



Boryszew S.A.

THE STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

*Date of approval of the statement to be published:
17 September, 2019*





CONTENTS	PAGE
1. INTRODUCTION.....	2
2. APPROVAL OF THE STATEMENT TO BE PUBLISHED	3
3. APPLIED ACCOUNTANCY POLICIES	3
4. SIGNIFICANT ACHIEVEMENTS OR FAILURES IN THE CURRENT PERIOD	5
5. FACTORS AND EVENTS, IN PARTICULAR UNUSUAL, INFLUENCING ON THE RESULTS OF THE CURRENT PERIOD	20
6. DESCRIPTION OF BASIC THREATS AND RISKS.....	18
7. EXPLANATIONS CONCERNING SEASONALITY OF THE COMPANY'S OPERATIONS IN THE PRESENTED PERIOD	22
8. REVENUES AND RESULTS ACCORDING TO SPECIFIC SEGMENTS OF OPERATIONS FROM THE BEGINNING OF THE CURRENT YEAR.....	22
9. THE INFORMATION ON ISSUING, REDEMPTION AND REPAYMENT OF DEBT AND EQUITY SECURITIES.....	25
10. PAID OR DECLARED DIVIDEND.....	25
11. EVENTS WHICH OCCURRED AFTER THE DATE OF THE FINANCIAL STATEMENT, NOT INCLUDED IN THIS STATEMENT THAT COULD SIGNIFICANTLY INFLUENCE ON THE GROUP'S FUTURE RESULTS	25
12. CHANGES OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS.....	25
13. DESCRIPTION OF THE ORGANIZATION OF THE ISSUER'S CAPITAL GROUP.....	26
14. EFFECTS OF CHANGES IN THE GROUP'S STRUCTURE FROM THE BEGINNING OF THE YEAR, INCLUDING CONNECTING OF THE BUSINESS ENTITIES, TAKEOVER OR SALE OF SUBSIDIARIES AND LONG-TERM INVESTMENTS, RESTRUCTURING AND DISCUSSING OPERATIONS	28
15. THE POSITION OF THE MANAGEMENT BOARD AS REGARDS TO THE POSSIBILITY OF EXECUTION OF PREVIOUSLY PUBLISHED FORECASTS OF THE FINANCIAL RESULT FOR THE CURRENT YEAR.....	28
16. SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5% OF THE GENERAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE COMPANY AS WELL AS AS AT THE DATE OF THE PROVISION OF THE STATEMENT	29
17. CHANGES IN THE PROPERTY STRUCTURE OF SIGNIFICANT SHAREHOLDING PACKAGES OF THE COMPANY IN THE PERIOD FROM THE PROVISION OF THE PREVIOUS PERIOD STATEMENT - SHARE OF VOTES AT THE GENERAL MEETING OF THE COMPANY.....	29
18. PERSONS MANAGING AND SUPERVISING THE COMPANY - CHANGING THE STATUS OF HELD SHARES OR OPTIONS FOR SHARES IN THE CURRENT PERIOD FROM THE DAY OF SUBMISSION OF THE PREVIOUS STATEMENT	29
19. PROCEEDINGS PENDING BEFORE A COURT, COMPETENT AUTHORITY FOR THE ARBITRATION OR PUBLIC ADMINISTRATION	29
20. CONCLUSION BY THE COMPANY OR THE SUBSIDIARY OF ONE OR MORE IMPORTANT TRANSACTIONS WITH THE AFFILIATES.....	31
21. INFORMATION ON CREDIT OR LOAD SURETIES GRANTED BY THE COMPANY OR THE SUBSIDIARY OR GRANTING THE GUARANTEE - ONE SUBSIDIARY OR AFFILIATE IN TOTAL, IF THE TOTAL VALUE OF EXISTING SURETIES OR GUARANTIES IS SIGNIFICANT.....	35
22. OTHER INFORMATION SIGNIFICANT TO THE ASSESSMENT OF THE HUMAN RESOURCES SITUATION, ASSETS, FINANCIAL SITUATION AND THE FINANCIAL RESULT OF THE COMPANY AND THEIR CHANGES, AND INFORMATION SIGNIFICANT TO THE ASSESSMENT OF THE LIABILITIES IMPLEMENTATION	38
23. FACTORS WHICH WILL INFLUENCE ON THE RESULTS ACHIEVED BY THE COMPANY WITHIN AT LEAST THE NEXT QUARTER.....	38
24. STATEMENT OF THE MANAGEMENT BOARD.....	38



1. INTRODUCTION

COMPANY DATA

As of June 30th, 2019 the Company's registered seat was located in Warsaw, ul. Jagiellońska 76. Since July 1st, 2019, the Company has its registered office in Warsaw, ul. Aleje Jerozolimskie 92.

The Company is registered in the District Court for the Capital City of Warsaw, 13th Economic Department of the National Court Register under the NCR (KRS) no.: 0000063824. The company was granted a REGON state statistical number 750010992 and the Tax Identification Number (NIP): 837-000-06-34.

The company was created 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 manufacturing companies in the same industry combined with restructuring, mergers as well as organic growth of sales in Group's companies contributed to significant improvement of results.

Boryszew Capital Group is one of the largest industrial groups in Poland, with production facilities on 4 continents, involved in automotive, non-ferrous metals, steel and chemistry. The Capital Group employs more than 9. 000 people.

SUPERVISORY BOARD OF BORYSZEW S.A.

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

Mr Janusz Siemienieć – 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 January 17th, 2019 the Company's Supervisory Board adopted a resolution regarding appoint Mr Janusz Wiśniewski for the Supervisory Board. Mr Janusz Wiśniewski was appointed for the Supervisory Board to replace Mr Piotr Lisiecki, who submitted his resignation from the membership in the Supervisory Board dated November 7th, 2018.

On April 1st, 2019, the Company undertook information regarding the fact that Mr Janusz Siemienieć - the Chairman of the Supervisory Board of the Company -submitted a resignation from acting as a Member of the Supervisory Board, dated March 31st, 2019 and effective as of the day of submission.

On April 8th, 2019 the Supervisory Board selected Mr Arkadiusz Krężel to be the Chairman and Mr Janusz Wiśniewski to be the Deputy Chairman of the Supervisory Board of Boryszew S.A

As at June 30, 2019 and as at the date of submitting the report for publication, the Supervisory Board has a composition:

Mr Arkadiusz Krężel – Chairman of the Supervisory Board

Mr Janusz Wiśniewski – V-ce President 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, Financial Director,

Mr Mikołaj Budzanowski – Member of the Management Board, Director of Development



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

Mr Cezary Pyszkowski – Member of the Management Board, Director for Automotive Sector Development.

On April 29th, 2019, Mr Cezary Pyszkowski submitted a resignation from the function held, of a Member of the Board of Boryszew S.A., effective on the same day. The resignation was submitted due to the appointment of Mr Cezary Pyszkowski as the President of the Board of Boryszew S.A.'s subsidiary - Automotive Plastics Sp. z o.o., with its registered seat in Toruń.

On July 29th, 2019 Mr Aleksander Baryś, Board Member, the Company's Chief Financial Officer submitted a resignation from the function held as of August 31st, 2019.

At the same time, the Supervisory Board of the Company, on July 29th, 2019, decided to appoint Mr Krzysztof Kołodziejczyk to be Boryszew S.A.'s Board Member, and Chief Financial Officer, as of September 1st, 2019.

As of the day of the handover of the report, the Board of Boryszew S.A operates consisting of:

Mr Piotr Lisiecki - Board President, Managing Director

Mr Mikołaj Budzanowski - Board Member, Director for Development,

Mr Krzysztof Kołodziejczyk - Board Member, Chief Financial Officer.

2. APPROVAL OF THE STATEMENT TO BE PUBLISHED

This Report of the Capital Group Boryszew in the first half of 2019, being an integral part of the interim audit of the consolidated half-annual report of Capital Group Boryszew for 1 January 2019 to 30 June 2019, was approved for publication by resolution of the Management Board of 17 August 2019 and presents the Capital Group's Boryszew position in accordance with the requirements of law for the period from 1 January 2019 to 30 June 2019 with regard to the events that occurred up to the date of approval of this report for publication.

A large part of the information contained in this business report has been described in more detail in the Company's current reports available, among other places, on the Company's website at: www.boryszew.com, where other information on the Company and Capital Group can also be found.

3. APPLIED ACCOUNTANCY POLICIES

The information included in the financial statement for the first half of 2019 was prepared in accordance with Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state and International Accounting Standard 34 (IAS 34) "Interim Financial Statement".

The accounting principles and calculation methods used by the Group (with the exception of amendments connected with the implementation of the International Financial Reporting Standards 9, 15) have not changed within the period covered by this Report, and presented in detail in the consolidated annual report for the year 2018, published on April 25th, 2019.

The present financial statement has been prepared based on the International Financial Reporting Standards in the form approved by the European Union (EU).

THE CONSOLIDATED FINANCIAL STATEMENT COVERED THE FOLLOWING COMPANY:

Company name	Registered office	share of the Parent Company in the capital (%)	Subsidiary of:	Business segment
Boryszew S.A. :	Warsaw		Parent Company	
<i>Headoffice</i>	Warsaw			Other
<i>Elana Branch in Toruń</i>	Toruń			Chemistry
<i>Energy Branch in Toruń</i>	Toruń			Other
<i>Maflow Branch in Tychy</i>	Tychy			Automotive
<i>NPA Branch Skawina</i>	Skawina			Metals



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

Boryszew ERG Branch	Sochaczew			Chemistry
Nylonbor Branch	Sochaczew			Chemistry
Elimer Sp. z o.o.	Sochaczew	52,44	Boryszew S.A.	Chemistry
Torlen Sp. z o.o. w likwidacji	Toruń	100	Boryszew S.A.	Chemistry
Elana Pet Sp. z o.o.	Toruń	100	Boryszew S.A.	Chemistry
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
Nowoczesne Produkty Aluminiowe Skawina Sp. z o.o. w likwidacji	Warsaw	100	Boryszew S.A.	Inactive
Boryszew Components Poland Sp. z o.o.	Toruń	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	Brasil	100	Maflow Polska 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 Polska	Automotive
MAFMEX S.DE R.L.DE C.V	Mexico	100	Maflow Polska	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 GmbH	Germany	100	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Deutschland GmbH	Germany	100	Boryszew Automotive Plastics Sp. z o.o.	Automotive
AKT Plastikarska Technologie	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	100	Boryszew S.A.	Automotive
Impexmetal S.A.	Warszawa	87,49	Boryszew SA	Metals
Hutmen S.A.	Wrocław	91,80	Boryszew S.A., SPV 3 Boryszew, Impexmetal S.A. Impex – invest Sp. z o.o.	Metals
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	90,81	Hutmen S.A. , Impexmetal S.A., Boryszew S.A.	Metals
Huta Metali Nieżelaznych Szopienice S.A. - w likwidacji	Katowice	54,04	Polski Cynk Sp. z o.o.	Inactive



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

ZM Silesia S.A.	Katowice	87,49	Impexmetal S.A.	Metals
Baterpol S.A.	Katowice	87,49	Polski Cynk Sp. z o.o.	Metals
Alchemia SA	Warsaw	53,81	Impexmetal SA, Eastside Bis, Boryszew S.A.	Metals
Huta Bankowa Sp. z o.o.	Dąbrowa Górnicza	53,81	Alchemia S.A	Metals
Laboratoria Badań Batory	Chorzów	53,81	Alchemia S.A	Metals
Polski Cynk Sp. z o.o.	Katowice	87,49	Impexmetal S.A., ZM Silesia S.A.	Metals
FŁT Polska Sp. z o.o.	Warsaw	87,49	Impexmetal S.A.	Metals
FLT & Metals Ltd.	Great Britain	87,49	Impexmetal S.A.	Metals
FLT Bearings Ltd.	Great Britain	87,49	FLT France SAS	Metals
FLT France SAS	France	87,49	FŁT Polska Sp. z o.o.	Metals
FLT Wälzlager GmbH	Germany	87,49	FŁT Polska Sp. z o.o.	Metals
FLT & Metals s.r.l.	Italy	87,49	FŁT Polska Sp. z o.o.	Metals
FLT (Wuxi) Trading Co. Ltd.	China	87,49	FŁT Polska Sp. z o.o.	
SPV Lakme InvestmentSp. z o.o.	Warsaw	81,40	SPV Impexmetal Sp. z o. o.	Other
Impex – Invest Sp. z o.o.	Warsaw	87,49	Impexmetal S.A.	Other
Eastside Capital Investments Sp. z o.o.	Warsaw	95,62	Boryszew SA ,Impexmetal S.A.	Other
Symonvit Ltd w likwidacji	Cyprus	87,49	Impexmetal S.A.	Metals
Baterpol Recycler Sp. z o.o.	Oława	87,49	Polski Cynk Sp. z o.o.	Other
SPV Impexmetal Sp. z o.o.	Warsaw	87,48	Impexmetal SA,	Metals
Metal Zinc Sp. z o. o.	Katowice	87,49	ZM Silesia SA	Other
Remal Sp. z o.o.	Konin	69,69	Impexmetal S.A.	Other
Eastside Bis Sp. z o.o.	Warsaw	95,62	Eastside Capital Investments Sp. z o.o.	Other
Zakład utylizacji Odpadów Sp. z o.o.	Konin	52,47	Impexmetal S.A.	Metals

4. SIGNIFICANT ACHIEVEMENTS OR FAILURES IN THE CURRENT PERIOD ACHIEVED RESULTS

A. GENERAL MACROECONOMIC SITUATION

Market (segment and geographical structure) of Capital Group Boryszew ("Group", "GKB"):

Segment structure of revenues

	1H 2019		1H 2018	
Chemistry	132 728	4%	141 653	4%
Automotive industry	922 656	29%	1 032 241	32%
Metals	2 040 468	64%	1 951 030	60%
Other*	115 201	4%	124 305	4%
TOTAL	3 211 053	100%	3 249 229	100%

Geographical structure of revenues

	1H 2019		1H 2018	
Poland	1 140 646	36%	1 106 143	34%
Germany	727 170	23%	772 162	24%
Other EU countries	1 075 963	34%	1 121 237	34%
Other*	267 274	8%	249 687	8%
TOTAL	3 211 053	100%	3 249 229	100%

* the item also includes consolidation eliminations between segments



Key determinants:

Market moods - PMI and GDP:

Due to the fact that more than 90% of GKB's turnover is generated in Europe, the overall macroeconomic situation on the EU market (including Germany) is crucial for the Company's results.

In the European Union countries, the general macroeconomic situation in the first half of 2019 was less optimistic in relation to the situation in the corresponding period of the previous year, while in the case of Poland itself, we can observe improvement in general moods in the economy.

The average PMI index values determining the level of activity in the industry of the most important economies for GKB (Euro area, Germany) were lower compared to the same period last year.

PMI	IH 2019	IH 2018
EU	47,6	54,9
Poland	48,4	54,2
Germany	45,0	55,9

The Purchasing Manager's Index for Germany and for the EU reached respectively the levels of 45.0 points and 47.6 points, which constitutes one of the lowest readings since 2012 for Germany and since 2013 for the EU, but starting from March 2019, we are observing a stabilization of the indications (within an analogical period of the previous year the readings were at the level 55.9 points for Germany and 54.9 points for the EU).

In the case of Poland, the Purchasing Manager's Index is also on a level lower than within an analogical period of the previous year and below level 50, meaning an economic slowdown i.e. 48.5 points (with the reading being 54.2 points in the 1st half of the year 2018).

GDP growth forecast for Poland	2019	2020
NBP [National Bank of Poland]	4,5%	4,0%
World Bank	4,0%	3,6%
European Commission	4,4%	3,6%

The European Commission, based on its forecasts from July 2019, increased the forecast of this year's GDP growth in Poland by 0.2 % point (against estimates from May this year) to 4.4% and maintained the level of growth for 2020 at the level of 3.6%.

The GDP growth forecasts according to the European Commission for 2019 are close to those presented by the NBP and slightly more optimistic than those forecast in April 2019 by the World Bank.

The NBP predicts a growth for the year 2019 at the level of 4.5% and 4.0% for 2020.

According to the forecasts by the World Bank from April 2019, which are in accordance with the ones presented previously in January 2019, the GDP growth for Poland in 2019 shall be at the level of 4.0% and 3.6% in 2020.

Market moods - Sales of cars:

The sales of cars are another important parameter (Automotive segment is more than 30% of GKB's turnover) affecting the dynamics and GKB's results.

In the first half of the year 2019, the sales of cars in Europe has dropped. According to the European Automobile Manufacturers Association (ACEA) the passenger cars market in Europe has shrunk by 3.1% relative to the analogical period in the previous year. However, the drop in the sales of cars solely in June 2019 by 7.8% relative to June 2018 is alarming.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

The main client of the Automotive Segment - Volkswagen Group, noted a drop in the sales of cars on the European market by 4.3% in the first half of the year 2019 (compared to the analogical period of the previous year), of which the drop amounted to 9.5% in June 2019 alone. It is also worth noting that despite the presence of the entities from the Automotive Segment on the markets of South America and Asia, the European market remains key for this Segment, where approximately 92% of the sales value is invested.

Market moods - Basic products of the Metals segment:

The situation on the market of basic products of this Segment, i.e. aluminium rolled products, is very good. The demand for aluminium sheets and tapes is projected to double over the next 10 years. Aluminium is increasingly used in many segments of the economy. For Aluminium Konin, the automotive and packaging markets are of particular importance. The currently prevailing trend in the automotive industry, forced by restrictive environmental standards is causing a more and more widespread use of light materials, including aluminium. A continuous increase in demand by several per cent can also be observed in the beverage caps segment.

Market moods - Prices of basic raw materials:

Due to the fact that over 60% of GKB's sales are realized in the Metals Segment, the Capital Group is exposed to fluctuations in average metal prices on the London Metal Exchange (LME). The policy of hedging metals prices and exchange rates applied in Capital Group significantly limits this risk. However, the level of income and working capital remain sensitive to the volatility of quotations of these parameters.

During the discussed period, average prices of all four basic metals increased significantly (in USD), i.e. copper (by 11%), zinc (by 16%), aluminium (by 17%) and lead (by 20%).

Also the prices of metals expressed in Polish Zloty dropped respectively by 3% (copper), 9% (zinc), 10% (aluminium) and 13% (lead), which is a consequence of the changes in the US Dollar and Polish Zloty relationship (calculating exchange rates and London Metal Exchange (LME) prices based on monthly averages).

The significant raw materials for the Group are metal scraps (including battery scrap), constituting the main (Baterpol S.A., WM Dziedzice S.A.) or significant (Impexmetal S.A.) raw materials for production.

Another key indicator for the Capital Group are the obtained sales bonuses, the amount of which depends on the sales assortment in a given period and on current purchasing needs. For most companies in the Capital Group (with the exception of Hutmen S.A., ZM Silesia S.A. O./Olawa) the base bonuses in sales are lower than those obtained in 2018.

Market moods - Significant currency pairs

The level of US dollar quotations influences on the Group's revenues, which largely depend on the level of metals prices being the main component of the price of products. In the discussed period, dollar increased to zloty by 8.9%, which also affected the prices of basic metals expressed in PLN and the profitability of sales on this account.

The level of Euro quotations is significant for the Group, due to the dominance of processing margins expressed in this currency, due to the high share of sales in this currency (around 85%), mainly to the euro area. In the period under review, the average euro quotation increased by 1.7% against the Polish zloty.

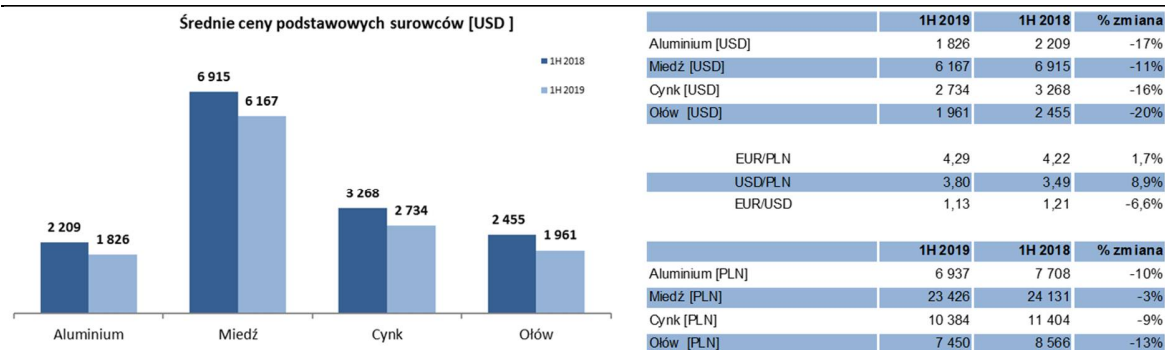
The EUR / USD exchange rate stood at the level of 1.13 after the first half of 2019, i.e. about 6.6% lower than in the corresponding period of the previous year.

A slight strengthening of the euro against the zloty had a positive impact on the Group's results, especially in the aspect of the obtained trade margins.

Detailed data on the formation of the above key parameters (metal prices and exchange rates) are included in the following chart and table:



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019



Source: LME and NBP daily quotes

[chart description]: Average prices of basic raw materials

Aluminum Copper Zinc Lead

	1H 2019	1H 2018	Change in %
Aluminum [USD]	1826	2209	-17%
Copper [USD]	6167	6915	-11%
Zinc [USD]	2734	3268	-16%
Lead [USD]	1961	2455	-20%
EUR/PLN	4.29	4.22	1.7%
USD/PLN	3.80	3.49	8.9%
EUR/USD	1.13	1.21	-6.6%
	1H 2019	1H 2018	Change in %
Aluminum [PLN]	6937	7708	-10%
Copper [PLN]	23426	24131	-3%
Zinc [PLN]	10384	11404	-9%
Lead [PLN]	7450	8566	-13%

Revenues from sales/demand for the Group's products

The revenues of Capital Group Boryszew amounted to PLN 3.211.1 million in the first half of 2019 and were 1.2% lower than the level from the same period last year.

The level of sales revenues and volumes in the Group in individual segments was as follows:

in mln PLN	1H 2019	1H 2018	difference
Sales revenue, including:	3 211.1	3 249.2	-38.2
Automotive segment	922.7	1 032.2	-109.6
Metals segment	2 040.5	1 951.0	89.4
Chemistry segment	132.7	141.7	-8.9
Other segments	115.2	124.3	-9.1

in thousand tonnes	1H 2019	1H 2018	difference
Sales volumes, including:	157.8	169.4	-6.9
Metals segment	132.5	142.5	-7.0
Chemistry segment	25.3	26.9	-6.2



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

The increase in revenues of the Metals Segment was primarily associated with the inclusion of the Alchemia Capital Group for the second quarter of 2019 for the amount of PLN 276.2 million in the results for the first half of 2019, in connection with the acquisition of 100% control over the Alchemia Capital Group. Other segment entities, with the exception of ZM Silesia S.A. O./ Oława as well as Impexmetal S.A. Aluminium Konin achieved lower revenues than in the corresponding period of the previous year. It resulted from the decrease in prices of most metals offered in the Polish zloty as well as the changes in the sales volumes of the segment, which dropped by 7.0% and reached the level of 132.5 thousand tons (the data does not include volumes of the Alchemia Capital Group).

The highest decrease in sales volumes concerned Boryszew S.A. O/NPA Skawina and amounted to 6.4 thousand tons (i.e. 29.2%). It concerned practically all production ranges except the monolithic aluminium wire assortment and is a derivative of, among others the lack of tenders for power transmission lines.

In Baterpol S.A., the volume dropped by 3.1 thousand tonnes (i.e. 12.1%), which was primarily associated with the change in the situation on the battery scrap market and the increase in raw material prices as well as the change in the mix of scrap used for production. This resulted in lower sales revenues of the plant.

The decrease in sales volumes at ZM Silesia S.A. O/Katowice stood at the level of 1.4 thousand tonnes (i.e. 19.1%) and covered all the production assortments, and in particular most of the metal sheets assortments.

In the case of WM Dziedzice S.A. sales dropped by 0.8 thousand tons (i.e. 4.3%) mainly in the scope of the sales of bars and offered metal processing services.

At Hutmen S.A. the decrease amounted to 0.3 thousand tons (i.e. 5%). This was associated with a decrease in sales in the assortment of wires, rods, copper profiles and pipes as well as in the assortment of alloys.

At ZM Silesia S.A., the increase in the sales volumes by 1.8 thousand tonnes i.e. 14.6% Mainly concerned zinc oxide, the sales of which in a corresponding period of the previous year was lower due to the delay in the commencement of production.

At Impexmetal S.A. Zakład Aluminium Konin, the increase in the sales volumes by 0.2 thousand tonnes, i.e. by 0.3% is the effect of increasing the production capacity and therefore the sales opportunities as a result of investments executed in recent years.

The decrease in revenues in the Automotive Segment resulted from a decrease in the sales of parts by PLN 128.8 million and was mainly caused by new procedures under the WLTP (Worldwide Harmonized Light Vehicles Test Procedure) and the observed slowdown in the passenger car market. This translated into lower sales of parts of the BAP Group by 8% compared to previously planned turnover and a 15% decrease compared to sales in the corresponding period of the previous year. In the case of the Maflow Group, the turnover decreased by approx. 13% compared to the corresponding period of the previous year. These decreases were partially compensated in the Maflow Group by higher sales of tools and materials (PLN 22.8 million in total).

In the first half of the year 2019, contracts for the total amount of approximately EUR 68.6 million were acquired in the Automotive Segment.

The Chemicals Segment recorded lower revenues compared to the corresponding period of the previous year, with slightly lower sales volumes, mainly due to the liquidation of one of the Segment's companies, i.e. Torlen S.A. at the end of the year 2018.

An increase in the sales volumes by approximately 1.2% and a slight increase in the income from sales was achieved by Boryszew S.A. Boryszew S.A. O/Boryszew ERG obtained an increase in sales volumes by approx. 1.2% and a slight increase in sales revenues mainly as a result of a significantly higher sales of deicing fluids compared to the corresponding period of 2018, in particular this concerned the first quarter of 2019.

Elana Pet Sp. z o.o. achieved higher sales revenues compared to the same period of the previous year, mainly as a result of significantly higher sales volumes of the PET flakes i.e. by 1.1 thousand tonnes (by 30.8%).

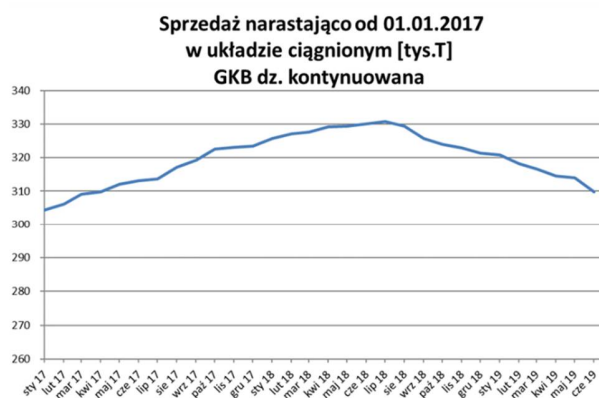
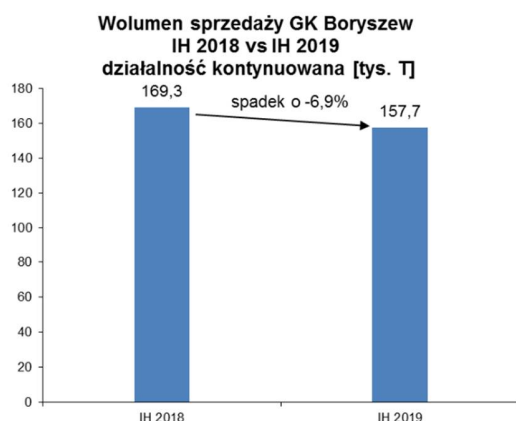


STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

Boryszew S.A. O/Elana recorded a decrease in revenues as a result of sales lower by 20.7% compared to the corresponding period of the previous year. The decreased mainly concerned fibres.

The decrease in sales revenues in the Others Segment is primarily due to the recognition of intersegment exclusions in the Others segment. The main entities of the Segment i.e. Boryszew S.A. O./Energy and Eastside Bis Sp. z o.o. improved the level of revenues compared to the corresponding period of the previous year.

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

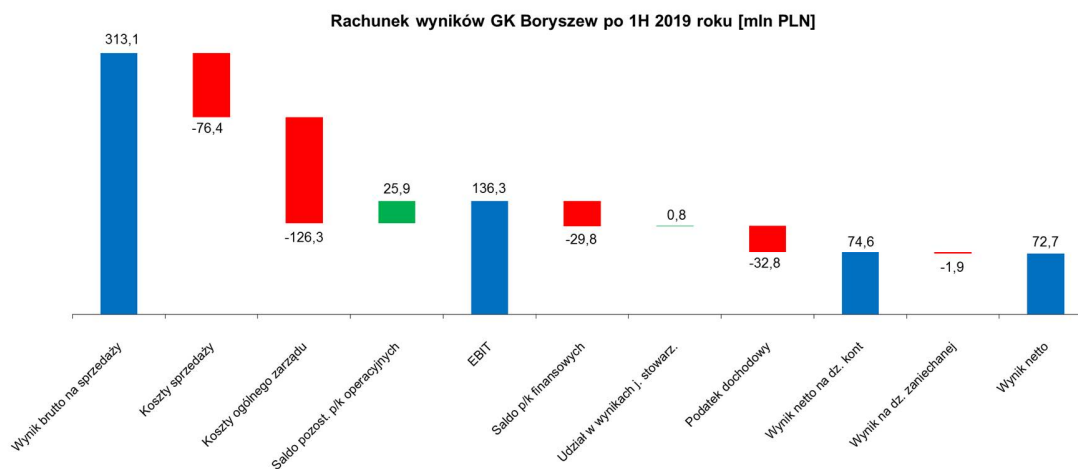


[chart description]: The sales volume of the Boryszew Capital Group
IH 2018 vs. IH 2019
continued operations [thousands of T]
decrease by -6.9%

[chart description]: Rolling sales cumulatively since
01.01.2017 [thousands of tones]
The Boryszew Capital Group continued operations
Dates from January 2017 until June 2019

B. ACHIEVED FINANCIAL RESULTS

The chart below presents the size of the components that constitute individual items in the income statement in the first half of 2019.



[chart description]: Profit and loss account of the Boryszew Capital Group after 1H of 2019 [millions of PLN]



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

Gross profit on sales: 313.1 Sales costs: -76.4 Overhead costs: -126.3 Balance of the other profits/losses on operations: 25.9 EBIT: 136.3 Balance of the other financial profits/losses: -29.8 Associates' share in results: 0.8 Income tax: -32.8 Net result on continued operations: 74.6 Result on discontinued operations: -1.9 Net result: 72.7

The gross result on sales in the first half of 2019 amounted to PLN 313.1 million and was lower by PLN 20.8 million as compared to the result in the corresponding period of the previous year. The decrease in the gross result is a result of the deterioration of results in all Segments, except for Metal Segment.

The average gross margin on sales decreased from 10.3% in the first half of 2018 to the level of 9.7% today.

Selling costs were slightly lower by PLN 0.2 million, i.e. 0.3% compared to the corresponding period of the previous year.

The overhead costs increased by PLN 4.6 million i.e. by 3.8% relative to the first half of the year 2018.

The balance of income/operating expenses amounted to PLN 25.9 million and was higher by PLN 4.7 million compared to the corresponding period of 2018 mainly due to a higher result on the sales of the so-called white certificates +9.0 million. Another element of the improvement of the balance of the remaining income/operating costs was a higher result on the balance of the write-offs of trade receivables and inventory with an impact on the result of +6.9 million PLN. The impact of a lower balance, lower than that achieved in the first half of 2018 by - PLN 5.0 million on other operations in the BAP Group, the result on the surplus of property components, i.e. on the acquired battery paste in Baterpol S.A., lower by PLN -2.4 million, the lower result on the sales of fixed assets PLN -1.8 million, partially compensated for the improvement of the result.

SEGMENTS OPERATION RESULTS

1. Consolidated approach:

In the first half of 2019, the EBITDA result on continued operations amounted to PLN 228.6 million, compared to PLN 231.0 million in the same period last year. In individual operating segments, the EBITDA result was as follows:

in mln PLN	1H 2019	1H 2018	difference
EBITDA, including:	228.6	231.0	-2.4
Automotive segment	52.3	63.4	-11.1
Metals segment	160.6	151.5	9.2
Chemistry segment	8.5	6.8	1.7
Other segments	7.2	9.3	-2.1

2. Metals segment

Responsible for the results in the Metals Segment higher than in the previous year is mainly the fact of the inclusion, after the consolidation of the Alchemia Capital Group, in connection with the acquisition of 100% of control over the aforementioned Capital Group. When it comes to the remaining entities, only Hutmen S.A. And ZM Silesia S.A. O./ Olawa recorded higher results than in the corresponding period of the previous year. The rest of the entities had worse results than in the first half of the year 2019.

Hutmen S.A. Recorded better results mainly due to the higher average unit processing margins on all the offered assortments with a simultaneous decrease in sales volumes by 5.0% compared to the first half of the year 2018.

However, the increase in the results of the ZM SILESIA S.A. O./Olawa is a result of a significant increase in the sales volumes (in particular concerning zinc oxide, the sales of which in the corresponding period of the previous year was lower due to the delay in the commencement of manufacture) and the improvement of unit processing margins, in particular as a result of the decrease of the costs of the purchase of the raw material.



The decrease of results in Impexmetal S.A. (Aluminium Konin) was the result of a lower, unit profitability of processing as a result of a lower unit margin after the raw material and the trade bonus.

Baterpol S.A. achieved worse results, mainly due to significantly lower sales volumes by 12.1% and a decrease in unit processing margins as a result of a change in the situation on the battery scrap market and an increase in raw material prices as well as a change in the mix of scrap used in production.

The decrease in the results at Boryszew S.A. O./ NPA Skawina was caused by a significant lower sales (by 29.2%) in the scope of all the assortments of sales, except for aluminium monolith wires and lower unit processing margins in the first half of the year 2019.

The decrease in the results at ZM SILESIA S.A. O./KATOWICE is a result of the decrease of sales volumes (by 19.1%) of practically all the sales assortments, including in particular the assortment of metal sheets and the unit processing margins for most of the assortments except for the wires assortment group.

At WM Dziedzice S.A. Company, the decrease of the results was caused by lower unit processing margins on most of the sales assortments, mainly as a result of higher costs of materials and remunerations, as well as, as a result of lower sales volumes by 4.3% relative to the corresponding period of the previous year.

The lower result of the segment was affected by the lower sales by virtually all entities of the F&T Group (except F&T & Metals S.r.l), including the largest one in F&T Polska Sp. z o.o.

3. Automotive segment

The BAP Group is mainly responsible for the nominally lower EBITDA result in the Automotive Segment.

In the first half of the year 2019, the negative impact of the Worldwide Harmonised Light Vehicles Test Procedure's (WLTP) environmental standards in force in the automotive industry since September 2018 continued, which most affected the main customer of GKB, the VW Group (VW and Audi brands). It should be emphasized that sales declines concern selected car models, which translates into different values of sales deviation from plans and results of the last half year in individual entities of the Automotive Segment. In the case of BAP the estimated EBITDA loss on this account amounts to PLN 23.4 million. When it comes to the Maflow Group, the positive deviation (half year to half year) results mainly from the optimization actions executed in the Maflow Group.

4. Chemistry segment

Responsible for the EBITDA results in the Segment are primarily: Boryszew S.A. O./Boryszew ERG and Elana Pet Sp. z o.o. Boryszew S.A. O./ Elana reached a result at a level lower than in the first half of the year 2019.

The improvement in the results at Boryszew S.A. O./Boryszew ERG resulted from a positive result on other activities, mainly on the sales of fixed assets. On the basic operating activity, the entity obtained a lower result mainly as a result of lower unit trade margins in the group of refrigerating fluids and chemicals, which was not fully compensated by the results on the sales of deicing fluids.

The higher result of Elana Pet Sp. Z o.o was mainly connected with significantly higher sales volumes of the flakes, i.e. by approximately 30.8% compared to the corresponding period of the previous year.

The lower results at Boryszew S.A. O./Elena are a result of lower sales volumes by approximately 20.7% and lower unit processing margins, dictated by a significant increase in the prices for purchasing the flakes, with the at the same time disproportionate increase in the prices of fibres due to the pressure of the level of market prices used by the competition.



5. Other segments

The worsening of the segment's result compared to the corresponding period of the previous year was mainly caused by worse operating results of Elana Energetyka Sp. z o.o. as a result of lower unit sales margins on media sales than in the corresponding period of the previous year.

NET RESULT

The balance of income/financial expenses amounted to minus PLN 29.8 million and was lower by PLN 3.3 million compared to the corresponding period of the previous year. This is mainly due to a much lower result on exchange rate differences and metal price hedges, which was partially compensated by a positive effect on account of the reversal of write-downs (shares in Alchemia S.A.).

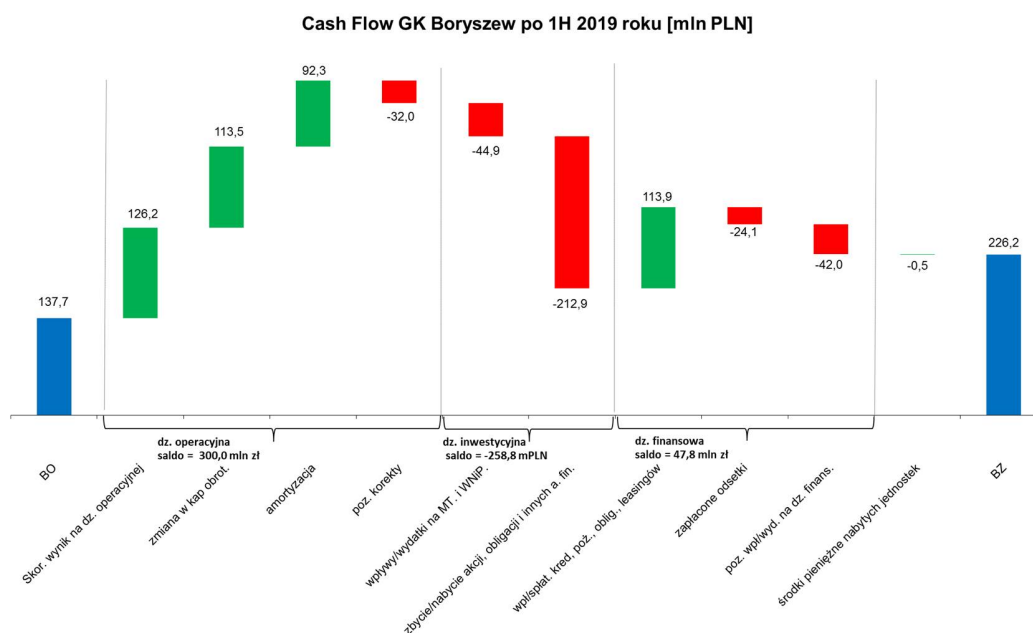
The participation of the affiliated entity Alchemia S.A in the consolidated result for the first quarter of 2019 amounted to PLN 0.8 million and was lower by PLN 8.6 million compared to the corresponding period of the previous year.

The net result on continued operations amounted to PLN 74.6 million PLN and was lower by PLN 33.0 million from the result after the first half of the previous year.

The total net result including continued and discontinued operations amounted to PLN 72.7 million and was lower than the result after the first half of the previous year by PLN 35.2 million, while the net result attributable to shareholders of the parent entity amounted to PLN 52.9 million and was lower than last year by PLN 21.9 million.

C. CASH FLOW

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



[chart description]: The Boryszew Capital Group cash flow after 1H of 2019 [millions of PLN]

BO – operating balance sheet: 137.7 operations balance = 300.0 million PLN Corelated result on operation: 126.2 Change in the working capital: 113.5 Depreciation: 92.3 Correction items: -32.0 Investments balance = 258.8 million PLN inflows/expenses on tangible and intangible assets: -44.9 disposal/acquisition of shares and other financial assets: -212.9 Financial activity balance = 47.8 million PLN Payment/repayment of credits, loans, bonds, leases: -24.1 Paid interest: -42.0 Funds of acquired units: -0.5 BZ – closing balance sheet: 226.2



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

After the first half of the year 2019, the Boryszew Capital Group generated positive operating and financial cash flows, which were intended for the execution of an investment in tangible and financial assets (the purchase of the shares of Alchemia S.A and Impexmetal S.A.). Due to the scale of the investment, the group increased external financing.

The negative balance of cash flows from investment activities resulted mainly from investments in fixed assets in the amount of PLN 88.6 million (with revenues from the sales of assets in the amount of PLN 42.7 million) and the balance of purchase / sales of financial assets (shares and bonds) with a value of minus PLN 212.9 million.

The most important expenses for investments in fixed assets concerned: The Metals Segment (PLN 65.3 million) and the Automotive Segment (PLN 21.9 million).

After the first half of 2019, the net debt of the Boryszew Capital Group amounted to PLN 1,313.4 million and was higher by PLN 164.4 million compared to the status as of the end of 2018 (also due to including in the Alchemia Capital Group in the consolidation, the net debt increased by PLN 92.3 million at the end of the first half of the year 2019).

The net debt / EBITDA ratio after the first half of the year 2019 amounted to 3.0x and was at a similar level as at the end of the previous year, when it also amounted to 3.0x (the indicator includes the annualized EBITDA of the Alchemia Group).

B. OTHER IMPORTANT EVENTS

ALCHEMIA S.A.

The conclusion of an agreement regarding the call for the sales of the shares of Alchemia S.A.

On January 10, 2019, Boryszew S.A. together with Mr. Roman Karkosik, Mrs. Grażyna Karkosik, the company Impexmetal S.A. with headquarters in Warsaw and the company Eastside-Bis Sp. z o.o. with its registered office in Warsaw (the "Parties") concluded an agreement of the shareholders of Alchemia S.A. Company, concerning, among other things, defining the rights and obligations of the Parties regarding the possession of Alchemia shares and defining the rules of cooperation of the Parties, including in particular the rules regarding the purchase of the Alchemia shares and the voting at Alchemia's general shareholders' meetings. Pursuant to the provisions of the Agreement, the Parties undertook to cooperate in order to announce a call to subscribe for the issuance of Alchemia shares other than the shares possessed by the Parties. In the case of a failure to reach, as part of the call announced in accordance with the previous sentence, a total of 90% of the general number of votes during the general assembly of Alchemia, the Parties shall announce a call to subscribe for the issuance of all the Alchemia shares in accordance with art. 91 para. 6 of the act on public offer and conditions for introducing financial instruments into an organized trading system and on public companies. The Agreement was concluded for a specified period, until the dematerialization of the Alchemia shares is lifted.

On January 11, 2019, Boryszew S.A. together with Mr Roman Karkosik, Ms Grażyna Karkosik, Impexmetal S.A company, with its registered office in Warsaw, as well as Eastside-Bis Sp. Z o.o company, with its registered office in Warsaw, acting together as the callers("the Callers"), announced, through Santander Bank Polska S.A., a call to subscribe to the issuance of 29,245,000 shares of Alchemia, i.e. the sale of all the Alchemia shares within exchange trading, which are not owned by the Callers. In connection to the call announced, it was planned that the Callers shall reach 100% of share capital/the general number of votes during Alchemia's General Assembly ("the Call"). The entity purchasing the shares was Impexmetal S.A. with its registered seat in Warsaw. The announcement of the Call occurred under art. 74 para. 2 of the Act on public offer, in connection to the fact that the Callers exceeded the threshold of 66% of the general number of votes at Alchemia's General Assembly. The price for the purchase of the shares in the Call was established to be 4,80 PLN per share, which corresponded to the criteria determined by the provisions of art. 79 of the Act on public offer.

For the purchase of Alchemia S.A shares in the Call, the Company Impexmetal S.A. took out a loan with HSBC Bank PLC based in London in the amount of PLN 124 million, with Boryszew S.A. as a guarantor.

On March 5, 2019, Impexmetal S.A. received information from Santander Bank Polska S.A. that as a result of a tender offer announced on January 11, 2019 for the sale of shares in Alchemia S.A. with its registered office in Warsaw, subscriptions for a total of 23,366,074 shares for PLN 4.80 per share were submitted.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

As a result of this transaction, Boryszew's direct and indirect share in the share capital and the total number of votes at the General Assembly 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 Alchemia General Assembly, as a result of which Boryszew (together with the subsidiary Impexmetal SA and Eastside - Bis Sp. z o.o.) gained control over Alchemia and, as a consequence, gained control over the own shares held by Alchemia. The settlement of the transaction occurred on March 15, 2019.

After settling the transaction, mentioned above, Boryszew owned, directly and indirectly through the subsidiaries Impexmetal S.A., Alchemia S.A. and Eastside-Bis Sp. z o.o. 129.121.074 Alchemia shares, constituting, after rounding up 64.56% of share capital and entitling them to 129.121.074 votes at the General Assembly of Alchemia, which constituted, after rounding up, 64.56% of the total number of votes at the General Assembly of Alchemia, including:

- Boryszew - 500.000 shares of Alchemia, entitling him to 500.000 votes at the General Assembly of Alchemia, which constitutes, after rounding up 0.25% of the share capital and the total number of votes at the General Assembly of Alchemia.
- Impexmetal - 86.826.074 shares of Alchemia, entitling them to 86.826.074 votes at the General Assembly of Alchemia, which constitutes, after rounding up 43.41% of the share capital and the total number of votes at the General Assembly of Alchemia.
- Alchemia- 26.550.000 of Alchemia's own shares, entitling them to 26.550.000 votes at the General Assembly of Alchemia, which constitutes, after rounding up 13.28% of the share capital and the total number of votes at the General Assembly of Alchemia.
- Eastside-Bis Sp. z o.o. - 15.245.000 shares of Alchemia, entitling them to 15.245.000 votes at the General Assembly of Alchemia, which constitutes, after rounding up 7.62% of the share capital and the total number of votes at the General Assembly of Alchemia.

Court registration of the reduction of the share capital of Alchemia S.A.

On March 29, 2019, the District Court of Warsaw in Warsaw, 13th Economic Department of the National Court Register, made a registration of the reduction of the share capital of Alchemia S.A. from the amount of PLN 260,000.000 to the amount PLN 225,485,000, i.e. By the amount of PLN 34,515,000 by means of a redemption of own shares of the Company, entitling them to 26,550,000 votes, with the nominal value of PLN 1.30 for each share.

After reducing the share capital of Alchemia, as mentioned above, Boryszew owns a total of, directly and indirectly through the subsidiaries Impexmetal S.A., and Eastside-Bis Sp. z o.o. 102.571.074 Alchemia shares, constituting, after rounding up 59.14% of share capital and entitling them to 102.571.074 votes at the General Assembly of Alchemia, which constitutes, after rounding up, 59.14% of the total number of votes at the General Assembly of Alchemia, including:

- Boryszew - 500.000 shares of Alchemia, entitling him to 500.000 votes at the General Assembly of Alchemia, which constitutes, after rounding up 0.29% of the share capital and the total number of votes at the General Assembly of Alchemia.
- Impexmetal S.A. - 86.826.074 shares of Alchemia, entitling them to 86.826.074 votes at the General Assembly of Alchemia, which constitutes, after rounding up, 50.06% of the share capital and the total number of votes at the General Assembly of Alchemia;
- Eastside - Bis Sp. z o.o. - 15.245.000 shares of Alchemia, entitling them to 15.245.000 votes at the General Assembly of Alchemia, which constitutes, after rounding up, 8.79% of the share capital and the total number of votes at the General Assembly of Alchemia.

The intent to purchase Alchemia S.A. shares by way of squeeze-out

On May 13th, 2019, documentation was submitted to the Polish Financial Supervision Authority and the Warsaw Share Exchange S.A., connected with Impexmetal S.A.'s intent to purchase Alchemia S.A.'s shares belonging to all the remaining shareholders of Alchemia by way of squeeze-out.

According to the submitted documentation, the subject matter of the squeeze-out of Alchemia shares were all Alchemia shares that were not in the possession of the parties to the agreement, i.e. Boryszew, Impexmetal, Roman Krzysztof Karkosik, Grażyna Wanda Karkosik and Eastside - Bis Sp. z o.o., i.e. a total of 2,618,926 shares of Alchemia, constituting, after rounding up, 1.51% of the share capital of Alchemia and entitling them to exercising 2,618,926 votes, constituting, after rounding up, 1.51% of the total number of votes at the General Assembly of Alchemia.



The settlement of the Alchemia Spółka Akcyjna shares squeeze-out

On June 5, 2019, Boryszew S.A. became aware of the settlement of the squeeze out of the shares of Alchemia S.A. with its registered office in Warsaw, belonging to all other Alchemia shareholders who are not parties to the shareholders' agreement. The subject-matter of the squeeze-out were all the shares of Alchemia belonging to all the remaining shareholders of Alchemia, who were not parties to the Shareholders' Agreement i.e. 2,618,926 of ordinary bearer shares, with the nominal value of PLN 1.30 each, constituting, after rounding it up, 1.51% of the share in Alchemia's share capital and entitling their bearers in total to exercise 2,618,926 of votes at the General Assembly of Alchemia, which constitutes, after rounding it up, 1.51% of the general number of votes at the General Assembly of Alchemia. The shares covered by a squeeze-out procedure demand were purchased by Impexmetal Spółka Akcyjna with its registered office in Warsaw.

On July 2nd, 2019, Impexmetal S.A. acquired, on the basis of a civil law agreement concluded outside the regulated market, 9,280,000 shares of Alchemia S.A., which constitutes 5.35% of a share in the share capital of Alchemia S.A. As at the date of the report, Boryszew S.A. owns directly and indirectly through the subsidiaries Impexmetal S.A. and Eastside-Bis Sp. z o.o. 114,470,000 Alchemia shares, constituting 65.99% of the share capital of Alchemia after rounding up and entitling them to 114,470,000 votes at the Alchemia General Assembly, which, after rounding it up constitutes, 65.99% of the total number of votes at the Alchemia General Assembly, including:

- Boryszew - 500.000 shares of Alchemia, entitling them to 500.000 votes at the General Assembly of Alchemia, which constitutes, after rounding up 0.28% of the share capital and the total number of votes at the General Assembly of Alchemia;
- Impexmetal S.A. - 98.725.000 shares of Alchemia, entitling them to 98.725.000 votes at the General Assembly of Alchemia, which constitutes, after rounding up, 56.92% of the share capital and the total number of votes at the General Assembly of Alchemia;
- Eastside-Bis Sp. z o.o. - 15.245.000 shares of Alchemia, entitling them to 15.245.000 votes at the General Assembly of Alchemia, which constitutes, after rounding up, 8.79% of the share capital and the total number of votes at the General Assembly of Alchemia.

The adoption by the General Assembly of a resolution regarding the abolition of the dematerialisation of shares of Alchemia S.A.

On August 29th, 2019, the Extraordinary General Assembly of Alchemia S.A. adopted a resolution regarding the abolition of the dematerialisation of all, i.e. 173,450,000 shares of Alchemia S.A. series A ordinary bearer shares, shares traded on the regulated market operated by the Warsaw Share Exchange S.A. by restoring their document form.

On September 13, 2019, Alchemia S.A. submitted an application to the Polish Financial Supervision Authority for the abolition of the dematerialisation of the Company's shares.

IMPEXMETAL S.A.

The conclusion of an agreement regarding the call for the sales of the shares of Impexmetal S.A.

On May 16, 2019, Boryszew S.A. has concluded an agreement between the shareholders of Impexmetal S.A. ("Impexmetal") with the company Impexmetal S.A. with its registered office in Warsaw and the company SPV Boryszew 3 Sp. z o.o. with its registered office in Warsaw (the "Parties"), concerning among others the determination of the rights and obligations of the Parties in the scope of possessing Impexmetal's shares and the determination of the rules for the cooperation of the Parties, including in particular the rules concerning the purchasing of the Company's shares and consistent voting by the Company and SPV Boryszew 3 during the Company's general assemblies.

Pursuant to the provisions of the Agreement, the Parties undertook to cooperate in order to announce a call to subscribe for the issuance of all the Impexmetal shares other than the shares possessed by the Parties. In the case of a failure to reach, as part of the call announced in accordance with the previous sentence, a total of 90% of the general number of votes during the general assembly of Impexmetal, the Parties shall consider announcing a call to subscribe for the issuance of all the Impexmetal shares in accordance with art. 91 para. 6 of the act on public offer. The Agreement was concluded for a specified period, until the dematerialization of the shares is lifted.



The call to subscribe for the issuance of the shares of Impexmetal S.A company.

On May 17th, 2019, Boryszew S.A. And Impexmetal as well as SPV Boryszew 3 Sp. z o.o. with its registered seat in Warsaw, acting in cooperation as the callers ("the Callers"), announced, through Santander Bank Polska S.A., conducting share brokerage activities as part of a separated organizational unit, a call to subscribe to the issuance of 64.620.000 shares of Impexmetal, i.e. the sale of all the Impexmetal shares within exchange trading, which are not owned by the Callers. Due to the announced call, it was planned that the Callers reach a condition in which the Callers would jointly possess 190,000,000 shares of Impexmetal, entitling them to 190,000,000 votes in the total number of votes during the General Assembly, constituting 100% of the total number of votes during the General Assembly. ("Call").

The entities purchasing shares will be the Company and Impexmetal.

The call was announced under art. 74 para. 1 of the act on public offer. The price of the purchase of the shares in the Call was established to be 4,25 PLN per share, which corresponds to the criteria determined by the provisions of art. 79 of the Act.

In order to finance the purchase of shares in the Call by Impexmetal, Impexmetal the barrower and Boryszew as the guarantor concluded on May 16th, 2019 a credit agreement with HSBC France (Spółka Akcyjna) Poland Branch. The purchase of the shares by Boryszew S.A was financed from their own means.

A summary of the results of the call to subscribe for the issuance of the shares of Impexmetal S.A company within the 1st and 2nd deadline.

On July 9th, 2019, Boryszew S.A. received information from Santander Bank Polska S.A., conducting brokerage activity as part of a separate organizational unit, as a result of the call, announced on May 17th, 2019 for the sale of shares in Impexmetal S.A. with its registered office in Warsaw, subscriptions for a total of 46,776,642 shares ("Shares") for PLN 4.25 per share were submitted within the first deadline (the price of Call). The settlement of the transaction occurred on June 21st, 2019.

Within the second deadlines subscriptions for a total of 7,142,741 shares for PLN 4.25 per share were submitted. The settlement of the transaction occurred on July 16th, 2019.

After purchasing the above-mentioned shares, Boryszew S.A. Owned directly and indirectly through Impexmetal and SPV Boryszew 3 Sp. z o.o. 179,299,383 shares of Impexmetal SA, which constitutes 94.37% of the share capital and entitles them to exercise 179.299.383 votes at the General Assembly of Impexmetal SA, including directly 117.500.968 shares of Impexmetal SA, which represents 61.84% of the share capital and entitles them to exercise 117.500.968 votes at the General Assembly of Impexmetal SA and indirectly through Impexmetal S.A. with its registered office in Warsaw 54,519,383 shares of Impexmetal S.A., representing 28.69% of the share capital and entitling them to exercise 54,519,383 votes at the General Assembly of Impexmetal S.A. And through the company SPV Boryszew 3 Sp. z o.o. with its registered office in Warsaw 7,279,032 shares of Impexmetal S.A., which constitutes 3.83% of the share capital and entitles them to exercising 7,279,032 votes at the General Assembly of Impexmetal S.A.

An announcement regarding the squeeze-out of Impexmetal S.A. shares.

In connection with the fact that Boryszew S.A. together with the parties to the concluded agreement of shareholders achieved 94.37% in the total number of votes at the General Assembly of Impexmetal, in accordance with art. 82 of the Act of 29 July 2005 on public offer and conditions governing the introduction of financial instruments to organized trading, and on public companies (consolidated text, Journal of Laws of 2019, item 623) ("the Act"), the parties to the Shareholders' Agreement announced a demand for a squeeze-out of Impexmetal shares ("squeeze-out"), belonging to all the other shareholders of Impexmetal, who are not parties to the Shareholders' Agreement ("Minority Shareholders"). The entities buying out shares as part of the squeeze-out were Impexmetal and the Company. The subject matter of the Squeeze-Out were all the Impexmetal shares belonging to Minority Shareholders ("Shares") i.e. 10,700,617 of ordinary bearer shares with the nominal value of PLN 0.40 each, entitling their bearers in total to exercise 5.63% of the total number of votes at the general assembly of Impexmetal. The day for the buyout was established to be August 9th, 2019, and the buyout price amounted to PLN 4.25 per share. On the day of the buyout i.e. On August 9th, 2019, the Minority Shareholders covered by the buyout were devoid of rights from the Shares.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

After settling the Squeeze-Out and as of the day of the publication of the Boryszew S.A report possesses directly 190,000,000 Impexmetal shares, which constitutes 100,00% of the Impexmetal share capital and entitles them to 190.000.000 of votes, which constitutes 100,00% of the general number of votes at the General Assembly of Impexmetal, including:

- Boryszew possesses 117.720.968 of ordinary bearer shares, constituting , 61.96% of the share capital of Impexmetal after rounding up and entitling them to 117.720.968 votes at the General Assembly of Impexmetal, which, after rounding it up constitutes, 61.96% of the total number of votes at the General Assembly of Impexmetal, including:
- Impexmetal S.A., with its registered seat in Warsaw, who is a subsidiary of Boryszew, possesses 65.000.000 of ordinary bearer shares, constituting , 34.21% of the share capital of Impexmetal after rounding up and entitling them to 65.000.000 votes at the General Assembly of Impexmetal, which, after rounding it up constitutes, 34.21% of the total number of votes at the General Assembly of Impexmetal,
- SPV Boryszew 3 Sp. z o.o., with its registered seat in Warsaw, who is a subsidiary of Boryszew, possesses 7.279.032 of ordinary bearer shares of Impexmetal, constituting 3.83% of the share capital of Impexmetal after rounding up and entitling them to 7.279.032 votes at the General Assembly of Impexmetal, which, after rounding it up constitutes, 3.83% of the total number of votes at the General Assembly of Impexmetal.

The adoption by the General Assembly of a resolution regarding the abolition of the dematerialisation of shares of Impexmetal S.A.

On August 29th, 2019, the Extraordinary General Assembly of Alchemia S.A. adopted a resolution regarding the abolition of the dematerialisation of all, i.e. 190.000.000 shares of Impexmetal S.A. series A ordinary bearer shares, shares traded on the regulated market operated by the Warsaw Share Exchange S.A. by restoring their document form.

On September 13, 2019, Impexmetal S.A. submitted an application to the Polish Financial Supervision Authority for the abolition of the dematerialisation of the Company's shares.

BORYSZEW S.A.

The commencement of talks regarding the sales of assets

On May 28th, 2019, the Board of Directors of Boryszew S.A. ("the Company") based on the interest communicated to the financial advisor of the Company by potential investors and the recommendation issued by the financial advisor on this basis, made a decision about the intent to include, as part of the review of strategic options, a scenario, providing for the possible disposal of assets in the aluminium processing sector, possessed by Impexmetal S.A. and about the commencement of talks in the scope of establishing the conditions, the scope and the mode for conducting a potential transaction.

As of the day of the preparation of the present statement, the Company has not made any binding decisions or arrangements in the scope of changing the corporate strategy or concerning the potential transaction or the execution of any other strategic options and is not sure whether such decision will be made in the future.

Acquisition of own shares of Boryszew S.A.

Acting based on the authorization granted by Resolution no. 19 of the Ordinary General Meeting of Boryszew S.A. of 25 June, 2014 regarding the authorization of the Management Board of the Company to acquire own shares of Boryszew S.A. and pursuant to art. 362 § 1 (8) and art. 362 § 4 of the Code of Commercial Companies, in the period from 1 January, 2019 to 30 June, 2019 Boryszew S.A. acquired a total of 960.000 own shares, which, with already held shares, is the sum of 19.283.831 own shares, which represented 8.0349% of the total number of votes at the General Meeting of Boryszew S.A.

As at 30 June 2019, Capital Group Boryszew had 38.000.000 shares of Boryszew S.A., representing 15.8333% of the total number of votes at the GM of Boryszew S.A., including:

- Boryszew S.A.: 19.283.831 own shares, which represented 8.0349% share in the share capital and the total number of votes at the GM of Boryszew S.A.,
- Impexmetal S.A.: 13.346.169 own shares, which represented 5.5609% share in the share capital and the total number of votes at the GM of Boryszew S.A.,



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

- Alchemia S.A.: 3.2000.000 own shares, which represented 1.3333% share in the share capital and the total number of votes at the GM of Boryszew S.A.,
- SPV Boryszew 3 Sp. z o.o.: 2.165.000 own shares, which represented 0.902% share in the share capital and the total number of votes at the GM of Boryszew S.A.,
- Polski Cynk Sp. z o.o.: 5.000 own shares, which represented 0.002% share in the share capital and the total number of votes at the GM of Boryszew S.A.

The completion of the redemption of own shares

On June 25, 2019, in connection with the expiry of the period for which it was adopted, the own shares redemption program, adopted by resolution No. 19 of the Ordinary General Assembly of Boryszew S.A., ended on June 25, 2014. As a result of the implementation of Resolution No. 19 of the Ordinary General Assembly of Shareholders (as amended), the companies of the Boryszew Capital Group acquired a total of 25,466,149 shares of Boryszew S.A. (including Boryszew S.A. acquired 14,955,399 shares) with a nominal value of PLN 1.00 each, at an average price of PLN 6.46, i.e. for the total amount of PLN 164,398,381.14.

The acquired shares constitute 10.60% of the share capital and correspond to 25,466,149 votes at the General Assembly of Boryszew S.A., i.e. 10.60% of the total number of votes. Pursuant to the resolution cited above, shares acquired under the buyout program will be allocated to one of the purposes set out therein, i.e. (i) for resale, (ii) for redemption.

An authorization to acquire the Company's own shares

On June 25, 2019, the Ordinary General Assembly of Boryszew S.A., with Resolution No. 22 authorized the Company's Board of Directors to purchase no more than 80,000,000 of own shares of Boryszew S.A., constituting up to 33.33% of the Company's shares, for redemption (the resolution will enter into force on October 1, 2019). At the same time, the General Assembly created a reserve capital to finance the purchase of own shares in the amount of PLN 240,000,000.

IMPEXMETAL S.A.

The reception of a decision regarding supporting the investment in the Łódź Special Economic Zone.

Due to the fact that Impexmetal S.A. obtained a decision on support no. 2/2019 issued on 31 January 2019 by the Manager of the area of the Łódź Special Economic Zone and based on the provisions set out in art. 10 para. 1 and par. 2 of the Act dated 10 May 2018 on supporting new investments, on 25 February 2019 the Company signed an agreement with the Łódź Special Economic Zone for the provision of services in the scope of the above-mentioned decision. Impexmetal, as part of the new investment, intends to increase the production capacity of the existing enterprise by constructing a modern melting and casting unit together with accompanying devices, installing heat treatment furnaces and final processing equipment. The expected costs of the new investment are estimated at PLN 276,174 thousand. The maximum amount of eligible costs in the scope of the received support decision is PLN 359,026 thousand, determined as the minimum expenditure amount increased by 30%. The execution of investment tasks In March 2019, the Supervisory Board approved the execution of the investment program for the years 2019-2022, the aim of which was to increase the sales of the rolled products from 100,000 to 135,000 tons per year, as well as the preparation and start-up of the manufacturing and sales of innovative products for the automotive sector and the packages sector. The implementation of the investment project will allow to increase production capacity in cast products constituting the rolling capacity and increase the production of the final (rolled) products which will constitute further development in segments where today Impexmetal already has a competitive advantage, has the necessary technological knowledge (know-how), their own technical solutions and engineering experience. Such sectors are: the automotive industry, the packaging industry and the construction industry. The execution of the project shall consist in two basic investment tasks:

1. The Expansion of the Foundry Department - increasing production capacity to 200,000 tons of ingots.
2. The Expansion of the Rolling Mill Department - increasing production capacity to 135,000 tons of rolled products.

The total estimated capital expenditure on the program is approximately PLN 428 million.

Information on the failure to pay a credit or a breach of material provisions of the credit or loan agreement in respect of which no corrective action has been taken by the end of the reporting period No such events.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

The information on other relevant events was provided in a form of current statements of the Company and is available on the website: www.boryszew.com.

5. FACTORS AND EVENTS, IN PARTICULAR UNUSUAL, INFLUENCING ON THE RESULTS OF THE CURRENT PERIOD

In the discussed period, the Alchemia Capital Group was included in the consolidation in connection with the acquisition of 100% control over the said Capital Group, which resulted in the change in the profit and loss account starting from the 2nd quarter of 2019 and the balance sheet structures starting from the 1st quarter of 2019.

6. DESCRIPTION OF BASIC THREATS AND RISKS

The activities of Boryszew generate exposure to market risk (including interest rate risk, currency risk and risk of change in prices of raw materials and products), as well as credit risk and liquidity risk.

The fundamental task in the financial risk management process was identification, measurement, monitoring and limitation of primary sources of risk, which include:

market risk, including:

- foreign exchange rate risk (change in the exchange rate of PLN to other currencies);
- interest rate risk (increase in interest rates);
- risk of change in prices of primary raw materials and products;
- risks related to stability of debt and cash flow:
- liquidity risk;
- credit risk
- risk of legal regulations changing

Capital management, liquidity risk and credit risk

The policy of the Management Board focuses on maintaining a solid capital standing in order to retain the trust of investors, lenders and the market and ensure future economic growth of the Company. Growth is the absolute priority for the Management Board and it is for this purpose that the Group first and foremost seeks to allocate funds, thus building long-term value for shareholders through acquisitions and new projects. The Management Board strives to ensure the proper proportion of stable financing with equity of undertaken projects.

Credit risk is understood as the risk of a counterparty failing to fulfil its contractual obligations, thus exposing the lender to financial loss.

From the perspective of Boryszew Group, credit risk is associated with:

- trade receivables from business partners,
- loans granted,
- guarantees and sureties granted,
- cash and bank deposits.

Boryszew Group is exposed to credit risk associated with credit-worthiness of customers being parties to transactions of sale of products and traded goods. The risk is limited by application of internal procedures for setting credit limits of customers and managing trade receivables. Of crucial importance in crediting activities is evaluation of credit-worthiness of customers and adequate collateral provided by the borrower, which enables reduction of losses in case of customer's failure to repay the debt. The customer's credit risk is assessed prior to conclusion of contract and then again, periodically, on subsequent deliveries of goods according to procedures in force. Companies monitor the working capital cycle on an on-going basis as well as aim to reduce the collection period of receivables and at the same time to extend the terms for repayment of liabilities.

Credit risk associated with cash on banks accounts and bank deposits is low since Boryszew Group enters into transactions with reputable banks having high ratings and stable market standing.

Liquidity risk

Boryszew Group is exposed to liquidity risk due to high proportion, though decreasing, of short-term third party financing (overdraft facilities and working capital facilities) in the Group's financing structure. Currently, the Group has secured its access to third-party financing and has no difficulty in obtaining new loans or renewing the existing ones. Potential risk



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

may exist in the event of significant deterioration of results of the Group's companies or large scale disturbances in financial markets.

Market risk - metal prices and currency rates

The main risks arising from the specific activities of the Group are risks associated with the price of metals on the London Metal Exchange (LME) and the change of currency rates.

Description of exposure

The exposure that has so far been identified at the Group defines, as a rule, two types of risks:

- risk of changes in metal prices,
- risk of changes in foreign exchange rates

Metals in case of which price changes have an impact on Group's results include: copper, aluminium, lead, zinc, and to a lesser extent silver.

The risk of changes in metals prices occurs at the operational level while the risk of exchange rate changes at the strategic/fundamental level as well as at the operational level.

Operational risk in terms metal prices was identified at: Boryszew S.A. Skawina NPA Branch, Impexmetal S.A., Baterpol S.A., Hutmen S.A., Walcownia Metali Dziedzice S.A., ZM Silesia S.A., and is associated with future revenue and cash flows, which have already been contracted, in other words - with securing the fair value.

As far as the strategic risk related to currencies is concerned, it is related to the processing bonus (USD/PLN and EUR/PLN). This risk occurs in the following companies: Boryszew S.A. NPA Skawina Branch, Impexmetal S.A., Baterpol S.A., Hutmen S.A., Walcownia Metali Dziedzice S.A., ZM SILESIA S.A.

In case of currency operational risk, the risk source is mainly the operating metal, so to obtain the full effect of hedging it is also necessary to determine the currency exposure. In addition, there is still operational risk from the time the fixed price for sale or purchase is determined (e.g. sales invoice issue) until the moment of making or receiving the payment.

Strategic risk in individual companies is closely related to their business activities. In case of metal the companies determine the so-called net exposure i.e. the sale based on the LME listed prices is set-off by cost items, which are also based on the same base, the difference is the net exposure that is hedged. Strategic exposure to currencies associated with the achieved output bonus is calculated by multiplying the output bonus by the sales of finished products.

Due to the fact that companies in Impexmetal Group are mainly financed by debt with variable interest coupon, companies are exposed to changes in interest rates. The profile of the interest rate risk in Companies is characterized by adverse impact of increased interest rates on the level of cost of interest. Due to lower impact of interest rates on costs and revenues of the Companies, the risk of changes in interest rates does not constitute the basic risk from the point of view of its effect on the volume of companies' cash flows.

This risk, similarly to metal price risk and exchange rate risk is subject to an on-going monitoring.

Interest rate risk

There is a risk that future cash flows related to a financial instrument will be subject to fluctuations due to changes in the interest rates. The Company's exposure to interest rate risk is mainly caused by the fact that the business operations are financed with the use of variable interest debt. The profile of the interest rate risk in the Company is characterized by adverse impact of increased interest rates on the level of cost of interest.

Changes in interest rates affect the volume of future cash flows associated with assets and liabilities.

Due to lower variability of interest rates and to their current relatively low level, the risk of changes in interest rates does not constitute the main risk from the point of view of its impact on the volume of companies' cash flows.

The Group has identified and monitors the interest rate risk, however, in the opinion of the Management Board the risk of interest rates changes does not constitute the main risk from the perspective of its influence on the volume of cash flows and on profit/loss.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

Risk of volatility of legal provisions, in particular those regulating the Group's operations

In addition, tax regulations in Poland are characterized by high volatility. Possible changes in business taxation, in terms of income tax, tax on goods and services, as well as other taxes, may negatively influence on the Group's operations and level of results.

The Group is also exposed to the risk related to the possibility of changes in the interpretation of tax law, issued by tax authorities, influencing on operating activities and financial results.

7. EXPLANATIONS CONCERNING SEASONALITY OF THE COMPANY'S OPERATIONS IN THE PRESENTED PERIOD

In the case of Capital Group Boryszew, the seasonality/cyclicity occurs rarely.

In the Automotive Segment seasonality refers to the summer months and December, during which the production of cars decreases significantly, which translates into the decrease in orders for components in this period.

In the Metals Segment, seasonality occurs in the field of products sold for the needs of the construction sector, which may include:

- copper installation pipes and condenser pipes made of copper-nickel produced by Hutmen S.A.,
- brass condenser pipes used in the heating industry, produced by WM Dziedzice S.A.
- zinc-titanium roof sheets and zinc wire produced by ZM SILESIA S.A.

The highest sales of these products is observed in the second and third quarter due to weather conditions that determine the possibility of conducting construction works, as well as the situation in the construction industry. Other products of this Segment do not show such clear cyclicity. The sale fluctuations are mainly the result of macroeconomic conditions and the economic situation.

In the Chemistry Segment, seasonality occurs for some of the products produced by Boryszew S.A. Boryszew ERG Branch in Sochaczew. It concerns refrigeration fluids for the automotive industry (accumulation in the third and the fourth quarter with the tendency to move to the beginning of the first quarter of the next year), de-icing fluids for airports and aircraft machines (accumulation in the fourth and the first quarter). In turn, PVC siding and EPS decorative elements are related with the business cycle of the construction industry, i.e. the highest sales in the second and the third quarters.

Other products of the Capital Group do not show any specific signs of cyclicity.

It should be noted that due to the December holiday period and downtime planned by the recipients, lower sales are observed every year.

8. REVENUES AND RESULTS ACCORDING TO SPECIFIC SEGMENTS OF OPERATIONS FROM THE BEGINNING OF THE CURRENT YEAR

Capital Group Boryszew operates in the area of four industry segments

OPERATIONAL 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., Impexmetal Holding Spółka z o.o.(Aluminium Konin Sp. z o.o.), Hutmen S.A., WM Dziedzice S.A., ZM SILESIA S.A., Baterpol S.A., Polski Cynk Sp. z o.o., Boryszew S.A Oddział NPA Skawina, Baterpol Recycler Sp. z o.o., Metal Zinc Sp. z o.o., Alchemia SA, Huta Bankowa Sp. z o.o., Laboratoria Badań Batory Sp. z o.o., SPV Impexmetal Spółka z o.o., FŁT Polska Sp. z o.o., FLT Bearings Ltd., FLT



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

	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.
Chemicals	Torlen Sp. z o.o. w likwidacji, Elana Pet Sp. z o.o., Boryszew S.A. Oddział Elana, Boryszew S.A. Oddział Boryszew ERG, Boryszew S.A. Oddział Nylonbor, Elimer Sp. z o.o.
Others	Boryszew S.A. – Centrala, Boryszew S.A. Oddział Energy, 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.

REVENUES FROM SALES BY GEOGRAPHICAL DIRECTIONS

	01.01.2019 - 30.06. 2019	01.01.2018 - 30.06. 2018
Continuing operations		
Domestic sales	1 140 646	1 106 143
Sales to EU countries	1 803 133	1 893 399
Sales to other European countries	89 468	91 550
Export outside Europe	177 806	158 137
Total revenues from sale (continuing operations)	3 211 053	3 249 229

Share of EU member states in intra-Community sales:	01.01.2019 - 30.06. 2019	01.01.2018 - 30.06. 2018
Germany	40%	41%
Czech Republik	15%	15%
France	4%	7%
Slovakia	4%	3%
Italy	7%	6%



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSIEWICZ IN THE FIRST HALF OF 2019

REVENUES AND RESULTS ACCORDING TO INDIVIDUAL OPERATIONAL SEGMENTS IN THE FIRST HALF OF 2019

(data concern continued operations)

01.01.2019 – 30.06. 2019

	Chemistry	Automotive industry	Metals	Other	Total	exclusions between segments	Total
Revenues from sale	132 728	922 656	2 040 468	168 853	3 264 705	(53 652)	3 211 053
Costs of segment sales	114 549	828 417	1 847 154	160 377	2 950 497	(52 551)	2 897 946
Result on sales in the segment	18 179	94 239	193 314	8 476	314 208	(1 101)	313 107
Management and sales costs	15 425	89 813	94 765	8 111	208 114	(5 424)	202 690
Result of other operations	2 064	2 511	19 130	9 013	32 718	(6 790)	25 928
Segment operation result	4 818	6 937	117 679	9 378	138 812	(2 467)	136 345
Depreciation	3 663	45 368	42 961	2 802	94 794	(2 513)	92 281
EBITDA *)	8 481	52 305	160 640	12 180	233 606	(4 980)	228 626
Segment assets	258 972	1 519 622	3 554 815	849 100	6 182 509	(1 073 753)	5 108 756
Segment liabilities	112 086	1 751 353	1 705 723	631 929	4 201 091	(958 336)	3 242 755

01.01.2018 – 30.06.2018

	Chemistry	Automotive industry	Metals	Other	Total	consolidation exclusions between segments	Total
Revenues from sale	141 653	1 032 241	1 951 030	150 945	3 275 869	(26 640)	3 249 229
Costs of segment sales	122 508	915 089	1 762 542	140 029	2 940 168	(24 846)	2 915 322
Result on sales in the segment	19 145	117 152	188 488	10 916	335 701	(1 794)	333 907
Management and sales costs	16 886	100 613	77 779	8 898	204 176	(5 931)	198 245
Result of other operations	1 380	11 121	7 024	15 985	35 510	(14 318)	21 192
Segment operation result	3 639	27 660	117 733	18 003	167 035	(10 181)	156 854
Depreciation	3 187	35 710	33 755	1 509	74 161		74 161
EBITDA *)	6 826	63 370	151 488	19 512	241 196	(10 181)	231 015
Segment assets	250 422	1 447 119	2 802 342	866 260	5 366 143	(1 028 112)	4 338 031
Segment liabilities	91 087	1 607 001	1 151 476	606 903	3 456 467	(932 620)	2 523 847

*) EBITDA - the result of the operating activities increased by the depreciation



9. THE INFORMATION ON ISSUING, REDEMPTION AND REPAYMENT OF DEBT AND EQUITY SECURITIES DEBT SECURITIES

THE REDEMPTION OF BOND ISSUED BY BORYSZEW S.A.

In the first half of 2019, Boryszew S.A. made an earlier redemption of the following:

1 bond with the nominal value of PLN 1,000,000 from the A26 series (with interest) taken up by Polski Cynk Spółka z o.o.
6 bonds with a nominal value of PLN 1,000,000 and a total nominal value of PLN 6,000,000 from the A27 series (with interest) and 3 bonds with a nominal value of PLN 1,000,000 and a total nominal value of PLN 3,000,000 from the A30 series (with interest), acquired by WM Dziedzice S.A.

Transactions after the balance sheet day

In September 2019, Boryszew S.A. Made an earlier redemption of 13 bonds with a nominal value of PLN 1,000,000 and a total nominal value of PLN 13,000,000 of the A18 series, with interest, taken up by Zakład Utylizacji Odpadów Spółka z o.o.

EQUITY SECURITIES

In the first half of 2019 and until the date of publication hereof, the Company did not issue equity securities.

10. PAID OR DECLARED DIVIDEND

On June 25th, 2019, the Ordinary General Assembly of Boryszew S.A., With Resolution no. 19 decided to use the company's net profit for 2018 in the amount of PLN 44,720 thousand to fund the capital - retained earnings.

11. EVENTS WHICH OCCURRED AFTER THE DATE OF THE FINANCIAL STATEMENT, NOT INCLUDED IN THIS STATEMENT THAT COULD SIGNIFICANTLY INFLUENCE ON THE GROUP'S FUTURE RESULTS

No such events.

12. CHANGES OF CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liability:

	As at 30.06.2019	As at 31.12.2018
Guarantees and credit payment warranties as well as warranties regarding payment of liabilities on account of deliveries granted to affiliated entities.	127 560	129 000
	127 560	129 000

Entity granted a surety or a guarantee	Date of issue of a surety or a guarantee	Subject of the obligations	Value of surety	Surety validity date
			thousand PLN	
Boryszew Plastic RUS	13.02.2017	The guarantee granted to Volvo Group Trucks Operations.	21 260	indefinitely
Spółki Grupy BAP which are a customers of Volkswagen AG	16.12.2016	Volkswagen AG	85 040	indefinitely
Alchemia S.A.	01.10.2019	The guarantee granted to Arcelormittal Poland S.A.	21 260	31.12.2019
			127 560	



13. DESCRIPTION OF THE ORGANIZATION OF THE ISSUER'S CAPITAL GROUP

Boryszew S.A. is the Parent Company of the Boryszew Capital Group. The Group consists of domestic and foreign subsidiaries, jointly controlled entities and associates. As the "mother company" it performs managerial and supervisory functions in relation to other companies of the Capital Group.

The core business of Headoffice in Warsaw is the management of the Capital Group, and its aim is to increase the value of the Company in the long run.

In the first half of 2019, Boryszew S.A. operated based on:

- Maflow Branch in Tychy – producer of tubes for the automotive industry, including mainly air-conditioning tubes, power steering systems and various rubber components. The assets of the Branch, constituting the largest production assets of Maflow Group, were acquired on 10 August, 2010.
- Elana Branch in Toruń – producer of polyester fibre and plastics with wide application. Its key products include staple fibres and silicon spheres. Elana Branch was created as a result of the merger of Boryszew S.A. with Elana S.A. on 28 January, 2005
- Nowoczesne Produkty Aluminiowe Skawina Branch in Skawina – operating in the field of manufacturing of aluminium rods, wire and 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 – offering chemical 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 (established on 29 April 2015), which is involved in sales of energy for Boryszew Capital Group companies and third parties.

STRUCTURE OF BORYSZEW GROUP

The Capital Group created by Boryszew S.A. has become over a few years' period one of the largest 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.

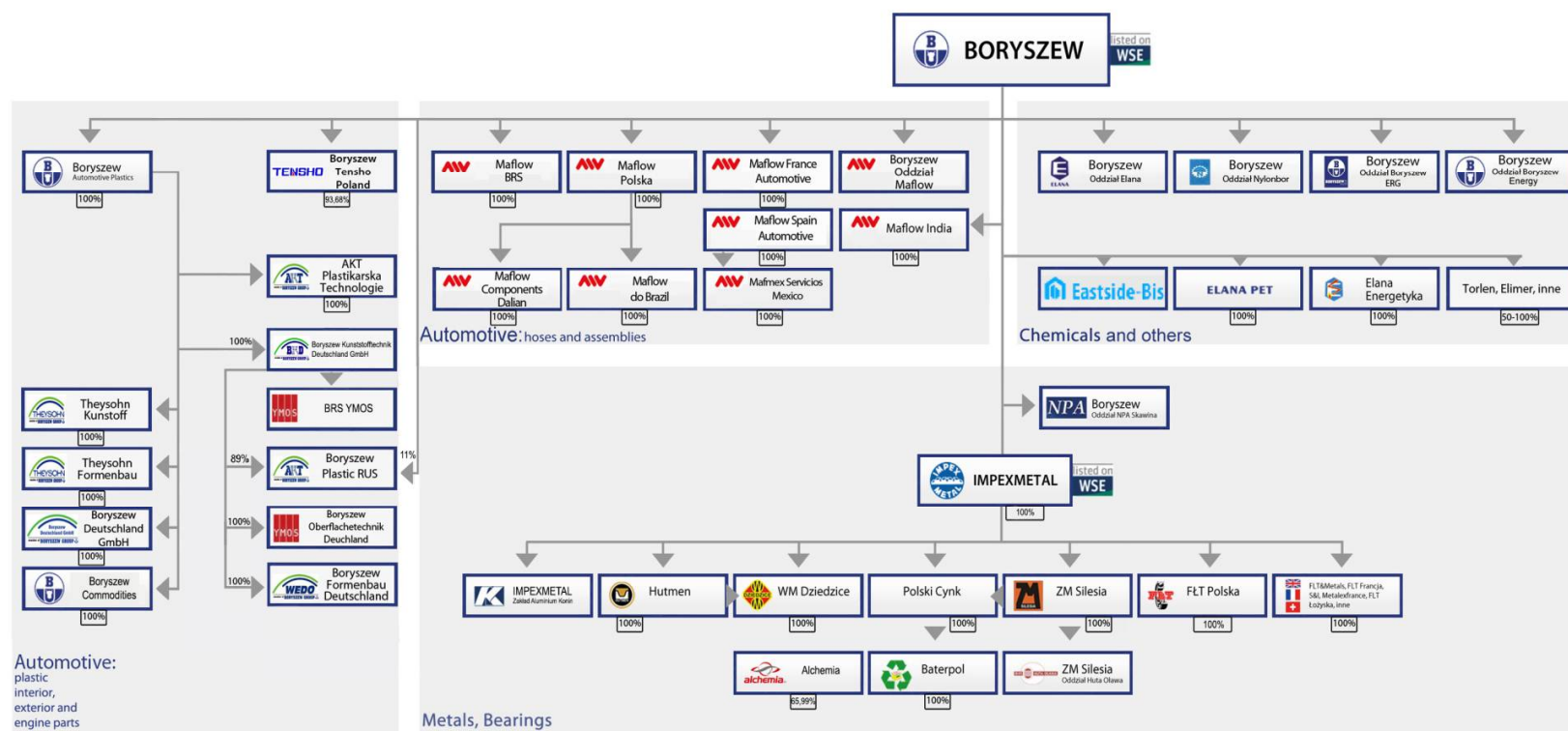
In 2011 and 2012, the Company continued its growth strategy by further acquisitions in the automotive industry. In July 2011, the Company signed takeover agreements in respect of two German capital groups (AKT/ICOS – Theysohn) in the plastics processing sector, and in March 2012 share acquisition agreement 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% of shares of Tensho Poland Corporation Spółka z o.o with its registered seat in Ostaszewo (currently: Boryszew Tensho Poland Sp. z o.o.), the manufacturer of high quality products made of plastics. In June 2018, Boryszew S.A. acquired another 13.68%. As of the day of the preparation of the report, Boryszew S.A. Possesses 93.68% of the share capital and the total number of votes at the General Assembly of Boryszew Tensho Poland Sp. z o.o.

In the first half of 2019, Boryszew S.A. Indirectly exceeded the threshold of 50% in the share capital and the total number of votes at the General Assembly of Alchemia S.A., as a result of what Boryszew (with subsidiaries Impexmetal S.A. And Eastside-Bis Sp. z o.o.) achieved control over Alchemia S.A. As at the date of the report, Boryszew S.A. holds directly and indirectly 65.99% of the share capital and the total number of votes at the General Assembly of Alchemia S.A.



SIMPLIFIED SCHEME OF BORYSZEW GROUP (AS AT THE PUBLICATION DAY HEREOF) WITH TOTAL SHARE IN INDIVIDUAL ENTITIES





14. EFFECTS OF CHANGES IN THE GROUP'S STRUCTURE FROM THE BEGINNING OF THE YEAR, INCLUDING CONNECTING OF THE BUSINESS ENTITIES, TAKEOVER OR SALE OF SUBSIDIARIES AND LONG-TERM INVESTMENTS, RESTRUCTURING AND DISCUSSING OPERATIONS

The purchase of the Alchemia S.A. shares.

On January 11, 2019, Eastside - Bis Sp. z o.o. acquired (by converting bonds into shares) 9,995,000 shares of Alchemia S.A., constituting 4.99% of the share capital and the total number of votes at the General Assembly of Alchemia S.A.

In 2019 Impexmetal S.A. acquired 38,525,000 shares of Alchemia S.A., which constitutes 22.21% of the share in the share capital of Alchemia S.A.

As at the date of publication of the statement, the Boryszew Capital Group holds 65.99% of shares in Alchemia S.A. (more information regarding the purchase of the Alchemia S.A. Shares is included in point 4 of the statement).

The purchase of the Impexmetal S.A. shares.

In 2019, Impexmetal S.A. acquired 6,400,000 own shares, representing a 33.89% of the share in the share capital and in the total number of votes at the General Assembly of Impexmetal S.A. and Boryszew S.A. acquired 220,000 shares of Impexmetal S.A., constituting 0.12% of the share capital and the total number of votes at the General Assembly of Impexmetal S.A.

As at the date of publication of the statement, the Boryszew Capital Group holds 100.00% of shares in Impexmetal S.A. (more information regarding the purchase of the Impexmetal S.A. shares is included in point 4 of the statement).

Merging Alchemia S.A with subsidiaries

On March 1st, 2019, the District Court for the Capital City of Warsaw in Warsaw - 13th Economic Department of the National Court Register made a registration of the merger of the Alchemia S.A. company with subsidiaries i.e. Huta Batory Sp. z o.o. with its registered seat in Chorzów, Walcownia Rur Andrzej Sp. z o.o with its registered seat in Zawadzkie, Rurexpol Sp. z o.o with its registered seat in Częstochowa (hereinafter referred to as "Acquired Companies").

The merger took place pursuant to art. 492 § 1 item 1 of the Code of Commercial Companies, i.e. by transferring all assets of the Acquired Companies to Alchemia S.A., by universal succession. As Alchemia S.A. was the sole partner of the Acquired Companies, the Merger was carried out in the manner provided for in art. 515 § 1 of the Code of Commercial Companies, i.e. without increasing the share capital of Alchemia S.A. as well as without changing the Company's Articles of Association. On the day of entering the merger into the Register of Entrepreneurs of the National Court Register, Alchemia S.A. assumed all rights and obligations of the Acquired Companies.

Reduction of the share capital in Polski Cynk Sp. z o. o.

On June 3, 2019, the Extraordinary General Assembly of Polski Cynk Sp. z o. o. adopted a resolution regarding the redemption of 260,313 own shares of Polski Cynk Sp. z o. o. The Extraordinary General Assembly of Shareholders did not reduce the share capital, but adjusted the number and nominal value of shares to the current amount of the share capital. The share capital of the Company amounts to PLN 112,747,800 and is divided into 1,127,478 shares with a nominal value of PLN 100 each.

Until the date of publication of the report, there were no other significant changes in the structure of the Boryszew Capital Group except for the events indicated above.

15. THE POSITION OF THE MANAGEMENT BOARD AS REGARDS TO THE POSSIBILITY OF EXECUTION OF PREVIOUSLY PUBLISHED FORECASTS OF THE FINANCIAL RESULT FOR THE CURRENT YEAR

In the first half of 2019, the Management Board of Boryszew S.A. did not publish forecasts of the financial result for the current year.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

16. SHAREHOLDERS HOLDING DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES AT LEAST 5% OF THE GENERAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE COMPANY AS WELL AS AT THE DATE OF THE PROVISION OF THE STATEMENT

The table below presents shareholders holding more than 5% of the share capital and the total number of votes as at the date of approval hereof 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%
of which: 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%
RKK Investments Sp. z o.o.	119 998 000	49,999%	119 998 000	49,999%
Nationale – Nederlanden Otwarty Fundusz Emerytalny	14 773 261	6,156%	14 773 261	6,156%
Other	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 the notification of October 1, 2018).

(**) According to the notification by Boryszew S.A. of March 18, 2019

17. CHANGES IN THE PROPERTY STRUCTURE OF SIGNIFICANT SHAREHOLDING PACKAGES OF THE COMPANY IN THE PERIOD FROM THE PROVISION OF THE PREVIOUS PERIOD STATEMENT - SHARE OF VOTES AT THE GENERAL MEETING OF THE COMPANY

In the period from submitting the previous report to publication on May 29, 2019, i.e. the Report for the first quarter of 2019, there were no changes in the ownership structure of significant blocks of shares of Boryszew S.A.

18. PERSONS MANAGING AND SUPERVISING THE COMPANY - CHANGING THE STATUS OF HELD SHARES OR OPTIONS FOR SHARES IN THE CURRENT PERIOD FROM THE DAY OF SUBMISSION OF THE PREVIOUS STATEMENT

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

The Management Board of Boryszew S.A.	As at the date of publication of the previous periodical statement	Changes in the ownership status, purchase/(disposal)	As at the date of publication of this statement
Aleksander Baryś	3 000	-	not applicable

Other managing persons and supervising persons of Boryszew S.A. do not hold any shares in the Company or rights to the share, and since the date of the previous periodical statement, there have been no changes in this respect.

19. PROCEEDINGS PENDING BEFORE A COURT, COMPETENT AUTHORITY FOR THE ARBITRATION OR PUBLIC ADMINISTRATION

As at the date hereof, the Companies of Capital Group Boryszew were not parties to significant proceedings regarding liabilities and claims pending before a court, a competent arbitration authority or a public administration body.

TAX PROCEEDINGS IN THE COMPANIES OF THE CAPITAL GROUP

The Group operates in a sector which due to its specificity is particularly vulnerable to extortion of VAT on the part of dishonest contractors. The Group's companies carry out control proceedings at various stages regarding the correctness



of VAT settlements. In connection with the above, the Parent Entity took actions to include the risks that can be estimated, and related to ongoing proceedings.

Significant proceedings that were terminated at first instance

1. ZM SILESIA S.A. received on March 12, 2018 the decision of the Chief of Opole Customs and Tax Office (Office) in Opole of February 28, 2018 specifying the outstanding VAT liability for 2012 in the amount of PLN 28.9 million plus interest on tax arrears in the amount PLN 15.5 million. According to the position of the Office, ZM SILESIA S.A. did not exercise due diligence in verifying the tax reliability of some of its suppliers who, as it turned out, did not pay VAT due to the budget. Consequently, ZM SILESIA S.A. had no right to reduce the tax due by the input tax shown on invoices issued by dishonest contractors. Due to a different assessment of the facts in relation to the assessment presented by the inspection bodies, the controlled company appealed against the decision of the Office received.
2. HUTMEN S.A. received on April 3, 2018, the decision of the Head of the Lower Silesian Customs and Tax Office (Office) in Wrocław of March 26, 2018 specifying the overdue tax liability of HUTMEN S.A. in VAT for the fourth quarter of 2014 in the amount of PLN 3.04 million plus interest on tax arrears. According to the position of the Office, HUTMEN S.A. failed to exercise due diligence in verifying the tax reliability of some of his contractors, and consequently had no right to apply a VAT rate of 0% for intra-Community supply of goods.

Due to a different assessment of the facts in relation to the assessment presented by the inspection bodies, the controlled company appealed against the decision of the Office received.

3. HUTMEN S.A. on 10.09.2018 received the decision from the Tax Administration Chamber (Office) in Wrocław dated 04.09.2018, determining the overdue tax obligation of HUTMEN S.A. in VAT tax for the 4th quarter of 2012 in the amount of 1.1 million PLN, increased by the interest on the tax arrears. In the Office's opinion, HUTMEN S.A. failed to exercise due diligence in verifying the tax integrity of some of his counterparties, and consequently had no right to deduct input VAT. Due to a different assessment of the facts in relation to the assessment presented by the controlling authorities, Hutmen S.A. filed a complaint to the Provincial Administrative Court regarding the negative decision of the Tax Chamber. At the same time, the company paid the due amount with interest due in the amount of PLN 1.7 million. On March 13, 2019, the Provincial Administrative Court issued a ruling in favour of HUTMEN S.A., the ruling is final and binding, the company is waiting for a return of the paid obligation with interest.
4. Baterpol Recycler Sp. z o. o. received the decision of the Chief of the Lower Silesia Customs and Tax Office in Wrocław of 8 June, 2018 specifying the outstanding VAT liability for the third and the fourth quarter of 2016 in the amount of PLN 3.00 million plus interests on tax arrears in the amount of PLN 116 million. The decision is not final and the Company submitted an appeal against the aforementioned decision on the statutory date. Due to a different assessment of the facts in relation to the assessment presented by the inspection bodies, the controlled Company appealed against the decision of the Office. On 12 July, 2018, the Chief of the Lower Silesia Customs and Tax Office in Wrocław referred the case to the decision of the Director of the Tax Administration Chamber in Wrocław. The date of the decision regarding the case referred to above being issued by the Director of the Tax Administration Chamber in Wrocław was determined to fall on 15/05/2019. Moreover, Baterpol Recycler Sp. z o. o. received the decision of the Head of the Lower Silesian Customs and Tax Office (Office) in Wrocław dated November 30th, 2018 specifying the overdue tax liability for the VAT tax for the period of July-September 2016, whose negative impact on the Company's financial result amounts to PLN 2.8 million. The decision is not final and the Company has lodged an appeal against the aforementioned decision within the statutory deadline.

Due to a different assessment of the actual status in relation to the assessment presented by the controlling authorities, the controlled company appealed against the Office's decision received. 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 resolution. Within the deadline of 10.05.2019, a decision from the Tax Administration Chamber Wrocław was received, fully revoking the decision of the Customs and Tax Office in Wrocław regarding The VAT for the period of July-September 2016 and handing the case over for re-examination to a first instance body. On 26.07.2018, the Head of the Lower Silesian Tax Office in Wrocław attached the bank accounts of Baterpol Recycler Sp. z o. o. for the total amount of PLN 2.1 million as security for the enforcement of outstanding tax liabilities of the Company due to the tax on goods and services for the month of March 2017 and July-December 2017.



OTHER SIGNIFICANT PENDING TAX PROCEEDINGS REGARDING VAT IN THE CAPITAL GROUP COMPANIES

In addition to the above-described, Capital Group companies conduct audit proceedings that are at an initial stage (not completed with decisions). These proceedings may result in a negative position of the authorities towards the Company, however, the determination of this risk is difficult to estimate.

The ongoing proceedings:

1. ZM SILESIA S.A. - control proceedings in the field of VAT for 2013 – 2014, I-VI 2015 are pending,
2. Hutmen S.A.. - VAT proceedings are pending for 2015,
3. Baterpol S.A. - is in possession of a report on VAT control - the period from July 2013 to December 2015 is controlled. On the basis of the said protocol, the Company estimated the risk of questioning the VAT for deduction for the amount of PLN 3.2 million plus interest (as of 31/12/2018 - PLN 1.1 million). Control was carried out by the First Silesian Tax Office in Sosnowiec. On 20 March 2019, the Head of the First Tax Office in Sosnowiec initiated tax proceedings regarding the subject matter.
4. On 12 March of this year The head of the Lower Silesian Tax Office in Wrocław sent notice of the commencement of an investigation into a tax offense suspending the limitation period of the company's tax liabilities by the Regional Prosecutor's Office in Katowice on 1 April 2016 to the company Baterpol Recycler Sp. z o.o.

Due to the fact that there is a risk of initiating further inspections, which may potentially result in issuing decisions determining tax liabilities of these companies, the Parent Company's Management Board analyzed the documentation related to the ongoing proceedings and estimated the risks by classifying them according to the probability of their occurrence:

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

The balance of provisions in the consolidated financial statements for the risks described above as at the balance sheet date is PLN 73.7 million (large risk). In addition, the Parent Company recognized 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 taking also into account the probability of cash outflow from the Group, and decided not to create them for events involving low probability of funds outflow.

The Management Board of the Parent Company may not exclude that the aforementioned risk estimates may change in the event of new circumstances.

Other significant proceedings in the Group

EASTSIDE - BIS SPÓŁKA Z O.O.

The company is under customs and tax control regarding the correctness of the settlement of corporate income tax. On March 9, 2018, a control was initiated for the period from December 1, 2015 to November 30, 2016. As of the day of the publication of the report, the company has not received the protocol from the control.

EASTSIDE CAPITAL INVESTMENTS SPÓŁKA Z O.O.

The company is under customs and tax control regarding the correctness of the settlement of corporate income tax. On March 9, 2018, a control was initiated for the period from December 1, 2014 to November 30, 2016. As of the day of the publication of the report, the company has not received the protocol from the control.

SPV LAKME INVESTMENT SPÓŁKA Z O.O.

The company is under customs and tax control regarding the correctness of the settlement of corporate income tax. On 9 March 2018 a control was initiated for the period from 1 January to 31 December 2015 and on 12 July 2018 a control was initiated for the following period from 1 January to 31 December 2016. As of the day of the publication of the report, the company has not received the protocol from the control.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

20. CONCLUSION BY THE COMPANY OR THE SUBSIDIARY OF ONE OR MORE IMPORTANT TRANSACTIONS WITH THE AFFILIATES

Transactions between the associates are mainly trade transactions concluded between the companies of the Group of Companies in the scope of sale or purchase of goods and products of typical and traditional character for the Group's operations.

Transactions between the affiliates are concluded on market terms. The details of non-trading transactions with the affiliates are presented below:

LOANS GRANTED BY BORYSZEW S.A.

Company	Agreement date	Repayment date	Loan amount in accordance with the agreement	Amount to be repaid	Currency	Amount to be paid per PLN	Interest rate
Boryszew Kunststofftechnik Deutschland GmbH	01.09.2011	2020-12-31	3 000 000	2 249 652	EUR	9 565 521	EURIBOR 3M + margin
	02.08.2011	2020-12-31	14 500 000	14 371 899	EUR	61 109 315	EURIBOR 3M + margin
Boryszew Automotive Plastics Sp.z o.o.	27.11.2017	31.12.2020	49 700 000	46 479 479	EUR	197 630 743	EURIBOR 3M + margin
	02.07.2018	31.12.2020	510 000	510 000	EUR	2 168 520	EURIBOR 3M + margin
	08.02.2019	2019-09-30	5 000 000	5 000 000	PLN	5 000 000	WIBOR 3M + margin
Polish Wind Holding B.H.	14.09.2015	2019-12-31	1 100 000	1 100 000	PLN	1 100 000	WIBOR 3M + margin
	20.12.2016	2019-12-31	550 000	550 000	PLN	550 000	WIBOR 3M + margin
	01.04.2019	31.12.2020	1 800 000	1 200 000	PLN	1 200 000	WIBOR 3M + margin
SPV Boryszew 3 Sp. z o.o.	02.07.2018	31.12.2020	3 000 000	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	2 932 911	EURIBOR 1M + margin
	19.02.2016	30.06.2020	1 695 000	1 695 000	EUR	7 207 140	EURIBOR 1M + margin
	14.09.2016	30.06.2020	1 046 712	1 046 712	EUR	4 450 619	EURIBOR 1M + margin
	16.12.2016	30.06.2020	568 516	568 516	EUR	2 417 330	EURIBOR 1M + margin
	23.12.2016	31.12.2022	448 337	448 337	EUR	1 906 328	EURIBOR 1M + margin
	29.05.2017	31.12.2022	1 151 287	1 151 287	EUR	4 895 272	EURIBOR 1M + margin
	03.07.2017	31.12.2022	1 507 210	1 507 210	EUR	6 408 656	EURIBOR 1M + margin
	08.08.2017	31.12.2022	592 906	592 906	EUR	2 521 034	EURIBOR 1M + margin
	31.08.2017	31.12.2022	421 996	421 996	EUR	1 794 327	EURIBOR 1M + margin
	19.12.2017	31.12.2022	678 265	678 265	EUR	2 883 984	EURIBOR 1M + margin
Maflow Components Dalian	20.03.2017	18.03.2020	1 160 000	250 000	EUR	1 063 000	EURIBOR 1M + margin



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

Maflow Polska Sp. z o.o.	05.07.2017	31.12.2019	30 000	30 000	PLN	30 000	WIBOR 1M + margin
	11.07.2017	31.12.2019	50 000	50 000	PLN	50 000	WIBOR 1M + margin
Total to be repaid					PLN	318 204 700	

The amount of the aforementioned loans granted to Boryszew S.A. does not include the accrued interest as at 31 December 2019.

LOANS GRANTED TO BORYSZEW S.A. BY COMPANIES OF THE CAPITAL GROUP

On February 8th 2019, Impexmetal S.A., granted to Boryszew S.A with its registered seat in Warsaw a loan in the amount of PLN 11,000,000 with the payment deadline of December 31st, 2019. The charging interest was established on market conditions.

Transactions after the balance sheet day

On July 30th, 2019, Polski Cynk Sp. Z o.o., granted to Boryszew S.A with its registered seat in Warsaw a loan in the amount of PLN 6,000,000 with the payment deadline of June 30th, 2019. The charging interest was established on market conditions.

On August 22nd, 2019, Polski Cynk Sp. Z o.o., granted to Boryszew S.A with its registered seat in Warsaw a loan in the amount of PLN 11,000,000 with the payment deadline of June 30th, 2020. The charging interest was established on market conditions.

On September 5th, 2019, Impexmetal S.A., granted to Boryszew S.A with its registered seat in Warsaw a loan in the amount of PLN 13,000,000 with the payment deadline of December 31st, 2020. The charging interest was established on market conditions.

THE EXTENSION OF THE DEADLINE FOR THE PAYMENT AND CONSOLIDATION OF LOANS GRANTED TO BORYSZEW S.A. BY IMPEXMETAL S.A.

On March 6th, 2019, Boryszew S.A. Signed an Agreement with Impexmetal S.A. regarding the extension of the deadline for the payment of loans until December 31st, 2019, granted to Boryszew S.A. And Boryszew S.A. Maflow Department in Tychy in the total amount of PLN 116,500,000.00 based on the following contracts:

- a loan agreement for the amount of 25,000,000.00 dated 20.04.2015,
- a loan agreement for the amount of 5,000,000.00 dated 07.07.2016,
- a loan agreement for the amount of 43,000,000.00 dated 31.03.2017,
- a loan agreement for the amount of 10,000,000.00 dated 06.09.2017,
- a loan agreement for the amount of 8,500,000.00 dated 02.07.2018,
- a loan agreement for the amount of 5,000,000.00 dated 17.07.2014 (Maflow Department in Tychy),
- a loan agreement for the amount of 20,000,000.00 dated 12.06.2016 (Maflow Department in Tychy).

The charging interest of the above-mentioned loans was established on market conditions.

THE REPAYMENT OF LOANS GRANTED TO BORYSZEW S.A.

On March 14th, 2019 Boryszew S.A made a repayment of the following loans to Impexmetal S.A in the total amount of PLN 33,000,000, including:

- An early repayment of the loan dated December 10th, 2018 in the amount of PLN 6,000,000,
- A partial repayment of the loan (consolidated in accordance with the Agreement dated March 6th, 2019) in the amount of PLN 27,000,000.

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

Transactions after the balance sheet day

On July 1st, 2019 Boryszew S.A made an early repayment of the loans in the total amount of PLN 44,000,000 to Impexmetal S.A.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

THE SETTLEMENT OF DUE AND PAYABLE CLAIMS FROM THE BONDS ACQUIRED BY EASTSIDE-BIS SP. Z O.O.

As a result of the fact that Eastside – Bis Sp. z o.o took over on January 11th, 2019 the subject matter of the registered pledge (the takeover of shares encumbered by a pledge in order to satisfy the pledgee), i.e. PLN 9,995,000 pcs of Alchemia S.A shares, a settlement of the due and payable claims from the bonds series EB1, EB2 and EB3, issued by Unibax Sp. z o.o and acquired by Eastside – Bis Sp. z o.o was executed.

Pursuant to the provisions of point 3 of the Bond Issue Terms for each series of the Bonds, the receivables resulting from the bonds became due and payable at the moment Unibax Sp. z o.o ("Unibax") received the demands listed below for their earlier redemption, i.e. On January 2nd, 2019:

The demand for an earlier redemption of 9 EB1 series bonds with the nominal value of PLN 3,000,000 each and the total nominal value equal to PLN 27,000,000.00, issued by Unibax in accordance with the Bond Issue terms dated November 15th, 2016;

the demand for an earlier redemption of 9 EB2 series bonds with the nominal value of PLN 2.123.500 each and the total nominal value equal to PLN 19.111.500,00, issued by Unibax in accordance with the Bond Issue terms dated November 15th, 2016;

the demand for an earlier redemption of 4 EB3 series bonds with the nominal value of PLN 953.000 each and the total nominal value equal to PLN 3.812.000, issued by Unibax in accordance with the Bond Issue terms dated November 15th, 2016.

THE ACQUIRY OF THE BONDS ISSUED BY UNIBAX SP. Z O.O.

On January 3rd, 2019, Boryszew S.A. Acquired registered bonds from the B25 series with the nominal value of PLN 1.000.000. The total value of the bonds acquired in this series amounted to PLN 3.000.000. The bond redemption deadline was established to fall on December 31st, 2019.

On January 16th, 2019, Boryszew S.A. acquired 4 registered bonds from series B26 with the nominal value of PLN 1.000.000. The total value of the bonds acquired in this series amounted to PLN 4.000.000. The bond redemption deadline was established to fall on December 31st, 2019.

On February 21st, 2019, Boryszew S.A. acquired 3 registered bonds from series B27 with the nominal value of PLN 1.000.000. The total value of the bonds acquired in this series amounted to PLN 3.000.000. The bond redemption deadline was established to fall on December 31st, 2019.

On April 30th, 2019, Boryszew S.A. acquired 10 registered bonds from series B28 with the nominal value of PLN 1.000.000. The total value of the bonds acquired in this series amounted to PLN 10.000.000. The bond redemption deadline was established to fall on December 31st, 2019.

On May 9th, 2019, Boryszew S.A. acquired 10 registered bonds from series B29 with the nominal value of PLN 2.000.000. The total value of the bonds acquired in this series amounted to PLN 20.000.000. The bond redemption deadline was established to fall on December 31st, 2019.

On May 10th, 2019, Boryszew S.A. acquired 15 registered bonds from series B30 with the nominal value of PLN 1.000.000. The total value of the bonds acquired in this series amounted to PLN 15.000.000. The bond redemption deadline was established to fall on December 31st, 2019.

THE ACQUIRY OF THE BONDS ISSUED BY UNIBAX SP. Z O.O.

In March 2019, Unibax Spółka z o.o. Purchased from Boryszew S.A bonds with the total nominal value of PLN 75.970.000 ahead of schedule.

In June 2019, Unibax Spółka z o.o. Purchased from Boryszew S.A bonds with the total nominal value of 103.000.000 ahead of schedule.

TRANSACTIONS WITH PERSONALLY RELATED ENTITIES

	01.01.2019 - 30.06. 2019	01.01.2018 - 30.06. 2018
Revenues		
Revenues from the sales (of products, services, goods)	1 296	2 299
Revenues from the sales of assets (fixed assets, debts, shares)	295	0
Other revenues (decommitment of liabilities)	0	0
Interest income	566	1 883
Received dividends	0	0



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

Purchases/costs

Purchases (of materials, goods, services)	2,456	2,002
Investment purchases (purchase of fixed assets, debits, shares)	49,775	0
Other transactions (the cost of the decommitted liabilities)	0	0
Interest costs	0	0

Receivables/gross without write-offs

	As at 30.06.2019	As at 30.06.2019
Trade receivables	837	1,653
Loans granted	3,290	0
Acquired bonds	34,058	117,202
Other receivables (advance payments, deposits)	1,308	0

Liabilities

Trade liabilities	750	875
Liabilities on account of loans	0	0
liabilities under issued bonds	0	0
other liabilities (advances, deposits)	0	0

21. INFORMATION ON CREDIT OR LOAD SURETIES GRANTED BY THE COMPANY OR THE SUBSIDIARY OR GRANTING THE GUARANTEE - ONE SUBSIDIARY OR AFFILIATE IN TOTAL, IF THE TOTAL VALUE OF EXISTING SURETIES OR GUARANTIES IS SIGNIFICANT

On May 16, 2019, Boryszew S.A. granted HSBC France (Spółka Akcyjna) Poland Branch a repayment guarantee of a term loan by Impexmetal S.A up to the amount of PLN 270 million intended to finance the payment of the price of Impexmetal S.A. shares purchased by Impexmetal S.A. as part of the call. The deadline for the payment of the credit was established to be 28 months after the conclusion of the Agreement. In connection with the conclusion of the Agreement, to secure the Bank's claims under the Agreement, on May 16, 2019, the Company concluded an agreement with the Bank for registered pledge and financial pledge on shares of Impexmetal S.A. owned by the Company.

GUARANTEES AND SURETIES GRANTED BY BORYSZEW S.A. IN THE FIRST HALF OF 2019

Entity granted a surety or a guarantee	Date of issue of a surety or a guarantee	Subject of the obligations	Surety value	Surety validity date
			PLN	
Impexmetal S.A.	16.05.2019	The guarantee for HSBC France Polska Branch	270 000 000	2021-09-16
Boryszew Kunststofftechnik Deutschland GmbH	31.01.2013	The guarantee granted to Commerzbank	21 260 000	indefinitely
	23.07.2013	The guarantee granted to GE Capital Bank AG	4 219 570	30.08.2021
	22.01.2015	The guarantee granted to Hewlett-Packard International Bank Plc.	425 200	31.08.2019
	24.07.2017	The guarantee granted to ALD AutoLeasing D GmbH	850 400	30.06.2022
	07.08.2017	The guarantee granted to Deutsche Leasing International GmbH	5 952 800	indefinitely
	08.06.2018	The guarantee granted to Deutsche Leasing International GmbH	2 551 200	08.06.2023
	29.01.2019	The guarantee granted to DNB Bank Polska SA	66 331 200	2021-03-01



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

	06.03.2019	Bill of exchange guarantee of lease agreement with PKO Leasing Sp. z o.o.	24 533 544	2022-03-31
	13.06.2019	The guarantee granted to Deutsche Leasing International GmbH	12 610 821	2024-08-31
Theysohn Formenbau GmbH	06.09.2017	The guarantee granted to akf Leasing GmbH	9 947 380	31.08.2023
Theysohn Formenbau GmbH	28.09.2018	The guarantee granted to PKO Leasing Sp. z o.o.	14 570 613	2021-12-31
	23.04.2019	The guarantee granted to HSBC Trinkhaus&Burkhardt AG	25 512 000	2022-05-10
Borszew Oberflächentechnik Deutschland GmbH	26.01.2016	The guarantee granted to Bank Gospodarstwa Krajowego	54 064 180	31.12.2026
Borszew Plastic RUS	11.07.2013	The guarantee granted to ZAO Hewlett-Packard AO	746 720	indefinitely
	29.01.2013	The guarantee granted to Deutsche Leasing Vostok ZAO	36 084 375	2019-10-07
	08.04.2013	The guarantee granted to Deutsche Leasing Vostok ZAO	1 125 859	2019-10-07
	30.04.2014	The guarantee granted to Hewlett-Packard AO	373 360	indefinitely
	13.02.2017	The guarantee granted to Volvo Group Trucks Operations	21 260 000	indefinitely
	25.02.2019	The guarantee granted to Alfa Bank	11 100 000	2024-12-31
BRS YMOS GmbH	27.05.2015	The guarantee granted to Wurth Leasing GmbH & Co. KG	1 317 321	30.11.2020
	15.03.2016	The guarantee granted to Wurth Leasing GmbH	1 509 043	15.03.2022
Borszew Tensho Poland Sp. z o.o.	13.06.2016	The guarantee granted to HSBC Bank Polska S.A.	10 000 000	2021-09-11
	14.03.2017	The guarantee granted to SPV Impexmetal Sp. z o.o. for the implementation of financial liabilities	41 000 000	indefinitely
	24.10.2017	Bill of exchange guarantee of lease agreement for mLeasing	763 763	15.04.2021
	24.10.2017	Bill of exchange guarantee of lease agreement for mLeasing	6 377 658	15.11.2020
	06.12.2017	The guarantee granted to PGE Obrót S.A.	1 800 000	indefinitely
	22.10.2018	Bill of exchange guarantee for SGB Leasing Sp. z o.o.	357 100	2025-09-30
	29.01.2019	The guarantee granted to DNB Bank Polska S.A.	10 204 800	2021-03-01
	04.03.2019	Bill of exchange guarantee leasing agreements for mLeasing	8 786 618	2024-04-15
Maflow BRS s.r.l.	26.04.2016	The guarantee granted to Banka IFIS	3 189 000	indefinitely
	01.01.2017	Bill of exchange for CORDTECH INTERNATIONAL SAS	1 290 000	2019-12-31
	01.01.2017	The guarantee granted to Mehler Engineered Products GmbH for the repayment of trade liabilities	1 700 800	2019-12-31
	16.05.2017	The guarantee granted to Cover	425 200	2019-12-31
	23.05.2019	The guarantee granted to HSBC France, Mediolan Branch	19 346 600	2023-05-23



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

Maflow France Automotive S.A.S.	07.07.2016	The guarantee granted to Natixs Lease	1 603 004	2021-07-07
Borszew Commodities	12.12.2017	The guarantee granted Borealis AG fot trade liabilities	1 063 000	2019-12-31
	26.04.2019	Bill of exchange for mBank S.A.	3 189 000	2021-04-10
	23.07.2018	Bill of exchange guarantee for loan granted by mBank	70 158 000	2019-11-04
BAP Group companies which are customers of Volkswagen AG	16.12.2016	Volkswagen AG	85 040 000	indefinitely
Alchemia S.A.	01.10.2018	The guarantee granted to Arcelormittal Poland S.A.	21 260 000	2019-12-31
Eastside-Bis	01.09.2017	Wojewódzki Fundusz Ochrony Środowiska I Gospodarki Wodnej in Toruń	3 283 600	indefinitely
Borszew HR Service Sp. z o.o.	30.08.2016	Bill of exchange guarantee for loan granted by mBank	2 000 000	2019-08-27
Elana Energetyka	01.12.2015	PGE Obrót S.A.	3 000 000	indefinitely
ZM Silesia S.A.	26.09.2018	Bill of exchange for PKO BP S.A.	10 800 000	2022-02-28
	26.20.2018	The guarantee granted to BGŻ BNP Paribas S.A.	14 400 000	2020-12-31
Total sureties and guarantees granted by Borszew SA			907 838 728	

Significant guarantees granted by the companies of the Borszew Capital Group

On February 27, 2019, Borszew Tensho Poland Sp. z o.o. with its registered office in Ostaszewo, granted to Borszew Kunststofftechnik Deutschland GmbH a registered pledge on a set of chattels (production in progress, shares of raw materials and finished products) up to a maximum amount of EUR 18,000,000. The bank's claim is a revolving loan agreement concluded on January 30, 2014, where the maximum amount and currency of the bank's claim capital is EUR 15,000,000.

In the first half of 2019, Impexmetal SA granted a warranty to repay the liabilities of Borszew S.A. towards Santander Bank Polska S.A. under a revolving loan agreement. The warranty was granted in the form of a registered pledge to Santander Bank Polska S.A. on 1,030 shares in FLT Polska Sp. z o.o. with a nominal value of PLN 1,000, representing 100% of the share capital of FLT Polska Sp. z o.o. The pledge was established up to the highest sum of security of PLN 72.000.000.

As at June 30, 2019, the other companies of the Capital Group did not grant credit or loan warranties the total value of which would be significant to one entity or its subsidiary.

Significant guarantees granted after the balance sheet date

On July 8, 2019, Borszew S.A. signed Annex No. 2 to the Warranty Agreement of July 19, 2018 (as amended) concluded with DNB Bank Polska S.A. by which Borszew S.A. granted a warranty for obligations of Borszew Kunststofftechnik Deutschland GmbH and Borszew Tensho Poland Sp. z o.o. up to a maximum amount of EUR 18,000,000, with an expiry date of March 1, 2021.

On July 15, 2019, Borszew S.A. granted a guarantee to Engel Austria GmbH with its registered office in Schwertberg, Austria for the obligations of OOO Borszew Plastic Rus up to a maximum amount of EUR 3,046.896. The guarantee will be valid until the full repayment of the liability of OOO Borszew Plastic Rus.

On July 26, 2019, Borszew S.A. acceded to the Amending and Unification Agreement to the Term Loan Agreement up to the amount of EUR 20,338,000 and the revolving loan up to the amount of EUR 1,500,000 from October 29, 2015.(as amended) and loan repayment collateral agreements concluded by Borszew Oberflächentechnik Deutschland GmbH with Bank Gospodarstwa Krajowego, as a joint and several debtor, and signed declarations of submission to enforcement in favour of Bank Gospodarstwa Krajowego.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

On September 16, 2019, Impexmetal S.A. granted a guarantee for the obligations of ZM SILESIA S.A. towards Huta Cynku "Miasteczko Śląskie" up to a maximum amount of PLN 20,000,000, valid until December 31, 2019.

The warranties and guarantees are granted by the GKB Companies on market conditions. Remuneration for the granted warranties is not significant.

22. OTHER INFORMATION SIGNIFICANT TO THE ASSESSMENT OF THE HUMAN RESOURCES SITUATION, ASSETS, FINANCIAL SITUATION AND THE FINANCIAL RESULT OF THE COMPANY AND THEIR CHANGES, AND INFORMATION SIGNIFICANT TO THE ASSESSMENT OF THE LIABILITIES IMPLEMENTATION

In the statement period, there were no events other than those described above that were significant for the assessment of the human resources situation, assets, financial situation, financial result and the Group's ability to meet its liabilities.

23. FACTORS WHICH WILL INFLUENCE ON THE RESULTS ACHIEVED BY THE COMPANY WITHIN AT LEAST THE NEXT QUARTER

The external factors that will impact on the achieved consolidated results in consecutive quarters include:

- The economic situation in the world, especially in the industries key for the group (automotive and construction) and major markets (the European Union, including Germany).
- Demand for new cars, especially for VW Group products, which is the most important customer of Capital Group Boryszew.
- The level of quotations of metals and currencies determining the amount of working capital and the effectiveness of the export and domestic sales.
- Increase in economic protectionism in the international trade, resulting in restricting access to markets.
- Sanctions imposed by the US government on entities operating on the international non-ferrous metals market
- The costs of raw materials, in particular the prices of scrap metal and the amount of metal bonuses.
- PLN exchange rate to foreign currency; due to the significant share of export sales, which in turn impacts on the amount of margins earned in Polish Zloty.
- The crude oil prices and consequently the prices of derivative organic chemistry products - plastics and components for the production of plastic parts in the injection technology for vehicles,
- The cost of energy carriers in connection with the announcement of significant increases in their prices having large significance, in particular in the energy-consuming metal processing industry and in chemicals.

The internal factors significant to the results of the group in the future periods include:

- The effect of obtaining new nominations in the Automotive Segment
- The effects of optimization of production processes in all market segments
- The effects of the development investments
- The effects of received subsidies related to the implementation of investment projects and the increase of energy efficiency

24. STATEMENT OF THE MANAGEMENT BOARD

The Management Board of Boryszew S.A. hereby declares that:

- according to its best knowledge, the semi-annual consolidated financial statement of the Company and Capital Group Boryszew as well as comparable data were drawn up in accordance with the applicable accounting principles, and that reflect a true, honest and clear material and financial situation and financial results of Boryszew S.A. and Capital Group Boryszew.
- this semi-annual statement of the activities of Capital Group Boryszew includes the real representation of the development, achievements, and the position of Capital Group Boryszew, including the description of basic risks and threats.



STATEMENT ON THE OPERATIONS OF CAPITAL GROUP BORYSZEW IN THE FIRST HALF OF 2019

SIGNATURES:

The present report was signed at the Company's seat on September 17th, 2019.

Piotr Lisiecki – President of the Management Board

Mikołaj Budzanowski - Member of the Management Board

Krzysztof Kołodziejczyk - Member of the Management Board