



(TRANSLATION ONLY)

Current report No: 11/2025

Prepared on: 2025-03-04

Issuer's abbreviated name: TORPOL S.A.

Subject: The approval of the “Business Strategy of TORPOL Capital Group for the years 2025 - 2030” and the “TORPOL Capital Group Sustainability Strategy”

Legal Grounds:

Article 17(1) of MAR – Confidential Information

Contents of the Report:

The Management Board of TORPOL S.A. [Company, Issuer] informs that the Company's Supervisory Board, has given its approval to the documents entitled: “Business Strategy of TORPOL Capital Group for the years 2025 - 2030” [Strategy] and “TORPOL Capital Group Sustainability Strategy for the years 2025 - 2030” [ESG Strategy], through a resolution on the date of 4 March 2025.

As of the date of the approval of the Strategy and ESG Strategy by the Company's Supervisory Board, the Company has adopted the aforementioned documents for implementation.

The Issuer provides the key assumptions of the Strategy and ESG Strategy approved and adopted for implementation as attached.

Key areas of the Business Strategy of TORPOL Capital Group and TORPOL S.A. for 2025-2030

The development strategy of TORPOL Capital Group and TORPOL S.A. for 2025-2030 sets out key business directions and business objectives that will strengthen the market position in the infrastructure industry. The company's main goals are to strive for stable financial growth by optimizing margins and increasing profitability. The company's goal is to provide the highest level of services tailored to customers' needs, while maintaining a stable market position and building up shareholder value. The company focuses on operational and technological development to strengthen its image as a reliable and responsible partner. The Company operates in accordance with the principles of ethics, law and sustainable development, creating a future based on innovation, efficiency and social responsibility.

STRATEGIC OBJECTIVES FOR THE YEARS 2025-2030:

- achieving a cumulative consolidated net revenue of about **PLN 14.5 billion**,
- reaching approximately **PLN 840 million** of TORPOL Group's consolidated EBITDA in 2025-2030,
- achieving a cumulative consolidated net profit of approximately **PLN 500 million**,
- aiming to pay a dividend of **50% of net profit** to shareholders for the past fiscal year, depending on **market prospects** and the **Company's financial situation**,
- digitization of tools, processes and introduction of innovative solutions to support strategic decision-making,
- introducing new services to complement current offerings and diversify revenue sources,
- conducting acquisitions to strengthen the Group's value chain,
- actively participating in green transformation.

INVESTMENT EXPENDITURES

The TORPOL Group's capital expenditures in 2025-2030 will be significant, reaching approx. **PLN 300 million**. Investments will focus on both asset renewal and development. The largest expenditures are planned for the beginning and end of the planning period, while in the intermediate years expenditures will remain stable.

STRATEGIC PLANS OF TORPOL GROUP SEGMENTS

Railroad

The Group plans to steadily increase its market share by developing cooperation with PKP PLK, CPK and other rail infrastructure managers. It also plans to develop new competencies and enter new business segments in High Speed Rail and Digital Rail Services.

Tramways

Further development of service offerings and competence in the construction and modernization of tramway infrastructure. The Group intends to engage in new projects, increasing its presence in the urban rail transportation market.

Civil engineering structures

There are plans to expand competence in the construction and implementation of engineering structures.

Large-scale civil engineering construction

Development in this area will be based on the experience gained in the revitalization of railroad stations, particularly within the framework of the PID program (ed. Program Inwestycji Dworcowych [*translation – Railway Station Investment Program*]), as well as the development of competence in industrial construction.

TOG

The Group intends to strengthen its position and increase its share of the design and execution services market for high-tech investments in the Oil & Gas sector and the chemical industry. It plans to take an active part in the transition to green energy - building competence in hydrogen installations and CO2 capture systems.

MARKET OUTLOOK

Market prospects for the Group are developing promisingly, mainly due to significant investment in railroad and tramway infrastructure and engineering projects. More than PLN 180 billion has been earmarked for the development of railroads in Poland between 2025 and 2032, as a result of programs such as the National Rail Program, the Central Transportation Port, the Rail+ Program and the Bus Stop Program. Increased investments will also include tramway infrastructure in 15 Polish cities, where more than PLN 4.2 billion has been allocated for modernization and expansion of the network.

The railroad engineering investment segment will also see growth, both in terms of the number and value of projects under construction. An additional boost to the development of civil engineering will come from the funds allocated to the Railway Station Program, which has a budget of PLN 4.4 billion until 2030, with an additional PLN 3.1 billion remaining to be used from an earlier edition of the program.

In the Oil & Gas sector, despite the unstable geopolitical situation in Europe, the oil and gas market is expected to continue to grow. Investments are focused on expanding domestic production capacity, strengthening pipeline networks and building new facilities. Torpol Oil&Gas estimates the bidding potential in this segment at about PLN 1.5 billion in 2025. All these factors point to favorable conditions for the Group's further development in key business areas.

The company will also continue its **detailed analysis of potential foreign markets**, taking into account their attractiveness, expansion opportunities and entry strategy, in order to identify the most promising development directions.

Throughout the period under review, TORPOL expects to achieve **a market share of about 12%** in the rail infrastructure market.

SOCIAL RESPONSIBILITY

The Group aims to be a reliable, socially responsible partner for all stakeholders in every sphere of its operations, operating in accordance with the principles of law and ethics and sustainable development. The

Company's mission is to provide customers with professional services of the expected quality and to ensure stable, sustainable development of the company, translating into an increase in its shareholder value.

Within the framework of corporate social responsibility, the Group intends to place emphasis on implementing effective principles and taking appropriate measures in the following areas:

- market, customer, product;
- workplace;
- environment;
- society;
- innovation - research and development area.

As for the TORPOL Group's ESG strategic goals, they will be based on three pillars of sustainable development:

Environment: Minimizing carbon footprint, resource efficiency, biodiversity conservation, climate change adaptation,

Society: Equality, diversity, social inclusion, employee health and safety, community involvement,

Governance: Transparency, integrity, responsible management, ethical business practices, corruption prevention.

Key areas of the Sustainability Strategy of TORPOL Capitol Group for the years 2025-2030

The Sustainability Strategy of TORPOL Capitol Group for the years 2025-2030 is a key plan that defines the most important directions and goals related to the sustainable development of the entire Group. The document indicates what actions are necessary to effectively achieve these goals and presents the most important assumptions of the strategy, taking into account the plans of both TORPOL S.A. and its subsidiary Torpol Oil&Gas Sp. z o.o.

Mission: Providing services at the highest level to meet the requirements of our customers continuing to maintain a stable market position and distinguishing ourselves by sustainable business development, providing shareholders with the expected value.

Vision: We are committed to operational and technological development in order to strengthen our image as a reliable, socially responsible partner for all shareholders in every sphere of our business, operating in accordance with the principles of law and ethics and sustainable development.

Values:

1. Safety
2. Professionalism
3. Responsibility

TORPOL Group's ESG strategic objectives are based on three pillars of sustainability:

- **Environment:** Minimizing carbon footprint, resource efficiency, biodiversity conservation, climate change adaptation,
- **Society:** Equality, diversity, social inclusion, employee health and safety, community involvement,
- **Governance:** Transparency, integrity, responsible management, ethical business practices, corruption prevention.

Objectives and KPIs of the TORPOL Group's sustainable development strategy

Ecosystem Restoration

Business objectives:

- Participation in green transformation
- Strengthening market position

Specific objectives:

1.1. The minimization of negative impacts on the environment and climate

1.2. The minimization of negative impacts on biodiversity

1.3. The implementation of closed-loop economy measures

People and Partnership

Business objectives:

- Retaining close cooperation with Municipalities and Local Governments
- Development of competencies
- Strengthening market position

Specific objectives:

2.1. Maintaining the highest standards of occupational health and safety

2.2. Providing employees with satisfactory working conditions

2.3. The minimization of negative impacts on local communities

Confidence in Action

Business objectives:

- Development of competencies
- Strengthening market position

Specific objectives:

3.1. Maintaining the highest standards of organizational culture

3.2. Development of digital tools

3.3. Expanding and updating the Risk Management Policy

3.4. Ensuring regulatory compliance for services provided