,943.00 | - |
| | Treasury bonds | 975,643,259.64 | WZ0330 bonds - floating, WIBOR 6M; PS0130 bonds - fixed 5% coupon; DS1034 bonds - fixed 5% coupon; OK0127 discount bonds, with effective interest rate of 5.15% |
| **Loans granted and own receivables:** | Term deposits | 843,581,325.09 | interest rate: 5.15%-5.47% |
| | Cash in the current account | 562,974,854.29 | - |
| | Financial subsidies granted under the Financial Shield for MSMEs 1.0 government program | 2,369,384,696.62 | non-interest bearing |
| | Financial subsidies granted under the Financial Shield for MSMEs 2.0 government program | 542,685,317.73 | non-interest bearing |
| | Loans granted under the Financial Shield for Large Companies and the LOT Polish Airlines government programs | 2,119,107,969.91 | floating 0.75%-2.25% |
| | Bonds of PFR Porty Sp. z o.o. | 284,682,736.30 | ordinary registered bonds maturing on 19 April 2029, WIBOR 3M+4% |
| | Loan granted to PFR Portal PPK Sp. z o.o. | 6,099,915.59 | WIBOR 1M + margin 0.95% |
| | Bonds of PEKAO HIPOTECZNY | 39,853,635.00 | discount bonds maturing on 23 January 2025, with an effective interest rate of 5.90% |
| | Bonds of SANTANDER FACTORING | 200,744,821.91 | interest rate: 5.91%-5.92% |
| | Bonds of PEKAO FACTORING | 179,203,855.18 | discount bonds maturing on 28 January 2025, with an effective interest rate of 5.60% |
| **Financial liabilities:** | Loan received for purchase of shares | 1,086,218,711.13 | WIBOR 3M + margin (from 1.40% to 1.65%), with the margin dependent on the level of the coverage ratio and own contribution |
| | Own bonds issued | 58,112,298,033.82 | fixed 1.30%-2.0% |

*in the period from 1 January 2023 to 31 December 2023*

| Portfolio | Description | Carrying amount | Terms and conditions affecting future cash flows |
|---|---|---|---|
| **Financial assets available for sale:** | Investment Certificates | 11,147,042,836.87 | - |
| | Bank Pekao S.A. shares | 5,108,297,040.30 | - |
| | Mabion S.A. shares | 1,536,234.15 | - |
| | Garmond Press S.A. shares | 987,600.00 | - |
| | MTG S.A. shares | 49,750,385.33 | - |
| | Rubicone Sp. z o.o. shares | 212,500.00 | - |
| | IDH DEVELOPMENT S.A. shares | 1,781,943.00 | - |
| **Loans granted and own receivables:** | Term deposits | 17,185,998,802.72 | interest rate: 0.75%-5.68% |
| | Cash in the current account | 110,710,518.70 | - |
| | Financial subsidies granted under the Financial Shield for MSMEs 1.0 government program | 2,398,737,466.09 | non-interest bearing |
| | Financial subsidies granted under the Financial Shield for MSMEs 2.0 government program | 607,134,330.09 | non-interest bearing |
| | Loans granted under the Financial Shield for Large Companies and the LOT Polish Airlines government programs | 3,589,421,927.84 | floating 0.75%-2.25% |
| | Bonds of Trenino Holding Sp. z o.o. | 89,906,463.85 | registered discount bonds with maturity on 31 December 2026, with the effective interest rate of 9% |
| | Bonds of PFR Porty Sp. z o.o. | 290,053,572.50 | ordinary registered bonds maturing on 19 April 2029, WIBOR 3M+4% |
| | Loan granted to PFR Portal PPK Sp. z o.o. | 4,055,432.87 | WIBOR 1M + margin 0.95% |
| | Bonds of PEKAO LEASING | 302,307,217.81 | WIBOR 1M + margin (from 0.50 to 0.60%) |
| | Bonds of PEKAO HIPOTECZNY | 49,848,373.29 | discount bonds maturing on 23 January 2024, with an effective interest rate of 6.93% |
| **Financial liabilities:** | Loan received for purchase of shares | 1,694,768,529.62 | WIBOR 3M + margin (from 1.40% to 1.65%), with the margin dependent on the level of the coverage ratio and own contribution |
| | Own bonds issued | 74,549,199,832.57 | fixed 1.30%-2.0% |

### 37.3. Information on interest rate risk

As at the balance sheet date, the portfolio of debt financial instruments has the following structure:

| Financial instruments: | 31.12.2024 | 31.12.2023 |
|---|---|---|
| ***- with a fixed interest rate*** | | |
| Financial assets: | | |
| Term deposits | 188,476,487.12 | 395,602,273.53 |
| Bonds of Trenino Holding Sp. z o.o. | - | 89,906,463.85 |
| Treasury bonds | 679,392,067.24 | - |
| Corporate bonds | 419,802,312.09 | 352,155,591.10 |
| ***- with a floating interest rate*** | | |
| Financial assets: | | |
| Bonds of PFR Porty Sp. z o.o. | 284,682,736.30 | 290,053,572.50 |
| Treasury bonds | 296,251,192.40 | - |
| Loans granted | 6,099,915.59 | 4,055,432.87 |
| Financial liabilities | 1,086,218,711.13 | 1,694,768,529.62 |

The note does not present financial instruments established for the execution of the Financial Shield programs and the National Recovery and Resilience Plan by PFR S.A. because it is the State Treasury that incurs all the costs and risks associated with the performance of government programs.

### 37.4. Information on credit risk

The Company's maximum exposure to credit risk corresponds to the carrying amount of the following financial assets:

| Financial assets: | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Loans granted and own receivables | 710,584,963.98 | 736,171,060.32 |
| Cash | 242,472,323.15 | 502,543,531.48 |
| Term deposits | 188,476,487.12 | 395,602,273.53 |
| Trade receivables | 37,805,538.86 | 30,680,707.42 |
| | **990,862,825.99** | **1,269,395,299.22** |

The note does not present financial subsidies and loans granted under the Financial Shield programs and the National Recovery and Resilience Plan, because it is the State Treasury that incurs all the costs and risks associated with the performance of the programs, including those resulting from defaults on repayment of the loans and financial subsidies granted under the programs.

## 38. EXCHANGE RATES APPLIED TO THE VALUATION OF ITEMS IN THE FINANCIAL STATEMENTS

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| EUR | 4.2730 | 4.3480 |
| USD | 4.1012 | 3.9350 |
| GBP | 5.1488 | 4.9997 |

## 39. INFORMATION ON MATERIAL TRANSACTIONS WITH RELATED PARTIES EXECUTED BY THE COMPANY ON A NON-ARM'S LENGTH BASIS

Transactions with related parties are not executed on a non-arm's length basis.

## 40. DISCONTINUED OPERATIONS

In the current reporting period, the Company did not discontinue any kind of activity.

## 41. INFORMATION ON UNCERTAINTIES AS TO THE CAPACITY TO CONTINUE OPERATIONS AS A GOING CONCERN

These financial statements have been prepared based on the assumption that the Company will continue its activity as a going concern in the foreseeable future.

## 42. OFF-BALANCE SHEET ITEMS

Not applicable.

## 43. PERSONS RESPONSIBLE FOR SIGNING THE FINANCIAL STATEMENTS

Piotr Matczuk
President of the Management Board

Mariusz Jaszczyk
Vice President of the Management Board

Mikołaj Raczyński
Vice President of the Management Board

Ewa Maciąg
Person responsible for keeping the accounting ledgers

Warsaw, 29 May 2025

Management Board
Polski Fundusz Rozwoju S.A.
ul. Krucza 50
00-025 Warsaw
("Company")

Acting pursuant to § 14 sec. 1 item 5) and item 6) of Attachment No. 4 to the Rules and Regulations of the Alternative Trading System – "Current and Periodic Information Provided by Issuers of Debt Financial Instruments in the Alternative Trading System at Catalyst", the Management Board of the Company hereby represents as follows:

1. to the best of its knowledge, the annual financial statements for the financial year ended 31 December 2024 and comparative data have been prepared in accordance with the applicable accounting principles and give a true, fair and clear view of the Company's assets and financial standing and its financial performance, and the Company's activity report contains a fair review of the development, achievements and standing of the Company, including a description of the major threats and risks,

2. to the best of its knowledge, the audit firm to carry out the audit of the annual financial statements of the Company for the financial year ended 31 December 2024 was selected in accordance with applicable laws, including the laws relating to the selection and procedure for the selection of an audit firm, and additionally the audit firm and the members of the audit team met the conditions for preparing an impartial and independent audit report on the annual financial statements in accordance with the applicable law, professional standards and professional ethics principles.

Piotr Matczuk
President of the Management Board

Mariusz Jaszczyk
Vice President of the Management Board

Mikołaj Raczyński
Vice President of the Management Board

PFR
Polski Fundusz Rozwoju

Polski Fundusz Rozwoju S.A.
ul. Krucza 50
00-025 Warsaw
www.pfr.pl