



CONSOLIDATED QUARTERLY REPORT OF BORYSZEW CAPITAL GROUP

for the period between

1 January and 30 September 2021

Report publication date
26 November 2021



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SELECTED FINANCIAL DATA

	in PLN '000		in EUR '000	
	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
data regarding condensed consolidated financial statements				
Revenue from continuing operations	4 656 580	4 211 948	1 021 516	948 210
Operating profit	163 111	(35 827)	35 782	(8 066)
Net profit on continuing operations	89 712	(113 489)	19 680	(25 549)
Profit on continuing and discontinued operations	91 524	(114 560)	20 078	(25 790)
Net profit attributable to the parent	84 656	(115 100)	18 571	(25 912)
Weighted average number of shares	202 000 000	202 000 000	202 000 000	202 000 000
Earnings per share attributable to shareholders of the Parent (in PLN/EURO)	0.42	(0.57)	0.09	(0.13)
Net cash flow from operating activities	(26 768)	174 898	(5 872)	39 374
Net cash flow from investment activities	62 947	(220 266)	13 809	(49 587)
Net cash flow from financial activities	(66 657)	(17 294)	(14 623)	(3 893)
	As at 30.09.2021	As at 31.12.2020	As at 30.09.2021	As at 31.12.2020
Total assets	4 365 519	4 098 778	942 286	888 181
Total liabilities and provisions	2 620 169	2 465 184	565 557	534 191
Assets of continuing operations	4 176 086	4 097 774	901 398	887 964
Liabilities of continuing operations	2 510 505	2 447 657	541 886	530 393
Equity	1 745 350	1 633 594	376 729	353 990
Equity attributable to the parent company	1 721 343	1 612 540	371 548	349 428

	in PLN '000		in EUR '000	
	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
data regarding separate condensed financial statements				
Revenues from sales	1 295 828	810 696	284 266	182 507
Operating profit	95 748	55 059	21 004	12 395
Net profit	13 743	48 260	3 015	10 864
Weighted average number of shares	205 205 000	220 656 301	205 205 000	220 656 301
Profit per ordinary share in PLN/EUR	0.07	0.22	0.01	0.05
Net cash flow from operating activities	11 649	27 317	2 555	6 150
Net cash flow from investment activities	(15 933)	(115 521)	(3 495)	(26 007)
Net cash flow from financial activities	16 474	70 825	3 614	15 944
	As at 30.09.2021	As at 31.12.2020	As at 30.09.2021	As at 31.12.2020
Total assets	2 718 696	2 545 049	586 824	551 497
Total liabilities and provisions	1 092 101	947 257	235 727	205 265
Equity	1 626 595	1 597 792	351 097	346 232

ABBREVIATED MID-YEAR CONSOLIDATED

**FINANCIAL STATEMENTS of the Capital Group Boryszew
for the period between 1 January and 30 September 2021**



**Boryszew Capital Group**

Abbreviated mid-year consolidated financial report for the period between 1 January and 30 September 2021 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2021 - 30.09.2021	01.07.2020 - 30.09.2020
Continuing operations				
Revenues from sales	4 656 580	4 211 948	1 599 832	1 406 845
Prime cost of sale	4 170 339	3 819 245	1 431 286	1 272 910
Gross profit on sales	486 241	392 703	168 546	133 935
Selling costs	127 152	112 650	41 402	35 248
Administrative expenses	215 943	220 314	73 747	75 830
Other operating revenue	64 827	108 840	17 205	51 663
Other operating expenses	39 617	197 030	10 261	176 702
Profit/loss on impairment of trade and other receivables	(5 245)	(7 376)	(1 798)	(1 457)
Operating income	163 111	(35 827)	58 543	(103 639)
Financial revenues	25 207	19 023	5 564	7 375
Financial expenses	34 016	66 504	(2 448)	12 305
Profit on sales of subsidiary	12 474	-	8 122	-
Profit/loss on impairment of financial assets	(176)	(30)	(80)	13
Financial profit/loss	3 489	(47 511)	16 054	(4 917)
Provisions and write-offs due to the liquidation of Hutmen Sp. z o.o. in liquidation	(19 032)	-	-	-
Share in profit of affiliates	15	8	-	(21)
Profit before taxation	147 583	(83 330)	74 597	(108 577)
Income tax	57 871	30 159	32 082	5 058
Net profit on continuing operations	89 712	(113 489)	42 515	(113 635)
Net profit/loss on discontinued operations	1 812	(1 071)	363	(418)
Net profit on continuing and discontinued operations	91 524	(114 560)	42 878	(114 053)
including attributable to:				
<i>to shareholders of the parent</i>	84 656	(115 100)	40 852	(116 498)
<i>to non-controlling interests</i>	6 868	540	2 026	2 445
Earnings / Diluted earnings per share	84 656	(115 100)	40 852	(116 498)
Weighted average number of shares	202 000 000	202 000 000	202 000 000	202 000 000
Earnings / Diluted earnings per share (PLN)	0.42	(0.57)	0.20	(0.58)



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - continued

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2021 - 30.09.2021	01.07.2020 - 30.09.2020
Net profit	91 524	(114 560)	42 878	(114 053)
Earnings recognised in equity				
<i>Earnings recognised in equity, to be transferred to income statement</i>	12 286	(50 162)	10 777	(37 621)
Hedge accounting	5 220	(29 853)	5 439	(17 730)
Valuation of employee benefits	5	-	5	-
Income tax expense (-provision/+asset)	(993)	5 672	(1 035)	3 369
Exchange differences on translating foreign operations	8 054	(25 981)	6 368	(23 260)
<i>Earnings recognised in equity, not to be transferred to income statement</i>	11 861	-	(7 397)	-
Gains/losses on valuation of equity instruments	(10 672)	-	(33 356)	-
Income tax expense (-provision/+asset)	2 028	-	6 338	-
Gains/losses on disposal of equity instruments	25 315	-	24 224	-
Income tax expense (-provision/+asset)	(4 810)	-	(4 603)	-
Total earnings recognised in equity	24 147	(50 162)	3 380	(37 621)
<i>to shareholders of the parent</i>	24 147	(50 162)	3 380	(37 621)
<i>to non-controlling interests</i>	-	-	-	-
Total comprehensive income, including attributable:	115 671	(164 722)	46 258	(151 674)
<i>to shareholders of the parent</i>	108 803	(165 262)	44 232	(154 119)
<i>to non-controlling interests</i>	6 868	540	2 026	2 445

CONSOLIDATED INCOME STATEMENT – discontinued operations

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2021 - 30.09.2021	01.07.2020 - 30.09.2020
Revenues from sales	11	23	2	8
Prime cost of sale	11	23	2	8
Gross profit (loss) from sales	-	-	-	-
Selling costs	-	-	-	-
Administrative expenses	-	-	-	-
Other operating revenue	3 020	33	761	31
Other operating expenses	1 088	1 115	302	452
Profit (loss) from operating activity	1 932	(1 082)	459	(421)
Financial revenues	53	23	-	-
Financial expenses	85	12	19	(3)
Financial profit/loss	(32)	11	(19)	3
Profit (loss) before income tax	1 900	(1 071)	440	(418)
Income tax	88	-	77	-
Net profit (loss) on discontinued operations	1 812	(1 071)	363	(418)
<i>in the parent company</i>	1 818	144	471	(49)
<i>to non-controlling interests</i>	(6)	(1 215)	(108)	(369)

**CONSOLIDATED BALANCE SHEET**

ASSETS	As at 30.09.2021	As at 31.12.2020	As at 30.09.2020
Non-current assets			
Non-current assets	1 281 476	1 303 109	1 320 818
Investment property	151 965	152 079	140 635
Goodwill	8 670	6 418	21 342
Intangible assets	45 896	48 102	45 820
Right-of-use assets	282 468	317 929	330 127
Shares in affiliates	225	210	319
Financial assets	3 033	1 036	667
Long-term receivables	1 916	3 387	9 134
Deferred tax assets	18 456	26 580	43 157
Other assets	24 873	27 625	24 006
Total fixed assets	1 818 978	1 886 475	1 936 025
Current assets			
Inventory	1 044 010	980 958	855 892
Trade receivables and other receivables	964 344	731 083	741 920
Short-term financial assets	154 587	249 458	57 066
Derivative financial instruments	4 481	4 250	4 468
Current tax assets	3 493	8 306	9 178
Other assets	58 466	52 033	60 370
Cash and cash equivalents	127 727	185 211	151 208
Total current assets	2 357 108	2 211 299	1 880 102
Assets classified as held for sale	188 370	-	879 038
Assets classified as discontinued operations	1 063	1 004	867
Total assets	4 365 519	4 098 778	4 696 032



LIABILITIES AND EQUITY	As at 30.09.2021	As at 31.12.2020	As at 30.09.2020
Equity			
Share capital	248 906	248 906	248 906
Share premium	114 435	114 435	114 435
Own shares	(236 753)	(236 753)	(236 753)
Hedge accounting capital	(2 022)	(6 250)	(9 855)
Capital reserve on translating employee payables	(1 847)	(1 851)	(2 602)
Revaluation reserve	43 653	31 792	(21 817)
Exchange differences on translating foreign entities	(48 488)	(56 542)	(44 716)
Retained earnings	1 603 459	1 518 803	1 122 782
Total equity	1 721 343	1 612 540	1 170 380
Equity of non-controlling shareholders	24 007	21 054	101 632
Total equity	1 745 350	1 633 594	1 272 012
Liabilities and long-term provisions			
Bank credits, loans, bonds	128 840	168 209	170 472
Lease liabilities	43 766	83 044	83 483
Liabilities associated with right-of-use assets	84 409	114 175	123 131
Payables on perpetual usufruct of investment land	67 423	56 826	57 897
Deferred tax provision	80 984	83 842	120 332
Employee benefit provisions	24 385	27 112	27 964
Other provisions	53 807	47 859	31 701
Other long term equity and liabilities	50 775	53 710	33 127
Liabilities and long-term provisions - total	534 389	634 777	648 107
Short-term liabilities			
Bank credits, loans, bonds	785 557	755 622	931 345
Lease liabilities	53 279	50 440	64 675
Liabilities associated with right-of-use assets	19 389	5 107	7 269
Payables on perpetual usufruct of investment land	241	241	255
Trade payables and other liabilities	820 246	698 454	738 509
Derivative financial instruments	14 595	12 811	6 239
Current tax liabilities	43 270	64 202	26 655
Employee benefit provisions	37 179	33 189	30 972
Other provisions	155 244	154 550	202 903
Other liabilities and equity	47 116	38 264	47 205
Liabilities and short-term provisions - total	1 976 116	1 812 880	2 056 027
Liabilities directly associated with assets classified as held for sale	93 461	-	702 719
Liabilities directly associated with assets classified as discontinued operations	16 203	17 527	17 167
Total liabilities and provisions	2 620 169	2 465 184	3 424 020
Total equity and liabilities	4 365 519	4 098 778	4 696 032

**CONSOLIDATED CASH FLOW STATEMENT**

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Cash flows from operating activities		
Profit before taxation	147 583	(83 330)
Adjustments for (+/-)	(174 351)	258 228
Amortisation and depreciation	127 285	153 285
Profit/loss on financial activity (including interest on financial liabilities)	8 995	40 107
Profit / loss on investment activities	(32 290)	(27 631)
Change in receivables	(319 315)	(178 167)
Change in inventories	(99 131)	147 528
Change in liabilities	195 547	14 207
Change in provisions and accruals as well as prepayments	10 191	143 284
Other items	10 921	4 017
Income tax paid	(76 554)	(38 402)
Net cash from operating activities	(26 768)	174 898
Cash flows from investment activities		
Profit on fixed assets disposal	11 627	8 468
Proceeds from disposal of shares	167 020	-
Proceeds from redemption of bonds by issuers	-	1 050
Proceeds from repayment of loans granted	2 311	2 206
Other proceeds from investment activities	4 660	(423)
Expenses on acquisition of fixed assets	(88 950)	(108 281)
Acquisition of shares and stocks in capital group entities	-	(98 321)
Loans granted	(33 721)	(24 965)
Net cash from investing activities	62 947	(220 266)
Cash flows from financial activities		
Incomes on credit and loan facilities	220 782	221 877
Loans received	3 194	4 442
Proceeds from grants and other proceeds	12 183	24 439
Dividends paid	(3 915)	(27)
Loans repaid	(216 529)	(191 959)
Repayment of borrowings	(6 221)	(3 714)
Interest paid on loans, borrowings and leasing	(24 232)	(39 027)
Payment of liabilities under finance lease agreements	(51 919)	(33 325)
Other financial outflows	-	-
Net cash from financing activities	(66 657)	(17 294)
Net change in cash	(30 478)	(62 662)
Translation reserve	3 503	71
Cash opening balance	185 211	219 641
Cash of companies disposed of and associated with assets classified as available for sale	(30 509)	(5 842)
Cash closing balance	127 727	151 208
<i>Restricted cash</i>	<i>20 785</i>	<i>29 269</i>



Boryszew Capital Group

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CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
Balance on 01.01.2021	248 906	114 435	(236 753)	(6 250)	(1 851)	31 792	(56 542)	1 518 803	1 612 540	21 054	1 633 594
Valuation of hedge instruments				4 228					4 228		4 228
Valuation of employee benefits					4				4		4
Measurement of financial assets						(8 644)			(8 644)		(8 644)
Disposal of financial assets						20 505			20 505		20 505
Currency translation differences (subsidiaries)							8 054		8 054		8 054
Profit/loss for 3 quarters of 2021								84 656	84 656	6 868	91 524
Comprehensive income for 3 quarters of 2021.	-	-	-	4 228	4	11 861	8 054	84 656	108 803	6 868	115 671
Dividend distribution									-	(3 915)	(3 915)
As at 30.09.2021	248 906	114 435	(236 753)	(2 022)	(1 847)	43 653	(48 488)	1 603 459	1 721 343	24 007	1 745 350

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
Balance on 01.01.2020	248 906	114 435	(236 753)	14 326	(2 637)	(21 817)	(18 735)	1 248 784	1 346 509	188 548	1 535 057
Valuation of hedge instruments				(32 380)					(32 380)		(32 380)
Valuation of employee benefits					167				167		167
Valuation of equity instruments						31 792			31 792		31 792
Currency translation differences (subsidiaries)							(37 807)		(37 807)		(37 807)
Profit/loss for 2020								279 106	279 106	2 384	281 490
Total comprehensive income for 2020	-	-	-	(32 380)	167	31 792	(37 807)	279 106	240 878	2 384	243 262
Dividend distribution									-	(27)	(27)
Change of capital group structure					35			18 075	18 110	(169 024)	(150 914)
Disposal of subsidiary				11 804	584	21 817		(27 162)	7 043	(827)	6 216
As at 31.12.2020	248 906	114 435	(236 753)	(6 250)	(1 851)	31 792	(56 542)	1 518 803	1 612 540	21 054	1 633 594



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	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Revaluation of other assets	Retained earnings	Total equity
Balance on 01.01.2020	248 906	112 346	(134 251)	(1 912)	(638)	-	-	204 879	429 330
Valuation of hedge instruments				(4 222)					(4 222)
Profit/loss for Q3 '2020								48 260	48 260
Comprehensive income for Q3 '2020	-	-	-	(4 222)	-	-		48 260	44 038
Share buy-back (merger with a subsidiary)			(12 620)						(12 620)
Merger with a subsidiary								12 479	12 479
Balance on 30.09.2020	248 906	112 346	(146 871)	(6 134)	(638)	-	-	265 618	473 227



ADDITIONAL INFORMATION

to the consolidated quarterly report drafted as at 30 September 2021

Party

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Boryszew Capital Group

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1. INTRODUCTION

COMPANY DETAILS

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

The company is registered with the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register under KRS number 0000063824. The Company's REGON (Business ID) is 750010992 and NIP (tax ID) is 837 000 06 34.

The company is established for an indefinite period of time.

HISTORY

The history of Boryszew S.A. ("Company", "Issuer") 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, metals and chemical industry.

The Capital Group employs more than 10 000 employees.

SUPERVISORY BOARD OF BORYSZEW S.A.

As at 1 January 2021, the composition of the Supervisory Board of Boryszew S.A. was as follows:

Mr Wojciech Kowalczyk	– Chairman of the Supervisory Board,
Mr Mirosław Kutnik	– Secretary of the Supervisory Board
Mr Jarosław Antosik	– Member of the Supervisory Board,
Mr Damian Pakulski	– Member of the Supervisory Board,
Ms Małgorzata Waldowska	– Member of the Supervisory Board.

On 10 August 2021, Mr Wojciech Kowalczyk, Chairman of the Supervisory Board of the Company, submitted his resignation from the position on that day.

On the same date the Supervisory Board of the Company appointed Mr Janusz Siemieniec to the Supervisory Board, replacing Mr Wojciech Kowalczyk.

On 7 September 2021, the Supervisory Board elected Ms Małgorzata Waldowska as the Chairperson of the Supervisory Board, Mr Mirosław Kutnik as Vice Chairman and Mr Damian Pakulski as Secretary.

As on the report publication day, the following persons were members of the Supervisory Board of Boryszew S.A.:

Ms Małgorzata Waldowska	– Chairperson of the Supervisory Board.
Mr Mirosław Kutnik	– Vice Chairman of the Supervisory Board,
Mr Damian Pakulski	– Secretary of the Supervisory Board,
Mr Jarosław Antosik	– Member of the Supervisory Board,
Mr Janusz Siemieniec	– Member of the Supervisory Board.

MANAGEMENT BOARD OF BORYSZEW S.A.

As at 1 January 2021, the following persons were members of the Management Board of Boryszew S.A.:

Mr Piotr Lisiecki	- President of the Management Board, CEO,
Mr Andrzej Juszczynski	– Vice-President of the Management Board, CFO,
Mr Mikołaj Budzanowski	– Member of the Management Board

On 3 May 2021 the President of the Management Board of the Company, Mr Piotr Lisiecki, died.



Boryszew Capital Group

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Given these circumstances, on 18 May 2021 the Supervisory Board decided to delegate on the same day Mr Wojciech Kowalczyk - Chairman of the Supervisory Board - to temporarily perform the duties of the President of the Company's Management Board for a period of three months.

On 10 August 2021, the Supervisory Board decided to appoint Mr Wojciech Kowalczyk to the Management Board and entrusted him with the function of the President of the Management Board, CEO of the Company.

On 30 September 2021 Mr Andrzej Juszczynski, Vice-President of the Management Board, Chief Financial Officer resigned on the same day.

As on the report publication day, the following persons were members of the Management Board of Boryszew S.A.:

Mr Wojciech Kowalczyk – President of the Management Board, General Director
Mr Mikołaj Budzanowski – Member of the Management Board

2. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES

The information contained in the financial statements for 3 quarters of 2021 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Dz. Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

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

The accounting principles and calculation methods applied by the Group have not changed in the period covered by these statements, and are presented in detail in the consolidated financial statements for 2020, published on 30 April 2021.

	average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01- 30.09.2020	4.4420	4.5268
01.01 - 31.12.2020	4.4742	4.6148
01.01- 30.09.2021	4.5585	4.6329

CHANGES IN ACCOUNTING PRINCIPLES

The effect of application of new accounting standards and changes in accounting policy

Accounting principles (policy) of applied when drafting these mid-year consolidated financial statements for the period ended on 30 September 2021 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2020, except for changes described below.

The same principles were applied to the current period and the comparable period.

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

Implementation of the standard and the modification had no material impact on the financial statements. The Company decided to implement the standards in a retrospective manner.



▪ **Changes resulting from changes in IFRS**

The following new or amended standards and interpretations issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee have been in force since the beginning of the reporting period.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 *Interest Rate Benchmark Reform - Phase 2*

The amendments to these standards were published on 27 August 2020 and are complementary to phase 1 of reporting changes resulting from the September 2019 interbank reference rate reform. The amendments are effective for annual periods beginning on or after 1 January 2021. Changes in phase 2 focus on the impact on the valuation, for instance of financial instruments, lease liabilities, of the replacement of existing reference rate by a new rate resulting from the reform.

The Group is in the process of assessing the impact of this change, which will be reported in the 2021 annual report. In addition, as of 1 January 2021, following adoption by the European Commission in October 2020, the Group applies the Amendment to IFRS 16 *Leases: COVID-19 related rent concessions*. The amendment was published on 28 May 2020 and applies to annual periods beginning on or after 1 June 2020, with earlier application possible. The amendment introduces a simplification in IFRS 16 whereby lease modifications may not be recognised when changes occurred (through 30 June 2021) in payments, if related to the Covid-19 pandemic or other concessions were provided to lessees that change the original financial terms of leases due to the pandemic.

Amendments to IFRS 16 associated with Covid-19 relief had no material impact on the recognition of existing Leases.

1 January 2021 is also the effective date of an amendment to IFRS 4 published on 25 June 2020 - in terms of extending the period of exemption of insurers from the application of IFRS 9 *Financial Instruments* until 1 January 2023 in line with the extended effective date of IFRS 17 *Insurance Contracts*.

The Group is not involved in insurance activity, the new standard will not affect future financial statements of the Company.

The implementation of the standards had no material impact on the financial statements. The Group decided to implement the standards on a prospective basis.

▪ **Changes introduced independently by the Group**

The Group made no adjustments to the presentation of comparative data on 31 December 2020 and for the six months ended 30 September 2020.

Non-compulsory standards (New standards and interpretations)

The Group did not choose to early implement, in these financial statements, published standards or interpretations before their effective date.

The following standards and interpretations have been issued by the International Accounting Standards Committee or the International Financial Reporting Interpretations Committee, but have not yet come into effect as at the balance sheet day:

- Amendment to IAS 1 Presentation of Financial Statements: *Classification of liabilities as short- and long-term liabilities*

The amendment to IAS 1 was published on 23 January 2020, the effective date was subsequently modified in July 2020 and it applies to annual periods beginning on or after 1 January 2023.

The amendment redefines the criteria for current liabilities. The change may affect the presentation of liabilities and their reclassification between current and non-current liabilities.

The Group will apply the amended standards as of 1 January 2023. As on the date of drafting these financial statements.

- Amendments to IFRS 3, IAS 16, IAS 37 and annual improvements to standards 2018-2020

The amendments to these standards were published on 14 May 2020 and apply to annual periods beginning on or after 1 January 2022. The changes include introduction of a prohibition to reduce the cost of fixed assets by revenues from the sale of test products generated in the process of creating/commissioning a fixed asset.

The Group will apply the amended standards as of 1 January 2022. On the date of drafting of these financial statements, it is not possible to reliably estimate the impact of application of the amended standards.

- Amendments to IAS 1 - *Disclosure of Accounting Policies* and IAS 8 - *Definition of Accounting Estimates*

Amendments to these standards were published on 12 February 2021 and apply to annual periods beginning on or after 1 January 2023. The purpose of these amendments is to place greater importance on the disclosure of



significant accounting policies and to clarify the nature of differences between changes in accounting estimates and changes in accounting policies.

The Group will apply the amended standards as of 1 January 2023. On the date of drafting of these financial statements, it is not possible to reliably estimate the impact of application of the amended standards.

- Amendment to IFRS 16 *Leases - COVID-19-related rent concessions granted after 30 June 2021*.

The amendment to IFRS 16 was published on 31 March 2021 and applies to annual periods beginning on or after 1 April 2021. The purpose of the amendment to IFRS 16 is solely to extend by one year (to 30 June 2022) the period during which COVID-19-related rent concessions require no amendments to lease agreements. This amendment is closely associated with the already effective amendment to IFRS 16 published in May 2020.

The Group will apply the amendment to IFRS 16 as of the date determined by the European Commission in the legal act allowing for its application by EU countries. On the date of drafting of these financial statements, it is not possible to reliably estimate the impact of application of the amended standard.

- Amendment to IAS 12 *Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction*

The amendment to IAS 12 was published on 7 May 2021 and applies to annual periods beginning on or after 1 April 2023. The amendments clarify that the exemption regarding initial recognition of deferred tax does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise at the time of initial recognition and entities are required to recognise deferred tax on such transactions, thereby clarifying the doubt as to whether the exemption applies to transactions such as leases and liabilities due to decommissioning.

The Group will apply the amended standard as of 1 January 2023. On the date of drafting of these financial statements, it is not possible to reliably estimate the impact of application of the amended standard.

IFRS, as approved by the EU, do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following standards, interpretations and amendments to these standards and interpretations, that were not yet effective in EU states as at the date of publication of these financial statements:

- IFRS 17 *Insurance Contracts*, published on 18 May 2017, except for the amendments of 25 June 2020, which are effective in the EU as of 1 January 2021,
- Amendment to IAS 1 *Presentation of Financial Statements: Classification of liabilities as short-term and long-term* published on 23 January 2020, as amended on 15 July 2020,
- Amendments to IAS 1 - *Disclosure of Accounting Policies* and IAS 8 - *Definition of Accounting Estimates* published on 12 February 2021.
- Amendment to IFRS 16 *Leases - COVID-19-related rent concessions granted after 30 June 2021* published on 31 March 2021,
- Amendment to IAS 12 *Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction* published on 7 May 2021.

During the period covered by this report the presentation of FŁT Capital Group assets being sold was changed to assets held for sale

Companies of FŁT Capital Group include:

FŁT Polska sp. z o.o., Polska; FLT Wälzlager GmbH, Niemcy; FLT & Metals s.r.l., Włochy; FLT France SAS, Francja; FLT (Wuxi) Trading Co. Ltd., Chiny; FLT Bearings Ltd., Wielka Brytania; FLT USA L.L.C

In these consolidated financial statements, the shares of FŁT Polska Sp. z o.o. together with its subsidiaries, sold on October 29, 2021 under a sale agreement between Boryszew S.A. and the purchaser are presented as:

Assets held for sale in the amount of	188 370
Liabilities associated with assets held for sale	93 461

Revenues and costs as well as cash flows from FŁT Capital Group operations for the period of 9 months of the current year were recognised in the consolidated profit and loss account, cash flow statement and results by business segments according to the existing principles.



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Change in the classification of assets and liabilities of FŁT Capital Group to assets and liabilities held for sale

ASSETS

As at 30.09.2021

Non-current assets

Non-current assets	(332)
Intangible assets	(628)
Right-of-use assets	(9 391)
Long-term receivables	(5 981)
Deferred tax assets	(2 442)
Total excluded fixed assets	(18 774)

Current assets

Inventory	(58 620)
Trade receivables and other receivables	(78 673)
Short-term financial assets	(10 000)
Other assets	(645)
Cash and cash equivalents	(21 658)
Total excluded current assets	(169 596)
Assets classified as held for sale	188 370

LIABILITIES

As at 30.09.2021

Liabilities and long-term provisions

Lease liabilities	(6 213)
Deferred tax provision	(403)
Employee benefit provisions	(1 927)
Total excluded long-term liabilities and provisions	(8 543)

Short-term liabilities

Bank credits, loans, bonds	(15 153)
Lease liabilities	(667)
Trade payables and other liabilities	(63 942)
Derivative financial instruments	(37)
Current tax liabilities	(1 221)
Employee benefit provisions	(3 227)
Other provisions	(671)
Total excluded short-term liabilities and provisions	(84 918)

Liabilities directly associated with assets classified as held for sale from the operations of FŁT Group

93 461



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THE FOLLOWING COMPANIES WERE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021:

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
<i>Head Offices</i>	Warsaw			Other
<i>Elana Branch</i>	Toruń			Chemical products
<i>Boryszew Energy Branch</i>	Toruń			Other
<i>Maflow Branch</i>	Tychy			Automotive
<i>Boryszew ERG Branch</i>	Sochaczew			Chemical products
<i>Nylonbor Branch</i>	Sochaczew			Chemical products
<i>NPA Skawina Branch</i>	Skawina			Metals
Elimer Sp. z o.o.	Sochaczew	52.44	Boryszew S.A.	Chemical products
Nylonbor Sp. z o.o.	Sochaczew	100.00	Boryszew S.A.	Other
Elana Energetyka Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Other
SPV Boryszew 5 Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
SPV Boryszew 6 Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
SPV Boryszew 8 Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
SPV Boryszew 9 Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
SPV Boryszew 10 Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
Maflow Polska Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Automotive
Maflow BRS s.r.l	Italy	100.00	Boryszew S.A.	Automotive
Maflow Spain Automotive S.L.U	Spain	100.00	Boryszew S.A.	Automotive
Maflow France Automotive S.A.	France	100.00	Boryszew S.A.	Automotive
Maflow do Brasil Ltda	Brazil	100.00	Maflow Polska Sp. z o.o. (21%), Boryszew S.A. (79%)	Automotive
Maflow Components Co. Ltd.	China	100.00	Maflow Polska Sp. z o.o.	Automotive
Maflow India Private Limited	India	100.00	Boryszew S.A.	Automotive
MAFMEX S.DE R.L.DE C. V	Mexico	100.00	Maflow Spain Automotive S.L.U (3.34%). Maflow Polska Sp. z o.o. (96.66%)	Automotive
Boryszew Automotive Mexico S.DE R.L.DE C.V	Mexico	100.00	Maflow Spain Automotive S.L.U (90,00%), Maflow Polska Sp. z o.o. (10.00%)	Automotive
Boryszew Automotive Plastics Sp. z o.o.	Tychy	100.00	Maflow Polska Spółka z o.o.	Automotive
Boryszew Components Poland Sp. z o.o.	Warsaw	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew HR Service Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Automotive
Boryszew Commodities Sp. z o.o.	Warsaw	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
ICOS GmbH	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Theysohn Kunststoff GmbH	Germany	100.00	ICOS GmbH	Automotive
Theysohn Formenbau GmbH	Germany	100.00	ICOS GmbH	Automotive
Boryszew Formenbau Deutschland GmbH	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Kunststofftechnik Deutschland GmbH	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Oberflächentechnik GmbH	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive



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Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
Boryszew Deutschland GmbH	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
AKT Plastikarska Technologie	The Czech Republic	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Plastic RUS Sp. z o.o.	Russia	100.00	Boryszew S.A., Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Tensho Poland Sp. z o.o.	Ostaszewo	93.68	Boryszew S.A.	Automotive
Impexmetal Holding Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
Hutmen Sp. z o.o. in liquidation	Wrocław	100.00	Boryszew S.A, Impex - invest Sp. z o.o., SPV Impexmetal Sp. z o.o.	Metals
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	100.00	Hutmen Sp. o.o. in liquidation Boryszew S.A.	Metals
Huta Metali Nieżelaznych Szopienice S.A. – in liquidation	Katowice	61.77	Polski Cynk Sp. z o.o.	discontinued operations
ZM SILESIA S.A.	Katowice	100.00	Boryszew S.A.	Metals
Baterpol S.A.	Katowice	100.00	Polski Cynk Sp. z o.o.	Metals
Alchemia S.A.	Warsaw	100.00	Eastside Bis Sp. z o.o., Boryszew S.A., Alchemia S.A. (own shares)	Metals
Huta Bankowa Sp. z o.o.	Dąbrowa Górnicza	100.00	Alchemia S.A.	Metals
Laboratoria Badań Batory	Chorzów	100.00	Alchemia S.A.	Metals
Polski Cynk Sp. z o.o.	Katowice	100.00	Boryszew S.A.	Metals
FŁT Polska Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Metals
Metalix Ltd w likwidacji	Great Britain	100.00	Boryszew S.A.	Metals
FLT USA L.L.C	the US	100.00	FŁT Polska Sp. z o.o.	Metals
FLT Bearings Ltd.	Great Britain	100.00	FLT France SAS	Metals
FLT France SAS	France	100.00	FŁT Polska Sp. z o.o.	Metals
FLT Wälzlager GmbH	Germany	100.00	FŁT Polska Sp. z o.o.	Metals
FLT & Metals s.r.l.	Italy	100.00	FŁT Polska Sp. z o.o.	Metals
FLT (Wuxi) Trading Co. Ltd.	China	100.00	FŁT Polska Sp. z o.o.	Metals
SPV Lakme Investment Sp. z o.o.	Warsaw	100.00	SPV Impexmetal Sp. z o.o.	Other
Impex – Invest Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
Eastside Capital Investments Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
Symonvit Ltd w likwidacji	Cyprus	100.00	Boryszew S.A.	Metals
Baterpol Recycler Sp. z o.o.	Wrocław	100.00	Polski Cynk Sp. z o.o.	Metals
SPV Impexmetal Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Metals
Metal Zinc Sp. z o.o.	Katowice	100.00	ZM Silesia S.A.	Metals
Eastside BIS Sp. z o.o.	Warsaw	100.00	Eastside Capital Investments Sp. z o.o.	Other
Zakład Utylizacji Odpadów Sp. z o.o.,	Konin	59.97	Boryszew S.A.	Metals
RAPZ Sp. z o.o.	Dąbrowa Górnicza	42.67	Huta Bankowa Sp. z o.o.	Metals



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COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Seat	share of the parent in share capital (%)	share in voting rights (%)	Core activity
Elana Ukraina Sp. z o.o.	Ukraine	90	90	dormant company
Brasco Inc	the US	100	100	dormant company
Hutnik Sp. z o.o. – in liquidation,	Konin	94	94	dormant company

Associated companies

Company name	Seat	share of the parent in share capital (%)	shareholder	Core activity
Brick factory Wostoczna - Sp. z o.o.	Belarus	30.00	Boryszew S.A.	trade, production of secondary raw materials

Apart from the subsidiaries mentioned above, the Issuer holds a block of shares in Gränges AB accounting for 1.7% of the company's share capital; the value of the shares at the market price as at 30.09.2021 is PLN 86 376 thousand.

Apart from the above-mentioned subsidiaries, the Issuer holds no other significant capital investments.

Changes in the Group structure

Sale of shares in Elana - PET Spółka z o.o., impact on consolidated statement for 3Q '2021.

On 30 August 2021 Boryszew S.A. concluded an agreement with LERG S.A. based in Pustków - Osiedle on sale of 19.364 shares of the nominal value of PLN 500 each, accounting for 100% of the share capital in Elana PET Sp. z o.o. based in Toruń ("Elana PET") for the price of PLN 30.8 million. The transfer of ownership of shares and payment of the price took place on the date of conclusion of the sale agreement.

Assets and liabilities of Elana Pet Sp. z o.o. excluded from consolidation on the date of losing control

ASSETS

Total excluded fixed assets	(10 525)
Total excluded current assets	(17 799)
Total excluded assets	(28 324)

LIABILITIES

Total excluded long-term liabilities and provisions	(2 892)
Total excluded short-term liabilities and provisions	(7 133)
Total excluded liabilities	(10 025)

Assets less liabilities excluded from consolidation	(18 299)
Sale price of Elana - PET Spółka z o.o. shares	30 773
Profit recognised in 3Q 2021 on disposal of Elana PET shares	12 474



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(amounts expressed in PLN '000 unless specified otherwise)

3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q1 '2021 INCLUDING FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT

ACHIEVED PROFIT/LOSS

A. OVERALL MACROECONOMIC SITUATION

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

Structure of revenues by segments					Geographical structure of revenues				
	3Q2021		3Q2020			3Q2021		3Q2020	
Chemical products	208 522	4.5%	152 551	3.6%	Poland	1 552 568	33.3%	1 451 008	34.4%
Automotive	1 226 863	26.3%	1 138 435	27.0%	Germany	634 568	13.6%	727 170	17.3%
Metals	3 115 901	66.9%	2 885 615	68.5%	Other EU countries	2 191 413	47.1%	1 814 106	43.1%
Other *	105 294	2.3%	35 347	0.8%	Other	278 031	6.0%	219 664	5.2%
TOTAL	4 656 580	100%	4 211 948	100.0%	TOTAL	4 656 580	100%	4 211 948	100.0%

* this item also includes consolidation exclusions between segments

Key determinants:

Market sentiment - PMI and GDP:

Since more than 94% of revenues at Boryszew Capital Group is generated in Europe, then the overall economic situation within the European Union (including in Germany) is critical for Group's performance.

The average values of the PMI index, which determines the level of activity in industry of the most important economies for the Capital Group (the Euro zone, Poland and Germany) were at a level higher than in the same period of the previous year.

PMI	Sep. 2021	Sep. 2020
EU	58.6	53.7
Poland	53.4	50.8
Germany	58.5	58.0

In Poland PMI was at a level higher than in the corresponding period of the previous year and above of 50, indicating a strong rebound in the manufacturing sector. However, in September the expansion in Polish industry was limited by severe shortages of raw materials and rising means of production prices that had an impact on economies around the world in recent months. Long lead times for material supplies and shortages of raw materials on the markets significantly limited the production capacity of Polish manufacturers in September.

Forecast of GDP growth for Poland	2021	2022
NBP	5.3%	4.9%
World Bank	4.5%	4.7%
European Commission	4.9%	5.2%

In its September forecast, the European Commission expects Poland's GDP to grow by 4.9% in 2021 (vs. 4.8% growth in the July 2021 forecast). The expected GDP growth in 2022 is 5.2%, which is above the EU average. The increase in the forecast index is due to the recovery of the economy in the first half of 2021.

The World Bank's forecasts are less optimistic. The expected GDP growth for Poland is 4.5% in 2021 and 4.7% in 2022.

The NBP expects 2021 growth to be 5.3% and growth of 4.9% in 2022. GDP growth in 2021 is more optimistic compared to the earlier forecast. According to the NBP report, the increase in GDP growth estimates for the current year is a result of faster-than-expected rebound in economic activity in Poland and abroad in Q2 '2021.



Market sentiments - Sales of cars:

Another important parameter with an impact on the dynamics and results of the Group is the sale of cars (the Automotive segment accounts for over 26% of Group's turnover).

According to ACEA, after 3 quarters of 2021 the passenger car market in Europe increased by 6.9% year-on-year. However, a decline in Q3 '2021 can be noticed due to the shortage of semiconductors. New car registrations in Q3 '2021 were down 26% (compared to Q2 '2021).

The main customer of the Automotive Segment, Volkswagen Group, recorded a 8.8% increase in car sales in the European market after 9 months of 2021 (compared to the same period last year). However, Volkswagen Group reported a Q3 '2021 to Q2 '2021 decline of 27%.

Market sentiment - Prices of basic raw materials:

Since nearly 67% of Boryszew Capital Group's sales is in the metals industry segment, Group's performance is exposed to fluctuations in average prices of metals quoted on the London Metal Exchange (LME). The hedge policy for metal price and exchange rates, followed by the Group, has a significant effect on risk reduction. However, the level of income and working capital still remain sensitive to the volatility of these parameters.

In the discussed period, average prices of all four basic metals (in USD) increased significantly: copper (by 57%), zinc (by 41%), lead (by 20%) and aluminium (by 46%).

Also metal prices expressed in PLN increased yoy by 52% (copper), 36% (zinc), 16% (lead) and 41% (aluminium) respectively, which was due to changes in the USD to PLN exchange rate.

Metal scrap (including battery scrap), which is a significant raw material for production, is an important raw material for the Group.

Market sentiments - significant currency pairs

The U.S. dollar has an impact on Group's raw material costs. In the discussed period the dollar weakened against PLN by 3%. This affected the quotations of basic metals expressed in PLN and the profitability of sales on this account.

Sales denominated in Euro account for more than 58% of Group's sales. In reviewed period of 2021 the average EUR listings increased by 3% in relation to PLN.

In three quarters of 2021, the EUR/USD exchange rate stood at 1.20, or some 6% higher than in the corresponding period of the previous year.

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

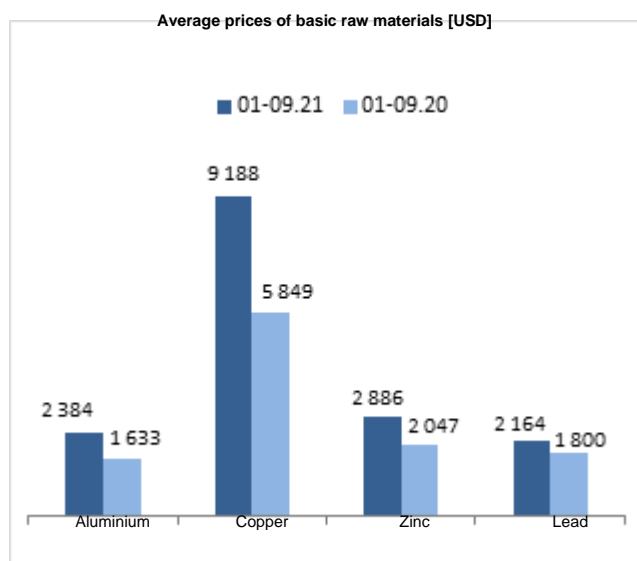
Refer to the chart and table below for detailed information on the trend of the above key parameters after three quarters of 2021 (daily average metal prices and exchange rates):



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	01-09.21	01-09.20	% change
Aluminium [USD]	2 384	1 633	46%
Copper [USD]	9 188	5 849	57%
Zinc [USD]	2 886	2 047	41%
Lead [USD]	2 164	1 800	20%
EUR/PLN	4.55	4.42	3%
USD/PLN	3.80	3.94	-3%
EUR/USD	1.20	1.12	6%

	01-09.21	01-09.20	% change
Aluminium [PLN]	9 071	6 428	41%
Copper [PLN]	34 960	23 027	52%
Zinc [PLN]	10 983	8 058	36%
Lead [PLN]	8 234	7 087	16%

Source: Daily listings of LME, NBP

Revenues from sales / Demand for Group's products

The revenues of Boryszew Capital Group after three quarters of 2021 amounted to PLN 4 656.6 million, which was an increase of 10.6% against its revenues for the same period last year.

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

in PLN million	3Q 2021	3Q 2020	difference
Revenues from sale, including:	4 656.6	4 211.9	444.6
Automotive Segment	1 226.9	1 138.4	88.4
Metals Segment	3 115.9	2 885.6	230.3
Chemicals segment	208.5	152.6	56.0
Other	105.3	35.3	69.9
in thousand tonnes	3Q 2021	3Q 2020	difference
Volume of sales, including:	381.9	388.9	-7.0
Metals Segment	346.7	360.9	-14.1
Chemicals segment	35.2	28.1	7.1

The decline in the volumes of the Metals segment was mainly due to the absence of Impexmetal S.A., which was sold in the fourth quarter of 2020. Y/y revenues are up and this is mainly due to rising metal prices.

Eliminating the effect of the aforementioned Company, both revenues and volumes would be higher than in the corresponding period of the previous year. Most segment companies achieved higher sales volumes compared to three quarters of 2020.

The increase in revenues in the Automotive Segment was due to an increase in sales of parts, which followed the gradual improvement of the situation in the automotive market. According to ACEA, the number of newly registered cars increased by around 6.9% y/y.



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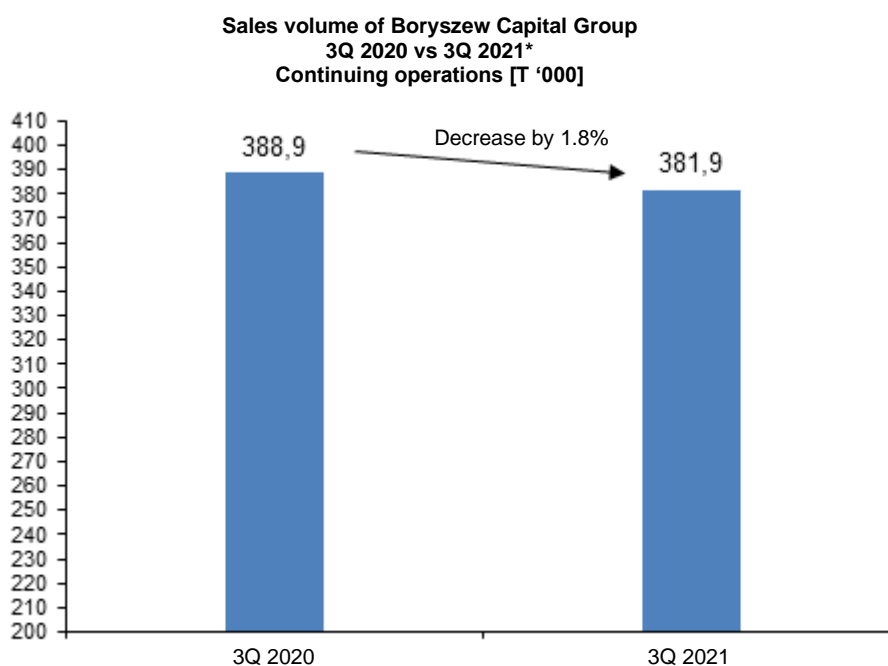
(amounts expressed in PLN '000 unless specified otherwise)

The Chemicals segment reported higher revenue compared to the same period in the prior year with higher sales volumes. This is a result of lower production experienced by the Companies in the first 3 quarters of 2020 due to the COVID-19 pandemic.

The increase in volumes in the Chemicals Segment was recorded in most of the Companies and amounted to 18.8% (5.3 thousand tonnes).

The increase of sales revenues in companies not allocated to any of the segments is mainly due to the launch of sales of electricity to end customers by Boryszew S.A. Energy branch at the end of 2020.

The comparison of the total sales volumes of the Capital Group in the discussed periods is presented in the following charts:



- following the sale of Impexmetal S.A. in Q4 '2020, the sales volumes of Impexmetal S.A. for 2021 are not included. In terms of comparable data, after eliminating the sales volumes of Impexmetal S.A. for the same period of the previous year, the Group achieved a higher sales volume in three quarters of 2021 by 59.7 thousand tonnes (or 18.5%).

B. ACHIEVED FINANCIAL RESULTS

Separate figures

The graph below compiles components of the profit and loss account of Boryszew S.A. after 3 quarters of 2021.

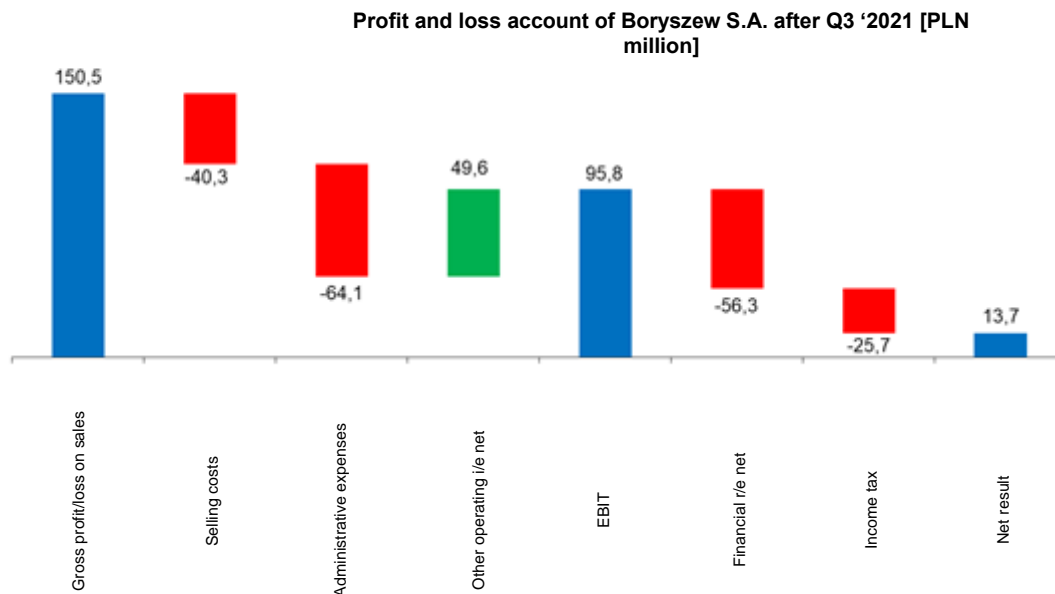
The gross result on sales after three quarters of 2021 amounted to PLN 150.5 million and was higher by PLN 45.9 million when compared to the result in the corresponding period of the previous year. The increase in gross profit is a consequence of improved results in the most significant operating Segments.



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Average gross margin on sales decreased from 12.9% at the end of Q3 '2020 to 11.6% today.

Costs of sales were higher by PLN 16.1 million or 66.3% as compared to the corresponding period of the previous year, mainly due to sales revenues higher by PLN 485 million.

General and administrative expenses were by PLN 14.2 million or 28.5% higher against the same period of previous year.

The balance of operating income/expenses amounted to PLN 49.6 million, higher by PLN 25.1 million against the same period of 2020, mainly coming from dividends received.

Consolidates figures:

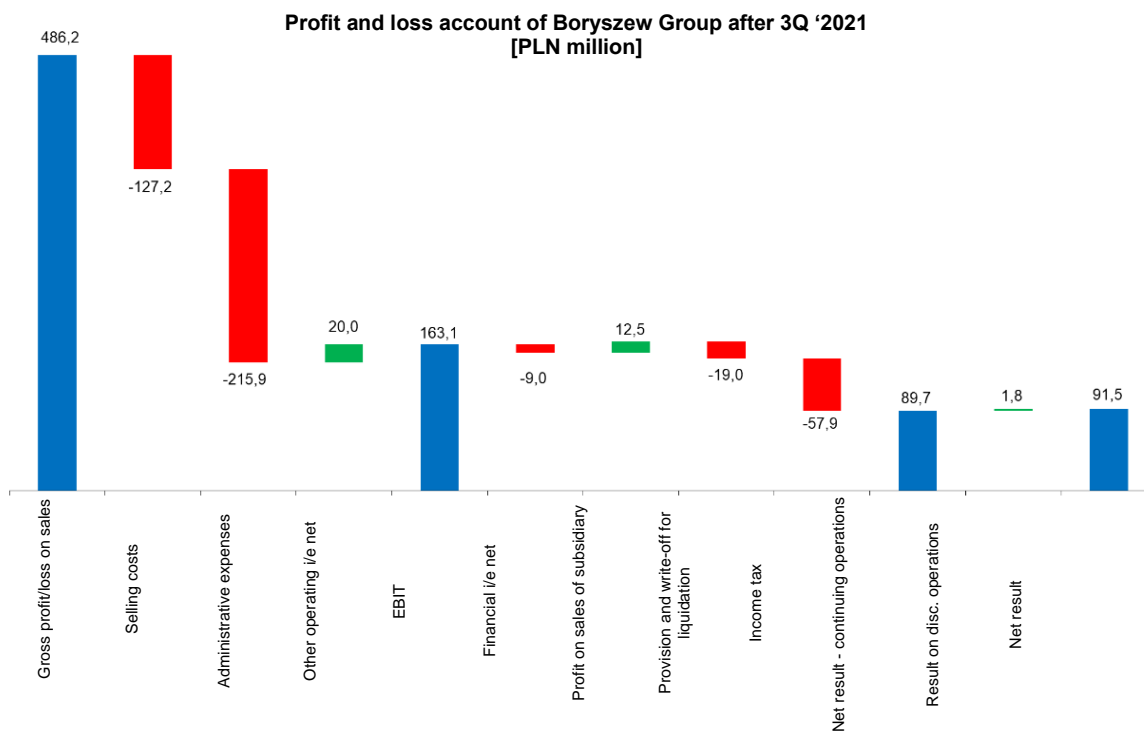
The graph below compiles components of the profit and loss account after 3 quarters of 2021.



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The gross result on sales after three quarters of 2021 amounted to PLN 486.2 million and was higher by PLN 93.5 million when compared to the result in the corresponding period of the previous year. The increase in gross profit is a consequence of improved results in most of the Group's Segments.

Average gross margin on sales increased from 9.3% after three quarters of 2020 to 10.4% today.

Costs of sales were higher by PLN 14.5 million, or by 12.9% against the same period of the previous year.

General and administrative expenses were by PLN 4.4 million or 2.0% higher against the same period of previous year.

The balance of operating income/expenses amounted to PLN 20.0 million, higher by PLN 115.5 million against the same period of 2020, mainly as a result of a lower amount of recognised provisions.

Net financial income/expenses amounted to PLN 8.9 million negative and was higher by PLN 38.5 million against the corresponding period of the previous year, coming from lower interest paid on loans.



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OPERATING RESULTS BY SEGMENTS

Separate figures

After three quarters of 2021 EBITDA on continuing operations of Boryszew S.A. amounted to PLN 129.9 million compared to PLN 87.7 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

in PLN million	Q3 2021	Q3 2020	difference
EBITDA, including:	129.9	87.7	42.1
Automotive Segment	55.5	47.3	8.2
Metals Segment	16.3	16.6	-0.4
Chemicals segment	15.0	17.4	-2.4
Other	43.1	6.4	36.7

The increase in profit was mainly due to higher results in the Automotive and Other segments.

Improved performance of the Automotive Segment came from the improvement in the automotive market. Importantly, the outbreak of the COVID-19 pandemic in March 2020 has hit the automotive sector parts suppliers hard.

In the case of the Metals Segment, the decrease in results is insignificant.

The decrease in Chemistry Segment results was caused by lower sales of ERG Clean Skin disinfectant in 2021.

The improvement in performance in the non-segmented units (Other) came higher dividend income compared to the same period in 2020.

Consolidates figures:

After three quarters of 2021 EBITDA on continuing operations amounted to PLN 290.4 million compared to PLN 117.5 million in the corresponding period of the previous year. Importantly, EBITDA increased despite the absence of the impact of Impexmetal S.A. following its sale in Q4 2020. In relevant operating segments, the EBITDA result was as follows:

in PLN million	3Q 2021	3Q 2020	difference
EBITDA, including:	290.4	117.5	172.9
Automotive Segment	55.1	33.0	22.2
Metals Segment	209.8	65.3	144.5
Chemicals segment	16.8	18.3	-1.4
Other *	8.7	1.0	7.7

* others include consolidation adjustments



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1. Metals Segment

Most of the Segment's entities achieved a higher EBITDA than last year indicating an improvement in the market after the previous year dominated by the COVID-19 pandemic which resulted in an uncertain economic environment.

2. Automotive Segment

Higher EBITDA in the Automotive Segment is mainly due to the already mentioned improvement in the automotive market. Importantly, the outbreak of the COVID-19 pandemic in March 2020 has hit the AUTOMOTIVE sector parts suppliers hard. Temporary shutdowns at the main clients' of Maflow Group and BAP Group caused the deterioration of financial situation of the Companies in 2020.

3. Chemical products segment

Lower sales of ERG Clean Skin disinfectant in 2021 caused the decline in Segment EBITDA.

4. Other

Results of companies in the Other segment are higher than in the previous year due to the impact of a non-recurring event - revaluation to fair value of an investment property

NET PROFIT/LOSS

Separate figures

The net result of Boryszew S.A. after first three quarters of 2021 amounts to PLN 13.7 million and is lower against the same period of the previous year by PLN 34.5 million, resulting mainly from creation of the write-off on the granted loans.

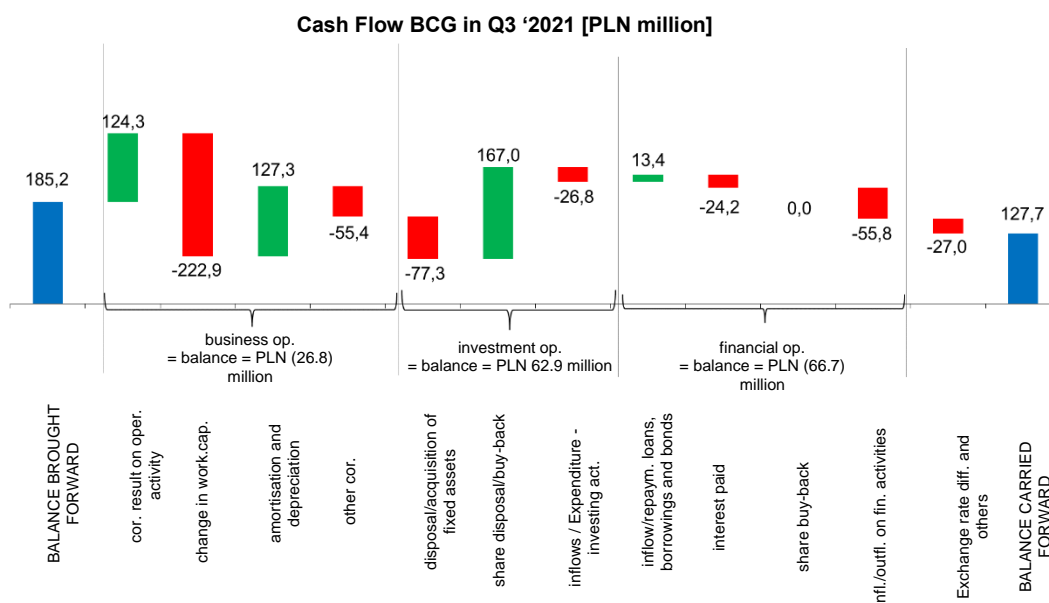
Consolidates figures:

Net result on continuing operations amounted to PLN 89.7 million and was higher by PLN 203.2 million than the result after three quarters of the previous year.

The total net result including continuing and discontinued operations amounted to PLN 91.5 million and was higher than the result after 9 months of the previous year by PLN 206.1 million. The net result attributable to the shareholders of the parent company amounted to PLN 84.7 million and was PLN 199.8 million higher than last year.

C. CASH FLOW

Cash flows after 3 quarters of 2021 are presented in the chart below:





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After the first nine months of 2021 Boryszew Capital Group generated negative cash flows from operating activities mainly due to increase in working capital as a result of increase in prices of main metals.

The positive balance of cash flows from investing activities resulted mainly from the sale of shares Granges in EW Rywald.

At the end of Q3 '2021, the Boryszew Capital Group's net debt amounted to PLN 883.7 million and was higher by PLN 11.6 million compared to the end of 2020.

The net debt/EBITDA ratio (excluding non-recurring events) was 2.4x after three quarters of 2021, down from December 2020.

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

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

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

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

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

The peak in sales of these products for the construction sector is recorded the second and third quarter, which is predominantly influenced by weather conditions, suitable for construction works, as well as the economic situation in the construction industry. Other products of this segment are not exposed to seasonality.

In the segment of Chemical products seasonality affects a certain range of products manufactured by Boryszew ERG, Branch of Boryszew S.A. in Sochaczew. This range includes cooling fluids for the automotive segment (with peak sales in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak sales in the fourth and first quarter).

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

Furthermore, in the fourth quarter of the year, due to the December Christmas holiday period and planned shutdowns by customers, lower sales are observed each year.

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

Boryszew Capital Group operates in the area of four industry segments.

OPERATING SEGMENTS

Automotive	Boryszew S.A. Oddział Maflow w Tychach, Maflow Spain Automotive S.L.U., Maflow France Automotive S.A.S., Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Maflow Automotive Mexico S.de. RI. De.C, MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., Theysohn Kunststoff GmbH, Theysohn Formenbau GmbH, Boryszew Kunststofftechnik Deutschland GmbH, AKT Plastikarska Technologie Cechy spol. s.r.o., Boryszew Formenbau Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, Boryszew Plastik Rus, Boryszew Tensho Poland Sp. z o.o., ICOS GmbH, Boryszew Deutschland GmbH, Boryszew Commodities Sp. z o.o., Boryszew HR Service Sp. z o.o., Boryszew Components Poland Sp. z o.o.
Metals	Impexmetal S.A., Impexmetal Holding Spółka z o.o., Hutmen S.A. in liquidation, WM Dziedzice S.A., ZM SILESIA S.A., Baterpol S.A., Polski Cynk Sp. z o.o., Boryszew S.A branch NPA Skawina, Baterpol Recycler Sp. z o.o., Metal Zinc Sp. z o.o., Alchemia S.A., 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 France S.A.S., FLT & Metals s.r.l., FLT Wälzlager GmbH, FLT (Wuxi) Trading Co. Ltd., Metalix Ltd. in liquidation; FLT USA L.L.C., Symonvit Ltd. in liquidation, Zakład Utylizacji Odpadów Sp. z o.o., RAPZ Sp. z o.o.



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Chemical products Boryszew S.A. Elana Branch, Boryszew S.A. Boryszew ERG Branch, Boryszew S.A. Nylonbor Branch, Nylonbor Sp. z o.o., Elimer Sp. z o.o.

and companies not attributed to any of the main Segments

Other Boryszew S.A. - HQ, Boryszew S.A. Energy Branch, Eastside - Bis Sp. z o.o., Huta Metali Nieżelaznych Szopienice S.A. in liquidation, 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 5 Sp. z o.o., SPV Boryszew 6 Sp. z o.o., SPV Boryszew 8 Sp. z o.o., SPV Boryszew 9 Sp. z o.o., SPV Boryszew 10 Sp. z o.o.

REVENUES FROM SALE BY DESTINATION MARKET

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Continuing operations		
Domestic sales	1 552 568	1 451 008
Sales to EU member states *)	2 619 004	2 333 424
Sales to other European countries	206 977	207 852
Export outside Europe	278 031	219 664
Total (revenues from continuing operations)	4 656 580	4 211 948

*) United Kingdom was counted among the other European countries

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES:

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Germany	38%	40%
The Czech Republic	16%	17%
Italy	10%	8%
Spain	5%	5%
France	5%	5%



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REVENUES AND RESULTS BY OPERATING SEGMENTS IN Q3 OF 2021 (data regarding continuing operations)

	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Continuing operations 01.01.2021 - 30.09.2021							
Revenues from sales	208 522	1 226 863	3 115 901	275 835	4 827 121	(170 541)	4 656 580
Segment costs of sales	174 405	1 085 603	2 820 302	255 242	4 335 552	(165 213)	4 170 339
Result on sales within segment	34 117	141 260	295 599	20 593	491 569	(5 328)	486 241
General, administrative and sales expenses	24 982	152 908	147 635	23 953	349 478	(6 383)	343 095
Other operating profit/loss	2 696	(2 715)	12 355	10 825	23 161	(3 196)	19 965
Segment profit/loss	11 831	(14 363)	160 319	7 465	165 252	(2 141)	163 111
Amortisation and depreciation	4 979	69 497	49 445	4 042	127 963	(678)	127 285
EBITDA *)	16 810	55 134	209 764	11 507	293 215	(2 819)	290 396
Segment assets	276 452	1 437 505	2 872 868	2 555 301	7 142 126	(2 966 040)	4 176 086
Segment liabilities	131 049	1 897 497	1 303 039	623 401	3 954 986	(1 444 481)	2 510 505

	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Continuing operations 01.01.2020 - 30.09.2020							
Revenues from sales	152 551	1 138 435	2 885 615	108 471	4 285 072	(73 124)	4 211 948
Segment costs of sales	118 346	1 035 121	2 634 323	93 266	3 881 056	(61 811)	3 819 245
Result on sales within segment	34 205	103 314	251 292	15 205	404 016	(11 313)	392 703
General, administrative and sales expenses	24 273	143 631	163 102	12 431	343 437	(10 473)	332 964
Other operating profit/loss	3 019	5 557	(99 412)	(321)	(91 157)	(4 409)	(95 566)
Segment profit/loss	12 951	(34 760)	(11 222)	2 453	(30 578)	(5 249)	(35 827)
Amortisation and depreciation	5 300	67 717	76 517	4 266	153 800	(515)	153 285
EBITDA *)	18 251	32 957	65 295	6 719	123 222	(5 764)	117 458
Segment assets	258 578	1 399 452	3 717 342	1 532 747	6 908 119	(3 091 992)	3 816 127
Segment liabilities	115 301	1 843 994	1 206 038	676 078	3 841 411	(1 137 277)	2 704 134

*) EBITDA = operating profit/loss plus depreciation and amortisation



6. DIVIDEND PAID OR DECLARED IN THE PERIOD FROM THE BEGINNING OF THE YEAR

On 24 June 2021, the Ordinary General Meeting of Shareholders of Boryszew S.A., by Resolution No. 23, decided that the net profit of the Company for 2020 of PLN 1 176 737 thousand be allocated:

- to cover the 2019 loss in the amount of PLN 173 789 thousand,
- to reserve capital as retained earnings in the amount of PLN 1 002 948 thousand.

Boryszew S.A. declared no dividend payment in 2021.

7. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES

DEBT SECURITIES

During the 9 months of 2021 and until the date of publication of this report, the Group issued no equity securities.

ISSUES OF BONDS

During the 9 months of 2021 and until the date of publication of this report, the Group issued no debt securities.

REDEMPTION OF BONDS ISSUED BY BORYSZEW S.A.

Since 1 January 2021, the Company has redeemed 36 registered bonds with a total nominal value of PLN 36 million:

- 2 registered bonds, A2 series with nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 2 000 000.00 subscribed for by SPV Lakme Investment Sp. z o.o. on 16 October 2018,
- 1 registered bonds, A32 series, with a nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 1 000 000.00, subscribed for by Eastside Capital Investments Sp. z o.o. on 17 December 2018
- 15 registered bonds, A28 series, with nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 15 000 000.00, subscribed for by Hutmen Sp. z o.o. in liquidation on 29 October 2018 (formerly: Hutmen SA.),
- 6 registered bonds, A34 series, with nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 6 000 000.00, subscribed for by Hutmen Sp. z o.o. in liquidation on 31 December 2018,
- 12 registered bonds, A18 series, with nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 12 000 000.00, subscribed for by Zakład Utylizacji Odpadów Sp. z o.o. on 1 September 2018,

On the day of report publication, Boryszew liabilities due to bonds amount to PLN 28 million.

CHANGE OF MATURITY OF BONDS ISSUED BY BORYSZEW S.A.

On 31 May 2021 Boryszew S.A. concluded the agreement with Hutmen Sp. z o.o. in liquidation on extending until 31 March 2022 the redemption date of Boryszew S.A. bonds in total nominal amount of PLN 28 000 000.

EQUITY SECURITIES

During the 9 months of 2021 and until the date of publication of this report, the Group issued no equity securities.

CAPITAL INVESTMENTS

The list of shares held is presented in point 2 of the report.

Apart from the investments in point 2, the Issuer holds no other significant capital investments.

LOANS GRANTED

Information on loans granted by other entities of the Capital Group is presented in point 21 of the report.



REAL PROPERTY

During the 9 months of 2021 and until the date of publication of this report, the Company acquired no significant properties.

Events after the balance sheet date

REAL PROPERTY

On 6 November 2021 Boryszew S.A. sold the real estate located in Sochaczew, surface area of app. 10 ha for the net price of app. PLN 7.7 million net.

Boryszew Capital Group holds no other significant investments in securities, financial instruments, intangible assets or real estate outside Boryszew Capital Group.

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

During the period under review, the Group's performance was not affected by the COVID-19 pandemic. The Group saw an increase in demand for its products.

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

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

- global economic situation, especially in the key sectors (automotive and construction) as well as in the main sales markets (the European Union, including Germany).
- the duration and scale of the COVID-19 pandemic,
- supply chain disruptions, in particular - semiconductor shortages,
- increase in sea freight costs,
- changing consumer sentiment,
- monetary policy of the National Bank of Poland, which has an impact on inflation and rules of granting financing by the banking sector,
- demand for new cars, especially for products of the VW Group, which is the most important customer of the Automotive Segment of Boryszew Capital Group,
- the level of metal quotations and currencies determining the amount of working capital and effectiveness of export and domestic sales.
- an increase in demand following reduced availability of raw materials, especially metals,
- the cost of raw materials, including in particular scrap and ore prices
- prices of crude oil and, as a consequence, prices of organic chemicals derivatives - plastics and components for the production of plastic parts for cars in injection moulding technology,
- the cost of energy carriers (electricity and gas) given significant price hikes, in particular in the energy-intensive metal-processing and chemical industries,
- difficulties in the implementation of investment processes due to extended lead times and significant increases in infrastructure purchase prices.

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

- the effect of obtaining new contracts in the Automotive Segment,
- the effect of optimisation of manufacturing processes in all market segments,
- increase in the efficiency of the Automotive Segment operations as a result of BAP Group restructuring,
- availability of employees on the labour market, especially in the Silesian agglomeration.
- the process of reviewing strategic options for selected groups of assets.

In case Maflow Group and Boryszew Automotive Plastics Group (BAP), the external factor that considerably influences their activity, development, future results and financial situation is the general situation on the automotive market including prices of raw materials used in the production process as well as situation and strategy of different customers, in particular the possibility to maintain the continuity of production of key Customers in this branch.



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The worldwide crisis in semiconductor supply, in the first six months of 2021 caused a persistent bottleneck in supply chains. Both leading automotive companies and their suppliers had to face the challenge of planning their operations over at most two weeks ahead during the pandemic. Importantly, the supply chains of raw materials and semi-finished products in the automotive industry, where the Group operates, are not that flexible and, as a rule, lead times are between 12 and 15 weeks. Volatility of delivery plans and long periods of deliveries had an impact on an increase in inventories and, consequently, use of cash at suppliers and sub-suppliers of car manufacturers. This is a situation that affects the vast majority of contractors in the automotive supply chain. This factor also has an impact on the automotive segment of Boryszew Group - Maflow and BAP Groups companies.

As a result of the shortage of automotive semiconductors, automotive manufacturers decided to reduce production plans or, in more restrictive cases, to suspend production processes. Given the consequences of the pandemic on the car production industry, the high fixed costs additionally influenced the limited self-financing capacity of BAP Group including, in particular, the working capital and in case of Maflow Group limited the potential to generate satisfactory cash flows from its core activity. The attitude of car manufacturers, which may take individual actions to support specific links in the supply chain, will also be important for the situation of contractors in the automotive supply chain.

Given the deteriorating situation in winning new orders from main customers as well as postponing the significant part of planned orders, which caused major decrease of sales, on 13 October 2021 the Management Boards of indirect subsidiaries of Boryszew S.A. - ICOS GmbH, THEYSOHN Kunststoff GmbH and THEYSOHN Formenbau GmbH ("ICOS Group") - filed for declaration of bankruptcy of these companies with relevant competent courts. According to the proposal, the application seeks insolvency under administration in accordance with German insolvency law.

The Management Board of Boryszew keeps a close look at market trends in the industry and will make decisions concerning the operation on the automotive market also considering the relations with key contractors and their possible engagement in reducing the negative impact of the above mentioned factors for further participants in the supply chain; such decisions will be communicated in relevant reports.

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

Contingent items	As at 30.09.2021	As at 31.12.2020	change
Contingent liabilities	93 083	92 170	(913)
resulting from granted guarantees, sureties and other liabilities	58 821	57 908	(913)
- guarantees and sureties associated with performance of contracts	58 821	57 908	(913)
- guarantees and sureties in favour of financial institutions	-	-	-
contingent liabilities associated with tax risks	34 262	34 262	-
Increases / decreases in the period of 9 months ended on 30.09.2021, including:			(913)
Additions			-
- Increase due to valuation of sureties			-
- Increase in surety amount			-
Reductions			(913)
- Reduction due to valuation of sureties			(913)
- Decrease in the amount of existing sureties due to expiration, reduction			-

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11. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA**Financial assets per balance sheet on 30.09.2021**

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets at fair value through other comprehensive income	Carrying value
Shares and stock	225	78		86 396	86 699
Trade receivables, factoring	723 864	71 654			795 518
Derivative financial instruments		-	4 481		4 481
Loans granted	37 186				37 186
Bonds	33 960				33 960
Other debtors	56 795				56 795
Cash and cash equivalents	127 727				127 727
Total	979 757	71 732	4 481	86 396	1 142 366

Financial assets per balance sheet on 31.12.2020

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets at fair value through other comprehensive income	Carrying value
Shares and stock	210	39 453		152 902	192 565
Trade receivables, factoring	502 251	76 566			578 817
Derivative financial instruments		394	3 856		4 250
Loans granted	23 560				23 560
Bonds	34 579				34 579
Other debtors	42 108				42 108
Cash and cash equivalents	185 211				185 211
Total	787 919	116 413	3 856	152 902	1 061 090

Financial liabilities on 30.09.2021

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	914 397			914 397
Bonds	-			-
Derivative financial instruments			1 915	14 595
Lease liabilities	97 045			97 045
Liabilities to SMA and due to right-of-use assets	103 798			103 798
Trade and other liabilities	685 771			685 771
Total	1 801 011		1 915	1 815 606

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(amounts expressed in PLN '000 unless specified otherwise)

Financial liabilities on 31.12.2020

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	923 831			923 831
Bonds	-			-
Derivative financial instruments		1 626	11 185	12 811
Lease liabilities	133 484			133 484
Liabilities to SMA and due to right-of-use assets	119 282			119 282
Trade and other liabilities	576 149			576 149
Total	1 752 746	1 626	11 185	1 765 557

Fair value of financial assets and liabilities valued at fair value on the on-going basis

	Fair value as at		Hierarchy of fair value
	As at 30.09.2021	As at 31.12.2020	
Financial assets			
Listed shares	86 376	152 882	Level 1
Derivative financial instruments	4 481	4 250	Level 2
Financial obligations			
Derivative financial instruments	14 595	12 811	Level 2

Fair value of financial assets and liabilities of the Group not valued at fair value on the on-going basis (but fair value disclosures are required)

	Fair value as at		Hierarchy of fair value
	As at 30.09.2021	As at 31.12.2020	
Financial assets			
Shares and stock	98	39 473	Level 3
Bonds	33 960	34 579	Level 3
Borrowings	37 186	23 560	Level 3
Trade and other receivables	852 313	620 925	Level 3
Cash and cash equivalents	127 727	185 211	Level 1
Financial obligations			
Borrowings and loans	914 397	923 831	Level 2
Trade and other liabilities	685 771	576 149	Level 3
Lease liabilities	97 045	133 484	Level 2
Liabilities to SMA and due to right-of-use assets	103 798	119 282	Level 2
Liabilities to SMA - investment property	67 664	57 067	Level 2



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	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Impact of write-offs on assets and provisions on profit/loss		
Creation of value impairment write-offs for accounts receivable	(8 169)	(9 612)
Reversal of write-downs on accounts receivable (-)	2 924	2 236
Revaluation write-offs of loan receivables	-	-
Reversal of revaluation write-offs on loans granted	11	-
Impairment write-off on bonds	(59)	(239)
Reversal of impairment write-off on bonds	39	209
Creation of value impairment write-offs for inventories	(5 170)	(2 492)
Value impairment write-offs for inventories	6 549	10 478
Tangible fixed assets impairment write-offs	(15 239)	(12 525)
Reversal of tangible fixed assets impairment write-offs	773	290
Valuation to fair value of investment properties	5 257	(791)
Creation of provisions	(10 342)	(155 879)
Reversal of provisions (-)	2 270	9 718
Total impact on profit/loss	(21 156)	(158 607)

Transactions with affiliated entities

	Associates	Personally related entities
in the period 01.01.2021 - 30.09.2021		
Revenues from sales (of products, services, goods)	479	465
Interest income	-	1 391
Purchase of goods and services	8 957	4 428
Interest expense	-	117
balance on 31.12.2020		
Trade receivables	29	78
Loans granted	-	46 706
Bonds purchased	-	25 631
Other receivables (advances, deposits)	-	360
Trade liabilities	1 056	169



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	Associates	Personally related entities
in the period 01.01.2020 - 30.09.2020		
Revenues from sales (of products, services, goods)	971	2 620
Interest income	-	1 056
Purchase of goods and services	6 594	18 054
Share acquisition	-	-
balance on 31.12.2020		
Trade receivables	76	6 093
Loans granted	-	23 560
Bonds purchased	-	34 479
Other receivables (advances, deposits)	-	6 849
Trade liabilities	-	529
Liabilities arising from loans and borrowings	1 049	2 307

12. ORGANISATION OF THE CAPITAL GROUP

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

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

In Q3 '2021 Boryszew S.A. carries out its activity through the following units:

- Maflow Branch in Tychy – manufacturer of tubes for the automotive industry, including mainly air-conditioning tubes, power steering systems and various rubber components.
- Elana Branch w Toruń - producer of polyester fibre and plastics with wide application. Its key products include staple fibres and silicon spheres.
- Nowoczesne Produkty Aluminiowe Skawina Branch in Skawina– operating in the field of manufacturing of aluminium rolled products (rods), wire and cables, including overhead cables of special aluminium alloys with constructions which eliminate the threat if phenomena of the „black-out”,
- Boryszew ERG Branch in Sochaczew - manufacturer of chemical and construction products. Company's flagship product is “Borygo” coolant and CleanSkin disinfectants;
- Nylonbor Branch in Sochaczew – production of modern engineering polyamides, which are used for manufacture of machinery and equipment as well as battlefield simulators for military applications.
- Boryszew Energy Branch in Toruń - involved in sales of energy utilities (electricity, gas) for the companies of Boryszew Capital Group and external customers.

STRUCTURE OF BORYSZEW GROUP

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

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

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

In the years 2011-2012, the Company continued its development strategy through acquisitions of automotive companies. In July 2011, the Company signed takeover agreements in respect of two German capital groups (AKT/ICOS – Theysohn) in the plastics processing sector, and in March 2012 share acquisition agreement for shares of YMOS Group, leading European producer of plastic, galvanized and chromium-plated components for the automotive industry. In June 2014 Boryszew S.A. assumed control over Tensho Poland Corporation Sp. z o.o. based in Ostaszewo (currently: Boryszew Tensho Poland Sp. z o.o.), a manufacturer of high quality plastic products. In 2019, Boryszew Group assumed control over Alchemia Capital Group and the following Alchemia Group companies: Alchemia S.A., Huta Bankowa Spółka z o.o. and Laboratoria Badań Batory Spółka z o.o.

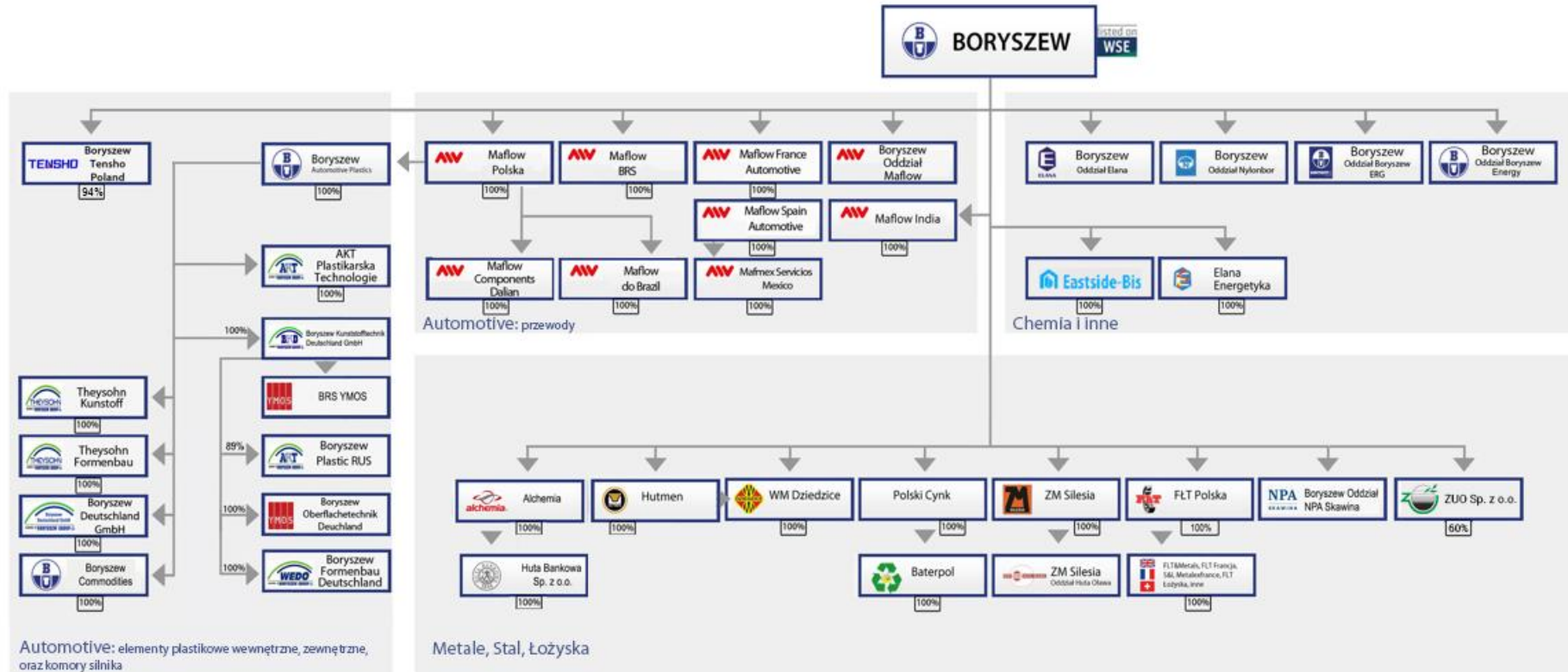


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SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW CAPITAL GROUP (ON 30 SEPTEMBER 2021)





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

Hutmen Spółka z o.o.

Transformation of Hutmen S.A.

On 22 March 2021 District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register registered the transformation of Hutmen S.A. into a limited liability company. As of the report publication date, the partners of the company are:

1. Impex - Invest Spółka z o.o. based in Warsaw,
2. Boryszew S.A. with its registered office in Warsaw,
3. SPV Impexmetal Spółka z o.o. based in Warsaw.

Opening of liquidation of Hutmen Sp. z o.o.

On 30 June 2021 the General Meeting of Shareholders of Hutmen Sp. z o.o. adopted a resolution to liquidate the company. The liquidation of the company will be a two-stage process. Production and sales of products will be phased out first, with a planned completion date of 31 December 2021. Liquidation through the sale of assets and the completion of the company's affairs leading to its deletion from the National Court Register is planned to take place in 2022.

SPV Impexmetal Spółka z o.o.

Sale of shares in EW Rywałd Sp. z o.o.

On 27 April 2021, SPV Impexmetal Sp. z o.o., based in Warsaw and KGAL ESPF 4 Holding S.à r.l. ("Buyer") signed an agreement on the sale of 1 000 shares of a nominal value of PLN 50 each, accounting for 100% of the share capital of EW Rywałd Sp. z o.o. based in Toruń (EW Rywałd) for the price of EUR 11 million (including acquired debt of Euro 1.3 million), of which EUR 9.6 million will be paid on the day of concluding the agreement and the balance will be paid in four instalments payable in line with the progress of construction of the wind farm, which should be completed by the end of 2022. On the publication date of the report, EUR 1.1 million remained to be paid.

Boryszew S.A.

Sale of shares in Elana - PET Sp. z o.o.

On 30 August 2021 Boryszew S.A. concluded an agreement with LERG S.A. based in Pustków - Osiedle on sale of 19,364 shares of the nominal value of PLN 500 each, accounting for 100% of the share capital in Elana PET Sp. z o.o. based in Toruń ("Elana PET") for the price of PLN 30.8 million.

Signing of the Merger Plan

On 16 September 2021 Boryszew S.A. as well as SPV Impexmetal Sp. z o.o. based in Warsaw and Impex-invest Sp. z o.o. based in Warsaw ("Acquired Companies") agreed and signed the Merger Plan.

Entities to be merged:

Acquiring company: Boryszew S.A. with its registered office in Warsaw,

Acquired Company 1: SPV Impexmetal Spółka z o.o. based in Warsaw.

Acquired Company 2: Impex-invest Spółka z o.o. based in Warsaw:

The merger will be based on the following principles:

1. Merger under the procedure of art. 492 § 1 item 1 of the Commercial Companies Code (hereinafter referred to as CCC) - transfer of all assets of the Acquired Companies to the Boryszew S.A., by universal succession.
2. Merger without increasing the share capital or amending the Articles of Association of the Acquired Companies.
3. No special benefits are expected as the result of the merger for the members of the governing bodies of the merging Companies or other persons participating in the merger, referred to in CCC Article 499 § 1 item 6.
4. As a result of the merger, no special rights referred to in CCC Article 499 § 1 item 5 will be granted.
5. Under CCC Article 516 § 6 in conj. with CCC Article 516 § 5, the Merger Plan needs not be examined by an auditor for its correctness and reliability and neither an opinion needs be prepared by an auditor, also the Management Boards of the merging Companies needs not prepare a written report justifying the merger, its legal basis and business justification as well as the share exchange ratio referred to in CCC Article 499 § 1.2.
6. As Boryszew S.A. is a public company, then according to CCC Article 516 § 1, the merger will require resolutions on the merger to be adopted by the General Meeting of Shareholders of the Acquiring Company



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and the General Meeting of Shareholders of the Acquired Companies, referred to in CCC Article 506 CCC, approving the merger and the Merger Plan.

The planned merger aims at simplification of the organisational structure of Boryszew Capital Group.

On 28 October 2021 the Extraordinary General Meeting of Boryszew S.A. agreed to merge Boryszew S.A. based in Warsaw ("Acquiring Company") and SPV Impexmetal Spółka z o.o. based in Warsaw and Impex-invest Spółka z o.o. based in Warsaw (Acquired Company).

On the date of this report no decision of the court on registration of the merger was issued.

Changes in the Group's structure after the balance sheet date

Boryszew S.A.

Sale of shares in FŁT Polska Sp. z o.o.

On 29 October 2021 Boryszew S.A. concluded a final sale agreement with XCC (Poland) Investment spółka z ograniczoną odpowiedzialnością based in Warsaw (XCC Poland) (entity controlled by XCC Group and selected for implementation of the transaction concerned as per the authorisation by XCC Group in the preliminary agreement) on the transfer to XCC Poland 1 030 shares of FŁT Polska Sp. z o.o. based in Warsaw ("FŁT") accounting for 100.00% of the share capital of FŁT, carrying 100.00% of votes at the shareholders' meeting together with shares of FŁT in subsidiaries, i.e.: FLT-Wälzlager GmbH, FLT & Metals s.r.l., FLT Bearings Ltd, FLT France SAS, FLT (Wuxi) Trading Co., FLT USA LLC ("FŁT Group") for the price of PLN 80.6 million.

Acquisition of Alchemia S.A. shares

On 9 November 2021 Boryszew S.A. acquired from Eastside Bis Sp. z o.o. based in Warsaw 19 543 974 shares of Alchemia S.A. carrying 19 543 974 votes at the GM, which accounts for 11.27% of share in the share capital and the total number of votes at the GM of Alchemia S.A.

On the date of report preparation, Boryszew S.A. holds 118 768 974 shares of Alchemia S.A. carrying 118 768 974 votes at the GM, which accounts for approximately 68.47% share in the share capital and the total number of votes at the GM of Alchemia S.A.

Boryszew Capital Group holds 173 450 000 shares of Alchemia S.A. carrying 173 450 000 votes at the GM, which accounts for 100% share in the share capital and the total number of votes at the GM of Alchemia S.A.

ICOS Group

Filing bankruptcy petitions with the courts

On 12 October 2021 Boryszew S.A. was notified that on the same day the Management Boards of indirect subsidiaries of Boryszew S.A. - ICOS GmbH, THEYSOHN Kunststoff GmbH and THEYSOHN Formenbau GmbH (the "ICOS Group") - had decided to file for declaration of bankruptcy of these companies with relevant competent courts. According to the proposal, the application will seek insolvency under administration in accordance with German insolvency law.

Self-managed insolvency enables targeted and controlled restructuring, reduction of costs of winding down operations of unprofitable areas and satisfying creditors of the ICOS Group at an optimum level, as well as an efficient and transparent conduct of the process towards all stakeholders, which will shorten the time of the process and will have a major impact on maintaining the reputation and image of the Group.

On 13 October 2021 the Management Boards of subsidiaries of Boryszew S.A. - ICOS GmbH, THEYSOHN Kunststoff GmbH and THEYSOHN Formenbau GmbH - filed for declaration of bankruptcy of these companies with relevant competent courts.

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



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

The Management Board of Boryszew S.A. published no forecasts of the financial result for 2021.

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

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 30.09.2021 and the date of submitting the report for publication:

Shareholders	Number of shares	% of capital	Number of votes	% of votes
Roman Krzysztof Karkosik (*)	156 832 020	65.35%	156 832 020	65.35%
Including:				
Boryszew S.A. (**)	34 795 000	14.50%	34 795 000	14.50%
RKKK Investments Sp. z o.o.	119 998 000	50.00%	119 998 000	50.00%
Others	83 167 980	34.65%	83 167 980	34.65%
Total:	240 000 000	100.00%	240 000 000	100.00%

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

(**) As per the notification of Boryszew S.A. of 30 October 2020

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

In the period between the submission for publication of the previous report for the first six months of 2021 until publication of the report for 3 quarters on 26 November 2021, no changes occurred to the ownership structure of significant blocks of shares of Boryszew S.A.

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

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

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

Boryszew S.A. and Boryszew Capital Group Companies, as at the date of this report, were not a party to any significant proceedings concerning liabilities or receivables, pending before a court, a competent arbitration authority or a public administration authority.

Tax proceedings in the Capital Group companies

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

**Proceedings completed at first instance**

1. On 12 March 2018, ZM SILESIA S.A. received a decision of the Head of the Customs and Tax Office (Office) in Opole dated 28 February 2018, determining the outstanding VAT liability for 2012 in the amount of PLN 28.6 million plus interest on tax arrears in the amount of PLN 15.5 million. According to the position of the Office, ZM SILESIA S.A. failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget. As a result, ZM SILESIA S.A. should not have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office. On 26 April 2021 the company received the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 determining overdue VAT liability of ZM SILESIA S.A. for 2012 in the amount of PLN 28.6 million, plus interest on outstanding tax liability. To secure tax liabilities for 2012, compulsory mortgages were established on part of the Company's land properties.
On 29 April 2021 ZM SILESIA received a notice from the Head of the 2nd Fiscal Office in Katowice on the freezing of ZM SILESIA's bank accounts as a security of claims associated with the execution of the Decision On 7 May 2021, the Company's attorney filed a complaint against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 requesting that the decision be revoked in its entirety, claiming that the tax liabilities for the period between January and November 2012 had become time-barred and requesting that the Court suspend the execution of the decision appealed against. On 6 August 2021 the Company received a decision of the Provincial Administrative Court in Gliwice of 26 July 2021 on suspending the execution of the decision of the Head of the Fiscal Administration Chamber on determining VAT liability for 2012. On 8 September 2021, the Provincial Administrative Court in Gliwice notified on the scheduled hearing in the case on the complaint of ZM SILESIA SA against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021.
On 27 October 2021 the Provincial Administrative Court in Gliwice (Provincial Administrative Court) issued a judgment revoking in its entirety the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 on the tax on goods and services for the period between January and December 2012. The reason why the Provincial Administrative Court revoked the decision challenged by ZM SILESIA was, primarily, the deficiencies of the tax authority involving the lack of a proper justification of the circumstances and legal grounds for a possible suspension of the statute of limitations for tax liabilities for 2012. Given the crucial importance of the issue of the statute of limitations for the possibility and admissibility of proceedings concerning the assessment of tax liabilities, the Provincial Administrative Court found that the examination and resolution of the remaining disputed issues was premature.
The judgment is not final. The parties have the right to file a cassation complaint with the Supreme Administrative Court. Until the judgment of the Provincial Administrative Court becomes final, the repealed tax decision will not be enforceable.
2. On 24 September 2020 ZM SILESIA S.A. received the decision of the Head of the Małopolska Customs and Tax Office determining the overdue VAT tax liability for 2013 and 2014 in the amount of PLN 97.3 million plus interest on outstanding tax liability. According to the position of the Office, ZM SILESIA S.A. failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget.
As a result, ZM SILESIA S.A. should not have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office. On 8 October 2020, the Company filed an appeal against this decision with the Head of the Fiscal Administration Chamber in Katowice. On 25 November the Company received a decision of the Head of the Fiscal Administration Chamber in Katowice upholding the decision of the authority of first instance. Given the different assessment of the facts, ZM SILESIA intends to lodge a complaint with the Provincial Administrative Court against the above decision.
3. On 14 February 2018 Hutmen Sp. z o. o. in liquidation filed a cassation complaint against the judgment of the Provincial Administrative Court in Warsaw dismissing the company's complaint against the decision of the Director of the Tax Chamber in Warsaw concerning VAT settlement for November 2012. The subject of the dispute is the amount of PLN 548 thousand, which the Company paid and recognised in the result for 2018. To date, the NSA has not set a hearing date.
4. On 3 April 2019, Hutmen Sp. z o. o. in liquidation received the decision issued on 26 March 2019 by the Head of the Lower Silesian Tax and Customs Office (Office), which sets out company's VAT arrears for Q4 '2014 at PLN 3.04 million plus interest on tax arrears. As claimed by the Office, Hutmen Sp. z o. o. in liquidation failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection bodies, Hutmen Sp. z o. o. in liquidation appealed against the decision of the office. The appeal was recognised and the case was referred back to the Director of the Tax Administration Chamber in Wrocław for further consideration. On 16 November 2020, the company received a decision of the Head of the Lower Silesian Customs and Tax Office in Wrocław, determining again the outstanding VAT liability for Q4 '2014 in the amount of PLN 3.04 million plus interest on tax arrears. The Director of the Fiscal Administration Chamber in Wrocław repealed the decision of the 1st Instance Body in its entirety and referred the case for re-examination.



Therefore, Hutmen Sp. z o.o. in liquidation has no outstanding tax liabilities on this account. On 16 November 2021, the Fiscal Administration Chamber issued a decision securing the approximate amount of the liability, which the company appealed against.

- On 10 September 2018 Hutmen Sp. z o. o. in liquidation received a decision of the Tax Administration Chamber (Office) in Wrocław dated 4 September 2018 determining the outstanding VAT liability of Hutmen Sp. z o. o. in liquidation for October and December 2012 in the amount of PLN 1.14 million plus interest on tax arrears. As claimed by the Office, Hutmen Sp. z o. o. in liquidation failed to observe due diligence in verifying the tax reliability of some of its contractors, and as a consequence did not have the right to deduct input VAT. The claim amount was paid in September 2018 and recognised in the company's 2018 results. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office to the Provincial Administrative Court in Wrocław. On March 13, 2019, the Provincial Administrative Court ruled in favour of Hutmen Sp. z o.o. in liquidation, the judgment is final. On 3 September 2019 the Director of the Fiscal Administration Chamber in Wrocław repealed fully the decision of the 1st Instance Body in its entirety and referred the case for re-examination by that Body. On 11 December 2019 Hutmen Sp. z o. o. in liquidation received a refund of the entire amount of the tax in question together with interest. On 12 April 2021, Hutmen Sp. z o. o. in liquidation received the decision issued on 8 April 2021 by the Head of Mazowiecki Tax and Customs Office, which again sets out company's VAT arrears for October and November of 2012 at PLN 1.14 million plus interest on overdue tax liability. The decision is not final and is not enforceable. Hutmen Sp. o.o. in liquidation appealed against the decision of the Tax Chamber.
- Audit by the Małopolska Customs and Fiscal Office in Kraków, Tarnów Branch - audit of the correctness of VAT for 2015. On 16 December 2020, Hutmen Sp. z o.o. in liquidation ("Hutmen") received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków ("Office") determining the outstanding VAT liability of company in the first half of 2015 in the amount of PLN 7.8 million plus interest on outstanding tax liability. As claimed by the Office, the company failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection body, Hutmen Sp. z o. o. in liquidation appealed with the Tax Chamber against the decision of the office. The Director of the Fiscal Administration Chamber in Wrocław repealed the decision of the 1st Instance Body in its entirety and referred the case for re-examination. Therefore, Hutmen Sp. z o.o. in liquidation has no outstanding tax liabilities on this account.

On 14 October 2021, Hutmen received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków ("Decision") of 14 October 2021 on securing on Hutmen's assets the state budget liabilities associated with pending customs and fiscal proceedings on the correctness of VAT settlements of Hutmen for the period January 2015 - June 2015 in the total amount of PLN 11.7 million (no decision has yet been issued by the Office in the proceedings determining the amount of Hutmen's liability).

This decision is not final. Given the different assessment of the above circumstances, Hutmen will use the available appeal means to challenge the above decision of the Office. The decision of the Head of the Małopolska Customs and Fiscal Office of 16 December 2020 determining Hutmen's outstanding VAT liabilities for the first half of 2015 in the amount of PLN 7.8 million plus interest on tax arrears was repealed by the Head the Fiscal Administration Chamber in Wrocław, who referred the case for reconsideration.

On 21 October 2021 Hutmen became aware on the freezing of its bank accounts as a security of receivables due to the execution of the Decision.

On 22 October 2021, Hutmen received information that the bank accounts were released. The release of bank accounts followed submission by Hutmen a security deposit to the Office in the amount corresponding to the amount of the security.

Other significant pending VAT proceedings in the Capital Group companies

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

Litigations underway:

- ZM SILESIA S.A. - pending VAT audit proceedings for the period January - June 2015. On 6 May 2021, the Company received Audit Results, drafted on the same date, issued by the Head of Małopolska Customs and Fiscal Office in Kraków ("Authority"). According to the Authority, the tax books - records kept by the Company for the purpose of VAT settlements - were unreliable. ZM SILESIA S.A. disagrees with the assessment by the Authority and will undertake all explanatory and legal actions to defend its case. By decision of the Head of the Customs and Fiscal Office in Kraków of 11 June 2021, customs and fiscal control was transformed into tax proceedings. On 8 October 2021, ZM SILESIA received a report on the audit of the tax books. According to the position of Małopolska Customs and Fiscal Office in Kraków contained in the protocol, ZM SILESIA failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget. Consequently, according to the authority, ZM SILESIA should not



have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. According to protocol, the estimated outstanding VAT liability of ZM SILESIA S.A for the first half of 2015 amounts to PLN 34.9 million plus interest of approximately PLN 17.6 million. As expected, the case will be completed by 10 December 2021.

2. Baterpol S.A. received a VAT audit protocol - audited period: July 2013 - December 2015. Based on that protocol, the Company estimated the risk of questioning the deductible VAT to be PLN 3.2 million plus interest as at 30 September 2021 of PLN 1.8 million. The audit was conducted by the First Silesian Tax Office in Sosnowiec.
On 20 March 2019, the Head of the First Tax Office in Sosnowiec initiated VAT proceedings for the period December 2013 to December 2015. Estimated date of case completion - 31 December 2021.
3. On 12 March 2019 the Head of the Lower Silesian Tax Office in Wrocław sent Baterpol Recycler Sp. z o.o. a notice of initiation of an investigation by the Regional Prosecutor's Office in Katowice, on 1 April 2016, into a tax offence suspending the period of limitation of company's tax liabilities for the period between January 2014 and June 2015.
4. Boryszew S.A. - on 12 April 2021 the Company received a notification from the Head of Mazovian Tax and Customs Office in Warsaw on the initiation of VAT settlements audit for the period December 2015 - March 2016. By the date of publication of the financial statements, the company has not received the audit protocol.

Other important proceedings in companies of Boryszew S.A. Capital Group

On 22 October 2020 the President of the Office of Competition and Consumer Protection initiated proceedings against Boryszew S.A. due to the company's excessive delays in meeting its cash obligations in the period June-August 2020. By the date of publication of the financial statements, the company has not received the audit protocol. Estimated date of case completion - 22 December 2021.

Due to the fact that there is a risk of instituting new controls that might potentially result in issuing decisions determining tax liabilities of these companies, the Management Board of the Parent Company analysed documentation relevant for the ongoing procedures and estimated risks by classifying them according to the likelihood of emergence:

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

The balance of provisions in the consolidated financial statement of Boryszew S.A. amounts to PLN 149 543 thousand (high risk). In addition, the Parent Company reduced its contingent liabilities to PLN 34 262 thousand (medium or low risk).

The Management Board of Boryszew S.A. estimated the provisions considering the probability of cash outflow from the Group and chose leave such provisions out in cases where the probability of cash outflow is low.

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

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

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

Also, standard liquidity management measures at the level of the Capital Group involved cash loan agreements between Group's companies. These transactions were intra-group in nature and are excluded from the process of consolidation of financial statements.

Other non-commercial transactions concluded between related parties (outside Boryszew Capital Group)

Acquisition of bonds of Skotan S.A.

On 27 August 2021 Boryszew S.A. concluded agreements with Elana - PET Sp. z o.o. upon which Elana - Pet Sp. z o.o. transferred to Boryszew S.A.:

- a) ownership of 30 series C bonds issued by Skotan S.A. based in Chorzów, total nominal value of PLN 3 000 000.00,
- b) ownership of 5 series E bonds issued by Skotan S.A. based in Chorzów, total nominal value of EUR 500 000.00,

in order to release Elana - PET Sp. z o.o. from its debt in the amount of PLN 4 910 492 resulting from a due



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dividend;

c) ownership of 10 Series D registered bonds, issued by Skotan S.A. based in Chorzów, number 001 through 010, nominal value of PLN 100 000 each, total nominal value PLN 1 000 000, for the price of PLN 939 508, along with the transfer of the bonds repayment collateral in a form of a registered pledge, registered pledges established to secure the claims under the bonds to Boryszew S.A. as a new pledgee.

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

As at 30 September 2021 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

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

SURETIES GRANTED BY BORYSZEW S.A. AS AT 30.09.2021

GRANTED WITHIN THE GROUP

Entity for which guarantee or surety was issued	Subject of liability	Surety value in EUR	Surety value in USD	Surety value in PLN	Surety value in PLN '000	Expiry date of guarantee
Boryszew HR Service Sp. z o.o.	Endorsement of a loan agreement for mBank			1 000 000	1 000	2021-12-17
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to ALD AutoLeasing D GmbH	23 000		106 557	107	2022-06-30
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Deutsche Leasing International GmbH	395 000		1 829 996	1 830	indefinite validity
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Deutsche Leasing International GmbH	237 000		1 097 997	1 098	2023-06-08
Boryszew Kunststofftechnik Deutschland GmbH	Endorsement of lease agreement for PKO Leasing Sp. z o.o.	1 923 000		8 909 067	8 909	2022-03-31
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Deutsche Leasing International GmbH	1 415 000		6 555 554	6 556	2024-08-31
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	3 857 000		17 869 095	17 869	2028-12-31
Boryszew Plastic RUS	Guarantee granted to Volvo Group Trucks Operations	5 000 000		23 164 500	23 165	indefinite validity
Boryszew Plastic RUS	Guarantee granted to Alfa Bank	232 000		1 074 833	1 075	2024-12-31
Boryszew Plastic RUS	Payment guarantee granted to Engel Austria	1 904 000		8 821 042	8 821	2023-08-25



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Entity for which guarantee or surety was issued	Subject of liability	Surety value in EUR	Surety value in USD	Surety value in PLN	Surety value in PLN '000	Expiry date of guarantee
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.			7 083 320	7 083	2021-12-31
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreement for mLeasing	418 016		1 936 624	1 937	2022-01-30
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreements for mLeasing	101 249		469 077	469	2024-12-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreements for mLeasing	196 512		910 420	910	2024-12-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreement for mLeasing	100 619		466 156	466	2024-12-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreements for mLeasing	100 619		466 156	466	2024-12-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreements for mLeasing	182 005		843 209	843	2025-02-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreement for mLeasing	138 112		639 860	640	2025-02-15
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to PKO Leasing Sp. z o.o.	1 670 876		7 741 000	7 741	2022-10-10
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	543 000		2 515 665	2 516	2023-08-31
Theysohn Kunststoff GmbH	Guarantee granted to PKO Leasing Sp. z o.o.	746 000		3 456 143	3 456	2021-12-31
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) Theysohn Kunststoff GmbH	Guarantee granted to Borealis AG for commercial liabilities	1 000 000		4 632 900	4 633	2021-12-31
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) Theysohn Kunststoff GmbH	Guarantee granted to BSB Recycling GmbH	1 500 000		6 949 350	6 949	2023-07-06
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) Theysohn Kunststoff GmbH, 4) Boryszew Plastic RUS LLC, 5) AKT Plastikarska Technologie Czechy Spol. S.R.O.	Guarantee granted to Basell Sales & Marketing Company B.V.	2 000 000		9 265 800	9 266	2021-12-31



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Entity for which guarantee or surety was issued	Subject of liability	Surety value in EUR	Surety value in USD	Surety value in PLN	Surety value in PLN '000	Expiry date of guarantee
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	5 000 000		23 164 500	23 165	2026-12-01
Maflow France Automotive S.A.S.	Guarantee granted to Natixis Lease	99 000		458 657	459	2021-12-31
MAFMEX S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	5 000 000		23 164 500	23 165	term of the Agreement
MAFMEX S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel		3 128 960	12 492 373	12 492	2030-01-01
MAFMEX S. de R.L. de C.V.	BMW AG performance bond	6 000 000		27 797 400	27 797	contract period + 15 years
Alchemia S.A.	Guarantee granted to Arcelormittal Poland S.A.	2 500 000		11 582 250	11 582	2021-12-31
ZM Silesia S.A.	Surety granted to PKO BP S.A.			6 520 000	6 520	2025-02-28
ZM Silesia S.A.	Bill of exchange surety for Coface Poland Factoring Sp. z o.o.			27 802 894	27 803	indefinite validity
Hutmen Sp. z o.o.	Guarantee issued by Credit Agricole	3 500 000		16 215 150	16 215	2022-04-28
Hutmen Sp. z o.o.	Surety of PKO BP			10 000 000	10 000	2025-01-05

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SIGNIFICANT CHANGES IN THE CONDITIONS OF THE SURETY GRANTED BY COMPANIES OF BORYSZEW CAPITAL GROUP

The sureties and guarantees are provided by Capital Group companies on arm's length basis.

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

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

23. OTHER IMPORTANT EVENTS

BORYSZEW S.A.

Sale of shares in Elana - PET Sp. z o.o.

On 30 August 2021 Boryszew S.A. concluded an agreement with LERG S.A. based in Pustków - Osiedle on sale of 19.364 shares of the nominal value of PLN 500 each, accounting for 100% of the share capital in Elana PET Sp. z o.o. based in Toruń ("Elana PET") for the price of PLN 30.8 million. The transfer of ownership of shares and payment of the price will take place on the date of conclusion of the sale agreement.

The provisions of the Agreement on the assurances made, termination of the Agreement, contractual penalties or withdrawal from the Agreement are not different to conditions generally applied in agreements of this type.



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In 2020 Elana PET generated sales revenues of PLN 26.1 million (in 2019: PLN 38.8 million), EBITDA in 2020 amounted to PLN 1.4 million (in 2019: PLN 1.5 million) On 30 June 2021 the value of Elana PET shares in the books of Boryszew S.A. amounted to PLN 4.7 million.

Decision on the intention to merge Boryszew S.A. based in Warsaw and SPV Impexmetal Sp. z o.o. based in Warsaw and Impex-invest Sp. z o.o. based in Warsaw

On 10 September 2021 the Management Board of Boryszew S.A. resolved to merge Boryszew S.A. based in Warsaw with its subsidiaries SPV Impexmetal Sp. z o.o. based in Warsaw and Impex-invest Sp. z o.o. based in Warsaw (the Acquired Companies).

The merger will be affected under art. 492 § 1 point 1 of the Commercial Companies Code by transferring all the assets of the above mentioned subsidiaries to Boryszew S.A.

The Company believes that the merger will result in further improvement of the efficiency of Boryszew Group management by simplification of its organisational structure and optimum use of assets.

On 28 October 2021 the Extraordinary General Meeting of Boryszew S.A. agreed to merge Boryszew S.A. based in Warsaw ("Acquiring Company") and SPV Impexmetal Spółka z o.o. based in Warsaw and Impex-invest Spółka z o.o. based in Warsaw (Acquired Company).

On the report publication date, the merger was not entered in the register by the registry court.

Conclusion of Subordination of Debt Agreements

In order to avoid uncontrolled insolvency of Theysohn Kunststoff GmbH (hereinafter referred to as "TKS"), as well as to enable controlled bankruptcy of TKS under own management, on 27 September 2021 Boryszew S.A. agreed to conclude:

- 1) Agreements on subordination of claims of Boryszew resulting from loans granted to TKS (agreements on priority waiver) in the amount of EUR 8 214 689.54,
- 2) Agreements on subordination of claims of Boryszew Automotive Plastics sp. z o.o. resulting from loans granted to TKS (agreements on priority waiver) in the amount of EUR 5 952 608.05,
- 3) Agreement on subordination of claims of Boryszew Kunststofftechnik Deutschland GmbH resulting from loans granted to TKS (agreements on priority waiver) in the amount of EUR 199 181.74.

IMPACT OF THE COVID-19 EPIDEMIC ON THE BUSINESS OF BORYSZEW CAPITAL GROUP

On 11 March 2020 the World Health Organisation assessed that the Covid-19 epidemic can be considered a pandemic. As a result of the spread of the virus, many sectors of the economy have been forced to reduce or stop their operations, resulting in reduced demand, disruption of supply chains, increased unemployment as well as a number of economic and social problems. The COVID-19 pandemic was still ongoing during the period covered by this report.

At the end of the reporting period and as at the report date, the Group experienced no limitations in production, inventory management or supply chain management, and its liquidity remained at a good level. Liquidity forecasts are updated on an ongoing basis and verified on the basis of applicable agreements in order to secure cash at an appropriate level. The group had no problems with access to external financing. Commercial contract contain no provisions that may pose a material risk due to COVID-19 at the end of the reporting period and at the time of publication of the report. Owing to constant monitoring of contractors' situation and security measures implemented, the Group is not exposed to additional risks resulting from the difficult situation of its customers or suppliers.

At the end of the reporting period the financial indicators of Boryszew Capital Group did not breach the covenants in the agreements with the financing institutions. The Group meets its reporting deadlines; finance and accounting departments meet all their reporting obligations within the required deadlines.

The Group's Head Office as well as individual companies and branches monitor the situation at home and abroad on an ongoing basis. Due to dynamically changing circumstances, government regulations and legal situation, at the moment of drafting the financial statements it is not possible to accurately estimate the impact of the pandemic on the operational and financial situation in upcoming reporting periods. Boryszew S.A. Headquarters as well as companies and branches verify macroeconomic information on an ongoing basis as well as information obtained by the control and analysis departments during their operations, to forecast, on this basis, the impact of the pandemic on Group's results.

The COVID-19 pandemic in the period between the beginning of the year till the end of third quarter of 2021 had no negative impact on financial results of Boryszew Group companies



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Other important events after the balance sheet date

BORYSZEW S.A.

Sale of shares in FŁT Polska Sp. z o.o.

On 29 October 2021 Boryszew S.A. concluded a final sale agreement with XCC (Poland) Investment spółka z ograniczoną odpowiedzialnością based in Warsaw (XCC Poland) (entity controlled by XCC Group and selected for implementation of the transaction concerned as per the authorisation by XCC Group in the preliminary agreement) on the transfer to XCC Poland 1 030 shares of FŁT Polska Sp. z o.o. based in Warsaw ("FŁT") accounting for 100.00% of the share capital of FŁT, carrying 100.00% of votes at the shareholders' meeting together with shares of FŁT in subsidiaries, i.e.: FLT-Wälzlager GmbH, FLT & Metals s.r.l., FLT Bearings Ltd, FLT France SAS, FLT (Wuxi) Trading Co., FLT USA LLC ("FŁT Group") for the price of PLN 80.6 million.

BORYSZEW CAPITAL GROUP

SPV IMPEXMETAL SP. Z O.O.

On 29 October 2021 SPV Impexmetal Sp. z o.o. based in Warsaw, subsidiary of Boryszew S.A., concluded an agreement with XCC Poland Sp. z o.o. on sale of all trademarks owned by SPV Impexmetal Sp. z o.o., including "FŁT" mark, for the amount of PLN 18 million net.

In September 2021 SPV Impexmetal Sp. z o.o. was notified that the seller exercised its right to withdraw from the preliminary conditional agreement on the purchase of the real estate located in Warsaw at Jagiellońska street No. 78.

EASTSIDE BIS SP. Z O.O.

On 8 November 2021 Eastside-Bis Sp. z o.o. based in Warsaw and Unipartner Spółka z o.o. based in Warsaw entered into a preliminary agreement of sale of an office property located in Warsaw at Foksal street No. 6 (Real Property) under which the parties committed to enter into the final sale agreement (Final Agreement) by 8 November 2022 for the net price of PLN 70 million. The conclusion of the Final Agreement will be preceded by a number of formal and technical circumstances. The transaction price was determined on an arm's length basis according to a valuation performed by an independent appraiser.

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

24. DECLARATIONS OF THE MANAGEMENT BOARD

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

- to the best of its knowledge, the consolidated financial statements of the Company and Boryszew Capital Group and the comparative data for Q3 '2021 were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result of Boryszew S.A. and Boryszew Capital Group.
- the report on activity of Boryszew Capital Group for Q3 '2021 contains a true view of development, accomplishments and situation of Boryszew Capital Group, including a description of fundamental risks and threats.



ABBREVIATED MID-YEAR FINANCIAL STATEMENTS

Boryszew S.A.
for the period between 1 January and 30 September 2021





Boryszew S.A.

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STATEMENT OF COMPREHENSIVE INCOME

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020	01.07.2021- 30.09.2021	01.07.2020- 30.09.2020
Revenues from sales	1 295 828	810 696	459 350	274 204
Prime cost of sale	1 145 314	706 101	415 492	247 149
Gross profit on sales	150 514	104 595	43 858	27 055
Selling costs	40 284	24 227	13 197	5 903
Administrative expenses	64 098	49 877	19 865	16 857
Other operating revenue	70 193	33 456	40 744	11 529
Other operating expenses	15 166	6 104	2 540	1 244
Profit/loss on impairment of trade and other receivables	(5 411)	(2 784)	276	(427)
Operating income	95 748	55 059	49 276	14 153
Financial revenues	65 999	30 914	50 689	(9 032)
Financial expenses	122 342	29 365	96 399	(11 546)
Profit/loss on impairment of financial assets	11	-	7	-
Financial profit/loss	(56 332)	1 549	(45 703)	2 514
Profit before taxation	39 416	56 608	3 573	16 667
Income tax	25 673	8 348	15 478	1 107
Net profit	13 743	48 260	(11 905)	15 560
Earnings / Diluted earnings per share				
Weighted average number of shares	205 205 000	220 656 301	205 205 000	220 656 301
Earnings / Diluted earnings per share (PLN)	0.07	0.22	(0.06)	0.07
	13 743	48 260	(11 905)	15 560
Earnings recognised in equity				
<i>Earnings recognised in equity, to be transferred to income statement</i>	3 199	(4 222)	(1 027)	(359)
Hedge accounting	3 949	(5 212)	(1 268)	(443)
Income tax expense (-provision/+asset)	(750)	990	241	84
<i>Earnings recognised in equity, not to be transferred to income statement</i>	11 861	-	(7 397)	-
Gains/losses on valuation of equity instruments	(10 672)	-	(33 356)	-
Income tax	2 028	-	6 338	-
Gains/losses on disposal of equity instruments	25 315	-	24 224	-
Income tax	(4 810)	-	(4 603)	-
Total earnings recognised in equity	15 060	(4 222)	(8 424)	(359)
Total comprehensive income	28 803	44 038	(20 329)	15 201



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STATEMENT OF FINANCIAL POSITION

ASSETS	As at 30.09.2021	As at 31.12.2020	As at 30.09.2020
Non-current assets			
Non-current assets	265 205	245 567	230 786
Investment property	17 243	17 243	16 684
Intangible assets	34 574	32 783	32 414
Right-of-use assets	106 784	112 658	115 236
Shares in subsidiaries and associates	862 997	853 656	470 064
Financial assets	111 496	120 752	109 694
Long-term receivables	110 997	116 932	35 656
Deferred tax assets	-	-	1 075
Other assets	9 666	11 120	7 746
Total fixed assets	1 518 962	1 510 711	1 019 355
Current assets			
Inventory	268 157	208 282	199 214
Trade receivables and other receivables	350 878	259 189	229 191
Short-term financial assets	506 685	511 876	320 544
Derivative financial instruments	1 353	482	-
Other assets	27 577	21 615	22 362
Cash and cash equivalents	45 084	32 894	18 409
Total current assets	1 199 734	1 034 338	789 720
Total assets	2 718 696	2 545 049	1 809 075



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LIABILITIES AND EQUITY	As at 30.09.2021	As at 31.12.2020	As at 30.09.2020
Equity			
Share capital	248 906	248 906	248 906
Share premium	112 346	112 346	112 346
Own shares	(182 816)	(182 816)	(146 871)
Hedge accounting capital	(2 906)	(6 105)	(6 134)
Gains on investments in equity instruments	43 653	31 792	-
Capital reserve on translating employee payables	(426)	(426)	(638)
Retained earnings	1 407 838	1 394 095	265 618
Total equity	1 626 595	1 597 792	473 227
Liabilities and long-term provisions			
Bank credits, loans, bonds	13 508	120 313	88 311
Liabilities under lease of fixed assets	23 505	20 868	34 547
Liabilities related to right-of-use assets - other assets	22 133	43 065	44 051
Payables on perpetual usufruct of investment land	19 791	1 941	1 932
Deferred tax provision	11 023	9 592	3 074
Employee benefit provisions	2 812	2 812	2 642
Other provisions	14 026	8 638	5 715
Other long term equity and liabilities	17 562	19 352	3 494
Liabilities and long-term provisions - total	124 360	226 581	183 766
Short-term liabilities			
Bank credits, loans, bonds	551 863	396 041	821 999
Liabilities under lease of fixed assets	9 862	15 732	12 672
Liabilities related to right-of-use assets - other assets	9 286	8 035	8 963
Payables on perpetual usufruct of investment land	-	-	9
Trade payables and other liabilities	349 316	239 339	279 726
Derivative financial instruments	5 324	922	1 008
Current tax liabilities	19 025	44 623	2 400
Employee benefit provisions	6 932	6 465	4 737
Other provisions	2 994	6 044	3 088
Other liabilities and equity	13 139	3 475	17 480
Liabilities and short-term provisions - total	967 741	720 676	1 152 082
Total liabilities and provisions	1 092 101	947 257	1 335 848
Total equity and liabilities	2 718 696	2 545 049	1 809 075



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CASH FLOW STATEMENT

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Cash flows from operating activities		
Profit before taxation	39 416	56 608
Adjustments for (+/-)	(27 767)	(29 291)
Amortisation and depreciation	34 122	32 687
Profit/loss on financial activity (including interest on financial liabilities)	87 041	9 019
Dividend	(54 733)	(32)
Profit / loss on investment activities	(47 711)	(26 561)
Change in receivables	(55 926)	(4 207)
Change in inventories	(59 857)	(21 064)
Change in liabilities	114 473	(9 479)
Change in provisions and accruals as well as prepayments	2 718	(4 567)
Other items	(1 125)	(3 474)
Income tax paid	(46 769)	(1 613)
Net cash from operating activities	11 649	27 317
Cash flows from investment activities		
Proceeds from disposal of fixed assets	1 866	2 249
Proceeds from disposal of shares	127 957	-
Proceeds from disposal of shares/dividends	16 076	1 155
Proceeds from redemption of bonds by issuers	-	1 050
Proceeds from repayment of loans granted	31 542	6 779
Other proceeds from investment activities	33	119
Expenses on acquisition of fixed assets	(26 872)	(10 724)
Acquisition of shares and stocks in capital group entities	(580)	(3)
Long term borrowings granted	(165 015)	(116 146)
Expenditure on bonds	(940)	-
Net cash from investing activities	(15 933)	(115 521)
Cash flows from financial activities		
Incomes on credit and loan facilities	156 267	77 244
Loans received	112 518	91 274
Other inflows	13 663	11 100
Loans repaid	(137 364)	(46 761)
Repayment of borrowings	(62 042)	(20 045)
Redemption of bonds	(36 000)	(14 828)
Interest paid on loans, borrowings and leasing	(8 254)	(14 084)
Payment of liabilities under finance lease agreements	(22 314)	(13 075)
Net cash from financing activities	16 474	70 825
Net change in cash	12 190	(17 379)
Cash opening balance	32 894	35 788
Cash closing balance	45 084	18 409
<i>Restricted cash</i>	<i>11 043</i>	<i>3 371</i>



STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
Balance on 01.01.2021	248 906	112 346	(182 816)	(6 105)	(426)	31 792	1 394 095	1 597 792
Valuation of hedge instruments				3 199				3 199
Measurement of financial assets						(8 644)		(8 644)
Disposal of financial assets						20 505		20 505
Profit/loss for 3 quarters 2021							13 743	13 743
Total income for 3 quarters of 2021	-	-	-	3 199	-	11 861	13 743	28 803
Balance on 30.09.2021	248 906	112 346	(182 816)	(2 906)	(426)	43 653	1 407 838	1 626 595

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
Balance on 01.01.2020	248 906	112 346	(134 251)	(1 912)	(638)	-	204 879	429 330
Valuation of hedge instruments				(4 193)				(4 193)
Valuation of employee benefits					212			212
Measurement of financial assets						31 792		31 792
Profit/loss for 2020							1 176 737	1 176 737
Comprehensive income for 2020	-	-	-	(4 193)	212	31 792	1 176 737	1 204 548
Share buy-back (merger with a subsidiary)			(48 565)					(48 565)
Merger with a subsidiary							12 479	12 479
Balance on 31.12.2020	248 906	112 346	(182 816)	(6 105)	(426)	31 792	1 394 095	1 597 792

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
Balance on 01.01.2020	248 906	112 346	(134 251)	(1 912)	(638)	-	204 879	429 330
Valuation of hedge instruments				(4 222)				(4 222)
Profit/loss for Q3 '2020							48 260	48 260
Comprehensive income for Q3 '2020	-	-	-	(4 222)	-	-	48 260	44 038
Share buy-back (merger with a subsidiary)			(12 620)					(12 620)
Merger with a subsidiary							12 479	12 479
Balance on 30.09.2020	248 906	112 346	(146 871)	(6 134)	(638)	-	265 618	473 227



Boryszew S.A.

Abbreviated mid-year report for the period between 1 January to 30 September 2021 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

ADDITIONAL INFORMATION

ABBREVIATED MID-YEAR FINANCIAL STATEMENTS OF BORYSZEW S.A. FOR THE FIRST HALF OF 2021

1. Statement by the Management Board on compliance of accounting principles

The Management Board for Boryszew S.A.: Piotr Lisiecki, Mikołaj Budzanowski represent that to the best of their knowledge the consolidated financial statements for Q3 '2021 and comparative data covering separate financial statements of Boryszew S.A. have been compiled in accordance with the binding accounting principles and that the financial statements truly, reliably and clearly reflect the actual and financial condition as well as the financial result of Boryszew S.A.

2. Accounting principles applied

The information contained in the financial statements for H1 '2021 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Journal of Laws 2018.757 of 20 April 2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

	average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01- 30.09.2020	4.4420	4.5268
01.01 - 31.12.2020	4.4742	4.6148
01.01- 30.09.2021	4.5585	4.6329

CHANGES IN ACCOUNTING PRINCIPLES

Accounting principles and calculation methods applied by Boryszew have not changed in the period of this Report and are presented in detail in the financial statements for 2020, published on 30 April 2021. These financial statements were drafted on the basis of International Financial Reporting Standards as approved by the European Union (EU).

The effect of application of new accounting standards and changes in accounting policy

Accounting principles (policy) applied when drafting these mid-year financial statements for the fiscal year ended on 30 September 2021 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2020, except for changes described below.

The same principles were applied to the current period and the comparable period.

Implementation of the standard and the modification, described in the introduction to this report, had no material impact on the financial statements. The Company decided to implement the standards in a retrospective manner.



(amounts expressed in PLN '000 unless specified otherwise)

3. Off-balance-sheet liabilities

Contingent items	As at 30.09.2021	As at 31.12.2020	change
Contingent liabilities	277 002	285 887	(8 885)
resulting from granted guarantees, sureties and other liabilities	277 002	285 887	(8 885)
- guarantees and sureties associated with performance of contracts	78 759	79 744	(985)
- guarantees and sureties in favour of financial institutions	198 243	206 143	(7 900)
Increases / decreases in the period of 9 months ended on 30.09.2021, including:			(8 885)
Additions			
- Increase due to valuation of sureties			1 131
- Increase in surety amount			81 943
Reductions			
- Reduction due to valuation of sureties			-
- Decrease in the amount of existing sureties due to expiration, reduction			(91 959)

GUARANTEES AND SURETIES ISSUED BY BORYSZEW S.A. AS AT 30.09.2021

Entity for which guarantee or surety was issued	Subject of liability	Surety value in EUR	Surety value in USD	Surety value in PLN	Surety value in PLN '000	Expiry date of guarantee
Boryszew HR Service Sp. z o.o.	Endorsement of a loan agreement for mBank			1 000 000	1 000	2021-12-17
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to ALD AutoLeasing D GmbH	23 000		106 557	107	2022-06-30
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Deutsche Leasing International GmbH	395 000		1 829 996	1 830	indefinite validity
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Deutsche Leasing International GmbH	237 000		1 097 997	1 098	2023-06-08
Boryszew Kunststofftechnik Deutschland GmbH	Endorsement of lease agreement for PKO Leasing Sp. z o.o.	1 923 000		8 909 067	8 909	2022-03-31
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Deutsche Leasing International GmbH	1 415 000		6 555 554	6 556	2024-08-31
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	3 857 000		17 869 095	17 869	2028-12-31
Boryszew Plastic RUS	Guarantee granted to Volvo Group Trucks Operations	5 000 000		23 164 500	23 165	indefinite validity
Boryszew Plastic RUS	Guarantee granted to Alfa Bank	232 000		1 074 833	1 075	2024-12-31



(amounts expressed in PLN '000 unless specified otherwise)

Entity for which guarantee or surety was issued	Subject of liability	Surety value in EUR	Surety value in USD	Surety value in PLN	Surety value in PLN '000	Expiry date of guarantee
Boryszew Plastic RUS	Payment guarantee granted to Engel Austria	1 904 000		8 821 042	8 821	2023-08-25
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.			7 083 320	7 083	2021-12-31
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreement for mLeasing	418 016		1 936 624	1 937	2022-01-30
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreements for mLeasing	101 249		469 077	469	2024-12-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreements for mLeasing	196 512		910 420	910	2024-12-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreement for mLeasing	100 619		466 156	466	2024-12-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreements for mLeasing	100 619		466 156	466	2024-12-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreements for mLeasing	182 005		843 209	843	2025-02-15
Boryszew Tensho Poland Sp. z o.o.	Aval of lease agreement for mLeasing	138 112		639 860	640	2025-02-15
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to PKO Leasing Sp. z o.o.	1 670 876		7 741 000	7 741	2022-10-10
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	543 000		2 515 665	2 516	2023-08-31
Theysohn Kunststoff GmbH	Guarantee granted to PKO Leasing Sp. z o.o.	746 000		3 456 143	3 456	2021-12-31
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) Theysohn Kunststoff GmbH	Guarantee granted to Borealis AG for commercial liabilities	1 000 000		4 632 900	4 633	2021-12-31
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) Theysohn Kunststoff GmbH	Guarantee granted to BSB Recycling GmbH	1 500 000		6 949 350	6 949	2023-07-06



(amounts expressed in PLN '000 unless specified otherwise)

Entity for which guarantee or surety was issued	Subject of liability	Surety value in EUR	Surety value in USD	Surety value in PLN	Surety value in PLN '000	Expiry date of guarantee
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) Theysohn Kunststoff GmbH, 4) Boryszew Plastic RUS LLC, 5) AKT Plastikarska Technologie Czechy Spol. S.R.O.	Guarantee granted to Basell Sales & Marketing Company B.V.	2 000 000		9 265 800	9 266	2021-12-31
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	5 000 000		23 164 500	23 165	2026-12-01
Maflow France Automotive S.A.S.	Guarantee granted to Natixis Lease	99 000		458 657	459	2021-12-31
MAFMEX S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	5 000 000		23 164 500	23 165	term of the Agreement
MAFMEX S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel		3 128 960	12 492 373	12 492	2030-01-01
MAFMEX S. de R.L. de C.V.	BMW AG performance bond	6 000 000		27 797 400	27 797	contract period + 15 years
Alchemia S.A.	Guarantee granted to Arcelormittal Poland S.A.	2 500 000		11 582 250	11 582	2021-12-31
ZM Silesia S.A.	Surety granted to PKO BP S.A.			6 520 000	6 520	2025-02-28
ZM Silesia S.A.	Bill of exchange surety for Coface Poland Factoring Sp. z o.o.			27 802 894	27 803	indefinite validity
Hutmen Sp. z o.o.	Guarantee issued by Credit Agricole	3 500 000		16 215 150	16 215	2022-04-28
Hutmen Sp. z o.o.	Surety of PKO BP			10 000 000	10 000	2025-01-05

277 002

4. Dividend paid or declared in the period from the beginning of the year

On 24 June 2021, the Ordinary General Meeting of Shareholders of Boryszew S.A., by Resolution No. 23, decided that the net profit of the Company for 2020 of PLN 1 176 737 thousand be allocated:

- to cover the 2019 loss in the amount of PLN 173 789 thousand,
- to reserve capital as retained earnings in the amount of PLN 1 002 948 thousand.

Boryszew S.A. declared no dividend payment in 2021.

5. Information on the issue, redemption and repayment of bonds

DEBT SECURITIES

During the 9 months of 2021 and until the date of publication of this report, the Group issued no equity securities.



ISSUES OF BONDS

During the 9 months of 2021 and until the date of publication of this report, the Company issued no debt securities.

REDEMPTION OF BONDS ISSUED BY BORYSZEW S.A.

Since 1 January 2021, the Company has redeemed 36 registered bonds with a total nominal value of PLN 36 million:

- 2 registered bonds, A2 series with nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 2 000 000.00 subscribed for by SPV Lakme Investment Sp. z o.o. on 16 October 2018,
- 1 registered bonds, A32 series, with a nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 1 000 000.00, subscribed for by Eastside Capital Investments Sp. z o.o. on 17 December 2018
- 15 registered bonds, A28 series, with nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 15 000 000.00, subscribed for by Hutmen Sp. z o.o. in liquidation on 29 October 2018 (formerly: Hutmen SA.),
- 6 registered bonds, A34 series, with nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 6 000 000.00, subscribed for by Hutmen Sp. z o.o. in liquidation on 31 December 2018,
- 12 registered bonds, A18 series, with nominal value of PLN 1 000 000.00 each bond and total nominal value of PLN 12 000 000.00, subscribed for by Zakład Utylizacji Odpadów Sp. z o.o. on 1 September 2018,

On the day of report publication, Boryszew liabilities due to bonds amount to PLN 28 million.

CHANGE OF MATURITY OF BONDS ISSUED BY BORYSZEW S.A.

On 31 May 2021 Boryszew S.A. concluded the agreement with Hutmen Sp. z o.o. in liquidation on extending until 31 March 2022 the redemption date of Boryszew S.A. bonds in total nominal amount of PLN 28 000 000.

EQUITY SECURITIES

During the 9 months of 2021 and until the date of publication of this report, the Group issued no equity securities.

CAPITAL INVESTMENTS

The list of shares held is presented in point 3 of the report.

Apart from the investments in point 3, the Issuer holds no other significant capital investments.

LOANS GRANTED

Information on loans granted by other entities of the Capital Group is presented in point 21 of the report.

REAL PROPERTY

In the third quarter of 2021 and until the report publication date, the Company acquired no significant real estate.

Events after the balance sheet date

SALE OF PROPERTY

On 6 November 2021 Boryszew S.A. sold the real estate located in Sochaczew, surface area of app. 8.9 ha for the net price of app. PLN 7.7 million net.

**6. Operating segments**

	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
01.01.2021 - 30.09.2021							
Revenues from sales	191 711	467 888	408 225	253 277	1 321 101	(25 273)	1 295 828
Segment costs of sales	159 376	382 966	384 831	240 707	1 167 880	(22 566)	1 145 314
Result on sales within segment	32 335	84 922	23 394	12 570	153 221	(2 707)	150 514
General, administrative and sales expenses	23 419	52 353	13 003	19 482	108 257	(3 875)	104 382
Other operating profit/loss	2 356	(1 846)	1 412	48 893	50 815	(1 199)	49 616
Segment profit/loss	11 272	30 723	11 803	41 981	95 779	(31)	95 748
Amortisation and depreciation	3 771	24 744	4 467	1 140	34 122	-	34 122
EBITDA *)	15 043	55 467	16 270	43 121	129 901	(31)	129 870
Segment assets	275 326	676 273	243 151	1 889 029	3 083 779	(365 083)	2 718 696
Segment liabilities	130 872	722 072	171 757	432 482	1 457 183	(365 082)	1 092 101

	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
01.01.2020 -30.09.2020							
Revenues from sales	140 918	351 068	247 816	83 679	823 481	(12 785)	810 696
Segment costs of sales	107 242	303 083	230 079	74 288	714 692	(8 591)	706 101
Result on sales within segment	33 676	47 985	17 737	9 391	108 789	(4 194)	104 595
General, administrative and sales expenses	21 985	34 776	12 772	9 170	78 703	(4 599)	74 104
Other operating profit/loss	1 865	11 223	6 923	5 004	25 015	(447)	24 568
Segment profit/loss	13 556	24 432	11 888	5 225	55 101	(42)	55 059
Amortisation and depreciation	3 841	22 876	4 740	1 230	32 687	-	32 687
EBITDA *)	17 397	47 308	16 628	6 455	87 788	(42)	87 746
Segment assets	229 776	589 321	237 236	943 564	1 999 897	(190 822)	1 809 075
Segment liabilities	104 778	668 648	162 979	595 877	1 532 282	(196 434)	1 335 848

*) EBITDA = operating profit/loss plus depreciation and amortisation

**(amounts expressed in PLN '000 unless specified otherwise)**

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Sales revenues by geographical areas		
Continuing operations		
Domestic sales	559 993	308 550
Sales to EU countries	609 691	402 832
Sales to other European countries	68 693	51 041
Export outside Europe	57 451	48 273
Total (revenues from continuing operations)	1 295 828	810 696

*) *United Kingdom was counted among the other European countries*

	01.01.2021 - 30.09.2021	01.01.2020 - 30.09.2020
Share of EU member states in intra-Community sales:		
Germany	26%	27%
The Czech Republic	13%	10%
Sweden	13%	15%
Spain	8%	7%
Italy	7%	5%
Slovakia	5%	8%
Austria	5%	5%
The Netherlands	5%	6%

7. Notes on the seasonality of Boryszew S.A. business in the reported period

Boryszew S.A. is exposed to seasonality only in a limited extent.

In the Automotive segment seasonality affects holiday months as well as December, when production of cars falls considerably, causing also a fall in component orders. The Metal segment is barely exposed to any seasonality.

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

No specific seasonality is observed for other products of Boryszew S.A. It is important to note that the Christmas period in December is usually the time of scheduled shut-downs at our customers, hence sales also decline.

8. Financial instruments, fair value, estimated data**Financial assets as at 30.09.2021**

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Derivatives used for hedges	Carrying value
Listed shares	-	-	86 376		86 376
Bonds	15 140	-	-	-	15 140
Trade receivables, factoring	273 692	37 498		-	311 190
Derivative financial instruments	-	-		1 353	1 353
Loans granted	516 645	-		-	516 645
Other debtors	-	137 070		-	137 070
Cash and cash equivalents	45 084	-		-	45 084
Total	850 561	174 568	86 376	1 353	1 112 858

**Financial liabilities as at 30.09.2021**

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	537 371	-	537 371
Liabilities on bonds	28 000	-	28 000
Derivative financial instruments	-	5 324	5 324
Lease liabilities	33 367	-	33 367
Liabilities to SMA and due to right-of-use assets	51 210	-	51 210
Trade and other liabilities	309 415	-	309 415
Total	959 363	5 324	964 687

Fair value of financial assets and liabilities valued at fair value on the on-going basis

	Fair value as at		Hierarchy of fair value
	As at 30.09.2021	As at 31.12.2020	
Financial assets			
Listed shares	86 376	152 862	Level 1
Derivative financial instruments	1 353	482	Level 2
Financial obligations			
Derivative financial instruments	5 324	922	Level 2

Fair value of financial assets and liabilities that are not measured at fair value on an ongoing basis

	Fair value as at		Hierarchy of fair value
	As at 30.09.2021	As at 31.12.2020	
Financial assets			
Bonds	15 140	17 709	Level 3
Borrowings	516 645	462 037	Level 3
Trade and other receivables	448 260	343 793	Level 3
Cash and cash equivalents	45 084	32 894	Level 1
Financial obligations			
Borrowings and loans	537 371	452 354	Level 2
Liabilities on bonds	28 000	64 000	Level 2
Trade and other liabilities	309 415	205 559	Level 3
Lease liabilities	33 367	36 600	Level 2
Liabilities to SMA and due to right-of-use assets	31 419	51 100	Level 2



	01.01.2021 - 30.09.2021
Impact of write-offs on assets and provisions on profit/loss	
Creation of value impairment write-offs for accounts receivable	(8 071)
Reversal of write-downs on accounts receivable (-)	2 660
Revaluation write-offs of loan receivables	-
Reversal of revaluation write-offs on loans granted	11
Creation of value impairment write-offs for inventories	(3 727)
Value impairment write-offs for inventories	3 355
Valuation of shares to fair value	(89 293)
Creation of provisions	-
Reversal of provisions (-)	769
Total impact on profit/loss	(94 296)

9. Transactions with affiliated entities

	Subsidiaries	Personally related entities
in the period 01.01.2021 - 30.09.2021		
Revenues from sales (of products, services, goods)	214 785	248
Interest income	15 900	91
Dividends received and due	53 096	-
Purchases (of materials, goods, services)	71 567	738
Interest expense	973	90
balance on 30.09.2021		
Trade receivables	136 204	64
Bonds purchased	6 148	1 674
Loans granted	511 745	-
Other receivables (advances, deposits)	110 997	360
Lease liabilities	12 895	-
Trade liabilities	56 850	-
Loans received	73 456	-
Issued bonds	28 000	-
Other liabilities (advances, deposits)	65	-

	Subsidiaries	Personally related entities
in the period 01.01.2020 - 30.09.2020		
Revenues from sales (of products, services, goods)	118 395	1 653
Interest income	11 152	108
Dividends received and due	32	-
Purchases (of materials, goods, services)	46 081	13 643
Interest expense	5 575	104

balance on 30.09.2020



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(amounts expressed in PLN '000 unless specified otherwise)

Trade receivables	71 300	6 066
Bonds purchased	15 355	2 784
Loans granted	409 836	2 263
Other receivables (advances, deposits)	36 289	-
Lease liabilities	16 403	-
Trade payables and deposits	40 429	24
Loans received	190 879	4 466
Issued bonds	159 000	-
Other liabilities (advances, deposits)	12 167	361

10. Additional information

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

As at 30 September 2021 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

impact of the COVID-19 epidemic on the activities of Boryszew S.A.

On 11 March 2020 the World Health Organisation assessed that the Covid-19 epidemic can be considered a pandemic. As a result of the spread of the virus, many sectors of the economy have been forced to reduce or stop their operations, resulting in reduced demand, disruption of supply chains, increased unemployment as well as a number of economic and social problems. The COVID-19 pandemic was still ongoing during the period covered by this report.

At the end of the reporting period and as at the report date, the Company experienced no limitations in production, inventory management or supply chain management, and its liquidity remained at a good level. Liquidity forecasts are updated on an ongoing basis and verified on the basis of applicable agreements in order to secure cash at an appropriate level. Boryszew S.A. experienced no problems with access to external financing. Commercial contract contain no provisions that may pose a material risk due to COVID-19 at the end of the reporting period and at the time of publication of the report. Owing to constant monitoring of contractors' situation and security measures implemented, the Company is not exposed to additional risks resulting from the difficult situation of its customers or suppliers.

At the end of the reporting period the financial indicators did not breach the covenants in the agreements with the financing institutions. The Company meets its reporting deadlines; finance and accounting departments meet all their reporting obligations within the required deadlines.

Boryszew S.A. Headquarters as well as the branches verify macroeconomic information on an ongoing basis as well as information obtained by the control and analysis departments during their operations, to forecast, on this basis, the impact of the pandemic on Company's results.

The COVID-19 pandemic in the period between the beginning of the year till the end of third quarter of 2021 had no negative impact on financial results of Boryszew S.A.

Events after the balance sheet date

Boryszew S.A.

Sale of shares in FŁT Polska Sp. z o.o.

On 29 October 2021 Boryszew S.A. concluded a final sale agreement with XCC (Poland) Investment spółka z ograniczoną odpowiedzialnością based in Warsaw (XCC Poland) (entity controlled by XCC Group and selected for implementation of the transaction concerned as per the authorisation by XCC Group in the preliminary agreement) on the transfer to XCC Poland 1 030 shares of FŁT Polska Sp. z o.o. based in Warsaw ("FŁT") accounting for 100.00% of the share capital of FŁT, carrying 100.00% of votes at the shareholders' meeting together with shares of FŁT in subsidiaries, i.e.: FLT-Wälzlager GmbH, FLT & Metals s.r.l., FLT Bearings Ltd, FLT France SAS, FLT (Wuxi) Trading Co., FLT USA LLC ("FŁT Group") for the price of PLN 80.6 million.



Boryszew S.A.

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(amounts expressed in PLN '000 unless specified otherwise)

Decision on the intention to merge Boryszew S.A. based in Warsaw and SPV Impexmetal Sp. z o.o. based in Warsaw and Impex-invest Sp. z o.o. based in Warsaw

On 10 September 2021 the Management Board of Boryszew S.A. resolved to merge Boryszew S.A. based in Warsaw with its subsidiaries SPV Impexmetal Sp. z o.o. based in Warsaw and Impex-invest Sp. z o.o. based in Warsaw (the Acquired Companies).

The merger will be affected under art. 492 § 1 point 1 of the Commercial Companies Code by transferring all the assets of the above mentioned subsidiaries to Boryszew S.A.

The Company believes that the merger will result in further improvement of the efficiency of Boryszew Group management by simplification of its organisational structure and optimum use of assets.

On 28 October 2021 the Extraordinary General Meeting of Boryszew S.A. agreed to merge Boryszew S.A. based in Warsaw ("Acquiring Company") and SPV Impexmetal Spółka z o.o. based in Warsaw and Impex-invest Spółka z o.o. based in Warsaw (Acquired Company).

On the report publication date, the merger was not entered in the register by the registry court.



Boryszew Capital Group

Abbreviated mid-year consolidated financial report for the period between 1 January and 30 September 2021 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

The financial statements were signed by the Management Board of the Parent on 26 November 2021.

SIGNATURES:

Wojciech Kowalczyk – President of the Management Board

Mikołaj Budzanowski – Member of the Management Board

Agata Kęszczyk-Grabowska - Chief Accountant
