



Boryszew S.A.

CONDENSED CONSOLIDATED QUARTERLY REPORT FOR BORYSZEW CAPITAL GROUP FOR Q1 '2019

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**SELECTED FINANCIAL DATA**

SELECTED FINANCIAL DATA	in PLN thousand		in EUR thousand	
	01.01.2019 – 31.03. 2019	01.01.2018 - 31.03. 2018	01.01.2019 - 31.03. 2019	01.01.2018 - 31.03. 2018
data regarding condensed consolidated financial statements				
Revenue from continuing operations	1 504 511	1 622 551	350 065	382 010
Operating profit	48 547	75 118	11 296	17 686
Net profit on continuing operations	25 677	51 348	5 974	12 089
Profit on continuing and discontinued operations	24 343	51 436	5 664	12 110
Net profit attributable to the parent	15 564	37 710	3 621	8 878
Weighted average number of shares	210 989 685	213 698 828	210 989 685	213 698 828
Earnings per share attributable to shareholders of the Parent (in PLN/EURO)	0.07	0.18	0.02	0.04
Net cash flow from operating activities	67 579	-4 360	15 724	-1 027
Net cash flow from investment activities	(102 221)	(82 433)	-23 784	-19 408
Net cash flow from financial activities	53 064	31 706	12 347	7 465
	As at 31.03.2019	As at 31.12.2018	As at 31.03.2019	As at 31.12.2018
Total assets	5 181 985	4 236 757	1 204 749	985 292
Total liabilities and provisions	3 181 336	2 441 850	739 622	567 872
Gross financial debt			0	0
Assets of continued operations	5 174 885	4 226 093	1 203 098	982 812
Liabilities of continued operations	3 163 284	2 421 563	735 425	563 154
Equity	2 000 649	1 794 907	465 127	417 420

**Boryszew Capital Group**

Interim condensed consolidated report for the first quarter of 2019 prepared in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2019 - 31.03. 2019	01.01.2018 - 31.03. 2018
Continuing operations		
Revenues from sales	1 504 511	1 622 551
Prime cost of sale	1 361 659	1 454 983
Gross profit on sales	142 852	167 568
Selling costs	34 209	32 207
Administrative expenses	68 898	67 213
Other operating revenue	13 111	12 765
Other operating expenses	5 643	5 795
Profit/loss on impairment of trade receivables	1 334	
Operating income	48 547	75 118
Financial revenues	14 787	15 532
Financial expenses	27 217	30 113
Profit/loss on impairment of financial assets	1	-
Financial profit/loss	(12 429)	(14 581)
Share in profit of affiliates	820	4 440
Profit before taxation	36 938	64 977
Income tax	11 261	13 629
Net profit on continuing operations	25 677	51 348
Net profit/loss on discontinued operations	(1 334)	88
Net profit on continuing and discontinued operations, including attributable to:	24 343	51 436
<i>to shareholders of the parent</i>	<i>15 564</i>	<i>37 710</i>
<i>non-controlling interests</i>	<i>8 779</i>	<i>13 726</i>
Earnings / Diluted earnings per share	15 564	37 710
Weighted average number of shares	210 989 685	213 698 828
Earnings / Diluted earnings per share (PLN)	0.07	0.18

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - CONTINUED**

	01.01.2019 - 31.03.2019	01.01.2018 - 31.03.2018
Net profit	24 343	51 436
Earnings recognised in equity		
<i>Earnings recognised in equity, to be transferred to income statement</i>	(8 511)	4 748
Hedge accounting	(4 741)	3 356
Measurement of financial assets recognised in income statement	-	
Exchange differences on translating foreign operations	(4 671)	2 295
<i>Income tax expense (-provision/+asset)</i>	901	(903)
<i>Earnings recognised in equity, not to be transferred to income statement</i>	27	0
Gains/losses on valuation of equity instruments	-	-
Employee benefit capital reserve	33	
<i>Income tax</i>	(6)	
Total earnings recognised in equity, including attributable:	(8 484)	4 748
<i>to shareholders of the parent</i>	(11 327)	3 825
<i>to non-controlling interests</i>	2 843	923
Total comprehensive income, including attributable:	15 859	56 184
<i>to shareholders of the parent</i>	4 237	41 535
<i>to non-controlling interests</i>	11 622	14 649

**CONSOLIDATED INCOME STATEMENT – DISCONTINUED OPERATIONS**

Consolidated profit and loss account – discontinued operations	01.01.2019 - 31.03. 2019	01.01.2018 - 31.03. 2018
Revenues from sales	1 289	13
Prime cost of sale	1 138	16
Gross profit (loss) from sales	151	(3)
Selling costs	20	-
	1	-
Administrative expenses	591	-
Other operating revenue	436	537
Other operating expenses	316	433
Profit (loss) from operating activity	(1 340)	101
Financial revenues	11	0
Financial expenses	5	13
Financial profit/loss	6	(13)
Profit (loss) before income tax	(1 334)	88
Corporate income tax	-	-
Net profit (loss) on discontinued operations	(1 334)	88
in the parent company	(930)	263
<i>non-controlling interests</i>	(404)	(175)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

ASSETS	As at 31.03.2019	As at 31.12.2018
Non-current assets		
Non-current assets	1 728 627	1 474 215
Investment property	151 077	150 906
Goodwill	215 287	23 464
Intangible assets	46 360	46 667
Right-of-use assets	294 590	
Shares in affiliates	2 432	316 582
Financial assets	463	4 374
Long-term receivables	4 755	4 840
Deferred tax assets	62 672	61 598
Other assets	21 125	21 593
Total fixed assets	2 527 388	2 104 239
Current assets		
Inventory	1 309 466	1 040 253
Trade receivables and other receivables	997 568	664 410
Short-term financial assets	82 536	195 545
Derivative financial instruments	13 986	23 907
Current tax assets	4 333	5 627
Other assets	65 925	54 445
Cash and cash equivalents	173 683	137 667
Total current assets	2 647 497	2 121 854
Assets classified as held for sale	7 100	10 664
Total assets	5 181 985	4 236 757

**Boryszew Capital Group**

Interim condensed consolidated report for the first quarter of 2019 prepared in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 31.03.2019	As at 31.12.2018
Equity		
Share capital	248 906	248 906
Share premium	114 435	114 435
Own shares	(237 141)	(217 657)
Hedge accounting capital	(2 023)	4 797
Capital reserve on translating employee payables	(1 121)	(1 148)
Revaluation reserve	(13 142)	(13 142)
Exchange differences on translating foreign entities	(26 106)	(21 572)
Retained earnings	1 117 177	1 101 613
Total equity	1 200 985	1 216 232
Equity of non-controlling shareholders	799 664	578 675
Total equity	2 000 649	1 794 907
Liabilities and long-term provisions		
Bank credits, loans, bonds	444 639	441 206
Lease liabilities	79 233	70 215
Liabilities related to right-of-use assets	117 543	
Payables on perpetual usufruct of investment land	57 073	57 077
Deferred tax provision	124 014	99 330
Employee benefit provisions	26 927	22 140
Other provisions	46 335	46 071
Other long term equity and liabilities	11 481	11 520
Liabilities and long-term provisions - total	907 245	747 559
Short-term liabilities		
Bank credits, loans, bonds	958 313	742 793
Lease liabilities	34 002	32 505
Liabilities related to right-of-use assets	30 791	
Payables on perpetual usufruct of investment land	9	250
Trade payables and other liabilities	1 061 620	746 431
Derivative financial instruments	15 388	5 170
Current tax liabilities	6 490	32 406
Employee benefit provisions	33 074	24 069
Other provisions	66 558	52 185
Other liabilities and equity	49 794	38 195
Liabilities and short-term provisions - total	2 256 039	1 674 004
Liabilities directly related to assets classified as held for sale	18 052	20 287
Total liabilities and provisions	3 181 336	2 441 850
Total equity and liabilities	5 181 985	4 236 757

**CONSOLIDATED CASH FLOW STATEMENT – CONTINUING OPERATIONS**

	01.01.2019 - 31.03. 2019	01.01.2018 - 31.03. 2018
Cash flows from operating activities		
Profit before taxation	36 938	64 977
Adjustments for (+/-)	30 641	(69 337)
Amortisation/depreciation	41 652	35 559
Profit/loss on financial activity (including interest on financial liabilities)	10 899	8 041
Profit / loss on investment activities	(607)	3 412
Change in receivables	(92 197)	(185 008)
Change in inventories	25 342	13 646
Change in liabilities	38 541	75 580
Change in provisions and accruals as well as prepayments	5 453	2 990
Other items	29 178	(11 322)
Income tax paid	(27 620)	(12 235)
Net cash from operating activities	67 579	(4 360)
Cash flows from investment activities		
Profit on fixed assets disposal	1 495	14 412
Proceeds from disposal of shares	(3)	-
Proceeds from bond issue	77 514	-
Expenses on acquisition of fixed assets	(42 958)	(46 988)
Acquisition of shares and stocks in capital group entities	(127 901)	(4 764)
Long term borrowings granted	(368)	-
Expenditure on bonds	(10 000)	(45 093)
Net cash from investing activities	(102 221)	(82 433)
Cash flows from financial activities		
Incomes on credit and loan facilities	128 981	137 206
Share buy-back expense	(4 516)	(12 531)
Loans repaid	(41 212)	(66 073)
Repayment of borrowings	(1 186)	(5 206)
Interest paid on loans, bonds...	(10 899)	(8 762)
Payment of liabilities under finance lease agreements	(18 104)	(9 296)
Other financial outflows	-	(3 632)
Net cash from financing activities	53 064	31 706
Net change in cash	18 422	(55 087)
Translation reserve	428	470
Cash and cash equivalents in acquired entities	17 166	-
Cash opening balance	137 667	216 120
Cash closing balance	173 683	161 503



CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
As at 01.01.2019	248 906	114 435	-217 657	4 797	-1 148	-13 142	-21 572	1 101 613	1 216 232	578 675	1 794 907
Valuation of hedge instruments				(6 820)					(6 820)	2 980	(3 840)
Valuation of employee benefits					27				27		27
Currency translation differences (subsidiaries)							(4 534)		(4 534)	(137)	(4 671)
Profit/loss for Q1 '2019								15 564	15 564	8 779	24 343
Comprehensive income for Q1 '2019	-	-	-	(6 820)	27	-	(4 534)	15 564	4 237	11 622	15 859
Share buy-back			(19 484)						(19 484)		(19 484)
Change of capital group structure										209 367	209 367
As at 31.03.2019	248 906	114 435	(237 141)	(2 023)	(1 121)	(13 142)	(26 106)	1 117 177	1 200 985	799 664	2 000 649



(amounts expressed in PLN '000 unless specified otherwise)

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
As at 01.01.2018	248 906	114 435	(170 567)	5 259	(775)	(12 024)	(39 569)	985 803	1 131 468	590 622	1 722 090
Valuation of hedge instruments				2 069					2 069	649	2 718
Valuation of assets available for sale						-			-		-
Valuation of employee benefits					(2)				(2)		(2)
Currency translation differences (subsidiaries)							1 758		1 758	274	2 032
Profit/loss for Q1 '2018								37 710	37 710	13 726	51 436
Comprehensive income for Q1 '2018	-	-	-	2 069	(2)	0	1 758	37 710	41 535	14 649	56 184
Share buy-back			(12 531)						(12 531)		(12 531)
Change of Group structure								276	276	(4 236)	(3 960)
As at 03.31.2018	248 906	114 435	(183 098)	7 328	(777)	(12 024)	(37 811)	1 023 789	1 160 748	601 035	1 761 783



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1. INTRODUCTION

COMPANY DATA

The head office of Boryszew Spółka Akcyjna is located in Warsaw.

The company is registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register under KRS number 0000063824. The Company was assigned statistical number REGON 750010992 and NIP 837-000-06-34.

The company is established for an indefinite period of time.

HISTORY

The history of Boryszew SA (the "Company") dates back to 1911, when the Belgian Society of the Sochaczew Rayon Factory was established. Following the II WW the factory was nationalised. In 1991, as a result of privatisation of the state-owned enterprise Boryszew ERG, a joint stock company Boryszew S.A. with 100% private capital was established.

The Company is listed on the Warsaw Stock Exchange since May 1996.

In 1999 Boryszew S.A., offering a wide range of chemicals (including Borygo, a widely known coolant) gained a strategic investor, Mr Roman Karkosik.

The new shareholder initiated a dynamic growth of the company. Acquisitions of non-ferrous metals and automotive manufacturing companies combined with their restructuring, mergers and organic growth in sales of Group's companies contributed to a significant improvement in the Group's results.

Boryszew Capital Group is one of the largest industrial groups in Poland, with production plants on 4 continents, operating in the automotive, non-ferrous metals and chemical industries. The Capital Group employs more than 9 000 employees.

SUPERVISORY BOARD OF BORYSZEWSA.

As at 1 January 2019, the composition of the Supervisory Board was as follows:

Mr Janusz Siemieniec - Chairman of the Supervisory Board,
Mr Mirosław Kutnik – Secretary of the Supervisory Board
Mr Jarosław Antosik - – Member of the Supervisory Board,
Mr Arkadiusz Krężel – Member of the Supervisory Board,
Ms Małgorzata Waldowska - Member of the Supervisory Board.

On 17 January 2019, the Supervisory Board of the Company adopted a resolution on appointing Mr Janusz Wiśniewski to the Supervisory Board. Mr Janusz Wiśniewski was appointed to the Supervisory Board, replacing Mr Piotr Lisiecki, who resigned from his membership in the Supervisory Board on 7 November 2018.

On 1 April 2019 the Company was informed that on 31 March 2019 Mr Janusz Siemieńca, Chairman of the Supervisory Board of the Company, filed a resignation from the position of the Member of the Supervisory Board, effective as of the same day.

On 8 April 2019 the Supervisory Board appointed Mr Arkadiusz Krężel as Chairman and Mr Janusz Wiśniewski as Vice Chairman of the Supervisory Board for Boryszew S.A.

As at the date of submitting the report for publication, the Supervisory Board was composed of the following persons:

Mr Arkadiusz Krężel – Chairman of the Supervisory Board
Mr Janusz Wiśniewski - Deputy Chairman of the Supervisory Board,
Mr Mirosław Kutnik – Secretary of the Supervisory Board
Mr Jarosław Antosik - – Member of the Supervisory Board,
Ms Małgorzata Waldowska - Member of the Supervisory Board.



MANAGEMENT BOARD OF BORYSZEW S.A.

As at 1 January 2019, the composition of the Management Board of Boryszew S.A. was as follows:

Mr Piotr Lisiecki - President of the Management Board, CEO,
Mr Aleksander Baryś – Member of the Management Board, CFO,
Mr Mikołaj Budzanowski – Member of the Management Board
Mr Cezary Pyszkowski – Member of the Management Board, Director for Automotive Sector Development,

On 29 April 2019 Mr Cezary Pyszkowski resigned, as of the same day, from his function of a Member of the Management Board for Boryszew S.A. The resignation was submitted in connection with the appointment of Mr. Cezary Pyszkowski as President of the Management Board of the subsidiary Boryszew Automotive Plastics Sp. z o.o. with its registered office in Toruń. His resignation was submitted because he was appointed as the President of the Management Board for Boryszew Automotive Plastics Sp. z o.o. based in Toruń, a subsidiary of the parent company.

On the date of submitting the report of, the Management Board for Boryszew S.A. includes the following persons:

Mr Piotr Lisiecki - President of the Management Board, CEO,
Mr Aleksander Baryś – Member of the Management Board, CFO,
Mr Mikołaj Budzanowski – Member of the Management Board

2. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES

The information included in the financial statements for Q1 '2019 was prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Journal of Laws No. 2018.757 of 20.04.2018) as well as the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

These financial statements were drafted on the basis of International Financial Reporting Standards as approved by the European Union (EU).

Selected financial data in the initial part of the report were converted into EUR as per § 64 of the Regulation of the Minister of Finance of 29 March 2018 (OJ 2018.757, 20.04.2018).

Balance sheet items were converted at the exchange rate of the last day of the reporting period and income statement items as well as cash flow statement items - at the average rate of the period.

	average EUR exchange rate during the period	EUR exchange rate the last day of the period
1.01- 31.03.2018	4.1784	4.2085
1.01- 31.12.2018	4.2669	4.3000
1.01- 31.03.2019	4.2978	4.3013

The accounting principles and computation methods applied by the Group were not modified in the period covered by this report; these principles are presented in details in the consolidated financial statements for 2018, published on 25 April 2019, except for standards, which became effective after 1 January 2019.

CHANGES IN ACCOUNTING PRINCIPLES

IFRS 16 establishes new accounting standards for reporting leases. As at 1 January 2019, the Group identified two new categories of lease agreements:

- long-term property lease agreements: factory halls, storage facilities, offices,
- perpetual usufruct of land.



In the previous period, it was a lease of machinery, technical equipment, cars and a liability for perpetual usufruct of land disclosed in assets as investment property.

The presentation of lease agreements in the statement of financial position depends mainly on: - the scope of agreements classified as leasing, - the lease period adopted for relevant types of agreements, which requires significant estimates to be made by the Management Board of the Company. The Management Board verifies adopted estimates on the basis of change of factors taken into account during their preparation, new information or established market practice.

The lease period covers the irrevocable period of the agreement, together with the periods for which the lease may be extended, if it can be assumed with sufficient certainty that the Group will exercise this right and the periods for which the lease may be terminated, if it can be assumed with sufficient certainty that the Group will not exercise this right.

The lease term was also determined taking into consideration the legal and customary regulations in force in the Polish legal environment, as well as the specific nature of Group's agreements. In particular, for agreements concluded for an indefinite period of time, the Group accepts the notice period as an irrevocable lease term. For lease agreements concluded for an indefinite period of time, most of the notice periods are shorter than 12 months and for these agreements the Group applied an exemption from recognition of short-term leases. Consequently, such contracts are treated as short-term contracts and are not measured or presented in the statement of financial position.

In case of limited property rights in buildings in which the Group has a telecommunication infrastructure, the lease term was set as the average life of buildings in the Group. The use of any option of early termination of the agreement has not been assessed as probable as at 1 January 2019. Agreements in which the use of the extension option was assessed as probable, have an immaterial impact on the valuation of lease liabilities.

The impact of the application of IFRS 16 on the Group concerns mainly the Group as a lessee and results in:

- a) recognition of all lease agreements as per a single model where the statement of financial position includes the right-of-use asset associated with the leased asset in correspondence with the lease liability;
- b) recognition of depreciation on the right-of-use asset and interest costs on the lease liability, instead of recognition of operating costs;
- c) accelerated recognition of costs related to lease agreements, resulting in particular from the interest component.

As at 1 January 2019, the Group applied the "modified retrospective method", without restating comparative data. The implementation of the standard had no impact on equity as at 1 January 2019, because the Group chose to measure the right-of-use asset at the value equal to the liability for leasing.

The Group chose to apply the exception under IFRS 16 point C.10. (c), whereby the requirements described in (a) to (c) above for leases for which the lease term expires within 12 months from the date of the first application may not be followed.

As a result of applying IFRS 16, certain changes were made to the presentation in the consolidated financial statements, which affected the comparative data.

All leased fixed assets at the end of the previous year were transferred from "Property, plant and equipment" to "Right-of-use assets".

Application of IFRS 16 had the following impact on the consolidated statement of financial position as at 1 January 2019:

Property, plant and equipment as at 01.01.2019	1 474 215
Fixed assets used under lease agreements	(151 879)
Tangible fixed assets after correction	1 322 336
Right-of-use assets	
Transfer from property, plant and equipment	151 879
Recognition of perpetual usufruct of land	84 027



(amounts expressed in PLN '000 unless specified otherwise)

Recognition of leasing of services (property lease agreements)	67 124
Total	303 030

Increase in total assets **151 151**

Liabilities

Leasing liabilities as at 01.01.2019	102 720
Increase in liabilities (implementation of IFRS 16)	151 151
Total	253 871

Increase of liabilities **151 151**

CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE FOLLOWING COMPANIES:

Company name	Based in	share of the parent in share capital (%)	subsidiary of:	Business segment
Boryszew S.A. :	Warsaw		Parent Company	
<i>Head Office</i>	Warsaw			Other
<i>Elana Branch in Toruń</i>	Toruń			Chemical products
<i>Boryszew Energy Branch in Toruń</i>	Toruń			Other
<i>Maflow Branch in Tychy</i>	Tychy			Automotive
<i>NPA Skawina Branch</i>	Skawina			Metals
<i>Boryszew ERG Branch</i>	Sochaczew			Chemical products
<i>Nylonbor Branch</i>	Sochaczew			Chemical products
Elimer Sp. z o.o.	Sochaczew	52.44	Boryszew S.A.	Chemical products
Torlen Sp. z o.o. w likwidacji	Toruń	100	Boryszew S.A.	Chemical products
Elana Pet Sp. z o.o.	Toruń	100	Boryszew S.A.	Chemical products
Elana Energetyka Sp. z o.o.	Toruń	100	Boryszew S.A.	Other
SPV Boryszew 3 Sp. z o.o.	Warsaw	100	Boryszew S.A.	Other
NPA Skawina Sp. z o.o. in liquidation	Warsaw	100	Boryszew S.A.	Inactive
Boryszew Components Poland Sp. z o.o.	Warsaw	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew HR Service Sp. z o.o.	Toruń	100	Boryszew S.A.	Automotive
Boryszew Commodities Sp. z o.o.	Warsaw	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Automotive Plastics Sp. z o.o.	Toruń	100	Boryszew S.A.	Automotive
Maflow Polska Sp. z o.o.	Warsaw	100	Boryszew S.A.	Automotive
Maflow BRS s.r.l	Italy	100	Boryszew S.A.	Automotive
Maflow Spain Automotive S.L.U	Spain	100	Boryszew S.A.	Automotive
Maflow France Automotive S.A.	France	100	Boryszew S.A.	Automotive
Maflow do Brasil Ltda	Brazil	100	Maflow Sp. z o.o.	Automotive
Maflow Components Co. Ltd	China	100	Maflow Sp. z o.o.	Automotive
Maflow India Private Limited	India	100	Boryszew S.A.	Automotive
Boryszew Automotive Mexico S.DE R.L.DE C.V	Mexico	100	Maflow Spain Automotive S.L.U., Maflow Sp. z o.o.	Company has not commenced operations



Boryszew Capital Group
Interim condensed consolidated report for the first quarter of 2019 prepared in accordance
with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

MAFMEX S.DE R.L.DE C.V	Mexico	100	Maflow Spain Automotive S.L.U., Maflow Sp. z o.o.	Automotive
Theysohn Kunststoff GmbH	Germany	100	ICOS GmbH	Automotive
Theysohn Formenbau GmbH	Germany	100	ICOS GmbH	Automotive
Boryszew Formenbau Deutschland GmbH	Germany	100	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Kunststofftechnik Deutschland GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Oberflächentechnik Deutschland GmbH	Germany	100	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Deutschland GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
AKT Plastikarska Technologie s.r.o.	The Czech Republic	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Plastic RUS Sp. z o.o.	Russia	100	Boryszew S.A., Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Tensho Poland Sp. z o.o.	Ostaszewo	93.68	Boryszew S.A.	Automotive
Impexmetal S.A.	Warsaw	65.88	Boryszew S.A.	Metals
Hutmen S.A.	Wroclaw	77.64	Boryszew S.A., SPV 3 Boryszew, Impexmetal S.A., Impex – invest Hutmen S.A., Impexmetal S.A., Boryszew S.A.	Metals
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	74.92	Boryszew S.A.	Metals
Huta Metali Nieżelaznych Szopienice S.A. – in liquidation	Katowice	40.69	Polski Cynk Sp. z o.o.	discontinued operations
ZM Silesia S.A.	Katowice	65.88	Impexmetal S.A.	Metals
Baterpol S.A.	Katowice	65.88	Polski Cynk Sp. z o.o.	Metals
Polski Cynk Sp. z o.o.	Katowice	65.88	Impexmetal S.A., ZM Silesia S.A.	Metals
FŁT Polska Sp. z o.o.	Warsaw	65.88	Impexmetal S.A.	Metals
FLT & Metals Ltd.	Great Britain	65.88	Impexmetal S.A.	Metals
S & I S.A.	Switzerland	65.88	Impexmetal S.A.	Metals
FLT Bearings Ltd.	Great Britain	65.88	FLT France SAS	Metals
FLT France SAS	France	65.88	FŁT Polska Sp. z o.o.	Metals
FLT Wälzlager GmbH	Germany	65.88	FŁT Polska Sp. z o.o.	Metals
FLT & Metals s.r.l.	Italy	65.88	FŁT Polska Sp. z o.o.	Metals
FLT (Wuxi) Trading Co. Ltd.	China	65.88	FŁT Polska Sp. z o.o.	
SPV Lakme Investment Sp. z o.o.	Warsaw	61.29	Impexmetal S.A.	Other
Impex – Invest Sp. z o.o.	Warsaw	65.88	Impexmetal S.A.	Other
Eastside Capital Investments Sp. z o.o.	Warsaw	65.02	Boryszew S.A., Impexmetal S.A.	Other
Symonvit Ltd w likwidacji	Cyprus	65.88	Impexmetal S.A.	Metals
Baterpol Recycler Sp. z o.o.	Wroclaw	65.88	Polski Cynk Sp. z o.o.	Metals
SPV Impexmetal Sp. z o.o.	Warsaw	65.87	Impexmetal SA,	Other
Metal Zinc Sp. z o.o.	Katowice	65.88	ZM Silesia SA	Metals
Remal Sp. z o.o.	Konin	52.48	Impexmetal S.A.	Other
Eastside - Bis Sp. z o.o.	Warsaw	88.06	Eastside Capital Investments Sp. z o.o.	Other
Zakład Utylizacji Odpadów Sp. z o.o., in Konin	Konin	39.51	Impexmetal S.A.	Metals
Alchemia S.A.	Warsaw	38.86	Impexmetal	Metals



(amounts expressed in PLN '000 unless specified otherwise)

Huta Bankowa Sp. z o.o.	Dąbrowa Górnicza	38.86	Alchemia S.A.	Metals
Laboratorium Badań Batory Sp. z o.o.	41-506 Chorzów	38.86	Alchemia S.A.	Metals

COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Based in	share of the parent in share capital (%)	share in voting rights (%)	Core activity
Brick factory Wostoczna - Sp. z o.o.	Belarus	30	30	trade, production of secondary raw materials
Elana Ukraina Sp.z o.o.	Ukraine	90	90	trade, production of secondary raw materials
Nylonbor Sp. z o.o.	Sochaczew	100	100	dormant company
Brasco Inc	USA	57.41	57.41	dormant company
Hutnik Sp. z o.o. – in liquidation,	Konin	47.66	47.66	dormant company

3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q1 '2019 INCLUDING FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT

ACHIEVED PROFIT/LOSS

A. OVERALL MACROECONOMIC SITUATION

Market (segments and geographical structure) of the Boryszew Capital Group ("Group", "BCG"):

Structure of revenues by segments

	Q1 2019		Q1 2018	
Chemical products	72 956	5%	69 618	4%
Automotive	449 082	30%	504 724	31%
Metals	907 148	60%	978 275	60%
Other *	75 325	5%	69 934	4%
TOTAL	1 504 511	100%	1 622 551	100%

Geographical structure of revenues

	Q1 2019		Q1 2018	
Poland	530 281	35%	571 451	35%
Germany	327 400	22%	362 158	22%
Other EU countries	497 215	33%	562 447	35%
Other	149 615	10%	126 495	8%
TOTAL	1 504 511	100%	1 622 551	100%

* this item also includes consolidation exclusions between segments

Key determinants:

Market sentiment - PMI and GDP:

More than 95% of revenues at Boryszew Capital Group is generated in Europe, hence the overall economic situation within the European Union (including in Germany) is critical for Company's performance.

In EU countries as well as in Poland itself, the general macroeconomic sentiment in Q1 '2019 was less optimistic than in the period of the previous year.

The average values of the PMI index, which determines the level of activity in industry of the most important economies for the Capital Group (the Euro zone, Germany, Poland) were at a much lower level compared to Q1 of the previous year.



PMI	1Q 2019	1Q 2018
EU	47.5	56.6
Poland	48.7	53.7
Germany	44.1	58.2

PMI for Germany and the EU reached 44.1 points and 47.5 points respectively, which is the lowest reading since 2012 for Germany and since 2013 for the EU (in Q1 '2018 the readings were 58.2 points for Germany and 56.6 points for the EU).

In Poland the PMI reading is also lower than in the same period of the previous year and remains below the level of 50, i.e. 48.7 points (with the reading of 53.7 points in Q1 2018).

Forecast of GDP growth for Poland	2019	2020
NBP	4.0%	3.7%
World Bank	4.0%	3.6%
European Commission	4.2%	3.6%

In its May 2019 forecasts the European Commission raised the forecast for this year's GDP growth in Poland by 0.7 percentage points (compared to the estimates in February 2019) to the level of 4.2 percent and increased the growth by 0.4 percentage points for 2020 to the level of 3.6 percent.

According to the European Commission, GDP growth forecasts are slightly more optimistic than those presented by the World Bank and the National Bank of Poland.

In April 2019 the World Bank announced forecasts, which are consistent with its earlier forecasts, presented in January 2019, with GDP growth for Poland in 2019 of 4.0% and 3.6% in 2020. These forecasts are consistent with those presented by the National Bank of Poland, which predict growth in 2019 at the level of 4.0% and 3.7% in 2020.

Market sentiments - Sales of cars:

Another important parameter with an impact on the dynamics and results of the Group is the sale of cars (the Automotive segment accounts for over 30% of Group's turnover).

In Q1 '2019 the sale of cars in Europe dropped. According to ACEA data, the passenger car market in Europe declined by 3.3% compared to the same period of last year. However, the drop in car sales in March 2019 alone is worrying, amounting to 3.9% compared to March 2018, where in previous years, starting from March 2010, a revival in the car sales market could be observed.

After Q1 '2019, the main customer of the Automotive segment, Volkswagen Group, suffered a 2.7% decrease in car sales on the European market (compared to the same period of the previous year), of which in March 2019 alone a decrease by 1.1%. Importantly, despite the presence of the Automotive segment entities on the markets of South America and Asia, the key market for this segment remains the European market, accounting for approximately 87% of sales.

Market sentiments - basic products of the Metals segment:

The situation on the market of the basic products of this Segment, i.e. aluminium rolled products, is very good. Forecasts speak of a double growth in the demand for sheets and tapes over the next ten years. Aluminium has been seeing a growing application in many industries of the economy. The markets of key importance for Aluminium Konin are automotive and packaging materials markets. The revolution in the automotive industry, which can be currently observed, enforced by restrictive environmental standards, has led to a widespread use of lightweight materials, including aluminium. Also the segment of beverage bottle caps thrives from a continuous increase in demand in the scale of a few per cent.



Market sentiment - Prices of basic raw materials:

Since over 60% of Boryszew Capital Group's sales is in the metals industry segment, the Group is exposed to fluctuations in average prices of metals quoted on the London Metal Exchange (LME). Group's policy of hedging metal prices and currency exchange rates significantly reduces this risk from the point of view of generated margins. However, the level of income and working capital still remain sensitive to the volatility of these parameters.

In the discussed period, average prices of all four basic metals (in USD) decreased significantly: copper (by 11%), aluminium (by 14%), lead (by 19%) and zinc (by 21%).

On the other hand, metal prices expressed in PLN decreased by 4% (aluminium), 10% (lead), 12% (zinc), while prices for copper remained at a level similar to that of the corresponding period of the previous year, which resulted from changes in the USD to PLN exchange rate.

The raw materials important for the Group include metal scrap (including battery scrap), which are the main (Baterpol S.A., WM Dzierżycze S.A.) or important (Impexmetal S.A., Zakład Aluminium Konin) raw materials for production.

Another important indicator for the Group is the amount of sales bonuses, which depends on the monthly sales volumes and current purchasing needs.

In case of most of the Group companies (except Hutmen S.A., ZM Silesia S.A. Oława branch), base sales bonuses are lower than in 2018.

Market sentiments - significant currency pairs

The level of US dollar rates has an impact on revenues of the Group, which to some large extent dependent also on the level of metal rates as metals are the major component of the price of Group's products. In Q1 '2019 USD strengthened against the PLN by 11.5%, which also had an impact on the listings of basic metals expressed in PLN and on the sales profitability on this account.

The level of EUR rates is significant for the Group due to the predominance of processing margins denominated in this currency and due to the high share of export sales (approximately 58%), mainly to the EUR zone. In Q1 '2019 the average EUR listings increased by 2.9% in relation to PLN.

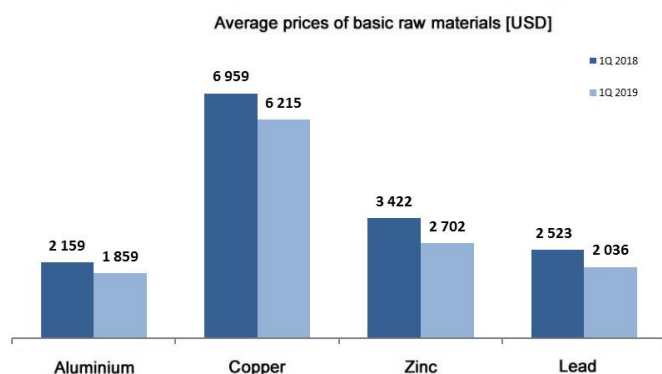
The EUR/USD exchange rate stood at 1.13 after Q1 '2019, i.e. 7.7% lower than in the same period of the previous year.

A slight strengthening of Euro against the PLN had a positive impact on the Group's results, especially its trade margins.

Detailed information on the above key parameters (daily average metal prices and exchange rates) are presented in the chart and table below:



(amounts expressed in PLN '000 unless specified otherwise)



	1Q 2019	1Q 2018	% change
Aluminium [USD]	1 859	2 159	-14%
Copper [USD]	6 215	6 959	-11%
Zinc [USD]	2 702	3 422	-21%
Lead [USD]	2 036	2 523	-19%
EUR/PLN	4.30	4.18	2.9%
USD/PLN	3.79	3.40	11.5%
EUR/USD	1.13	1.23	-7.7%

	1Q 2019	1Q 2018	% change
Aluminium [PLN]	7 048	7 341	-4%
Copper [PLN]	23 563	23 660	0%
Zinc [PLN]	10 245	11 635	-12%
Lead [PLN]	7 719	8 578	-10%

Source: Daily listings of LME, NBP

Revenues from sales / Demand for Group's products

The revenues of the Boryszew Capital Group after Q1 '2019 amounted to PLN 1 504.5 million and were 7.3% lower than the level in Q1 of the previous year.

By segments, the sales revenues and volumes are as follows:

in PLN million	1Q 2019	1Q 2018	difference
Revenues from sale, including:	1 504.5	1 622.6	-118.0
Automotive Segment	449.1	504.7	-55.6
Metals Segment	907.1	978.3	-71.1
Chemicals segment	73.0	69.6	3.3
Other Activities Segment	75.3	69.9	5.4

(in thousand tonnes)	1Q 2019	1Q 2018	difference
Volume of sales, including:	80.9	85.7	-4.7
Metals Segment	66.2	71.5	-5.3
Chemicals segment	14.7	14.1	0.6

The decrease in revenues of the Metals segment was primarily attributed to decrease in PLN prices of most metals offered by the Segment and changes in the Group's sales volumes, which dropped by 7.4% and to the level of 66.2 thousand tons.

The decrease in sales volumes was experienced by almost all Group's production companies except for ZM Silesia S.A. Oława branch and Impexmetal S.A. Aluminium Konin.

The highest drop in sales volumes was suffered by Boryszew S.A. NPA Skawina branch, to 2.6 thousand tons (i.e. by 25.1%) in almost entire range of production, except for aluminium monolithic conductors and is due to, among other things, the lack of tenders for power transmission lines.

In Baterpol S.A., the drop was 1.9 thousand tonnes (i.e. by 14.8%), mainly due to the change on the battery scrap market and the increase in raw material prices, leading lower sales of the plant.

ZM Silesia S.A. Katowice branch recorded a drop in sales of 1.0 thousand tons (i.e. by 29.1%) in all production assortments, but mainly in the sheet metal segment.



(amounts expressed in PLN '000 unless specified otherwise)

For WM Dziedzice S.A. the decrease in sales was 0.4 thousand tons (i.e. by 3.9%) mainly in bars and metal processing services offered by WM Dziedzice S.A.

Hutmen S.A. suffered a drop of 0.3 thousand tons (i.e. by 8.9%), coming from the decrease in sales of casting alloys and in copper wires, rods, profiles and pipes.

ZM Silesia S.A. Oława branch recorded an increase in sales volumes by 0.6 thousand tons, i.e. by 9.1%, in particular in zinc white, the sale of which was lower in Q1 '2019 due to the delay in the launch of its production).

Aluminium Plant Konin of Impexmetal S.A. saw an increase in sales volumes by 0.2 thousand tonnes, i.e. by 1.2%, coming from the increase in production capacity and thus sales opportunities in recent years as a result of completed investments.

The decrease in revenues in the Automotive segment came from a decrease in sales of parts by PLN 43.5 million and a decrease in sales of tools by approximately PLN 11.5 million and was mainly caused by new procedures under WLTP (Worldwide Harmonized Light Vehicles Test Procedure) and the observed slowdown in the passenger car market.

Lower sales of tools is the result of the launch of series production in new projects.

Q1 '2019, the Automotive segment acquired contracts for a total amount of approximately EUR 22.0 million.

The Chemicals segment recorded higher revenues than in Q1 '2018 with slightly higher sales volumes and despite the liquidation of one of the companies in the segment, i.e. Torlen S.A., at the end of 2018.

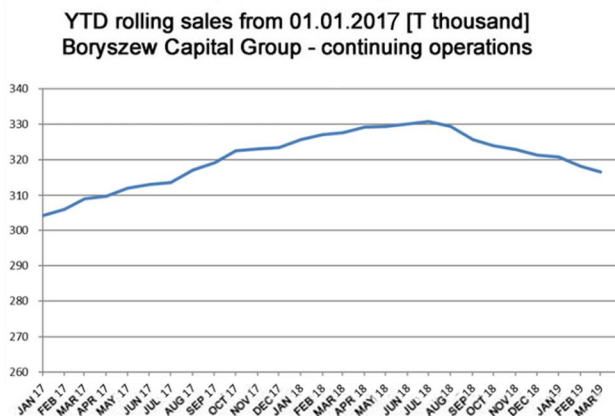
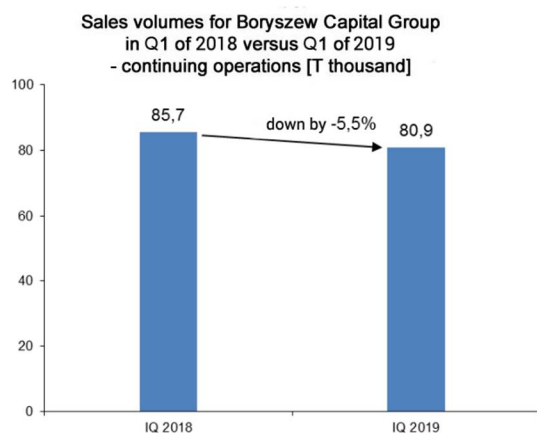
Boryszew S.A. Boryszew ERG branch recorded an increase in sales volumes by some 14.4% and an increase in sales revenues mainly as a result of much higher sales of de-icing fluids compared to the same period of 2018.

Elana Pet Sp. z o.o. had a higher level of sales revenues than in the same period of the previous year, mainly as a result of higher flake sales volumes.

Boryszew S.A. Elana branch recorded a decrease in revenues as a result of lower sales of fibres by 13.3%.

The increase in sales revenues in the Segment Other results primarily from higher sales generated by Boryszew S.A. Energy Branch.

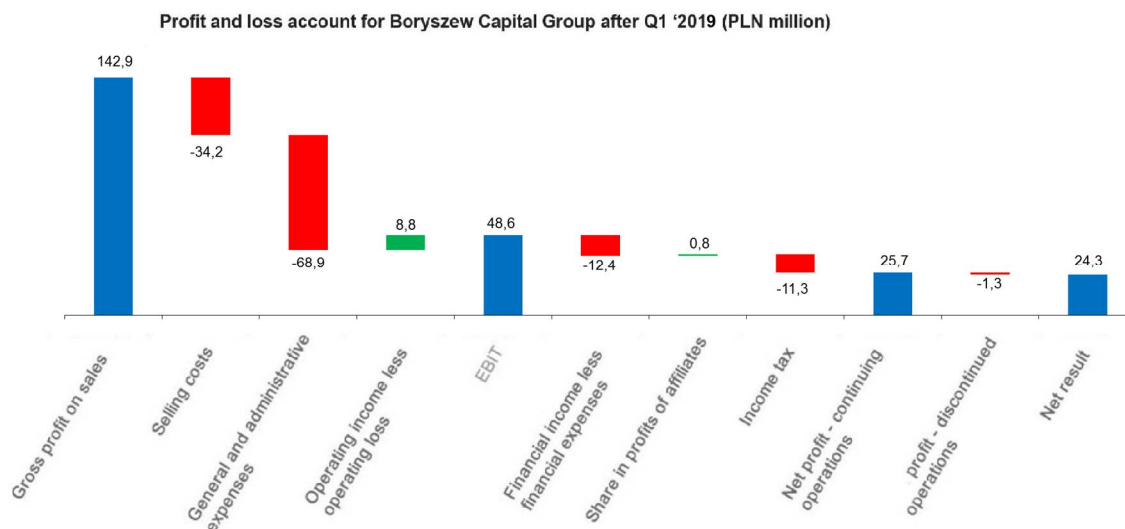
The comparison of the total sales volumes of the Capital Group in the discussed periods and rolling 12-month sales volumes are presented in the following charts:





B. ACHIEVED FINANCIAL RESULTS

The graph below compiles components of the profit and loss account after Q1 '2019.



The gross result on sales after Q1 '2019 amounted to PLN 142.9 million and was lower by PLN 24.7 million when compared to the result in the corresponding period of the previous year. The decrease in gross profit is a consequence of the deterioration of results in all segments except for Segment Other.

The average gross return on sales dropped from 10.3% after Q1 '2019 to 9.5% at present.

In nominal terms, selling expenses were PLN 2.0 million, or by 6.2% higher than in the same period of the previous year.

General and administrative expenses increased by PLN 1.7 million, or by 2.5% compared to Q1 2018.

The balance of operating income/expenses amounted to PLN 8.8 million and was higher by PLN 1.8 million when compared to the same period of 2018, mainly due to higher revaluation write-downs on trade receivables and inventories with an impact on the result of PLN +4.2 million, partly offset by lower result on sale of fixed assets.



OPERATING RESULTS BY SEGMENTS

1. Consolidates figures:

After Q1 '2019 EBITDA on continuing operations amounted to PLN 90.2 million compared to PLN 110.7 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

in PLN million	1Q 2019	1Q 2018	difference
EBITDA, including:	90.2	110.7	-20.5
Automotive Segment	20.5	33.3	-12.8
Metals Segment	58.0	67.7	-9.7
Chemicals segment	3.5	4.1	-0.6
Other Activities Segment	8.2	5.6	2.6

2. Metals Segment

Decrease in results of the Metals Segment against previous year is primarily the result of worse performance of: Impexmetal S.A. (Aluminium Konin), Baterpol S.A., Boryszew S.A. NPA Skawina branch, ZM Silesia S.A. Katowice branch, WM Dziedzice S.A., bearing manufacturing companies (FŁT Group). Only Hutmen S.A. and ZM Silesia S.A. Oława branch recorded higher results than in the same period of the previous year.

Worse performance of Impexmetal S.A. (Aluminium Konin) was caused by lower unit processing profitability coming from lower unit margin on raw material, trade bonus and much higher electricity costs.

Baterpol S.A. achieved worse results mainly due to much lower sales volumes, i.e. by 14.8%, and due to falling unit processing margins coming from adverse changes on the battery scrap market and the increase in raw material prices.

The decrease in the results in Boryszew S.A. NPA Skawina branch was caused by significantly lower sales, i.e. by 25.1% in all sales assortments except for aluminium monolithic conductors and lower unit processing margins due to higher costs of raw material and electricity purchase as compared to Q1 '2019.

The drop in the results of ZM SILESIA S.A. Katowice branch came from decreasing sales volumes, i.e. by 29.1% in virtually all sales assortments, including in particular metal sheets and unit processing margins for most assortments except wires.

In WM Dziedzice S.A., the decrease in results was caused by lower unit processing margins on most of the sales assortments, mainly coming from higher electricity costs and salaries and lower sales volumes by 3.9% as compared to the same period of the previous year.

Lower result of the FŁT Group was caused by lower sales in virtually all entities (except FŁT&Metals S.r.l.), with the largest decrease in FŁT Polska Sp. z o.o.

Hutmen S.A. recorded better results mainly due to higher average unit processing margins on all assortments it offers and simultaneous decrease in sales volumes by 8.9% against Q1 '2018.

While the increase of results in ZM SILESIA S.A. Oława branch is the effect of a significant increase in sales volumes (in particular of zinc white, in Q1 of the previous year lower sales resulted from a delay in the launch of its production) and improvement of unit processing margins, mainly due to a decrease in raw material purchase costs.



3. Automotive Segment

The drop in nominal EBITDA in the Automotive segment is primarily attributable to BAP Group.

Q1 '2019 was yet another period in which BAP Group companies were under an influence of a negative impact resulting from the introduction of new environmental standards in the automotive industry in September 2018 (global harmonised procedure for testing light vehicles, the so-called WLTP).

As a result, the estimated decrease in car sales caused by the new obligations under the WLTP amounted to about 6%.

Importantly, the drop in sales was seen for selected car models, which impacted the turnover of selected BAP Group companies. The impact of WLTP standards on the level of turnover was different for different companies. The estimated loss of EBITDA on this account is PLN 12.8 million.

For the Maflow Group, the positive deviation (quarter-on-quarter) mainly came the stabilisation of the situation in Mexico, at the end of 2018.

4. Chemical products segment

The decline in EBITDA of the Chemicals Segment came in particular from lower EBITDA of: Boryszew S.A. Boryszew ERG branch and Boryszew S.A. Elana branch. Elana Pet Sp. z o.o. recorded a result on the level similar to that in Q1 '2019.

The drop in the results of Boryszew S.A. Boryszew ERG branch came from dropping unit trade margins on cooling liquids and chemicals, which was not fully compensated by the results on sales of airport de-icing fluids, with much higher sales volumes, i.e. by 14.4%.

Lower results of Boryszew S.A. Elan branch came from lower sales volumes by some 13.3% and lower unit processing margins due to a significant increase in flake purchase price with a disproportionate increase in fibre prices, coming from the pressure of market prices instigated by the competition.

5. Other Activities Segment

This segment improved its performance against Q1 '2018 due to the lack of intra-group transactions, including dividends charged to the consolidated result in the first quarter of 2018 and a reduction in general and administrative expenses at Boryszew Head Office.

NET PROFIT/LOSS

The balance of financial income/costs amounted to minus PLN 12.4 million and was by PLN 2.2 million higher than in the same period of the previous year. This is largely due to the lack of any impairment loss on Alchemia S.A. shares charged to the result for the first quarter of 2018, which was partly offset by a higher level of interest expenses and a negative result on foreign exchange differences.

The share in the consolidated result of Alchemia S.A. - an associated company - amounted to PLN 0.8 million and was by PLN 3.6 million lower than in the same period of the previous year.

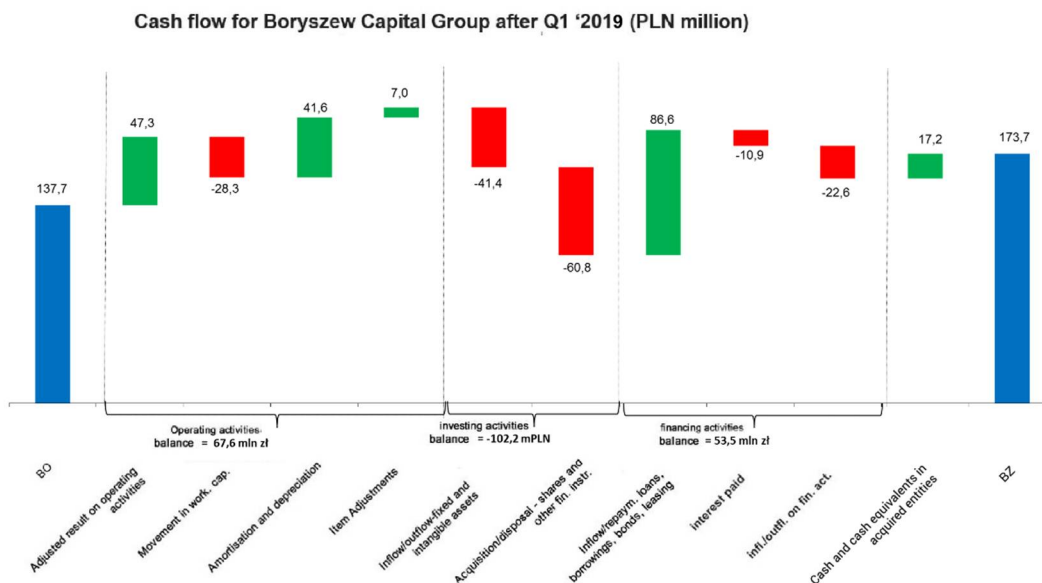
The net result on continued operations amounted to PLN 25.7 million and was lower by PLN 25.7 million than the result after Q1 '2018.

The total net result including continued and discontinued operations amounted to PLN 24.3 million and was lower than the result after Q1 '2018 by PLN 27.1 million, while the net result attributable to shareholders of the parent company amounted to PLN 15.6 million - lower than last year's result by PLN 22.1 million.



C. CASH FLOW

Cash flows after the first quarter of 2019 are shown in the chart below:



After Q1 '2019, the Boryszew Capital Group generated positive cash flows from operating and financial activities, which were allocated to investments in tangible and financial assets (purchase of shares in Alchemia S.A.). Due to the scale of the investment, the Group increased its external financing.

The main impact on the lower level of cash flows from operating activities was a nominal increase of working capital (mainly in the Automotive segment - increase in trade receivables). The increase in trade receivables in the Automotive segment was caused by, among other things, problems related to the implementation of WLTP and delays in payments from contractors.

The negative balance of cash flows from investing activities came mainly from investments in fixed assets in the amount of PLN 43.0 million (with proceeds from the sale of assets in the amount of PLN 1.5 million) and the balance of acquisition/sale of financial assets (shares and bonds) in the amount of minus PLN 60.8 million.

The most important expenditure for investments in fixed assets were related to: the Metals segment (PLN 28.3 million) and Automotive segment (PLN 13.2 million).

After Q1 '2019, the net debt of the Boryszew Capital Group amounted to PLN 1 342.5 million and was higher by PLN 193.5 million compared to the end of 2018 (including a net debt increased by PLN 112.5 million at the end of Q1 '2019 due to consolidation of Alchemia Group),

Net debt ratio/EBITDA after Q1 2019* was 3.0x and was at the same level as at the end of the previous year, when it also amounted to 3.0x.

* the ratio includes annualised EBITDA of the Alchemia Group

OTHER IMPORTANT EVENTS

Conclusion of an agreement on a tender offer for the sale of Alchemia S.A. shares

On 10 January 2019 Boryszew S.A. together with Mr Roman Karkosik, Ms Grażyna Karkosik, Impexmetal S.A. based in Warsaw and Eastside-Bis Sp. z o.o. based in Warsaw (the "Parties") concluded a shareholders' agreement of Alchemia S.A. concerning, among other things, determination of the rights and obligations of the Parties concerning the ownership of Alchemia shares and determination of the rules of cooperation between the



Parties, in particular on the rules for acquisition of Alchemia shares and voting in concert during general meetings of Alchemia. Under this Agreement the Parties committed to act jointly in order to announce a tender offer for the sale of all Alchemia shares other than shares held by the Parties. In the event of failure to reach 90% of the total number of votes at the General Meeting of Alchemia under the tender offer announced as described in the previous sentence, the Parties will consider announcing a tender offer for the sale of all Alchemia shares under Article 91 section 6 of the Act on public offering and terms of introducing financial instruments to organised trading and on public companies. The agreement was concluded for a definite period of time, until share dematerialisation is abolished.

Invitation for subscription for shares of Alchemia S.A.

On 11 January 2019 Boryszew S.A. together with Mr Roman Karkosik, Ms Grażyna Karkosik, Impexmetal S.A. based in Warsaw and Eastside-Bis Sp. z o.o. based in Warsaw, acting jointly as the Inviting party (the "Inviting party") announced through Santander Bank Polska S.A. an invitation to subscribe for the sale of 29 245 000 shares of Alchemia, that is for the sale of all Alchemia shares traded on the stock exchange which are not held by the Inviting Party. Inviting Party's intention was to acquire 100% of the share capital/total number of votes at the General Meeting of Shareholders of Alchemia (the "Invitation"). The entity acquiring the shares was Impexmetal S.A. based in Warsaw. The Invitation was announced under Article 74 section 2 of the Act on Public Offering as the Inviting party exceeded the threshold of 66% of the total number of votes at the General Meeting of Alchemia. The purchase price of shares in the Invitation was set at PLN 4.80 per share, which corresponds to the criteria set forth in Article 79 of the Act on Public Offering.

Acquisition of Alchemia S.A. shares under the Invitation was financed by Impexmetal S.A. with a loan of PLN 124 million, granted by HSBC Bank PLC of London, guaranteed by Boryszew S.A.

On 5 March 2019 Impexmetal S.A. received information from Santander Bank Polska S.A. that as a result of the invitation for the sale of shares of Alchemia S.A. based in Warsaw announced on 11 January 2019, the subscriptions received covered a total of 23 436 074 shares at PLN 4.80 per one share.

As a result of this transaction, the direct and indirect share of Boryszew in the share capital and the total number of votes at the General Meeting of Alchemia changed by more than 1% and Boryszew indirectly exceeded the 50% threshold in the share capital and the total number of votes at the General Meeting of Alchemia, hence Boryszew (together with its subsidiary Impexmetal S.A. and Eastside-Bis Sp. z o.o.) gained control over Alchemia and, consequently, was able to exercise control over Alchemia's own shares held by Alchemia. The transaction was settled on 15 March 2019.

After the settlement of the transaction referred to above, Boryszew held jointly, directly and indirectly through its subsidiaries Impexmetal S.A., Alchemia S.A. and Eastside-Bis Sp. z o.o., 129 121 074 Alchemia shares, accounting for 64.56%, rounded, of the share capital and carrying 129 121 074 votes at the General Meeting of Alchemia, which accounts for 64.56% of the total number of votes at the General Meeting of Alchemia, including:

- Boryszew - 500 000 shares in Alchemia, carrying 500 000 votes at the General Meeting of Alchemia, which accounts for 0.25% of the share capital and the total number of votes at the General Meeting of Alchemia;
- Impexmetal - 86 826,074 shares in Alchemia, carrying 86 826 074 votes at the General Meeting of Alchemia, which accounts for 43.41% of the share capital and the total number of votes at the General Meeting of Alchemia;
- Alchemia - 26 550 000 Alchemia's own shares carrying 26 550 000 votes at the General Meeting, which accounts for 13.28% of the share capital and the total number of votes at the General Meeting of Alchemia.
- Eastside-Bis Sp. z o.o. - 15 245 000 Alchemia shares, carrying 15 245 000 votes at the General Meeting of Alchemia, which accounts for 7.62%, rounded, of the share capital and the total vote at the Alchemia General Meeting.

Registration by the Court of the reduction of share capital of Alchemia S.A.

On 29 March 2019 the Registry Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register registered the reduction of the Company's share capital from PLN 260 000 000 to PLN 225 485 000, i.e. by PLN 34 515 000 through redemption of 26 550 000 of the Company's own shares carrying 26 550 000 votes and with a par value of PLN 1.30 per share.

After the registration of the above-mentioned decrease in Alchemia share capital, Boryszew holds, directly and indirectly through its subsidiaries Impexmetal S.A. and Eastside - Bis Sp. z o.o., 102 571 074 of Alchemia shares,



accounting for 59.14%, rounded, of the share capital and carrying 102 571 074 votes at Alchemia General Meeting, which accounts for 59.14% of the total number of votes at Alchemia General Meeting, including:

- Boryszew - 500 000 shares in Alchemia, carrying 500.000 votes at the General Meeting of Alchemia, which accounts for 0.29% of the share capital and the total number of votes at the General Meeting of Alchemia;
- Impexmetal S.A. - 86 826 074 shares in Alchemia, carrying 86 826 074 votes at the General Meeting of Alchemia, which accounts for 50.06%, rounded, of the share capital and the total number of votes at the General Meeting of Alchemia;
- Eastside-Bis Sp. z o.o. - 15 245 000 Alchemia shares, carrying 15 245 000 votes at the General Meeting of Alchemia, which accounts for 8.79%, rounded, of the share capital and the total vote at the Alchemia General Meeting.

As at the day of publication of the report Boryszew S.A. holds directly and indirectly through its subsidiaries Impexmetal S.A. and Eastside - Bis Sp. z o.o., 102 571 074 Alchemia shares, accounting for 59.14% of the share capital and carrying 102,571,074 votes at the General Meeting of Alchemia, which accounts for 59.14% of the total number of votes at the General Meeting of Alchemia.

IMPEXMETAL S.A.

Receipt of the decision on support for investments Łódź Special Economic Zone

On 31 January 2019 Impexmetal S.A. was granted by Łódź Special Economic Zone a decision on the support (based on Article 31 section 3 of the Act of 10 May 2018 on support for new investments) for investments carried out by the Company in the plant in Konin (Aluminium Konin) for expansion of the production capacity of the plant.

Events after the balance sheet date

Intent to acquire shares in Alchemia S.A. by squeeze-out

On 13 May 2019, the documentation related to Impexmetal S.A.'s intention to acquire Alchemia S.A. ("Alchemia") shares belonging to all other Alchemia shareholders by squeeze-out was submitted to the Polish Financial Supervision Authority and the Warsaw Stock Exchange.

According to the submitted documentation, the squeeze-out of Alchemia's shares is to include all the shares in Alchemia which are not held by the parties to the agreement, namely Boryszew, Impexmetal, Roman Krzysztof Karkosik, Grażyna Wanda Karkosik and Eastside-Bis Sp. z o.o. ("Agreement"); i.e. 2 618 926 (two million six hundred and eighteen thousand nine hundred and twenty-six) Alchemia shares in total, accounting for (rounded off) 1.51% (one percent 51/100) of Alchemia's share capital and carrying 2 618 926 (two million six hundred and eighteen thousand nine hundred and twenty-six) votes, accounting for (rounded off) 1.51% (one percent 51/100) of total votes at the General Meeting of Alchemia.



Conclusion of an agreement on a tender offer for the sale of Alchemia S.A. shares

On 16 May 2019 Boryszew S.A. concluded with Impexmetal S.A. based in Warsaw and SPV Boryszew 3 Sp. z o.o. based in Warsaw ("SPV Boryszew 3") ("Parties") a of agreement of Impexmetal S.A. ("Impexmetal") shareholders to determine the rights and obligations of the Parties in resulting from holding Impexmetal shares and to determine the rules of cooperation of the Parties, including in particular the rules concerning the acquisition of Impexmetal shares and voting in concert during general meetings of Impexmetal.

As per the provisions of the Agreement, the Parties undertook to act jointly in order to announce a call to subscribe for the sale of all Impexmetal shares other than shares held by the Parties. In the event of failure to reach 90% of the total number of votes at the General Meeting of Impexmetal under the tender offer announced as described in the preceding sentence, the Parties will consider announcing a tender offer for the sale of all shares of Impexmetal under Article 91 section 6 of the Act on Public Offering. The agreement was concluded for a definite period of time, until share dematerialisation is abolished.

Announcement an invitation to subscribe for sale of shares of Impexmetal S.A.

On 17 May 2019, Boryszew S.A. and Impexmetal S.A. based in Warsaw ("Impexmetal") as well as SPV Boryszew 3 Sp. z o.o. based in Warsaw, acting jointly as the Inviting party (the "Inviting party") announced, through Santander Bank Polska S.A., a broker within a separate organisational unit, an invitation to subscribe for the sale of 64 620 000 shares of Impexmetal, i.e. for the sale of all Impexmetal shares, i.e. for all Impexmetal shares traded on the stock exchange which are not held by the Inviting Parties. The intention of the Inviting Parties is to hold jointly, as a result of the invitation, 190 000 000 shares of Impexmetal, carrying 190 000 000 votes in the total number of votes at the General Meeting, accounting for 100% of the total number of votes at the General Meeting ("Invitation").

The entities acquiring the shares will be the Company and Impexmetal.

The Invitation was announced under Art. 74, section 1 of the Act on Public Offering. The purchase price of shares in the Invitation was set at PLN 4.25 per share, which corresponds to the criteria set forth in Art. 79 of the Act.

In order to finance the acquisition of shares in the Invitation by Impexmetal, the Company as a guarantor and Impexmetal as a borrower concluded on 16 May 2019 a loan agreement with HSBC France (Joint Stock Company), a branch in Poland. The acquisition of shares by the Company will be financed from its own funds.

If, following the Invitation and acquisition by Impexmetal and the Company, the Inviting Parties reach 90% or more of the total number of votes at the General Meeting of Impexmetal, the Inviting Parties will conduct a squeeze out of shares held by minority shareholders under, in particular, Art. 82 of the Act on Public Offering.

Engagement in negotiations on the sale of assets

On 28 May 2019, the Management Board of Boryszew S.A. ("Company"), according to the interest communicated to the financial advisor of the Company by potential investors and recommendation of the financial advisor provided on that basis, made a decision on the intention to include, within the review of strategic options, the scenario of possible sale of assets in the aluminium processing sector, owned by Impexmetal S.A., and to launch negotiations to determine the conditions, scope and procedure of conducting a potential transaction.

As of the day of compiling this report, the Company made no binding decisions or arrangements yet, neither in terms of altering the corporate strategy nor potential transaction, nor the adoption of any other strategic option, and it is not certain whether such decisions will be made in the future.

ACQUISITION OF SHARES OF BORYSZEW CAPITAL GROUP MEMBER COMPANIES

Buy-back of treasury shares of Boryszew S.A.

Acting within the limits of the authorisation granted by Resolution no. 19 of the Ordinary General Assembly of Shareholders of Boryszew S.A. dated 25 June 2014 on authorising the Company's Management Board to repurchase Boryszew S.A. own shares as well as pursuant to Art. 362 § 1 point 8) and Art. 362 § 4 of Commercial Companies Code in the period between 1 January 2019 and 31 December 2019 Boryszew S.A. acquired a total of 960.000 own shares which together with the shares already held by the Company makes a total of 19 283 831 own shares, accounting for 8.0349% of share capital and total number of votes during the General Assembly of Boryszew S.A. shareholders



As at 31 March 2019 Boryszew Capital Group held 38 000 000 shares of Boryszew S.A., accounting for 15.8333% of total votes at the General Meeting of Boryszew S.A.

- Boryszew S.A. : 19 283 831 own shares, accounting for 8.0349% of share in the share capital and overall number of votes at the General Meeting of Boryszew S.A.,
- Impexmetal S.A.: 13 346 169 shares, accounting for 5.5609% of share in the share capital and overall number of votes at the General Meeting of Boryszew S.A.,
- Alchemia S.A.: 3 200 000 shares, accounting for 1.3333% of share in the share capital and overall number of votes at the General Meeting of Boryszew S.A.,
- SPV Boryszew 3 Sp. z o.o. 2 165 000 shares, accounting for 0.902% share in share capital and votes during General Assembly of Impexmetal S.A.,
- Polski Cynk Sp. z o.o. 5 000 shares, accounting for 0.002% share in the share capital and votes during the General Assembly of Boryszew S.A.,

Information on other important events was provided in the form of current reports of the Company, which are available on the website: www.boryszew.com

4. NOTES ON THE SEASONALITY OF THE COMPANY'S BUSINESS IN THE PRESENTED PERIOD

Boryszew Capital Group is exposed to seasonality only in limited extent.

In the Automotive segment seasonality affects holiday months as well as December, when production of cars falls considerably, causing also a fall in component orders.

In the Metal Segment, seasonality affects the range of products sold for the construction sector, which include:

- copper installation pipes and cupronickel condenser pipes manufactured by Hutmen S.A.
- brass condenser pipes used for district heating, manufactured by WM Dziedzice S.A.
- zinc-titanium roofing sheets and zinc wire manufactured by ZM SILESIA S.A.

The peak in sales of these products is recorded the second and third quarter, which is predominantly influenced by weather conditions, suitable for carrying out construction works, as well as the economic situation in the construction industry. Other products of this segment are less prone to seasonality, fluctuations in their sales are mainly due to macroeconomic conditions and economic situation.

In the segment of Chemical products seasonality affects a certain range of products manufactured by Boryszew ERG, Branch of Boryszew S.A. in Sochaczew. This range includes cooling fluids for the automotive segment (with peak demand in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak demand in the fourth and first quarter). PWC siding and EPS decorative components follow the seasonality of the construction industry, showing peak demand in second and third quarter.

No specific seasonality is observed for other products of the Capital Group.

It is important to note that the Christmas period in December is usually the time of scheduled shut-downs at our customers, hence sales also decline.



5. INCOME AND PROFITS/LOSSES BY CONTINUING ACTIVITIES SEGMENTS OF AS FROM THE BEGINNING OF THE CURRENT YEAR

As at 31 March 2019, the Boryszew Capital Group consists of 4 business segments: automotive, metals, chemicals and other.

OPERATING SEGMENTS

Automotive	Boryszew S.A. Oddział Maflow w Tychach, Maflow Spain Automotive S.L.U., Maflow France Automotive S.A.S., Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Maflow Automotive Mexico S.de. RI. De.C, MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., Theysohn Kunststoff GmbH, Theysohn Formenbau GmbH, Boryszew Kunststofftechnik Deutschland GmbH, AKT Plastikarska Technologie Cechy spol. s.r.o., Boryszew Formenbau Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, Boryszew Plastik Rus, Boryszew Tensho Poland Sp. z o.o., ICOS GmbH, Boryszew Deutschland GmbH, Boryszew Commodities Sp. z o.o., Boryszew HR Service Sp. z o.o., Boryszew Components Poland Sp. z o.o.
Metals	Impexmetal S.A., Aluminium Konin Sp. z o.o., Hutmen S.A., WM Dzierżycie S.A., ZM SILESIA S.A., Baterpol S.A., Polski Cynk Sp. z o.o., Boryszew S.A NPA Skawina branch, Baterpol Recycler Sp. z o.o., Metal Zinc Sp. z o.o., Alchemia S.A., Huta Bankowa Sp. z o.o., Laboratorium Badań Batory Sp. z o.o., SPV Impexmetal Spółka z o.o., FłT Polska Sp. z o.o., FLT Bearings Ltd., FLT France S.A.S., FLT & Metals s.r.l., FLT Wälzlager GmbH, FLT (Wuxi) Trading Co. Ltd., FLT Metals Ltd.; Symonvit Ltd. w likwidacji, Remal Sp. z o.o., Zakład Utylizacji Odpadów Sp. z o.o.
Chemical products	Torlen Sp. z o.o. w likwidacji, Elana Pet Sp. z o.o., Boryszew S.A. Branch Elana, Boryszew S.A. Branch Boryszew ERG, Boryszew S.A. Branch Nylonbor, Elimer Sp. z o.o.
Other	Boryszew S.A. - Head Office, Boryszew S.A. Energy branch, Eastside – Bis Sp. z o.o., Huta Metali Nieżelaznych Szopienice S.A. w likwidacji, SPV Lakme Investment Sp. z o.o., Impex – invest Sp. z o.o., Eastside Capital Investments Sp. z o.o., Elana Energetyka Sp. z o.o., SPV Boryszew 3 Sp. z o.o., Nowoczesne Produkty Aluminiowe Skawina Sp. z o.o. w likwidacji, SPV Boryszew 6 Sp. z o.o., SPV Boryszew 8 Sp. z o.o., SPV Boryszew 9 Sp. z o.o. w likwidacji.

Apart from the above-mentioned subsidiaries, Boryszew S.A. holds no other significant capital investments.



REVENUES FROM SALE BY DESTINATION MARKET

	01.01.2019 - 31.03. 2019	01.01.2018 - 31.03. 2018
Continuing operations		
Domestic sales	556 823	571 451
Sales to EU countries	824 615	924 605
Sales to other European countries	34 107	48 583
Export outside Europe	88 966	77 912
Total (revenues from continuing operations)	1 504 511	1 622 551

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES:

	01.01.2019 - 31.03. 2019	01.01.2018 - 31.03. 2018
Germany	40%	39%
The Czech Republic	15%	14%
France	4%	4%
Slovakia	4%	3%
Italy	7%	7%

**REVENUES AND RESULTS BY OPERATING SEGMENTS IN QUARTER 1 OF 2019** *(data regarding continuing operations)*

	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Continuing operations 01.01.2019 -31.03.03. 2019							
Revenues from sales	72 956	449 082	907 148	90 641	1 519 827	(15 316)	1 504 511
Cost of sales for the segment	63 688	403 146	829 847	85 573	1 382 254	(20 595)	1 361 659
Result on sales within segment	9 268	45 936	77 301	5 068	137 573	5 279	142 852
General, administrative and sales expenses	8 093	50 998	40 218	4 433	103 742	(635)	103 107
Other operating profit/loss	505	4 276	3 771	6 190	14 742	(5 940)	8 802
Segment profit/loss	1 680	(786)	40 854	6 825	48 573	(26)	48 547
Amortisation/depreciation	1 841	21 281	17 136	1 394	41 652	0	41 652
EBITDA	3 521	20 495	57 990	8 219	90 225	(26)	90 199

	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
01.01.2018 -31.03. 2018							
Revenues from sales	69 618	504 724	978 275	83 458	1 636 075	(13 524)	1 622 551
Cost of sales for the segment	60 095	440 697	889 930	77 885	1 468 607	(13 624)	1 454 983
Result on sales within segment	9 523	64 027	88 345	5 573	167 468	100	167 568
General, administrative and sales expenses	8 660	50 828	37 993	4 241	101 722	(2 302)	99 420
Other operating profit/loss	1 638	3 370	623	6 571	12 202	(5 232)	6 970
Segment profit/loss	2 501	16 569	50 975	7 903	77 948	(2 830)	75 118
Amortisation/depreciation	1 613	16 756	16 706	484	35 559		35 559
EBITDA	4 114	33 325	67 681	8 387	113 507	(2 830)	110 677



6. INFORMATION CONCERNING THE ISSUE, REDEMPTION AND REPAYMENT OF NON-SHARE AND EQUITY SECURITIES

DEBT SECURITIES

ISSUES OF BONDS

In Q1 '2019, until publication of the report the Company did not issue any equity securities.

EQUITY SECURITIES

In Q1 '2019, until publication of the report the Company did not issue any equity securities.

7. FACTORS AND EVENTS, AND IN PARTICULAR THOSE OF UNTYPICAL NATURE, AFFECTING THE FINANCIAL PERFORMANCE IN THE CURRENT PERIOD

In the reporting period, Alchemia S.A. Capital Group was included in consolidation, this inclusion changed the structure of the balance sheet, while the impact on the profit and loss account will be visible starting from the second quarter of 2019.

8. MOVEMENTS IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS AS WELL AS ESTIMATED DATA

OFF-BALANCE-SHEET LIABILITIES

	As at 31.03.2019	As at 31.12.2018
Guarantees and sureties for repayment of financial liabilities granted to subsidiaries and jointly-controlled companies	129 039	129 000
Liabilities due to tax risk	38 915	38 915

9. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA

Financial assets per the balance sheet

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets measured through other income	Carrying value
As at 31.03.2019					
Shares and stock		81		1 816	1 897
Trade receivables	710 013	90 602			800 615
Derivative financial instruments		1 913	9 775		11 688
Loans granted	2 363				2 363
Bonds	78 739				78 739
Cash	173 683				173 683
Total	964 798	92 596	9 775	1 816	1 068 985



(amounts expressed in PLN '000 unless specified otherwise)

Financial liabilities per the balance sheet

	Financial liabilities measured at fair value through profit or loss	Other financial liabilities	Derivatives used for hedges	Carrying value
As at 31.03.2019				
Bank loans, factoring, borrowings		1 402 952		1 402 952
Derivative financial instruments	1 246		14 142	15 388
Trade and other liabilities		946 701		946 701
Total	1 246	2 349 653	14 142	2 365 041

	01.01.2019 - 31.03.2019	01.01.2018 - 31.03.2018
Impact of write-offs on assets and provisions on profit/loss		
Creation of value impairment write-offs for accounts receivable	(64)	(62)
Reversal of write-downs on accounts receivable (-)	0	334
Creation of value impairment write-offs for inventories	(1 412)	(2 246)
Value impairment write-offs for inventories	3 192	978
Tangible fixed assets impairment write-offs	0	(415)
Reversal of tangible fixed assets impairment write-offs	0	560
Valuation of shares to fair value	0	(7 854)
Creation of provisions	(387)	(404)
Reversal of unnecessary provisions	1 091	407
Deferred tax	(3 103)	(1 160)
Total impact on profit/loss	(683)	(9 862)

Fair value of Group's financial assets and liabilities measured on an ongoing basis at fair value

	Fair value as at		Hierarchy of fair value
	As at 31.03.2019	As at 31.12.2018	
Financial assets			
Listed shares	1 816	1 819	Level 1
Derivative financial instruments	13 986	23 907	Level 2

Fair value of Group's financial assets and liabilities measured on an ongoing basis at fair value

	Fair value as at		Hierarchy of fair value
	As at 31.03.2019	As at 31.12.2018	
Financial assets			
Listed shares	1 816	1 819	Level 1
Derivative financial instruments	13 986	23 907	Level 2



(amounts expressed in PLN '000 unless specified otherwise)

Transactions and balances of payables and receivables with personally related entities	01.01.2019 - 31.03. 2019	01.01.2018 - 31.03. 2018
Revenues from sales	1 011	1 000
Interest income	965	1 017
Purchase of goods and services	50 060	7 959
Trade and other receivables (deposits, advances)	947	2 334
Loan and bond receivables	80 902	122 469
Trade and other liabilities (deposits, advances)	238	2 420

10. ORGANISATION OF THE CAPITAL GROUP

Boryszew S.A. is the Parent entity of Boryszew Capital Group. The Group features both domestic and overseas subsidiaries, jointly controlled entities, affiliated entities. As the Parent company, it performs management and supervisory functions with regard to other companies of the Capital Group.

The core business of the Head Office in Warsaw is management of the Capital Group, and its objective is to increase the Company's goodwill in the long run.

In Q1 '2019 Boryszew S.A. carries out its activity through the following units:

- Maflow Branch in Tychy – manufacturer of tubes for the automotive industry, including mainly air-conditioning tubes, power steering systems and various rubber components. The Branch's assets, constituting the largest productive assets of Maflow Group, were purchased on 10 August 2010.
- Elana Branch w Toruń - producer of polyester fibre and plastics with wide application. Its key products include staple fibres and silicon spheres. Elana Branch was established by merger of Boryszew S.A. and Elana S.A., which took place on 28 January 2005.
- Nowoczesne Produkty Aluminiowe Skawina Branch in Skawina– operating in the field of manufacturing of aluminium rolled products (rods), wire and cables, including overhead cables of special aluminium alloys with constructions which eliminate the threat of phenomena of the „black-out” type, and supply of energy carries to external customers.
- Boryszew ERG Branch in Sochaczew - manufacturer of chemical and construction products. Company's flagship product in “Borygo” coolant,
- Nylonbor Branch in Sochaczew – production of modern engineering polyamides, which are used for manufacture of machinery and equipment as well as battlefield simulators for military applications.
- Boryszew Energy Branch in Toruń - involved in sales of energy utilities (electricity, gas) for the companies of Boryszew Capital Group and external customers.

STRUCTURE OF BORYSZEW GROUP

Boryszew Capital Group is one of the largest private industrial groups in Poland.

In 2005 Boryszew SA seized control of Impexmetal S.A., a company listed at the Warsaw Stock Exchange, a parent company of manufacturing enterprises involved in non-ferrous metals and bearing industry.

In 2010, the Company seized control of the Maflow Group, one of the largest manufacturers of air-conditioning tubes, power steering systems and active suspension systems for automotive industry. It was then that the automotive sector became the key segment of the Group's activity.



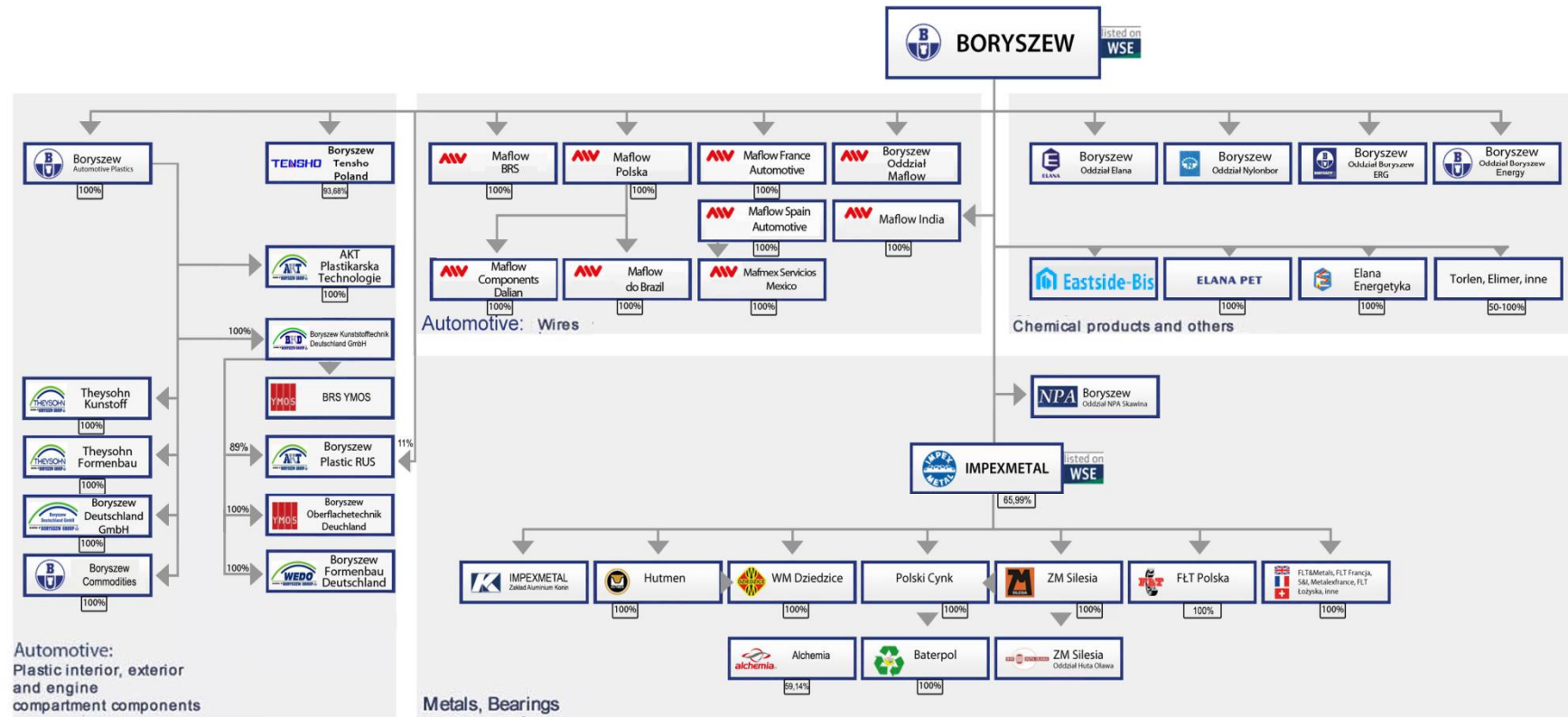
In the years 2011-2012, the Company continued its development strategy through acquisitions of automotive companies. In July 2011, the Company signed takeover agreements in respect of two German capital groups (AKT/ICOS – Theysohn) in the plastics processing sector, and in March 2012 share acquisition agreement for shares of YMOS Group, leading European producer of plastic, galvanized and chromium-plated components for the automotive industry.

In June 2014 Boryszew S.A. acquired 80% shares of Tensho Poland Corporation spółka z o.o. based in Ostaszewo (currently: Boryszew Tensho Poland Sp. z o.o.), a manufacturer of high quality plastic products. In June 2018, Boryszew S.A. purchased another 13.68%. As at the day of preparing the report, Boryszew S.A. holds 93.68% of the share capital and the total number of votes at the General Meeting of Boryszew Tensho Poland Sp. z o.o.

In Q1 '2019 Boryszew S.A. indirectly exceeded the 50% threshold in the share capital and the total number of votes at the General Meeting of Alchemia S.A., as a result of which Boryszew (together with its subsidiaries Impexmetal S.A. and Eastside-Bis Sp. z o.o.) gained control over Alchemia. As at the day of preparing the report, Boryszew S.A. holds directly and indirectly 59.14% of the share capital and the total number of votes at the General Meeting of Shareholders of Alchemia S.A.



SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW GROUP WITH AGGREGATE HOLDINGS IN INDIVIDUAL ENTITIES AS AT 31.03.2019





11. THE EFFECTS OF CHANGES IN THE GROUP'S STRUCTURE SINCE THE BEGINNING OF THE YEAR, INCLUDING MERGERS, ACQUISITIONS OR SALES OF SUBSIDIARIES AND LONG-TERM INVESTMENTS, RESTRUCTURING AND DISCONTINUATION OF OPERATIONS

Acquisition of shares in Alchemia S.A.

On 11 January 2019 Eastside - Bis Sp. z o.o. acquired (through conversion of bonds into shares) 9 995 000 shares in Alchemia S.A., accounting for 4.99% of the share capital of Alchemia S.A., rounded off.

On 12 and 15 March 2019 Impexmetal S.A. purchased a total of 26 626 074 shares of Alchemia S.A. accounting for 13.31% of Alchemia S.A. share capital, rounded off.

As at the date of acquisition of control, the share of Boryszew Capital Group in Alchemia S.A. accounted for 51.29% of the share capital. Also, Alchemia S.A. held 26 550 000 treasury shares, which accounted for 13.28% of its share capital.

As at the date of publication of the financial statements, Boryszew Capital Group holds 59.14% shares in Alchemia S.A. (more information on the acquisition of Alchemia S.A. shares can be found in point 3 of the financial statements).

Preliminary settlement of inclusion of Alchemia S.A.

As at 31 March 2019, set for consolidation purposes as the date of gaining control, the Group holds in total 59.14% of shares in Alchemia S.A., whereas the effective interest was set at 38.86%.

Valuation of shares held as at the date prior to gaining control	354 793
Value of the acquired shares impacting the acquisition of control at the stock listing purchase price of PLN 4.80	127 805

Value of shares in the register as at 31.03.2019	482 598
Cumulative results of the associated company before the date of gaining control	12 317
Value of shares in the register of Boryszew Group as at 31.03.2019 with cumulative results	494 915

Net assets of Alchemia Group as at 31.03.2019	303 092
Goodwill	191 823

Share of profit or loss determined pro rata until the period of significant influence/control	820
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Net asset value of Alchemia Group including goodwill disclosed in the consolidated financial statements	495 735
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Valuation of shares held as at the balance sheet date at the stock exchange listing price valid as at 31.03.2019 Share price 4.76	488 238
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For the purpose of the presentation of the preliminary settlement, the net assets of Alchemia S.A. have not yet been measured at fair value, the value of net assets is disclosed at book value, the Company is in the process of determining the measurement. The initially calculated goodwill was not assessed for impairment in accordance with IAS 36, as it may change following the valuation of the acquired assets. The assignment of goodwill to individual cash-generating units was not possible at this stage, the Company will prepare such an analysis after the valuation of assets.

Until the date of publication of the financial statements, no other significant changes occurred in the structure of Boryszew Capital Group, except for the events indicated above.



12. POSITION OF THE MANAGEMENT BOARD' S POSITION ON THE POSSIBILITY OF PREVIOUS PREVIOUSLY PUBLISHED FINANCIAL RESULT FORECASTS IN THE CURRENT YEAR

In 2019 the Management Board of Boryszew S.A. published no forecasts of the financial result for the current year.

13. SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE COMPANY AS AT THE DATE OF SUBMITTING THE REPORT

The table below presents the Shareholders holding more than 5% of the share capital and of the total number of votes as on the date of approval of the present report for publication:

Shareholders	Number of shares	% of capital	Number of votes	% of votes
Roman Krzysztof Karkosik (*)	156 832 020	65.347%	156 832 020	65.347%
including subsidiaries:	154 144 622	64.227%	154 144 622	64.227%
Impexmetal S.A.	13 346 169	5.561%	13 346 169	5.561%
Boryszew S.A.(**)	19 283 831	8.03%	19 283 831	8.03%
RKKK Investments Sp. z o.o.	119 998 000	49.999%	119 998 000	49.999%
Nationale - Nederlanden Open Pension Fund	14 773 261	6.156%	14 773 261	6.156%
Others	68 394 719	28.498%	68 394 719	28.498%
Total:	240 000 000	100.00%	240 000 000	100.000%

(*) Mr Roman Krzysztof Karkosik with subsidiaries (as per notification of 1 October 2018).

(**) As per the notification of Boryszew S.A. of 18 March 2019

14. CHANGES IN THE OWNERSHIP STRUCTURE OF SUBSTANTIAL SHAREHOLDINGS OF THE COMPANY IN THE PERIOD FOLLOWING THE SUBMISSION OF THE PREVIOUS REPORT - SHARES IN VOTES DURING THE GENERAL ASSEMBLY OF SHAREHOLDERS

In the period since the submission of the previous report for publication on 26 April 2019, i.e. the Report for 2018, no changes have occurred to the ownership structure of significant blocks of shares of Boryszew S.A.

15. COMPANY'S MANAGERS AND SUPERVISORS - CHANGES IN SHARE HOLDING OR SHARE OPTIONS IN THE CURRENT PERIOD SINCE THE SUBMISSION OF THE PREVIOUS QUARTERLY REPORT.

List of the number of shares in Boryszew S. A. or rights to them by the Management Board of the Company.

Management Board of Boryszew S.A.	As at the day of publication of the report for the first half of 2018	Change in holding acquisition / (disposal)	As at the date of publication of this report
Aleksander Baryś	3 000	-	3 000

Members of the Supervisory Board hold no shares of Boryszew S. A. or rights to shares of Boryszew S.A.



16. PROCEEDINGS BEFORE A COURT, ARBITRATION BODY OR PUBLIC ADMINISTRATION AUTHORITY

Tax proceedings in the Capital Group companies

The Group operates in a sector which, due to its specific nature, is particularly exposed to VAT fraud by dishonest contractors. Group companies are subject to various stages of inspection and audit proceedings on the correctness of VAT settlements. Given the above, the Parent Company has taken steps to recognise the risks that could be estimated and are related to the ongoing proceedings.

Proceedings completed at first instance

1. On 12 March 2018, ZM SILESIA S.A. received a decision of the Head of the Customs and Tax Office (Office) in Opole dated 28 February 2018, determining the outstanding VAT liability for 2012 in the amount of PLN 28.9 million plus interest on tax arrears in the amount of PLN 15.5 million. According to the position of the Office, ZM SILESIA S.A. failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget. As a result, ZM SILESIA S.A. should not have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office.
2. On 3 April 2018, HUTMEN S.A. received a decision of the Head of the Lower Silesian Customs and Tax Office (Urząd) in Wrocław dated 26 March 2018, determining the outstanding VAT liability of HUTMEN S.A. for Q4 2014 in the amount of PLN 3.04 million plus interest on tax arrears. As claimed by the Office, HUTMEN S.A. failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection bodies, Hutmen S.A. appealed with the Tax Chamber against the decision of the office.
3. On 10 September 2018 HUTMEN S.A. received a decision of the Tax Administration Chamber (Office) in Wrocław dated 4 September 2018 determining the outstanding VAT liability of HUTMEN S.A. for Q4 2012 in the amount of PLN 1.1 million plus interest on tax arrears. As claimed by the Office, HUTMEN S.A. failed to observe due diligence in verifying the tax reliability of some of its contractors, and as a consequence did not have the right to deduct input VAT. Due to its different assessment of the facts from that of the inspection bodies, Hutmen S.A. appealed with the Provincial Administrative Court against the negative decision of the Tax Chamber. At the same time, the company paid a liability with due interest in the amount of PLN 1.7 million. On 13 March 2019 the Provincial Administrative Court issued a decision in favour of HUTMEN S.A.
4. Baterpol Recycler Sp. z o.o received a decision of the Head of the Lower Silesian Customs and Tax Office (Office) in Wrocław dated 8 June 2018, determining its outstanding VAT liability for the period March to June 2016, resulting in a negative impact on Company's financial result amounting to PLN 3.0 million. The decision is not valid and the Company has appealed against the decision within the statutory period. Due to its different assessment of the facts from that of the inspection bodies, the subsidiary appealed against the decision of the Office. On 12.07.2018, the Head of the Lower Silesian Customs and Tax Office in Wrocław referred the case to the Director of the Tax Administration Chamber in Wrocław for decision. The date of issuing the decision in the aforementioned case by the Director of the Tax Administration Chamber in Wrocław was set at 15.05.2019. Further to that, Baterpol Recycler Sp. z o. o. received a decision of the Head of the Lower Silesian Customs and Tax Office (Urząd) in Wrocław dated 30 November 2018 determining its outstanding VAT liability for the period July to September 2016, resulting in a negative impact on Company's financial result amounting to PLN 2.8 million. The decision is not valid and the Company has appealed against the decision within the statutory period.



Due to its different assessment of the facts from that of the inspection bodies, the subsidiary appealed against the decision of the Office. On 04.01.2019, the Head of the Lower Silesian Customs and Tax Office in Wrocław referred the case to the Director of the Tax Administration Chamber in Wrocław for decision. The date of issuing the decision in the aforementioned case by the Director of the Tax Administration Chamber in Wrocław was set at 10.05.2019. On 26.07.2018, the Head of the Lower Silesian Tax Office in Wrocław seized the bank accounts of Baterpol Recycler Sp. z o.o. for the total amount of PLN 2.1 million as a security for enforcement of Company's due VAT liabilities for March 2017 as well as July - December 2017.

Other significant pending VAT proceedings in the Capital Group companies

Apart from the inspection proceedings described above, the Capital Group companies are subject to audit proceedings which are at an initial stage (pending decisions). These proceedings may result in a negative stance of the authorities towards the Company, however this risk is difficult to estimate.

Proceedings in progress:

1. ZM SILESIA S.A. - VAT audit proceedings for 2013-2014, in progress,
2. Hutmen S.A. - VAT audit proceedings for 2015, in progress.
3. Baterpol S.A. received a VAT audit protocol - audited period: July 2013 - December 2015. Based on that protocol, the Company estimated the risk of questioning the deductible VAT to be PLN 3.2 million plus interest (as at 31.12.2018 - PLN 1.1 million). Audit by the First Silesian Tax Office in Sosnowiec. On 20 March 2019, the Head of the First Tax Office in Sosnowiec initiated tax proceedings in the case in question.
4. On 12 March this year, the Head of the Lower Silesian Tax Office in Wrocław sent Baterpol Recycler Sp. z o.o. a notice of initiation of an investigation by the Regional Prosecutor's Office in Katowice, on 1 April 2016, into a tax offence suspending the period of limitation of company's tax liabilities.

As at the date of publication of the consolidated financial statements, the audits were not completed with a decision.

Due to a risk of initiating further audits, which may potentially result in decisions determining tax liabilities of these companies, the Management Board of the Parent Company assessed the documentation on the ongoing proceedings and estimated the risks, rating them according to the probability of their occurrence:

- a) **probable risk** (high risk) - a high probability of negative tax consequences (negative consequences are more probable to occur than not),
- b) **possible risk** (medium risk) - risk of negative tax consequences, however, their occurrence or not is not equally probable,
- c) **potential risk** (low risk) - some risk of negative tax consequences, but this risk is less probable than probable.

The balance of provisions in the consolidated financial statements for the risk described above as at the balance sheet date amounts to PLN 73.2 million (high risk). Moreover, the Parent Company recognised the amount of PLN 38.9 million as a contingent liability (medium or low risk). The Management Board of the Parent Company estimated the provisions considering the probability of cash outflow from the Group and chose leave such provisions out in cases where the probability of cash outflow is low.

The Management Board of the Parent Company cannot exclude that in the event of new circumstances, the estimation of risks described above may change.

Other important proceedings in the Group

EASTSIDE-BIS SPÓŁKA Z O.O.

The company is subject to a customs and fiscal audit on the correctness of the corporate income tax settlement. On 9 March 2018, an audit for the period between 1 December 2015 and 30 November 2016 was initiated. By the date of publication of the financial statements, the company has not received the audit protocol.



EASTSIDE CAPITAL INVESTMENTS SPÓŁKA Z O.O.

The company is subject to a customs and fiscal audit on the correctness of the corporate income tax settlement. On 9 March 2018, an audit for the period between 1 December 2014 and 30 November 2016 was initiated. By the date of publication of the financial statements, the company has not received the audit protocol.

SPV LAKME INVESTMENT SPÓŁKA Z O.O.

The company is subject to a customs and fiscal audit on the correctness of the corporate income tax settlement. On 9 March 2018, an audit for the period between 1 January 2015 and 31 December 2015 was initiated and on 2 July 2018 - for the period between 1 January 2016 and 31 December 2016. By the date of publication of the financial statements, the company has not received the audit protocol.

17. CONCLUSION BY THE COMPANY OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED PARTIES

Transactions between subsidiaries mainly include commercial transactions concluded between companies of the Capital Group with regard to sale or purchase of traded goods and products of typical, conventional nature for the Group's operations. Transactions with affiliated entities are presented in details below:

TRANSACTIONS OF NON-TRADE NATURE BETWEEN RELATED PARTIES:

LOANS GRANTED BY BORYSZEW S.A.

Company	Date of agreement	Repayment date	Loan amount stipulated in the agreement	Amount to be repaid	Currency	Amount to be repaid as translated into PLN	Interest
Boryszew Kunststofftechnik Deutschland GmbH	01.09.2011	31.12.2020	3 000 000	2 249 652	EUR	9 676 429	EURIBOR 3M + margin
	02.08.2011	31.12.2020	14 500 000	14 371 899	EUR	61 817 850	EURIBOR 3M + margin
Boryszew Automotive Plastics Sp. z o.o.	27.11.2017	31.12.2020	49 700 000	46 479 479	EUR	199 922 181	EURIBOR 3M + margin
	02.07.2018	31.12.2020	510 000	510 000	EUR	2 193 663	EURIBOR 3M + margin
	08.02.2019	30.04.2019	5 000 000	5 000 000	PLN	5 000 000	WIBOR 3M + margin
Polish Wind Holding	14.09.2015	31.12.2019	1 100 000	1 100 000	PLN	1 100 000	WIBOR 3M + margin
	20.12.2016	31.12.2019	550 000	550 000	PLN	550 000	WIBOR 3M + margin
SPV Boryszew 3 Sp. z o.o.	02.07.2018	30.06.2019	1 500 000	1 320 000	PLN	1 320 000	WIBOR 3M + margin
MAFMEX S. de R.L. de C.V.	18.11.2015	30.06.2020	689 772	689 772	EUR	2 966 917	EURIBOR 1M + margin
	19.02.2016	30.06.2020	1 695 000	1 695 000	EUR	7 290 704	EURIBOR 1M + margin
	14.09.2016	30.06.2020	1 046 712	1 046 712	EUR	4 502 222	EURIBOR 1M + margin
	16.12.2016	30.06.2020	568 516	568 516	EUR	2 445 357	EURIBOR 1M + margin



(amounts expressed in PLN '000 unless specified otherwise)

	23.12.2016	31.12.2022	448 337	448 337	EUR	1 928 431	EURIBOR 1M + margin
	29.05.2017	31.12.2022	1 151 287	1 151 287	EUR	4 952 031	EURIBOR 1M + margin
	03.07.2017	31.12.2022	1 507 210	1 507 210	EUR	6 482 962	EURIBOR 1M + margin
	08.08.2017	31.12.2022	592 906	592 906	EUR	2 550 265	EURIBOR 1M + margin
	31.08.2017	31.12.2022	421 996	421 996	EUR	1 815 131	EURIBOR 1M + margin
	19.12.2017	31.12.2022	678 265	678 265	EUR	2 917 422	EURIBOR 1M + margin
Maflow Components Dalian	20.03.2017	18.03.2020	1 160 000	250 000	EUR	1 075 325	EURIBOR 1M + margin
Maflow Polska Sp. z o.o.	05.07.2017	31.12.2019	30 000	30 000	PLN	30 000	1M WIBOR + margin
	11.07.2017	31.12.2019	50 000	50 000	PLN	50 000	1M WIBOR + margin
Total to be repaid					PLN	320 586 889	

The sum of the abovementioned loans granted by Boryszew SA does not include the interest accrued as at 31.03.2019.

LOANS GRANTED TO BORYSZEW S.A. BY IMPEXMETAL S.A.

On 8 February 2019 Impexmetal S.A. granted a loan to Boryszew S.A. based in Warsaw in the amount of PLN 11 000 000 with the repayment date until 31 December 2019. The interest was determined on the arm's length basis.

EXTENSION OF REPAYMENT AND CONSOLIDATION OF LOANS GRANTED TO BORYSZEW S.A. BY IMPEXMETAL S.A.

On 6 March 2019 Boryszew S.A. signed an agreement with Impexmetal S.A. on extension of the repayment date for loans granted to Boryszew S.A. and Boryszew S.A. Maflow Branch in Tychy, until 31 December 2019, in the total amount of PLN 116 500 000.00 under the following agreements:

- loan agreement for PLN 25 000 000.00 of 20.04.2015,
- loan agreement for PLN 5 000 000.00 of 07.07.2016,
- loan agreement for PLN 43 000 000.00 of 31.03.2017,
- loan agreement for PLN 10 000 000.00 of 06.09.2017,
- loan agreement for PLN 8 500 000.00 of 02.07.2018,
- loan agreement for PLN 5 000 000.00 of 17.07.2014 (Tychy Maflow Branch),
- loan agreement for PLN 20 000 000.00 of 12.06.2016 (Tychy Maflow Branch),

The interest rate on the above loans was determined on the arm's length basis.

BORYSZEW S.A.

On 14 March 2019 Boryszew S.A. repaid the following loans to Impexmetal S.A. in the total amount of PLN 33 000 000:

- early total repayment of the loan of 10 December 2018 in the amount of PLN 6 000 000,
- partial repayment of the loan (consolidated under the Agreement of 6 March 2019) in the amount of PLN 27 000 000.

On 20 March 2019 Boryszew S.A. made a partial repayment of the loan (consolidated under the Agreement of 6 March 2019) to Impexmetal S.A. in the amount of PLN 30 000 000.



SETTLEMENT OF DUE CLAIMS ON BONDS ACQUIRED BY EASTSIDE-BIS SP. Z O.O. Z O.O.

As a result of the acquisition by Eastside - Bis Sp. z o.o. on 11 January 2019 of the object of a registered pledge (acquisition of shares encumbered with pledges in order to satisfy the pledgee), i.e. 9 995 000 shares of Alchemia S.A., due claims on bonds of EB1, EB2 and EB3 series, issued by Unibax Sp. z o.o. and acquired by Eastside - Bis Sp. z o.o. - we settled.

Under the provisions of point 3¹ of the Terms and Conditions of the Issue of each series of Bonds, the claims arising from the Bonds became due and payable upon delivery to Unibax Sp. z o.o. ("**Unibax**") of the following requests for early redemption, i.e. on 2 January 2019:

- request for early redemption of 9 - EB1 series bonds, with a nominal value of PLN 3 000 000 each and the total nominal value of PLN 27 000 000.00, issued by Unibax in accordance with the bond issue terms of 15 November 2016;
- request for early redemption of 9 - EB2 series bonds, with a nominal value of PLN 2 123 500 each and the total nominal value of PLN 19 111 500.00, issued by Unibax in accordance with the bond issue terms of 15 November 2016; and
- request for early redemption of 4 - EB3 series bonds, with a nominal value of PLN 953.000 each and the total nominal value of PLN 3 812 000, issued by Unibax in accordance with the bond issue terms of 18 November 2016;

Following the settlement of the transaction referred to above, Eastside - Bis holds the following bonds issued by Unibax:

- 1 EB1 series registered bond with nominal value of PLN 3 000 000;
- 1 EB2 series registered bond with nominal value of PLN 2 123 500;
- 1 EB3 series registered bond with nominal value of PLN 953.000;

ACQUISITION OF BONDS ISSUED BY UNIBAX SP. Z O.O.

On 3 January 2019 Boryszew S.A. acquired 3 - B25 series registered bond with nominal value of PLN 1 000 000. The total nominal value of bonds acquired in this series was PLN 3 000 000. Bond redemption date was set at 31 December 2019.

On 16 January 2019 Boryszew S.A. acquired 4 - B26 series registered bond with nominal value of PLN 1 000 000. The total nominal value of bonds acquired in this series was PLN 4 000 000. Bond redemption date was set at 31 December 2019.

On 21 February 2019 Boryszew S.A. acquired 3 - B27 series registered bond with nominal value of PLN 1 000 000. The total nominal value of bonds acquired in this series was PLN 3 000 000. Bond redemption date was set at 31 December 2019.

Events after the balance sheet date

On 30 April 2019 Boryszew S.A. acquired 10 - B28 series registered bonds with nominal value of PLN 1 000 000. The total nominal value of bonds acquired in this series was PLN 10 000 000. Bond redemption date was set at 31 December 2019.

On 9 January 2019 Boryszew S.A. acquired 10 - B29 series registered bonds with nominal value of PLN 2 000 000. The total nominal value of bonds acquired in this series was PLN 20 000 000. Bond redemption date was set at 31 December 2019.

On 10 May 2019, Boryszew S.A. acquired 15 - B30 series registered bonds with a nominal value of PLN 1 000 000. The total nominal value of bonds acquired in this series was PLN 15 000 000. Bond redemption date was set at 31 December 2019.

REDEMPTION OF BONDS ISSUED BY UNIBAX SP. Z O.O. Z O.O.

In March 2019, Unibax Spółka o.o. prematurely redeemed bonds held by Boryszew S.A with a total nominal value of PLN 75 970 000.



(amounts expressed in PLN '000 unless specified otherwise)

18. INFORMATION ON NON-REPAYMENT OF A CREDIT OR LOAN OR BREACH OF MATERIAL PROVISIONS OF A CREDIT OR LOAN AGREEMENT, IN RELATION TO WHICH NO REMEDIAL ACTIONS WERE TAKEN UNTIL THE END OF THE REPORTING PERIOD

No breach of material terms and conditions of the loan agreements occurred in Boryszew Capital Group companies, which had not been remedied by the end of the reporting period. The violation in the subsidiary of the Automotive Segment (BAP Group), which the Issuer disclosed in the report for 2018, was accepted by the lender.

19. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF LOAN OR BORROWING SURETIES OR GUARANTEES – JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS MATERIAL

SURETIES GRANTED BY BORYSZEW S.A. AS AT 31.03.2019

Entity for which guarantee or surety was issued	Issue date of guarantee or surety	Subject of liability	Value of guarantee	Expiry date of guarantee
			PLN	
Torlen Sp. z o.o.	24.07.2017	Surety regarding trade liabilities, granted to Polytrade GmbH	6 451 950	31.07.2020
	11.12.2017	Surety regarding trade liabilities, granted to MB Barter & Trading SA	2 150 650	31.12.2020
Boryszew Kunststofftechnik Deutschland GmbH	31.01.2013	Guarantee granted to Commerzbank	21 506 500	indefinite validity
	23.07.2013	Guarantee granted to GE Capital Bank AG	4 268 494	30.08.2021
	06.06.2014	Guarantee granted to Hewlett-Packard International Bank Plc.	1 279 637	31.05.2019
	25.09.2014	Guarantee granted to Hewlett-Packard International Bank Plc.	1 151 673	31.05.2019
	22.01.2015	Guarantee granted to Hewlett-Packard International Bank Plc.	430 130	31.08.2019
	24.07.2017	Guarantee granted to ALD AutoLeasing D GmbH	860 260	30.06.2022
	2019-01-29	Guarantee granted to DNB Bank Polska SA	67 100 280	2021-03-01
	07.08.2017	Guarantee granted to Deutsche Leasing International GmbH	6 021 820	indefinite validity
	08.06.2018	Guarantee granted to Deutsche Leasing International GmbH	2 580 780	08.06.2023
2019-03-06	Aval of lease agreement with PKO Leasing Sp. z o.o.	24 818 000	2022-03-31	
Theysohn Formenbau GmbH	06.09.2017	Guarantee granted to akf Leasing GmbH	10 062 715	31.08.2023
Theysohn Kunststoff GmbH	2018-09-28	Guarantee granted to PKO Leasing Sp. z o.o.	14 739 553	2021-12-31
Boryszew Oberflächentechnik Deutschland GmbH	26.01.2016	Guarantee granted to Bank Gospodarstwa Krajowego	54 691 030	31.12.2026
Boryszew Plastic RUS	11.07.2013	Guarantee granted to ZAO Hewlett-Packard AO	767 300	indefinite validity
	27.08.2013	Guarantee granted to RB Leasing Ltd.	1 933 864	15.06.2019
	2013-01-29	Guarantee granted to Deutsche Leasing Vostok ZAO	36 502 757	2019-10-07
	2013-04-08	Guarantee granted to Deutsche Leasing Vostok ZAO	1 138 912	2019-10-07
	30.04.2014	Guarantee granted to ZAO Hewlett-Packard AO	383 650	indefinite validity
	2019-02-25	Guarantee granted to Alfa Bank	11 118 750	2024-12-31
	13.02.2017	Guarantee granted to Volvo Group Trucks Operations	21 506 500	indefinite validity



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(amounts expressed in PLN '000 unless specified otherwise)

BRS YMOS GmbH	27.05.2015	Guarantee granted to Wurth Leasing GmbH & Co. KG	1 332 594	30.11.2020
	15.03.2016	Guarantee granted to Wurth Leasing GmbH	1 526 540	15.03.2022
Boryszew Tensho Poland Sp. z o.o.	13.06.2016	Guarantee granted to HSBC Bank Polska S.A.	10 000 000	2021-09-11
	14.03.2017	Guarantee granted to SPV Impexmetal Sp.z o. o for payment of financial liabilities	41 000 000	indefinite validity
	24.10.2017	Aval of lease agreement for mLeasing	772 618	15.04.2021
	24.10.2017	Aval of lease agreement for mLeasing	6 451 604	15.11.2020
	2019-03-04	Aval of lease agreements for mLeasing	8 888 495	2024-04-15
	6.12.2017	Guarantee granted to PGE Obrót S.A.	1 800 000	indefinite validity
	2019-01-29	Guarantee granted to DNB Bank Polska SA	10 323 120	2021-03-01
Maflow BRS s.r.l.	2018-10-22	Bill of exchange guarantee for SGB Leasing Sp. z o.o.	357 100	2025-09-30
	26.04.2016	Guarantee granted to Banka IFIS	3 225 975	indefinite validity
	01.01.2017	Guarantee granted to CORDTECH INTERNATIONAL SAS	1 290 000	2019-12-31
	01.01.2017	Guarantee granted to Mehler Engineered Products GmbH for repayment of commercial debts	1 720 520	2019-12-31
Maflow France Automotive S.A.S.	16.05.2017	Guarantee granted to Cover	430 130	2019-12-31
	07.07.2016	Guarantee granted to Natixs Lease	1 621 590	2021-07-07
Boryszew Commodities	12.12.2017	Guarantee granted to Borealis AG for commercial liabilities	1 075 325	2019-12-31
	2018-07-23	Bill of exchange guarantee against a loan agreement for mBank S.A.	70 971 450	2019-04-30
BAP Group companies - customers of Volkswagen AG	16.12.2016	Volkswagen AG	86 026 000	indefinite validity
Alchemia S.A.	2018-10-01	Guarantee granted to Arcelormittal Poland S.A.	21 506 500	2019-12-31
Eastside-Bis	01.09.2017	The Provincial Funds for Environmental Protection and Water Management in Toruń	3 283 600	indefinite validity
Boryszew HR Service Sp. z o.o.	30.08.2016	Bill of exchange guarantee against a loan to mBank	2 000 000	2019-08-27
Elana Energetyka	2015-12-01	PGE Obrót S.A.	3 000 000	indefinite validity
ZM Silesia S.A.	2018-09-26	Surety granted to PKO BP S.A.	10 800 000	2022-02-28
	2018-10-26	Guarantee granted to BGŻ BNP Paribas S.A.	14 400 000	2020-12-31
Total guarantees and sureties granted by Boryszew SA			595 268 366	

Significant sureties granted by Boryszew Capital Group companies as at 31.03.2019

On 27 February 2019 Boryszew Tensho Poland Sp. z o.o. based in Ostaszewo granted Boryszew Kunststofftechnik Deutschland GmbH a registered pledge on a collection of movables (work in progress, stocks of raw materials and finished products) up to the maximum amount of EUR 18 000 000.

The bank's claim results from an agreement for a revolving loan facility concluded on 30 January 2014, where the maximum amount and the currency of the principal amount of bank's claims is EUR 15 000 000.

Events after the balance sheet date

Guarantee granted for Impexmetal S.A.'s liabilities

On 16 May 2019 Boryszew S.A. granted HSBC France (Spółka Akcyjna) Branch in Poland a guarantee of repayment, by Impexmetal S.A., of a term credit facility of up to PLN 270 million to finance the payment for the purchase price of Impexmetal S.A. shares acquired by Impexmetal S.A. upon an invitation.



The credit repayment date was set to be 28 months of the date of concluding the Agreement. Following the conclusion of the Agreement, to secure the Bank's claim under the Agreement, on 16 May 2019 the Company concluded an agreement with the Bank on registered and financial pledges on Impexmetal S.A. shares held by the Company.

20. FACTORS THAT WILL AFFECT THE COMPANY'S FINANCIAL PERFORMANCE FOR AT LEAST THE UPCOMING QUARTER

In the period in question, Alchemia Capital Group was included in consolidation, this inclusion changed the structure of the balance sheet, while the impact of full consolidation on the income statement will be visible as of the second quarter of 2019.

21. OTHER INFORMATION THAT IS RELEVANT FOR THE EVALUATION OF ITS HUMAN RESOURCES, FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CHANGES THEREOF AS WELL AS ANY INFORMATION RELEVANT FOR THE EVALUATION OF THE CAPACITY TO MEET OBLIGATIONS

External factors that will affect the consolidated results of subsequent quarters include:

- global economic situation, especially in the key sectors (automotive and construction) as well as in the main sales markets (the European Union, including Germany).
- demand for new cars, especially for products of the VW Group, which is the most important customer of the Boryszew Capital Group,
- the level of metal quotations and currencies determining the amount of working capital and effectiveness of export and domestic sales.
- higher economic protectionism in international trade, resulting in restrictions to access markets,
- sanctions imposed by the US government on entities operating on the international non-ferrous metals market (contractors of Capital Group companies),
- costs of raw materials, including in particular scrap prices and the amount of the metal premium,
- PLN exchange rate against foreign currencies; due to the significant share of export sales, which in effect affects the level of margins earned in PLN,
- prices of crude oil and, as a consequence, prices of organic chemicals derivatives - plastics and components for the production of plastic parts for cars in injection moulding technology,
- cost of energy carriers, given the announcement of a significant price increase, of particularly high importance in the energy-intensive metal processing industry and in chemistry,

Internal factors significant for the Group's performance in future periods include the following:

- the effect of obtaining new contracts in the Automotive Segment,
- the effect of optimisation of manufacturing processes in all market segments,
- effects of development investments,
- the effects of subsidies granted for implementation of investment projects and improvement of energy efficiency.

In the reporting period, there were no events other than those described above that would be significant for the assessment of the Group's personnel, property, financial standing, financial result and the ability of the Capital Group to meet its liabilities.



Boryszew Capital Group
Interim condensed consolidated report for the first quarter of 2019 prepared in accordance
with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)



Boryszew S.A.

CONDENSED QUARTERLY REPORT

BORYSZEW S.A.

FOR Q1 '2019



(amounts expressed in PLN '000 unless specified otherwise)

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2019 -31.03. 2019	01.01.2018 -31.03. 2018
Revenues from sales	372 006	402 521
Prime cost of sale	337 315	364 152
Gross profit on sales	34 691	38 369
Selling costs	6 562	7 147
Administrative expenses	19 092	20 010
Other operating revenue	15 372	8 477
Other operating expenses	1 732	1 914
Write-offs on accounts receivable	40	-
Operating income	22 717	17 775
Financial revenues	4 748	8 604
Financial expenses	9 947	8 275
Impairment write-offs on financial investments	-	-
Financial profit/loss	(5 199)	329
Profit before taxation	17 518	18 104
Income tax	1 633	3 278
Net profit	15 885	14 826
	-	-
Earnings/loss per share		
Weighted average number of shares	220 998 458	227 879 177
Earnings per one share (PLN)	0.07	0.07
Net profit	15 885	14 826
Earnings recognised in equity		
Earnings recognised in equity, to be transferred to income statement	(1 169)	585
Hedge accounting	(1 443)	636
Gains/losses on valuation of equity instruments transferred to profit or loss	-	0
<i>Income tax</i>	274	(51)
Earnings recognised in equity, not to be transferred to income statement	0	(2 797)
Gains/losses on valuation of equity instruments		
Gains/losses on disposal of equity instruments		
Employee benefit capital reserve	0	(2 797)
<i>Income tax</i>	0	
Total earnings recognised in equity	(1 169)	(2 212)
Total comprehensive income	14 716	12 614



(amounts expressed in PLN '000 unless specified otherwise)

STATEMENT OF FINANCIAL POSITION

	As at 31.03.2019	As at 31.12.2018
ASSETS		
Non-current assets		
Non-current assets	221 674	272 723
Investment property	16 525	16 525
Intangible assets	27 831	33 115
Right-of-use assets	132 656	
Shares in subsidiaries and associates	463 522	463 522
Financial assets	451 353	382 320
Long-term receivables	33 715	33 705
Deferred tax assets	11 566	141
Other assets	5 371	5 485
Total fixed assets	1 364 213	1 207 536
Current assets		
Inventory	170 540	181 527
Trade receivables and other receivables	324 969	285 672
Short-term financial assets	7 678	136 243
Derivative financial instruments	0	579
Current tax assets	716	313
Other assets	18 879	17 827
Cash and cash equivalents	40 579	29 313
Total current assets	563 361	651 474
Total assets	1 927 574	1 859 010



(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 31.03.2019	As at 31.12.2018
Equity		
Share capital	248 906	248 906
Share premium	112 346	112 346
Own shares	(134 151)	(129 735)
Hedge accounting capital	(3 469)	(2 300)
Capital reserve on translating employee payables	(162)	(162)
Retained earnings	394 553	378 668
Total equity	618 023	607 723
Liabilities and long-term provisions		
Bank credits, loans, bonds	311 215	368 119
Lease liabilities	94 017	30 066
Payables on perpetual usufruct of investment land	1 942	1 951
Deferred tax provision	12 828	-
Employee benefit provisions	3 475	3 377
Other provisions	5 319	5 136
Other long term equity and liabilities	2 409	2 534
Liabilities and long-term provisions - total	431 205	411 183
Short-term liabilities		
Bank credits, loans, bonds	544 942	535 892
Lease liabilities	18 473	8 033
Payables on perpetual usufruct of investment land	9	9
Trade payables and other liabilities	298 405	280 773
Derivative financial instruments	802	66
Current tax liabilities	0	0
Employee benefit provisions	6 127	5 277
Other provisions	2 689	2 798
Other liabilities and equity	6 899	7 256
Liabilities and short-term provisions - total	878 346	840 104
Total liabilities and provisions	1 309 551	1 251 287
Total equity and liabilities	1 927 574	1 859 010



(amounts expressed in PLN '000 unless specified otherwise)

CASH FLOW STATEMENT

	01.01.2019 - 31.03. 2019	01.01.2018 - 31.03. 2018
Cash flows from operating activities		
Profit before taxation	17 518	18 104
Adjustments for (+/-)	6 762	(44 407)
Amortisation/depreciation	10 642	8 388
Profit/loss on financial activity (including interest on financial liabilities)	7 062	5 547
Dividends from share in profit	(5 846)	
Change in receivables	(32 882)	(37 962)
Change in inventories	10 987	(9 278)
Change in liabilities	17 632	(10 544)
Change in provisions and accruals as well as prepayments	(398)	(308)
Other items	146	(250)
Income tax paid	(581)	
Net cash from operating activities	24 280	(26 303)
Cash flows from investment activities		
Proceeds from disposal of shares	-	25 068
Proceeds from redemption of bonds	77 387	-
Proceeds from repayment of loans granted	-	15 030
Expenses on acquisition of fixed assets	(7 376)	(7 816)
Acquisition of shares in capital group entities	-	(2 639)
Long term borrowings granted	(5 000)	
	-	
Expenditure on bonds	(10 000)	(44 777)
Other capital expenditures	-	
Net cash from investing activities	55 011	(15 134)
Cash flows from financial activities		
Incomes on credit and loan facilities	10 816	13 071
Proceeds from bond issue	-	53 000
Share buy-back expense	(4 416)	(12 531)
Loans repaid	(10 858)	(8 545)
Repayment of borrowings	(48 719)	(746)
Interest paid on loans, bonds...	(6 046)	(5 547)
Payment of liabilities under finance lease agreements	(8 802)	(4 034)
Net cash from financing activities	(68 025)	34 668
Net change in cash	11 266	(6 769)
Cash opening balance	29 313	36 081
Cash closing balance	40 579	29 312

**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Retained earnings	Total equity
As at 01.01.2019	248 906	112 346	(129 735)	(2 300)	(162)	378 668	607 723
Valuation of hedge instruments				(1 169)			(1 169)
Profit/loss for Q1 '2019						15 885	15 885
Comprehensive income for Q1 '2019	-	-	-	(1 169)	-	15 885	14 716
Share buy-back			(4 416)				(4 416)
As at 03.31.2019	248 906	112 346	(134 151)	(3 469)	(162)	394 553	618 023
	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Retained earnings	Total equity
As at 01.01.2018	248 906	112 346	(84 329)	(2 797)	(169)	340 396	614 353
Valuation of hedge instruments				585			585
Profit/loss for Q1 '2018						14 826	14 826
Comprehensive income for Q1 '2018	-	-	-	585	-	14 826	15 411
Share buy-back			(12 531)				(12 531)
As at 03.31.2018	248 906	112 346	(96 860)	(2 212)	(169)	355 222	617 233



(amounts expressed in PLN '000 unless specified otherwise)

OPERATING SEGMENTS

01.01.2019 -31.03. 2019	Chemicals	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	63 126	156 643	75 416	77 093	372 278	(272)	372 006
Cost of sales for the segment	55 038	136 170	72 010	74 097	337 315		337 315
Result on sales within segment	8 088	20 473	3 406	2 996	34 963	(272)	34 691
General, administrative and sales expenses	7 818	10 986	3 601	3 249	25 654		25 654
Other operating profit/loss	388	491	1 468	11 687	14 034	(354)	13 680
Segment profit/loss	658	9 978	1 273	11 434	23 343	(626)	22 717
Amortisation/depreciation	1 362	7 611	1 376	293	10 642		10 642
EBITDA	2 020	17 589	2 649	11 727	33 985	(626)	33 359

01.01.2018 -31.03. 2018	Chemicals	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	57 729	171 777	101 692	71 406	402 604	(83)	402 521
Cost of sales for the segment	48 921	150 700	95 921	68 610	364 152		364 152
Result on sales within segment	8 808	21 077	5 771	2 796	38 452	(83)	38 369
General, administrative and sales expenses	7 539	11 895	3 377	4 429	27 240	(83)	27 157
Other operating profit/loss	188	542	217	5 616	6 563		6 563
Segment profit/loss	1 457	9 724	2 611	3 983	17 775	0	17 775
Amortisation/depreciation	1 305	5 500	1 351	232	8 388		8 388
EBITDA	2 762	15 224	3 962	4 215	26 163		26 163

CHANGES IN ACCOUNTING PRINCIPLES

IFRS 16 establishes new accounting standards for reporting leases. As at 1 January 2019, the Company identified two new categories of lease agreements:

- long-term property lease agreements: factory halls, storage facilities, offices,
- perpetual usufruct of land.

In the previous period, it was a lease of machinery, technical equipment, cars and a liability for perpetual usufruct of land disclosed in assets as investment property.

The presentation of lease agreements in the statement of financial position depends mainly on: - the scope of agreements classified as leasing, - the lease period adopted for relevant types of agreements, which requires significant estimates to be made by the Management Board of the Company. The Management Board verifies adopted estimates on the basis of change of factors taken into account during their preparation, new information or established market practice.

The lease period covers the irrevocable period of the agreement, together with the periods for which the lease may be extended, if it can be assumed with sufficient certainty that the Company will exercise this right and the periods for which the lease may be terminated, if it can be assumed with sufficient certainty that the Company will not exercise this right.

The lease term was also determined taking into consideration the legal and customary regulations in force in the Polish legal environment, as well as the specific nature of Group's agreements. In particular, for agreements concluded for an indefinite period of time, the Company accepts the notice period as an irrevocable lease term.

For lease agreements concluded for an indefinite period of time, most of the notice periods are shorter than 12 months and for these agreements the Company applied an exemption from recognition of short-term leases.



(amounts expressed in PLN '000 unless specified otherwise)

Consequently, such contracts are treated as short-term contracts and are not measured or presented in the statement of financial position.

In case of limited property rights in buildings in which the Company has a telecommunication infrastructure, the lease term was set as the average life of buildings in the Group. The use of any option of early termination of the agreement has not been assessed as probable as at 1 January 2019. Agreements in which the use of the extension option was assessed as probable, have an immaterial impact on the valuation of lease liabilities.

The impact of the application of IFRS 16 on the Group concerns mainly the Group as a lessee and results in:

- a) recognition of all lease agreements as per a single model where the statement of financial position includes the right-of-use asset associated with the leased asset in correspondence with the lease liability;
- b) recognition of depreciation on the right-of-use asset and interest costs on the lease liability, instead of recognition of operating costs;
- c) accelerated recognition of costs related to lease agreements, resulting in particular from the interest component.

As at 1 January 2019, the Company applied the "modified retrospective method", without restating comparative data. The implementation of the standard had no impact on equity as at 1 January 2019, because the the Company chose to measure the right-of-use asset at the value equal to the liability for leasing.

The Company chose to apply the exception under IFRS 16 point C.10. (c), whereby the requirements described in (a) to (c) above for leases for which the lease term expires within 12 months from the date of the first application may not be followed.

As a result of applying IFRS 16, certain changes were made to the presentation in the consolidated financial statements, which affected the comparative data.

All leased fixed assets at the end of the previous year were transferred from "Property, plant and equipment" to "Right-of-use assets".

Application of IFRS 16 had the following impact on the consolidated statement of financial position as at 1 January 2019:

STATEMENT OF FINANCIAL POSITION - restatement of data as at 01.01.2019

Non-current assets	272 723
Fixed assets used under lease agreements	(75 331)
Tangible fixed assets after correction	197 392
Right-of-use assets	
Fixed assets used under lease agreements - transfer from property, plant and equipment	75 331
Recognition of perpetual usufruct of land	17 028
Recognition of leasing of services (property lease agreements)	47 162
Total	139 521
Increase in total assets	64 190
Long-term liabilities	
Leasing liabilities as at 01.01.2019	30 066
Increase in liabilities (implementation of IFRS 16)	56 179
Total long-term liabilities	30 066
Short-term liabilities	
Leasing liabilities as at 01.01.2019	8 033
Increase in liabilities (implementation of IFRS 16)	8 011
Total short-term liabilities	8 033
Increase in total liabilities	64 190



TRANSACTIONS WITH AFFILIATED ENTITIES

	Subsidiaries	Personally related entities
Transactions in the period 01.01.2019 to 31.03.2019		
Revenues from sales (of products, services, goods)	66 677	604
Interest income	3 298	41
Dividends received	5 846	
Purchases (of materials, goods, services)	24 417	
Interest expense	2	
Receivables and payables as at 31.03.2019		
Trade receivables	138 810	890
Bonds purchased	14 997	62 534
Loans granted	381 262	1 796
Other receivables (advances, deposits)	33 715	356
Trade liabilities	21 610	0
Loans received	67 575	
Issued bonds	168 300	

SIGNATURES:

This report was signed at the Company's registered office on 29 May 2019.

Piotr Lisiecki - President of the Management Board

Aleksander Baryś – Member of the Management Board

Mikołaj Budzanowski – Member of the Management Board

Elżbieta Słaboń – Chief Accountant
