



Financial statements

Boryszew S.A.

for the period between 1 January and 31

December 2021

**Report publication date:
27 April 2022**





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STATEMENT OF COMPREHENSIVE INCOME

	note	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Revenues from sales	6	1 917 725	1 183 300
Prime cost of sale	7	1 743 641	1 025 024
Gross profit on sales		174 084	158 276
Selling costs		40 965	27 121
Administrative expenses		95 506	76 715
Other operating revenue	8	98 188	953 203
Other operating expenses	9	41 629	23 930
Profit/loss on impairment of trade and other receivables	10	(22 943)	2 244
Operating income		71 229	985 957
Financial revenues	11	103 088	302 050
Financial expenses	12	41 761	45 171
Profit/loss on impairment of financial assets	13	(359 510)	(14 821)
Financial profit/loss		(298 183)	242 058
Profit before taxation		(226 954)	1 228 015
Income tax	14	32 808	51 278
Net profit		(259 762)	1 176 737
		(259 762)	1 176 737
Earnings / Diluted earnings per share			
Weighted average number of shares		205 205 000	217 328 094
Earnings / Diluted earnings per share (PLN)		(1,27)	5.41

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Net profit	(259 762)	1 176 737
Earnings recognised in equity		
<i>Earnings recognised in equity, to be transferred to income statement</i>	3 435	(4 193)
Hedge accounting	4 241	(5 177)
Measurement of financial assets		
<i>Income tax expense (-provision/+asset)</i>	(806)	984
<i>Disposal of financial assets</i>		
<i>Income tax expense (-provision/+asset)</i>		
<i>Earnings recognised in equity, not to be transferred to income statement</i>	12 125	32 004
Gains/losses on valuation of equity instruments	(10 615)	39 249
Gains/losses on disposal of equity instruments	25 315	-
Income tax	(2 793)	(7 457)
Employee benefit capital reserve	269	262
<i>Income tax</i>	(51)	(50)
Total earnings recognised in equity	15 560	27 811
Total comprehensive income	(244 202)	1 204 548



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STATEMENT OF FINANCIAL POSITION

ASSETS	Note	As at 31.12.2021	As at 31.12.2020
Non-current assets			
Non-current assets	15	257 847	245 567
Investment property	16	21 619	17 243
Intangible assets	17	35 223	32 783
Right-of-use assets	18	117 891	112 658
Shares in subsidiaries and associates	0	803 978	853 656
Financial assets	20	41 328	120 752
Long-term receivables	23	110 195	116 932
Deferred tax assets	14	-	-
Other assets	24	11 566	11 120
Total fixed assets		1 399 647	1 510 711
Current assets			
Inventory	22	242 154	208 282
Trade receivables and other receivables	23	385 580	259 189
Short-term financial assets	20	399 578	511 876
Derivative financial instruments	20	-	482
Other assets	24	29 603	21 615
Cash and cash equivalents	25	56 900	32 894
Total current assets		1 113 815	1 034 338
Total assets		2 513 462	2 545 049



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LIABILITIES AND EQUITY	Note	As at 31.12.2021	As at 31.12.2020
Equity	26		
Share capital		248 906	248 906
Share premium		112 346	112 346
Own shares		(182 816)	(182 816)
Hedge accounting capital		(2 670)	(6 105)
Gains on investments in equity instruments		43 699	31 792
Capital reserve on translating employee payables		(208)	(426)
Retained earnings		1 148 068	1 394 095
<i>including net profit of current year</i>		<i>(259 762)</i>	<i>1 176 737</i>
Total equity		1 367 325	1 597 792
Liabilities and long-term provisions			
Bank credits, loans, bonds	27	8 275	120 313
Liabilities under lease of fixed assets	28.1	29 755	20 868
Lease liabilities	28.2	35 650	43 065
Payables on perpetual usufruct of investment land	28	1 932	1 941
Deferred tax provision	14	15 213	9 592
Employee benefit provisions	30	2 754	2 812
Other provisions	31	23 413	8 638
Other long term equity and liabilities	32	18 489	19 352
Liabilities and long-term provisions - total		135 481	226 581
Short-term liabilities			
Bank credits, loans, bonds	27	505 083	396 041
Liabilities under lease of fixed assets	28.1	10 831	15 732
Lease liabilities	28.2	9 292	8 035
Trade payables and other liabilities	29	436 143	239 339
Derivative financial instruments	20	300	922
Current tax liabilities	14	22 906	44 623
Employee benefit provisions	30	8 722	6 465
Other provisions	31	3 378	6 044
Other liabilities and equity	32	14 001	3 475
Liabilities and short-term provisions - total		1 010 656	720 676
Total liabilities and provisions		1 146 137	947 257
Total equity and liabilities		2 513 462	2 545 049



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CASH FLOW STATEMENT

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Cash flows from operating activities		
Profit before taxation	(226 954)	1 228 015
Adjustments for (+/-)	339 151	(1 247 481)
Amortisation/depreciation	66 495	43 684
Profit/loss on financial activity (including interest on financial liabilities)	364 732	853
Dividend	(51 846)	(913 032)
Profit / loss on investment activities	(104 412)	(274 074)
Change in receivables	(122 605)	(10 464)
Change in inventories	(33 854)	(30 129)
Change in liabilities	273 752	(62 988)
Change in provisions and accruals as well as prepayments	15 559	3 764
Other items	(18 237)	(4 883)
Income tax paid	(50 433)	(212)
Net cash from operating activities	112 197	(19 466)
Cash flows from investment activities		
Proceeds from disposal of fixed assets	26 853	3 038
Proceeds from disposal of shares	239 588	470 400
Proceeds from disposal of shares/dividends	14 740	6 424
Proceeds from redemption of bonds by issuers	-	1 050
Proceeds from repayment of loans granted	120 679	12 148
Other proceeds from investment activities	203	226
Expenses on acquisition of fixed assets	(43 352)	(37 432)
Acquisition of shares and stocks in capital group entities	(185 416)	(25 237)
Long term borrowings granted	(229 943)	(208 295)
Expenditure on bonds	(940)	-
Other capital expenditures	-	(4 405)
Net cash from investing activities	(57 588)	217 917
Cash flows from financial activities		
Incomes on credit and loan facilities	146 769	188 246
Loans received	149 999	124 274
Other inflows	16 060	9 659
Share buy-back expense	-	(35 945)
Loans repaid	(213 694)	(271 353)
Repayment of borrowings	(54 976)	(60 141)
Redemption of bonds	(36 000)	(109 828)
Interest paid on loans, borrowings and leasing	(15 342)	(21 000)
Payment of liabilities under finance lease agreements	(25 383)	(25 257)
Other financial outflows		
Net cash from financing activities	(32 567)	(201 345)
Net change in cash	22 042	(2 894)
Cash opening balance	32 894	35 788
Cash of combined entities	1 964	-
Cash closing balance	56 900	32 894
<i>Restricted cash</i>	<i>10 388</i>	<i>998</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				3 435				3 435
Valuation of employee benefits					218			218
Measurement of financial assets						(8 598)		(8 598)
Disposal of financial assets						20 505		20 505
Profit/loss for 2021							(259 762)	(259 762)
Total comprehensive income for 2021	-	-	-	3 435	218	11 907	(259 762)	(244 202)
Merger with a subsidiary							13 735	13 735
As at 31.12.2021	248 906	112 346	(182 816)	(2 670)	(208)	43 699	1 148 068	1 367 325

	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
As at 31.12.2020	248 906	112 346	(182 816)	(6 105)	(426)	31 792	1 394 095	1 597 792



INFORMACJA DODATKOWA

to the financial statements for the period between 1 January and 31 December 2021

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 was assigned statistical number REGON 750010992 and NIP 837-000-06-34.

The company is established for an indefinite period of time.

Classification of the Company on the listing market

Company's shares are listed on the main market of Warsaw Stock Exchange in the continuous trading system, chemical sector.

Company's business includes manufacturing, services and trade.

This report contains cumulative data.

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.

On 1 January 2021, the Supervisory Board had the following members:

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 Siemienieć 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.



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On 31 December 2021 the Supervisory Board of Boryszew S.A. had the following members:

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

From 31 December 2021 to the date of submitting the report for publication, no changes took place in the composition of the Company's 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 Juszczyński	– 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. 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 Juszczyński, Vice-President of the Management Board, Chief Financial Officer resigned on the same day.

As at 31 January 2021, the composition of Boryszew S.A. Management Board was as follows:

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

From 31 December 2021 to the date of submitting the report for publication, no changes took place in the composition of the Company's Management Board.

INTERNAL STRUCTURE

In 2021, Boryszew S.A. operated in seven branches, preparing separate financial statements:

Branch	Business segment
Headquarters	Other non-allocated
Elana Branch in Toruń	Chemical products
Energy Branch in Toruń	Other
ERG Branch in Sochaczew	Chemical products
Nylonbor Branch in Sochaczew	Chemical products
NPA Skawina Branch	Metals
Maflow Branch in Tychy	Automotive



2. BASIS FOR REPORT PREPARATION

FINANCIAL STATEMENTS

Financial statements were drafted in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union (EU).

In addition to the presented financial statements, the Company drafted consolidated financial statements of Boryszew Capital Group, for which Boryszew S.A. is the parent company. The presented financial statements are separate financial statements and serve primarily statutory purposes.

Financial statements are presented in PLN. PLN is the functional and reporting currency. All values in the financial statements are presented in full thousands of PLN, unless stated otherwise.

The statements were prepared on a going concern basis. The Management Board confirms that no threat exists to the continuity of Company's operations. The covid19-related effects of the pandemic described in note 35 do not currently threaten the continuation of operations.

This report was approved for publication by a resolution of the Management Board on 27 April 2022 and presents the situation of Boryszew S.A. pursuant to the legal requirements for the period between 1 January 2021 and 31 December 2021, including any events which occurred by the date of approval of this report.

The financial statements have been prepared under the historical cost concept except for certain non-current assets and financial instruments which are measured at either revalued amounts or fair value at the end of each reporting period in accordance with the accounting policy set out below.

Historical cost is determined on the basis of the fair value of the payments made. Fair value is the price that can be obtained by selling the asset or paid to transfer a liability in an arm's length transaction in the principal (or most advantageous) market as at the measurement date and under current market conditions, regardless of whether the price is directly observable or estimated using another valuation technique.

CONVERSION OF FINANCIAL DATA

In 2021 the Company did not restate comparative data.

STATEMENT BY THE MANAGEMENT ON COMPLIANCE OF ACCOUNTING PRINCIPLES

The Management Board for Boryszew S.A.: Wojciech Kowalczyk, Mikołaj Budzanowski represent that to the best of their knowledge the financial statement and comparative data 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 Boryszew S.A. The Management Board confirms that the report on the activities of Boryszew Capital Group presents a true picture of the development and accomplishments of the Group as well as its situation, including a description of fundamental risks and threats.

REPRESENTATION OF THE MANAGEMENT BOARD ON THE SELECTION OF FINANCIAL STATEMENTS

The Management Board for Boryszew S.A. represents that BDO Spółka z ograniczoną odpowiedzialnością sp. k. based in Warsaw, which audited the financial statements for 2021, was selected in accordance with the provisions of law and that BDO Spółka z ograniczoną odpowiedzialnością sp. k. and its statutory auditors performing this audit met the conditions to issue an impartial and independent opinion on the audit of the financial statements in accordance with applicable regulations and professional standards.

The Supervisory Board of Boryszew S.A., acting under § 15 point 1 of the Articles of Association of Boryszew S.A. appointed, by the resolution No. 18, BDO Spółka z ograniczoną odpowiedzialnością sp. k. with registered office in Warsaw to:

- a) conduct review of separate interim financial statements of Boryszew S.A. and the interim consolidated financial statements of Boryszew Capital Group drafted in accordance with the International Financial Reporting Standards and regulations on public trading in securities for the periods of 6 months ended 30 June 2022, 30 June 2023 and 30 June 2024,
- b) conduct audit of separate annual financial statements of Boryszew S.A. and the annual consolidated financial statements of Boryszew Capital Group drafted in accordance with the International Financial Reporting Standards and regulations on public trading in securities for the periods ending on 31 December 2022 - 2024.



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BDO Spółka z ograniczoną odpowiedzialnością sp. k. based in Warsaw is entered in the list of entities authorised to audit financial statements under the number 3 355, maintained by the National Council of Statutory Auditors.

The Supervisory Board chose the auditor in accordance with its powers stipulated in the Company's Articles of Association and in accordance with applicable legal provisions in force (as per Article 66 item 4 of the Accounting Act) and based on internal policies and procedures.

STATEMENT REGARDING THE REPORT ON NON-FINANCIAL DATA

The Management Board for Boryszew S.A.: Wojciech Kowalczyk, Mikołaj Budzanowski represent that the Company has drafted a statement on non-financial information referred to in Article 49b section 1 of the Accounting Act as a separate part of the report on operations. The statement has been drafted both at the stand alone basis for Boryszew S.A. as well as consolidated basis for Boryszew Capital Group. Financial statements are available on Company's website - www.boryszew.com.

DIVIDEND

During the period covered by this report, the Company paid no dividends.

Distribution of profit for 2021

The Management Board of the Company recommends that the net loss for 2021 of PLN (259 762) thousand be covered from the Company's supplementary capital and that the profit on disposal of financial assets through comprehensive income of PLN 20 505 thousand be allocated to the Company's supplementary capital.

CHANGES IN ACCOUNTING PRINCIPLES

PLATFORM OF APPLIED IFRS

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

Accounting principles (policy) of applied when drafting these separate financial statements for the fiscal year ended on 31 December 2021 are consistent with those applied when drafting annual separate 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.

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 financial year.

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 Company applied the revised standards as of 1 January 2021.

In addition, as of 1 January 2021, following adoption by the European Commission in October 2020, the Company 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 Company is not involved in insurance activity, the new standard will not affect future financial statements of the Company.

The implementation of the standard amendments had no material impact on these annual separate financial statements. The Company decided to implement the standards in a retrospective manner.

Non-compulsory standards (New standards and interpretations)

The Company did not chose to early implement, in these annual separate 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:

- IFRS 17 Insurance Contracts

The new standard was published on 18 May 2017 then amended on 25 June 2020 and applies to annual periods beginning on or after 1 January 2023. Earlier application is permitted (but subject to simultaneous application of IFRS 9 and IFRS 15). The standard supersedes the existing regulations concerning insurance contracts (IFRS 4). IFRS 4 was also amended on 25 June 2020 - in terms of extending the exemption for insurers from the application of IFRS 9 *Financial Instruments* until 1 January 2023.

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

- 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 and clarification of costs an entity considers when assessing whether a contract will result in a loss.

The Company will apply the amended standards as of 1 January 2022. On the date of drafting of these financial statements the Company is in the process of assessing the impact of the amendment on the separate financial statements and as at 31 December 2021 it is not possible to reliably estimate the impact of application of the amended standard.

- 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 above amendments to IAS 1 will be applied by the Company 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.

- 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 the standard 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.

This amendment, like the current amendment, is not expected to have a material impact on future separate financial statements.

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:

- 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.

- 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

- Amendment to IFRS 17 *Insurance Contracts: First-time adoption of IFRS 17 and IFRS 9 - comparative information.*

The amendment to IFRS 17 was published on 9 December 2021 and applies to annual periods beginning on or after 1 April 2023. The amendment includes a transition option for comparative information on financial assets presented on initial application of IFRS 17. The change is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities.

3. ACCOUNTING PRINCIPLES APPLIED

The adopted accounting principles conform with the International Financial Reporting Standards within the scope of regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002 concerning application of the International Financial Reporting Standards with subsequent amendments.

In preparing these financial statements, the Company made no changes to any previously applied accounting principles.

Principles and methods of valuating assets and liabilities

Model based on purchase price or production cost plus revaluation

The balance sheet value of an asset item is written down to the recoverable value only, if the retrievable value is lower than its balance sheet value. The above reduction is recognised as impairment write-off. This write-off is recognized immediately recognized in the income statement, unless such asset is recognized at revalued amount. Any impairment write-offs for restated asset item are considered as reduction of revaluation reserve.

Revaluation model

Upon initial recognition of the asset at cost, which fair value can be reliably estimated, such asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses.

Fair value

Fair value is the price that would be received for the disposal of an asset or transfer of a liability in a transaction conducted under normal conditions in the primary (or most favourable) market at the date of valuation in current market conditions (that is the exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Purchase price or production cost of an asset item

Purchase cost or cost of manufacturing is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction. The purchase price covers the amount payable to the seller, without deductible: VAT and excise duty tax, and in case of import - increased by relevant charges and costs directly associated with the purchase and adaptation of the asset item to a condition suitable for use or introduction into trade, along with the costs of transport, loading, unloading, storage or introduction into trade, and decreased by discounts, allowances and other similar decreases or recoveries.



Tangible assets

After the initial recognition at purchase price or production cost, the components of tangible fixed assets are measured by a valuation model based on purchase price or production cost and the revaluation for impairment loss.

Tangible fixed assets, which value has been determined as at the day of transition to IFRS, i.e. 01.01.2004 by fair value, after this date will be measured by the valuation model based on purchase price or production cost and the revaluation for impairment loss.

Tangible fixed assets, which are owned or jointly owned by the Company, purchased or produced in-house, under a finance lease and usable on the day of commissioning, with an expected use period longer than one year, used by the company for the purposes associated with business activity or let to use based on rental, tenancy or lease agreement, are subject to amortisation. The value, which is either a purchase price or cost of production of specific assets, reduced by the final value of this asset, should be amortised. The final value of the asset is the amount, which according to the forecast the company could currently obtain taking into consideration the age and state at the end of its life (after deducting the estimated selling costs). Amortisation begins in the month in which the asset is available for use. Amortisation of fixed assets is made on the basis of planned, systematic spread of the depreciable value over estimated life of the specific asset item. Amortisation ends in the month, in which the asset was classified as held for sale (in accordance with IFRS 5 Fixed Assets held for sale and discontinued operation) or in the month in which the asset is no longer disclosed, taking into consideration the earlier of these dates.

Depreciation rates applied for individual groups of tangible fixed assets:

Land	-
Buildings, premises, civil and water engineering structures	2.5% - 50%
Technical equipment and machines	5% - 50%
Means of transportation	10% - 33%
Other tangible fixed assets	6% - 50%

Investment outlays

Fixed assets under construction are recognised at the price of purchase or cost of manufacturing less impairment write-offs. Until completion of construction and handing over for use they are recognised in individual groups of fixed assets and are not amortised until handed over for use.

The right for perpetual usufruct of land acquired on the market

The cost of acquisition of the right for perpetual usufruct of land is depreciated on a straight-line basis over the period for which the right is granted. An average depreciation rate for the right for perpetual usufruct of land is 1.1%-1.2%.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical form, which is in entity's possession to use or to put into gratuitous use. Intangible assets purchased in a separate transaction are capitalised at purchase price or production cost, reduced by accumulated depreciation and accumulated revaluation write-offs.

Life of intangible assets is estimated and found to be limited or unlimited. Intangible assets with unlimited life are not amortised, neither are they subject to annual impairment evaluation. An example of intangible assets with unlimited life are concessions, licenses and purchased trademarks, which can be renewed without any time limit for a small fee and the company plans to renew them and it is expected that they will generate cash flow without any time restrictions. At the balance-sheet day, the company did not reveal such intangible assets.

Limited life assets are amortised over their life.

Amortisation ends in the month, in which the asset was classified as held for sale (in accordance with IFRS 5 Fixed Assets held for sale and discontinued operation) or in the month in which the asset is no longer disclosed, taking into consideration the earlier of these dates.

Life of intangible assets should not be longer than 20 years from the date when the asset is ready to use, unless this is possible to prove longer period.

Depreciation rates applied for intangible fixed assets:

Patents, licenses, software	10% - 50%
Other intangible fixed assets	10% - 50%



Lease

Financial leasing agreements (till end of 2018), where the Company retains substantially all the risks and rewards of ownership of the leased item are recognised, as at the date of leasing commencement, at the lower of: fair value of leased asset or current value of minimum lease payments. Leasing fees are divided into financial costs and decrease of the liability balance against leasing (represented in the balance sheet as trade payables and other long term and short term liabilities) - so as to obtain a fixed interest rate on the outstanding liability amount.

If there is no certainty that the leaseholder will receive ownership before the end of the lease agreement, the activated tangible assets used under lease agreements are amortised throughout shorter of the two periods: estimated life of fixed asset or lease period.

If the lease agreement is so favourable that it is highly probable that after the lease agreement the asset will become leaseholder's property and will be used, then this asset is amortised over life.

Leasing as of 1 January 2019

All leases are accounted for through the recognition of an asset under the right-of-use asset and a lease liability, except for:

- leases on low-value assets;
- lease agreements covering a lease term of 12 months or less.

The lease obligations are measured at the present value of lease payments to the lessor over the lease term, where the discount rate is based on the interest rate of the lease, unless (as is usually the case) it is not readily determinable, in which case the company's/group's incremental rate of interest at the inception of the lease is used. Variable lease payments are included in the valuation of the lease liability only if they are based on an index or rate. In such cases, the initial measurement of the lease liability assumes that the variable element will remain the same throughout the lease term. Other variable lease payments are charged to costs in the period to which they relate.

On initial recognition, the carrying amount of the lease liability also includes:

- the amounts expected to be paid under the guaranteed residual value;
- the exercise price of the call option granted to the company, as long as it is reasonably assured that the company will exercise the option;
- any penalties for termination of the lease if the lease term is estimated on the assumption that the termination option can be exercised.

The right-of-use assets are initially measured at the amount of the lease liability, less any lease incentives received, and increased by:

- lease payments made at or before inception of the lease;
- initial direct costs incurred; and
- the amount of recognised provision in case the Company has a contractual obligation to dismantle, remove or retrofit the leased asset (destruct the leased asset).

After the initial measurement, lease liabilities increase due to interest charged at a fixed rate on the unpaid balance and decrease as a result of lease payments. Right-of-use assets are depreciated on a straight-line basis over the remaining lease term, or over the remaining economic life of the asset if, in rare cases, it is estimated to be shorter than the lease term.

When the Company/Group revises its estimate of the term of any lease (because, for instance, it reassessed the probability of exercising the renewal or termination option), it adjusts the carrying amount of the lease liability to reflect the payments to be made up to the end of the revised lease term, which are discounted at the same discount rate that was applied at the inception of the lease. The carrying amount of the lease liability is changed in a similar manner when the variable component of future lease payments based on an index or interest rate is modified. In both cases, the carrying amount of the right-of-use asset is adjusted accordingly and the adjusted carrying amount is depreciated over the remaining (modified) lease term.

If the Company renegotiates the terms of the lease agreement with the lessor, the accounting treatment depends on the modification made:

- if the modification involves an additional lease of one or more asset items for an amount commensurate with the unit price of the additional use rights acquired, the modification is accounted for as a separate lease in accordance with the above policy,
- in all other cases where renegotiations broaden the scope of the lease (either by extending its term or by adding one or more assets), the lease liability is remeasured at the discount rate on the date on which the



- modification becomes effective and the right-of-use asset is adjusted for the same amount,
- if renegotiations involve a reduction in the scope of the lease, then both the carrying amount of the lease liability and the carrying amount of the right-of-use asset are reduced in the same proportion to reflect partial or full termination of the lease and the resulting difference is recognised in profit or loss. The lease liability is then further adjusted to ensure that its carrying amount reflects the renegotiated payments over the renegotiated lease term, where the adjusted lease payments are discounted using the discount rate as at the date the change becomes effective. The right-of-use asset is adjusted by the same amount.

For agreements that both give the company/group the right to use a specific asset and require the lessor to provide services to the company/group, the company has chosen to recognise the entire agreement as a lease - no amount of lease (contractual) fees are not assigned to, or separately accounted for, any services provided by the supplier under the agreement.

The Company is a lessee of office space, which is partly leased to other related companies. Due to insignificant value, revenues from lease are recognised as revenues from lease services and not subleasing.

Leaseback

A leaseback takes place when the Company (seller-lessee) transfers an asset to another entity (buyer-lessor) and leases that asset back. If the transfer of an asset meets the requirements of IFRS 15 for recognition as a sale of such an asset, the seller-lessee identifies the asset under a leaseback in proportion to the former carrying amount of the right-of-use asset retained by the seller-lessee. Leaseback is one of the ways of financing in the Company.

Investment property

Investment property is a property (land, building or a part of building or both), which the company, as owner or leaseholder treats as a source of income from rent including operating lease or owns due to the increase in its value, or both, the property should not be used neither for production activities, deliveries, services or for administrative purposes nor should it be held for sale as part of company's ordinary activity.

Investment property is initially valued according to its purchase price or construction cost.

Leased investment properties are recognised at the lower of the two values: property fair value or current value (discounted) of lease payments with simultaneous recognition of lease liability.

After the initial recognition, investment properties are valued by the Company according to fair value and fixed differences of value, both increase and decrease are recognised directly in the income statement. Fair value of investment property is determined by an expert once every three years or more frequently in case of a significant change in the parameters used in the valuation.

Impairment loss for tangible and intangible fixed assets.

As on each balance date, the Company reviews its tangible and intangible fixed assets in order to verify if premises exist that would suggest any loss of value of these assets. Should such premises be found, the retrievable value of an asset is estimated in order to determine a potential write-off. If a given asset does not generate any cash flows which would be substantially independent from cash flows generated by other assets, the analysis is performed for the group of assets generating cash flows to which such asset belongs.

In the case of intangible assets with undefined usability period, the loss of value test is carried out every year and, additionally, if there are any premises that the loss of value could have occurred.

The retrievable value is the higher of the two following values: fair value less sales costs or usable value. The latter corresponds to the current value of the estimated future cash flows expected by the company from the assets, discounted at the discount rate which takes into account the current money value in time and the asset-specific risk. If the retrievable value is lower than the balance sheet value of an asset (or a cash flow generating unit), the balance sheet value of the asset or unit is written-down to the retrievable value. The amount of impairment loss is immediately recognised as a cost for the period.

When the loss of value is subsequently reversed, the net value of the asset (or cash flow generating unit) is increased to the new estimated retrievable value, however not higher than the balance sheet value of the asset which would have been determined had the loss of value of the asset/cash flow generating unit not been recognized in the previous years. The amount of impairment loss reversal is recognised in the income statement.

Shares in associates and subsidiaries

Investments in subsidiaries are measured at acquisition cost.



For all financial assets in subsidiaries, the Company carries out an impairment test. Should an indication be determined that they may be impaired, an impairment loss is recognised in costs

Financial instruments

Financial instrument means every agreement which results in creation of a financial asset of one of the parties and a financial obligation or a capital instrument of the other party.

Financial assets

Financial investment is any asset in the form of cash, equity instrument issued by other entities as well as a contract (agreement) based right to receive financial assets or the right to exchange financial instruments with another entity under potentially favourable conditions.

Based on the timeliness criterion, they can be divided into:

- long-term,
- short-term

Where the period during which a financial asset is held is not apparent from the nature, features or the contract that gives rise to that asset, the person concluding the contract is responsible for determining the intended holding period. When the deadline for disposal of long-term financial assets becomes less than one year, these assets are reclassified to short-term investments.

As of 1 January 2018, the Company recognises financial assets in one of the three categories specified in IFRS 9:

- measured at fair value through other comprehensive income,
- measured at amortised cost,
- financial assets measured at fair value through profit or loss

The classification depends on the nature and purpose of financial assets and is determined on initial recognition.

A financial asset is measured at amortised cost if both of the following conditions are met:

1. financial asset is held to generate contractual cash flows;
2. the terms of the contract generate cash flows on specific dates that are repayment of the principal amount and interest

The following are recognised by the Company as financial assets at amortised cost:

- trade receivables
- loans granted
- bonds
- other receivables and deposits, cash and cash equivalents

Financial assets measured at amortised cost are measured at amortised cost using the effective interest rate method, adjusted for any write-downs due to expected credit losses.

A financial asset is measured at fair value through profit or loss if both of the following conditions are met:

1. the purpose is to keep it in order to obtain both contractual cash flows as well as to sell it;
2. the terms of the contract generate cash flows on specific dates that are repayment of the principal amount and interest

All financial instruments that were not classified as measured at amortised cost or measured at fair value through profit or loss are recognised as assets measured at fair value through total comprehensive income.

Financial asset impairment loss

On 01.01.2018 the Company replaced its principles of recognition of credit losses based on incurred loss with, as per IFRS 9 Financial Instruments, the concept of expected credit loss resulting in recognition of impairment losses on assets from the moment of their initial recognition.¹ Impairment requirements for financial assets relate in particular to financial assets

measured at amortised cost and measured at fair value through other comprehensive income.

The Company identified the following categories of financial assets where it verified the impact of calculation of expected credit losses on the financial statements in accordance with IFRS 9 Financial Instruments:

- trade receivables,
- loans granted



With respect to trade receivables, the Company estimated expected credit losses based on historical data on lost receivables and taking into consideration the insurance of trade receivables, covering 90% of their value. In the case of loans granted, the Company estimates the expected credit losses based on historical flows as well as the degree of maturity and individual assessment of the debtor.

Derivative instruments

As provided in section 7.2.21 of IFRS 9, the Company chose to continue to apply the requirements of IAS 39 to hedge accounting.

Derivative instruments are recognised at fair value on the day of conclusion of a contract, and then they are remeasured to fair value for each balance sheet day. The resulting gain or loss is immediately recognised in profit or loss unless a specific derivative has a hedging function. In such case the moment of recognition of a profit or loss depends on the nature of hedging relationship. The company defines certain derivative instruments as:

- fair value hedge of recognised assets or liabilities or probable future liabilities (fair value hedge);
- hedge of specific risk associated with recognised liabilities or highly probable planned transactions (cash flow hedge).

Fair value of derivative instruments treated as a hedge is classified as a component of fixed assets or long-term liabilities if the period remaining to maturity of the hedging relationship exceeds 12 months, or as a component of current assets if this period is shorter than 12 months.

Derivatives not designated as an effective hedging relationship are classified as current assets or liabilities.

Embedded derivatives

Derivatives embedded in other financial instruments or agreements, which are not instruments, are treated as separate derivatives if the character of the embedded instrument and the related risks are not closely associated with the nature of the primary agreement and the related risks and if the primary agreements are not measured according to the fair value, which alterations are recognised in the profit and loss account.

Fair value hedge

Changes in the fair value of derivatives defined and classified as fair value hedges are recognised immediately in the profit and loss account, together with any changes in the fair value of the hedged item attributable to the hedged risk.

Hedge accounting

The Company defines specific hedges of foreign exchange risk and market risk that cover derivatives, embedded derivatives and other instruments as fair value hedges, cash flows hedges.¹ Hedges of foreign exchange risk and market risk in relation to probable future liabilities are accounted for as cash flow hedges.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item as well as the risk management objectives and strategy for the execution of the various hedging transactions. In addition, the Company documents the effectiveness with which the hedging instrument compensates for changes in the fair value or cash flows of the hedged item, both at the time of the relationship and on an ongoing basis thereafter.

Cash flow hedge

The effective portion of changes in the fair value of derivatives defined and classified as cash flow hedges is deferred to equity. Profit or loss related to the ineffective part is recognised immediately in the profit and loss account as a part of costs or revenues.

Amounts recognised in equity are recovered in the income statement in the period in which the hedged item is disclosed in the income profit and loss account. However, if a forecast hedged transaction results in the recognition of a non-financial asset or non-financial liability, the gains and losses previously recognised in equity are reclassified to the initial measurement of the cost of asset or liability.

The company discontinues the hedge accounting practice if a hedge instrument expires, is sold, terminated or executed or if it does not comply with the hedge accounting criteria. If this happens, the cumulative profits or loss on that hedge instrument recognised in equity remain as capital items until the hedged transaction is executed. If the hedged transaction is not executed, cumulative net result recognised in equity is immediately transferred to the income statement for relevant period.



The market price of financial assets held by the Company and financial liabilities that the Company intends to take out, is the current purchase offer placed on market while the market price of financial assets, which the Company intends to purchase and financial liabilities is the current sales offer placed on the market.

Inventories

Inventories are valued at the lower of purchase price and net realisable value.

Goods and materials

They are valued at the purchase price not higher than their net realisable value.

The difference between higher net purchase and lower net sale price is written off to manufacturing costs. For inventories which are unnecessary or lost their commercial value, the Group creates write-downs recognised as production.

Goods and materials issue methodology

Due to the fact that the purchase prices of materials and goods fluctuate throughout the fiscal year, issue of materials and goods is recorded according to "first in, first out" (FIFO) method as well as based on weighted average prices.

Products and work in progress

Products are recognised at their cost of manufacture which covers the costs in direct connection with the product plus justified part of costs directly associated with the manufacture of the product.

On the balance-sheet day, the value of the products accounted for in the ledgers at fixed price is adjusted to the effective cost of their manufacture, not higher than the realisable market prices.

The effects of write-downs on the finished products and their reversal, refers to the cost of sales.

Product issue methodology

If the costs of manufacturing of identical products or products considered as identical due to similarity of nature and purpose, are different then the final value of these assets, depending on the method the Company chose to determine the issue value of particular kind of products, sale or use is measured:

- according to FIFO ("first in, first out") method
- according to average manufacturing costs set by weighted average for a given product.

Various methods of determining the issue in case of inventories with a different nature and purpose are allowed.

Items in the work in progress are measured at the direct manufacturing cost.

Inventory impairment write-offs

The Company accounts for impairment write-offs recognised in the profit and loss account for all inventories being unjustifiably obsolete. The Company takes into account the requirement that the carrying value cannot exceed net sales prices.

Cash and cash equivalents

Cash is considered as cash in hand, on bank accounts and deposits payable on demand.

Cash disbursement in foreign currency is determined by using average weighted cost method.

Bank deposits, bonds, treasury and commercial bills with payment date of up to 3 months from the purchase date are considered by the Company as cash.

Accruals

The Company recognises **accruals and prepayments** as well as their financial impact as follows:

- prepayments (included in trade and other receivables) are recognised if expenses incurred relate to future reporting periods;
- accruals (included in trade and other payables) are recognised at the amount of probable liabilities in the current reporting period, arising in particular:



- from services provided to the Company by its suppliers (contractors), where the amount of liabilities can be reliably estimated,
- from the obligation to provide future services to unknown persons, where such services related to current activity and where the amount can be estimated even though the date of the liability is not yet known, in particular for warranty and guarantee repairs of sold durable products.

Provisions, contingent liabilities and contingent assets

Provisions are liabilities with uncertain maturity date or of uncertain amount, which can be estimated.

Contingent liabilities - possible liability that arises from past events and whose existence will be confirmed only by occurrence or not of one or more uncertain future events beyond the Company's control or an existing liability, which is not recognised in the balance sheet, because disbursement of beneficial funds is unlikely or the amount of the liability cannot be reasonably estimated.

The Company recognises provisions, if:

- legal or customary obligation resulting from past events exists
- outflow of resources is probable
- reliable estimate is possible

Provisions are measured at least at the balance sheet date in a reasonable, estimated value. The Company discounts a provision when the time value of money significantly affects the amount of such provision.

Shareholders' equity

Shareholders' equity is measured at least at the balance sheet date in the nominal value and is recognised in the ledgers according to their nature and rules set by law or the Company's statute or agreement. According to IAS 29 par. 24 the components of owners' equity (except retained earnings and revaluation reserve) were restated as at the date of IAS transition, i.e. 01.01.2004 by applying general price indices from the dates the components were contributed or otherwise created.

The amount arising from the hyperinflation revaluation increased share capital and the issue premium.

State subsidies

Subsidies are divided into:

capital subsidies - for acquisition, financing of fixed tangible and intangible assets

revenue/cost subsidies - for financing of expenses in a given area.

State subsidies including non-cash subsidies accounted for in their fair value are not recognized unless a reasonable certainty exists that the Company will comply with the subsidy-related conditions and will receive such subsidies.

Revenue from cash subsidies are accounted for in the profit and loss account parallel to the associated subsidy expenses. Costs and subsidies amounts are recognised separately in the income statement.

Revenue from capital grants is accounted for as deferred income in the "State subsidies" section and is settled parallel to the associated amortisation of fixed or intangible assets.

Revenues

The Company recognises revenue on a one-off basis when the promised good or service is delivered to the customer. The company concludes no contracts on services provided over time. As per IFRS 15, revenue is recognised at the amount of remuneration that, as expected by the Company, is payable in exchange for the promised goods or services delivered to the customer, less any expected discounts, customer returns and similar deductions, and any applicable value added tax. The Company estimates the probability of bonuses or customers and provides for their value at the end of each reporting month as an adjustment of sales revenue. The agreed transaction prices do not include variable elements. The Company does not recognise assets or liabilities under agreements. The company bears no significant costs of concluding contracts.

Interest and dividends

The Company recognises revenues occurring as the result of interest and dividend generating Company's assets being used by other entities as long as:

it is likely that the Company will generate economic benefits and the amount of revenues can be reliably estimated



Interest are disclosed gradually to the time passage taking into account the effective yield.

Dividends are recognised when the shareholders' right to receive them is established, under other operating income.

Principle of substance over form

For each transaction, the Company evaluates whether the transaction raises the economic effects, which would be expected for this kind of transaction. This rule is applied in case of sales, leasing, consignment or sales with recourse to the seller.

To demonstrate the sales, transfer of significant risks and profits for the buyer, the lack of ability to control by the seller and high probability of benefits impact should be taken into account.

Costs of external financing

Costs of external financing include interest and other costs incurred by the entity in connection with borrowing of funds.

Costs of external financing include:

- interest on loans and borrowings
- amortisation of discount or bonus related to loans and borrowings
- amortisation of costs associated with obtaining borrowings and loans
- financial leasing costs
- exchange rate differences associated with borrowings and loans in foreign currency, in the interest valuation part

Costs of external financing are recognised as costs of the period, in which they were incurred, excluding the costs of external financing, which can be directly assigned to the adjusted assets. Costs of external financing for the period of adjusting the asset increase the cost of production of fixed assets or real estate investments.

Employee benefits

Employee benefits are all the benefits offered in exchange for employees' work. The working period should absorb the full cost of work.

Holiday provision – employees of the Company are entitled to holiday according to the Labour Code regulations. The costs of employees' holiday are recognised on accrual basis. Employee holiday liability is determined based on the difference between the actual status of employees' holiday usage and the status, which would result from use proportional to the passage of time.

Retirement provision – they result from the Labour Code regulations, collective labour agreement or in-company regulations. The estimation of the provision amount requires several premises:

- salary – indication of salary increase, bonuses and grading
- staff turnover
- risk of survival
- interest rates associated with discounting
- the necessity for estimation for a large number of people

Retirement provisions are determined each year by an independent pensions actuary and the actuarial differences are included in the income statement in the Administration costs or Cost of Goods Sold. All the actuarial profits and losses relating to demographic changes and discount rate changes are recognised directly in other comprehensive income.

Restructuring provision

Restructuring provision is recognised when the Company is certain that the cash outflow will be needed and that its amount was reliably estimated. Provisions include, in particular, gratuities for dismissed employees. Restructuring provision is recognised only when the Company announced a detailed and formal restructuring plan to all interested parties.

Accrued income

Accrued income is recognised prudently and includes the equivalent of amounts received or receivable from customers for services that will be performed in future reporting periods.



Impact of foreign exchange rate changes

The functional and presentation currency of the Company is the Polish currency.

Valuation as at transaction date

Transactions in currency different than PLN are posted at the average exchange rate announced by the National Bank of Poland for the day preceding the transaction. For purchase or sale of the foreign currency in a bank, Group Companies use the exchange rates negotiated with the bank.

Non-monetary assets and liabilities are measured at fair value and denominated in foreign currency, are valued according to the average exchange rate set by the National Bank of Poland on the date of setting the fair value.

Valuation as at balance sheet date

As at the balance sheet date, foreign-currency assets and liabilities are converted at the average exchange rate of the National Bank of Poland (NBP) applicable on the balance sheet date.

Cash items - NBP average exchange rate as at the balance sheet date

Non-cash items at historical cost - at exchange rate as at the transaction date

Non-cash items in foreign currency at fair value - translated at the exchange rate effective as at the date of fair value determination.

Disclosure of exchange rate differences

Exchange rate differences arising from implementation or conversion of cash items are recognised in the profit and loss and are presented as surplus of positive/negative exchange rate differences.

If the non-monetary profits or losses are recognised in the profit and loss account then the associated exchange rates are also recognised in the same account.

If the profits and losses from non-monetary items are recognised directly in the comprehensive income, then the exchange rates associated with them are also recognised directly in the comprehensive income.

The selected financial data in the initial part of the report were presented in EUR according to § 91 para. 1 of the Minister of Finance Regulation of 19 February 2009 (Journal of Laws No. 33, item 259 of 2009).

The exchange rate on the last day for balance sheet items and average exchange rate for the profit and loss account and cash flow statement were used for conversion.

	average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01 - 31.12.2020	4.4742	4.6148
01.01 - 31.12.2021	4.5622	4.5994

Estimates of the Management Board

Preparation of financial statements in compliance with IFRS requires the Management Board to make professional judgements, estimates and assumptions that impact the adopted accounting principles and the presented value of assets, liabilities, revenues and costs. The estimates and the underlying assumptions are based on historical experience and other factors considered reasonable under given circumstances and the results of such estimates are the basis for professional judgement of the carrying value of assets and liabilities, which cannot be determined using other sources. Actual results may differ from the assumed estimated values. The estimates and the underlying assumptions are reviewed on an on-going basis. A change in estimated values is recognized in the period in which the verification occurred if it concerns that period only, or in the current period and future periods, if the change concerns both the current period and future periods.

The main accounting estimates and the assumptions adopted refer to:

- estimated useful life of the asset - the subject matter of the estimation is to determine the estimated useful life, which may be shortened or extended in use. The end value and amortisation/depreciation methods are verified



by the Company once per fiscal year. The verification includes among others: economic useful life end value of asset expected method of consuming the economic benefits from an intangible asset expected physical wear and tear estimated on the basis of the present average useful life reflecting the speed of physical wear and tear and intensity of use etc. technical or market obsolescence legal and other limitations to the use of the asset expected use of the asset estimated under the expected production capacity or production size and other circumstances effecting the useful life of assets.

- Impairment losses- are made if there are any external or internal indications of no possible recovery of the carrying amount of the non-current assets. If the carrying amount assets exceeds the recoverable amount of the asset, the value of asset is lowered to the recoverable amount by the appropriate impairment and recognition of the costs in the income statement.
- allowances of current assets (inventories and receivables), for inventories the allowance is estimated on the basis of the difference between net realizable amount and expected amount of future cash-flows. On the other hand estimate of accounts receivable write-off is the difference between the carrying value of given asset item and the current value of future cash flows discounted at the effective interest rate.
- employee benefits and provisions for retirement benefits and similar- the current amount of benefits and provisions depend on many factors determined by actuarial methods. The assumptions adopted to establish the net amount (income) for the retirement benefit include the discount rate. Any and all changes of such assumptions shall affect the amount of the retirement liabilities. The Company determines relevant discount rate at the end of each year. It is the interest rate applied to determine the present value of the estimated future outflows of cash assessed as necessary to meet the liabilities.
- provisions for expected liabilities due to the business activities- they are established in the amount representing the best estimate of the expenditure required to settle the present obligation or substantiation of the future obligation at the end of the reporting period.
- impairment tests of fixed assets and goodwill - impairment tests are carried out on the basis of five-year discounted forecast cash flows consistent with the approved plans of the Management Board. The discount rate is calculated based on WACC. The model uses the CAPM valuation model and the industry average beta value to calculate the cost of equity.

Balance sheet values and parameters used in estimates are presented in the numerical part of the report.

Income tax

Net book and tax value of assets and liabilities

The Company accounts for provisions and recognises deferred income tax assets as a result of temporary differences between the book value of assets and liabilities and their tax value and tax loss or tax exemption deductible from taxable income in the future.

Deferred tax assets are determined by the Company as the future foreseeable amount, deductible from income tax in respect of deductible temporary differences, tax loss or tax exemption which will result in future reduction of the tax base, calculated in accordance with the prudence principle.

Deferred income tax provision is recognised by the Company in the amount of the income tax payable in future due to occurrence of taxable temporary differences which will increase the income tax base in the future.

The amount of deferred tax provision and deferred tax assets is determined by the Company according to income tax rates applied during the year, in which the tax obligation arose.

Special funds

The contributions to the Company's Social Benefits Fund are calculated in accordance with the Act of 04.03.1994 on Company Social Benefits Fund. Assets and liabilities related to this fund are not recognized in the financial statements, because they are not controlled by the Company.

The Company Fund for Rehabilitation of the Disabled is accounted for by Company in accordance with the Ordinance of the Minister of Labour and Social Policy of 31 December 1998 on the Company's Fund for Rehabilitation of the Disabled (Journal of Laws of 1999 No. 3, item 22) and internal rules drafted pursuant to this Ordinance. with funds raised under tax exemptions and fees; the fund is recognised in nominal value.



Events after the balance sheet date

Adjusting events after the balance sheet date- those that provide evidence of conditions that existed at the balance sheet date.

Non-adjusting events after the balance sheet date- those that are indicative of conditions that arose after the balance sheet date. If they are significant, the Company discloses them in the additional information, giving the nature of the event and its financial effect or stating that the determination of such an effect is impossible or unreliable.

Each event causing the going concern principle cannot be continued is the event causing adjustments in the accounting books and financial statements. An entity shall not prepare its financial statements on a going concern basis, if management determines after the balance sheet date either that it intends to liquidate the Company or to cease trading, or that it has no realistic alternative but to do so.

Assets held for sale and discontinuation of operations

The company recognised a non-current assets item (or group of items) as held for sale in the lower amount of its carrying value or fair value less selling costs. Asset item is considered as held for sale if decisions were made by the management and a potential customer is actively sought

Financial instruments - IFRS 9

As of 1 January 2018 Company classifies financial assets in the following categories:

- measured at fair value through other comprehensive income,
- measured at fair value through profit or loss
- measured at amortised cost,
- financial hedging instruments

At the time of initial recognition, the Company recognises equity instruments - shares and interests in other entities - as financial instruments measured at fair value through other comprehensive income.

The Company classified trade receivables, loans granted, other financial receivables, cash and cash equivalents as assets measured at amortised cost.

The Company classified as assets measured at fair value through profit or loss those derivatives for which hedge accounting is not applied as well as those hedging instruments that are measured through profit or loss in accordance with hedge accounting principles.

As of 1 January 2018 Company classifies financial liabilities in the following categories:

- measured at amortised cost,
- measurement at fair value through profit or loss,
- financial hedging instruments

The Company classified trade liabilities, credits, loans and bonds as liabilities measured at amortised cost.

The Company classifies liabilities on account of derivatives to which hedge accounting is not applied as measured at fair value through profit or loss.

Hedging financial instruments are measured and presented in accordance with the hedge accounting principles.

FINANCIAL STATEMENTS

Statement of comprehensive income

The profit/loss on sales is the difference between the sum of due revenues from the sale of products, services and goods, including rebates, discounts and other increases and decreases, excluding value added tax and the value of goods sold at purchase prices and manufacturing costs of products and services sold, and all sales and general and administrative costs incurred during the current period.

Other income include dividends received, redundant provisions redeemed, compensations received and reversals of impairment write-offs on assets and profits on the sales of non-current assets (fixed assets, intangible assets, investment properties and shares in subsidiaries)

Other costs - mainly created provisions, compensation penalties paid, revaluation write-offs of assets and losses on the sale of non-current assets (fixed assets, intangible assets, investment properties and shares in subsidiaries), subsidies to the capital of subsidiaries

Financial revenues - interest received, the result on the sales of receivables, profits on derivative instruments, profits on exchange rates and revaluation gains and sales of financial assets



Cost of financing - interest paid, loss on receivables sales, loss on derivatives, foreign exchange losses, loss on revaluation and sales of financial assets

Income tax - statutory encumbrances of profit/loss due to income tax (including deferred income tax provisions).

Other income recognised directly in comprehensive income - income from revaluation of assets available for sales reduced by tax and profits/losses on revaluation of employee benefit provisions

Statement of financial position

In the statement of financial position, the Company recognizes the state of assets and liabilities as at the last day of the current and previous reporting period. The value of particular groups of assets recognized in the balance sheet results from their net book value adjusted by depreciation, the effects of revaluation and write-offs revaluating the value of assets due impairment loss. Financial assets and liabilities are recognized in the report as net amount if the Company has an unconditional right to the compensation of assets and liabilities of a given type and intends to settle them on a net basis or simultaneously spend a financial asset and settle a financial liability.

Other financial statements applicable to the Company

- Statement of changes in equity
- Cash flow statement
- Additional information in the form of additional explanatory notes
- Declaration on non-financial information
- Report in accordance with the provisions of Article 44 of the Energy Law Act

Statement of changes in equity includes information about changes in individual components of equity for the current and previous reporting period.

Statement of cash flows is prepared by the Company using the indirect method. It includes all cash inflows and outflows from operating, investing and financing activities, excluding inflows and outflow resulting from the purchase or sale of cash, for the current and previous periods.

Notes to the financial statement contain significant data and explanations necessary to ensure that the financial statements present reliably and clearly the property and financial situation as well as the financial result and the yield of the Company.

Report on Company's activities

Along with the semi-annual and annual financial statements, the Company prepares a report of the management board for the period. The management board report on the company's activities is not a part of the financial statement.

This report includes material information on the Company's property and financial condition, including an assessment of the achieved results and an indication of risk factors and a description of risks.

4. BASIC ACCOUNTING JUDGMENTS AND THE BASIS FOR ESTIMATING UNCERTAINTY

Basic accounting judgments and the basis for estimating uncertainty **Estimates of the Management Board**

Preparation of financial statements in compliance with IFRS requires the Management Board to make professional judgements, estimates and assumptions that impact the adopted accounting principles and the presented value of assets, liabilities, revenues and costs. The estimates and the underlying assumptions are based on historical experience and other factors considered reasonable under given circumstances and the results of such estimates are the basis for professional judgement of the carrying value of assets and liabilities, which cannot be determined using other sources. Actual results may differ from the assumed estimated values. The estimates and the underlying assumptions are reviewed on an on-going basis. A change in estimated values is recognized in the period in which the verification occurred if it concerns that period only, or in the current period and future periods, if the change concerns both the current period and future periods.



The main accounting estimates and the assumptions adopted refer to:

- estimated useful life of the asset - the subject matter of the estimation is to determine the estimated useful life, which may be shortened or extended in use. The end value and amortisation/depreciation methods are verified by the Company once per fiscal year. The verification includes among others: economic useful life end value of asset expected method of consuming the economic benefits from an intangible asset expected physical wear and tear estimated on the basis of the present average useful life reflecting the speed of physical wear and tear and intensity of use etc. technical or market obsolescence legal and other limitations to the use of the asset expected use of the asset estimated under the expected production capacity or production size and other circumstances effecting the useful life of assets.
- Impairment losses- are made if there are any external or internal indications of no possible recovery of the carrying amount of the non-current assets. If the carrying amount assets exceeds the recoverable amount of the asset, the value of asset is lowered to the recoverable amount by the appropriate impairment and recognition of the costs in the income statement.
- allowances of current assets (inventories and receivables), for inventories the allowance is estimated on the basis of the difference between net realizable amount and expected amount of future cash-flows. On the other hand estimate of accounts receivable write-off is the difference between the carrying value of given asset item and the current value of future cash flows discounted at the effective interest rate.
- employee benefits and provisions for retirement benefits and similar- the current amount of benefits and provisions depend on many factors determined by actuarial methods. The assumptions adopted to establish the net amount (income) for the retirement benefit include the discount rate. Any and all changes of such assumptions shall affect the amount of the retirement liabilities. The Company determines relevant discount rate at the end of each year. It is the interest rate applied to determine the present value of the estimated future outflows of cash assessed as necessary to meet the liabilities.
- provisions for expected liabilities due to the business activities- they are established in the amount representing the best estimate of the expenditure required to settle the present obligation or substantiation of the future obligation at the end of the reporting period.

5. REVENUES

REVENUES FROM SALE BY DESTINATION MARKET	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Continuing operations		
Domestic sales	923 614	460 924
Sales to EU countries	827 395	583 791
Sales to other European countries	89 446	72 016
Export outside Europe	77 270	66 569
Total (revenues from continuing operations)	1 917 725	1 183 300
SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES:	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Germany	27%	28%
The Czech Republic	13%	10%
Sweden	13%	15%
Italy	7%	6%
Spain	7%	8%



6. OPERATING SEGMENTS

Branch	Business segment
Headquarters	Other non-allocated
Elana Branch in Toruń	Chemical products
Energy Branch in Toruń	Other
ERG Branch in Sochaczew	Chemical products
Nylonbor Branch in Sochaczew	Chemical products
NPA Skawina Branch	Metals
Maflow Branch in Tychy	Automotive

The applied principle is that each branch belongs fully to only one operating segment.



(amounts expressed in PLN '000 unless specified otherwise)

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

01.01.2021 - 31.12.2021	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	270 601	628 270	590 776	472 263	1 961 910	(44 185)	1 917 725
Segment costs of sales	242 017	512 953	561 739	465 569	1 782 278	(38 637)	1 743 641
Result on sales within segment	28 584	115 317	29 037	6 694	179 632	(5 548)	174 084
General, administrative and sales expenses	36 670	63 921	17 975	22 212	140 778	(4 307)	136 471
Other operating profit/loss	2 993	3 341	2 009	24 180	32 523	1 093	33 616
Segment profit/loss	(5 093)	54 737	13 071	8 662	71 377	(148)	71 229
Amortisation/depreciation	5 033	33 368	5 891	22 203	66 495	-	66 495
EBITDA *)	(60)	88 105	18 962	30 865	137 872	(148)	137 724
Segment assets	298 798	605 528	255 628	1 751 085	2 911 039	(397 577)	2 513 462
Segment liabilities	132 643	584 440	142 960	683 671	1 543 714	(397 577)	1 146 137

01.01.2020 - 31.12.2020	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	192 132	519 708	330 422	157 682	1 199 944	(16 644)	1 183 300
Segment costs of sales	148 862	442 262	309 211	136 639	1 036 974	(11 950)	1 025 024
Result on sales within segment	43 270	77 446	21 211	21 043	162 970	(4 694)	158 276
General, administrative and sales expenses	30 202	47 984	16 225	14 202	108 613	(4 777)	103 836
Other operating profit/loss	2 458	10 336	6 422	912 767	931 983	(466)	931 517
Segment profit/loss	15 526	39 798	11 408	919 608	986 340	(383)	985 957
Amortisation/depreciation	5 050	30 703	6 306	1 625	43 684	-	43 684
EBITDA *)	20 576	70 501	17 714	921 233	1 030 024	(383)	1 029 641
Segment assets	231 950	599 253	205 547	1 821 048	2 857 798	(312 749)	2 545 049
Segment liabilities	107 066	670 148	131 285	351 507	1 260 006	(312 749)	947 257

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



7. OPERATING EXPENSES

Costs of operating activities by type	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Amortisation/depreciation	66 495	43 684
Consumption of materials and energy	1 014 545	647 752
Third party services	97 366	101 794
Taxes and charges	8 504	7 390
Costs of employee benefits, including:	220 892	191 284
<i>costs of remuneration</i>	176 992	151 614
<i>costs of social insurance</i>	32 299	28 452
<i>other employee benefits</i>	11 601	11 218
Other expenses	6 791	4 908
Value of sold goods and materials	483 132	158 315
Total expenses by type	1 897 725	1 155 127
Movements in products	1 888	(14 532)
Capitalised costs by type, consumption for own needs	(19 501)	(11 735)
Costs by type:	1 880 112	1 128 860
Selling costs	(40 965)	(27 121)
Administrative expenses	(95 506)	(76 715)
Cost of sales	1 743 641	1 025 024

8. OTHER OPERATING REVENUES

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Profit from sale of non-current assets	10 624	7 230
Valuation to fair value of investment properties	4 615	-
Reversal of write-offs on non-financial assets	5 602	3 544
Reversal of provisions (-)	288	511
Compensation and indemnification for concluded contracts	12 760	205
Dividends and other income from capital investments (*)	51 846	913 032
Grants (**)	5 359	22 975
Other revenue	7 094	5 706
Total	98 188	953 203

(*) In the current period the Company received dividends from F&T Polska of PLN 33 million, Maflow ITALY of PLN 6.4 million, ZUO Konin of PLN 5.8 million, Elena PET of PLN 4.9 million and Gränges AB of PLN 1.6 million, and respectively in 2020 a dividend of PLN 913 million from Impexmetal currently Gränges Konin.

(**) In 2021, the Company recognised grants in development projects (NCRD), including in ERG Division and the NPA Division.



9. OTHER OPERATING EXPENSES

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Loss on sale of fixed assets	7 501	1 817
Write-offs for non-financial assets	9 998	8 373
Creation of provisions	10 720	295
Other expenses	13 410	13 445
Total	41 629	23 930

10. REVALUATION OF TRADE AND OTHER RECEIVABLES

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Revaluation of trade and other receivables		
Write-offs for trade receivables	(18 261)	(6 457)
Reversal of write-offs for trade receivables	2 060	1 865
Write-offs for other receivables	(7 591)	(319)
Reversal of write-offs for other receivables	849	7 155
Total revaluation of trade receivables recognised in profit or loss	(22 943)	2 244

11. FINANCIAL REVENUES

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Interest income, including:	25 367	16 496
Interests on loans	22 607	15 228
Interest on bonds	2 011	316
Other interest	749	952
Gain on sale of financial assets (*)	60 909	251 200
Exchange rate differences	16 767	34 114
Other	45	240
Total	103 088	302 050

(*) In the current year, the gain was generated on the disposal of shares in F&T Polska of PLN 17.7 million, Elana PET of PLN 30.8 million, in EW Rywałd of PLN 7 million, in Impexmetal now Gränges Konin of PLN 5.4 million, and the gain on the disposal of shares in Impexmetal now Gränges Konin of PLN 251 million in 2020, respectively.



12. FINANCIAL EXPENSES

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Interest expense, including:	14 937	24 758
Interest on loans	7 842	11 130
Interest on factoring	2 495	2 094
Interests on loans	1 330	3 784
Interest from issued bonds	525	2 967
Interest on lease	2 198	2 582
Interest on other liabilities	547	2 201
Recognition of value impairment write-offs	-	1 460
Loss on sales of financial assets	4 707	-
Other financial expenses, including:	22 117	18 953
Exchange rate differences	18 003	15 681
Loss on derivative financial instruments	1 362	-
Other	2 752	3 272
Total	41 761	45 171

13. MEASUREMENT OF FINANCIAL ASSETS

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Borrowings		
<i>Recognition of value impairment write-offs</i>	(310 005)	(15)
<i>Reversal of revaluation write-downs</i>	11	-
<i>Valuation of credit risk</i>	3	(11 729)
Bonds		
<i>Recognition of value impairment write-offs</i>	(49 574)	(105)
<i>Reversal of revaluation write-downs</i>	55	18
Shares		
<i>Recognition of value impairment write-offs</i>	-	(2 990)
Total impact on profit/loss	(359 510)	(14 821)

As a result of evaluating the possibility of redemption of bonds and repayment of loans granted to group companies in the short term, write-offs for loans and bonds were recognised.
The tests on impairment of Boryszew engaged assets showed no need to recognise any write-offs.



14. INCOME TAX

Main components of the tax burden for the year ended on 31 December 2021 and 31 December 2020 are as follows:

Tax in the statement of comprehensive income	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Income tax recognised in the income statement		
Current income tax	23 326	46 662
Tax withheld by the payer on dividends	6 760	-
Tax excluded from income statement, transferred to presentation in comprehensive income	(4 810)	-
Adjustments relative to current income tax from previous years	1 803	-
Deferred income tax	5 729	4 616
Tax expense reported in the income statement	32 808	51 278
Current and deferred income tax recognised in other comprehensive income		
From measurement of financial instruments	(806)	984
On disposal and measurement of shares through other comprehensive income (current and deferred)	(2 793)	(7 457)
On actuarial gains/losses on valuation of provisions for employee benefits	(51)	(50)
Tax benefit/tax expense recognised in other comprehensive income	(3 650)	(6 523)

The item "Adjustments relative to current income tax from previous years" includes the value updating the calculated corporate income tax for 2020. The deadline for filing the CIT-8 for 2021 was extended to 30 June 2021. The Company recognised income tax amounts for 2020 disclosed after the date of the financial statements in the audited period.

14.1. Current corporate income tax

	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Gross profit (loss)	(226 954)	1 228 015
Permanent differences in the tax base	362 858	(895 108)
Temporary differences in the tax base	(34 068)	(70 379)
Income after permanent and temporary differences	101 836	262 528
DEDUCTIONS FROM THE TAX BASE	(4 385)	(1 941)
Income on disposal of shares through comprehensive income	25 315	-
Tax exempt income due to business activity in Special Economic Zones (-)	-	(13 266)
Income tax base	122 766	247 321
Tax rate	19.0%	19.0%
Income tax	23 326	46 991
Tax effect Deductible loss from previous years	-	(1 530)
Income tax for current year	23 326	46 662
Advances paid during the year	(261)	2 016
Current tax liabilities	23 065	44 646
Income tax - current portion reported in P&L	27 079	46 662
Deferred tax on temporary changes recognised in P&L	5 729	4 616



Boryszew S.A.
Notes
to 2021 financial statements

(amounts expressed in PLN '000 unless specified otherwise)

The amount deducted from the tax base in the year ended 31 December 2021 is the value of R&D tax credit of PLN 4 035 thousand and donations to public benefit organisations of PLN 350 thousand.

14.2. Deferred tax

Change in deferred tax assets	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
State as at 01.01.2021	70 274	62 627
Changes corresponding with the result	3 788	6 957
Changes corresponding with other comprehensive income	160	690
Balance as at 12.31.2021	74 222	70 274

Change in deferred tax assets	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
State as at 01.01.2021	70 274	62 627
Changes corresponding with the result	3 788	6 957
<i>including from acquired Companies</i>	843	-
Changes corresponding with other comprehensive income	160	690
Balance as at 12.31.2021	74 222	70 274

Deferred income tax provision	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Difference between tax and current book value of property, plant and equipment	49 224	43 537
Difference between tax and current book value of assets	32 922	28 198
Valuation of derivative instruments	-2	90
Deferred tax liabilities of acquired Companies	1 915	-
Write-offs of deferred tax liabilities of acquired Companies	-1 451	-
Other	6 827	8 041
Deferred income tax liabilities	89 435	79 866

Change in deferred tax - liabilities	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
State as at 01.01.2021	79 866	61 897
Changes corresponding with the result	11 685	11 443
<i>including from acquired Companies</i>	464	-
Changes corresponding with other comprehensive income	-2 116	6 526
Balance as at 12.31.2021	89 435	79 866

Deferred tax surplus recognised in liabilities	As at 31.12.2021	As at 31.12.2020
Deferred tax asset	74 222	70 274
Deferred income tax provision	89 435	79 866
Surplus disclosed in liabilities	15 213	9 592



15. NON-CURRENT ASSETS

Tangible fixed assets (by type groups)	As at 31.12.2021	As at 31.12.2020
Fixed assets by type:	263 378	241 293
land	9 358	9 358
buildings, premises, civil and water engineering structures	60 427	60 964
technical equipment and machines	186 393	164 578
vehicles	705	660
other tangible fixed assets	6 495	5 733
Advances for tangible fixed assets	1 521	4 274
Total property, plant and equipment	264 899	245 567

additional information	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Capitalised cost of borrowing	-	249
Outlays on fixed assets under construction	62 717	70 767
Incurred expenses for acquisition, construction of non-current assets	4 053	13 860
Purchase of fixed assets in the current period financed with working capital loans and own funds	25 872	12 124
Amount of the contractual liabilities due to the non-current assets acquisition	222	775
Amount of net non-current assets with the limited ownership right	9 839	16 988
Fixed assets provided as collateral to loan repayment	117 209	55 120
Compensation from third parties on impairment losses	1 081	146
Insurance value of fixed assets	593 007	618 591



(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2021 - 31.12.2021	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	vehicles	Other tangible fixed assets	Total
Gross value of fixed assets at the beginning of the period	9 358	101 763	342 579	4 794	20 686	479 180
Increase due to acquisition	-	7 996	71 400	128	1 933	81 457
fixed assets redeemed after lease end	-	-	12 128	-	-	12 128
Disposal	-	-	(5 088)	(270)	(98)	(5 456)
Tangible fixed assets under construction	-	(4 936)	(38 352)	18	344	(42 926)
Liquidation	-	(1 616)	(764)	-	(356)	(2 736)
Sale of fixed assets to lessor-leasing	-	-	(11 816)	-	-	(11 816)
Other	-	57	3	98	(7)	151
Gross value of fixed assets at the end of the period	9 358	103 264	370 090	4 768	22 502	509 982
Accumulated depreciation at the beginning of the period	-	37 588	166 081	3 874	14 763	222 306
Planned depreciation of own fixed assets	-	3 436	18 182	194	1 474	23 286
Decrease due to disposal	-	(1 398)	(4 354)	(265)	(98)	(6 115)
Liquidation	-	-	(639)	-	(315)	(954)
Decrease due to sale of fixed assets to lessor-leaseback	-	-	(71)	-	-	(71)
Other	-	-	177	-	(7)	170
Accumulated depreciation at the end of the period	-	39 626	179 376	3 803	15 817	238 622
Impairment write-offs at the beginning of the period	-	3 211	11 920	260	190	15 581
Reversal of write-downs recognized in the profit/loss for the current period	-	-	(547)	-	-	(547)
Impairment write-offs at the end of the period	-	3 211	11 373	260	190	15 034
Net fixed assets as at the end of period	9 358	60 427	179 341	705	6 495	256 326



(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2020 - 31.12.2020	Land	Buildings, premises, civil and water engineering structures	Technical equipment and machines	vehicles	Other tangible fixed assets	Total
Gross value of fixed assets at the beginning of the period	9 358	100 421	314 112	5 148	20 342	449 381
Increase due to acquisition	-	1 329	10 260	4	996	12 589
fixed assets redeemed after lease end	-	-	826	3	-	829
Received as in-kind contribution	-	-	620	-	-	620
Disposal	-	(76)	(1 357)	(388)	(2)	(1 823)
Tangible fixed assets under construction	-	83	19 883	30	(69)	19 927
Liquidation	-	(41)	(3 682)	(197)	(581)	(4 501)
Other	-	47	1 917	194	-	2 158
Gross value of fixed assets at the end of the period	9 358	101 763	342 579	4 794	20 686	479 180
Accumulated depreciation at the beginning of the period	-	34 488	159 271	4 040	13 843	211 642
Planned depreciation of own fixed assets	-	3 130	16 976	264	1 438	21 808
Decrease due to disposal	-	(58)	(2 574)	(430)	(195)	(3 257)
Liquidation	-	(18)	(490)	-	(323)	(831)
Other	-	46	(7 102)	-	-	(7 056)
Accumulated depreciation at the end of the period	-	37 588	166 081	3 874	14 763	222 306
Impairment write-offs at the beginning of the period	-	3 211	4 627	260	196	8 294
Reversal of write-downs recognized in the profit/loss for the current period	-	-	(237)	-	-	(237)
Decrease due to disposal	-	-	-	-	(6)	(6)
Other	-	-	7 530	-	-	7 530
Impairment write-offs at the end of the period	-	3 211	11 920	260	190	15 581
Net fixed assets as at the end of period	9 358	60 964	164 578	660	5 733	241 293



16. INVESTMENT PROPERTY

Investment real estate property at fair value	As at 31.12.2021	As at 31.12.2020
Investment property	21 619	17 243
Change in investment properties in 2021		
Investment property at the beginning of the period	17 243	16 525
Increase due to acquisitions	-	4 846
Increases/decreases due to valuation changes	4 376	(4 128)
Investment property at the end of the period	21 619	17 243

In accordance with the accounting policy, the Company measures the value of property once every 3 years. For properties entered the records in 2020 due to acquisitions, an appraisal was prepared in 2020.

For properties located in Toruń, based on the an independent expert's valuation, the Company recognised a change in fair value of plus PLN 4 376 thousand against the previous year.

	As at 31.12.2021	As at 31.12.2020
Revenues from investment property (rental agreements)	827	120
Maintenance cost of investment property	293	145

Investment properties are used as collateral for loan repayments.

17. INTANGIBLE ASSETS

Intangible assets	As at 31.12.2021	As at 31.12.2020
R&D expenses	19 632	6 005
Patents, licenses, software	14 106	15 599
Perpetual land usufruct right	-	-
Other intangible assets	1 485	11 179
<i>Advances for intangible assets</i>	-	-
Total	35 223	32 783



(amounts expressed in PLN '000 unless specified otherwise)

in the period 01.01.2021 - 31.12.2021	R&D expenses	Patents, concessions, licence, software	Perpetual land usufruct right	Other intangible assets	Total
Gross value at the beginning of the period	17 459	25 965	-	16 457	59 881
Additions (purchase)	15 685	953	-	4	16 642
Inclusion of entities in consolidation	-	-	-	86 168	86 168
Disposal	-	(118)	-	(86 168)	(86 286)
Liquidation	-	(70)	-	-	(70)
Other	-	(27)	-	(8 578)	(8 605)
Gross value of intangible assets at the end of the period	33 144	26 703	-	7 883	67 730
Accumulated depreciation at the beginning of the period	11 454	10 366	-	5 278	27 098
Planned depreciation	2 058	2 353	-	21 810	26 221
Business combinations	-	-	-	65 478	65 478
Decrease due to disposal	-	(3)	-	(86 168)	(86 171)
Liquidation	-	(115)	-	-	(115)
Other	-	(4)	-	-	(4)
Accumulated depreciation at the end of the period	13 512	12 597	-	6 398	32 507
Net value of intangible assets at the end of the period	19 632	14 106	-	1 485	35 223

for the period 01.01.2020 - 31.12.2020	R&D expenses	Patents, concessions, licence, software	Perpetual land usufruct right	Other intangible assets	Total
Gross value at the beginning of the period	13 757	24 516	57	14 641	52 971
Transfer of leased patents to the right-of-use assets	-	-	(57)	-	(57)
Additions (purchase)	4 059	1 513	-	5 896	11 468
Received as in-kind contribution	-	1	-	-	1
Disposal	-	(1)	-	-	(1)
Liquidation	(127)	(64)	-	(4 080)	(4 271)
Other	(230)	-	-	-	(230)
Gross value of intangible assets at the end of the period	17 459	25 965	-	16 457	59 881
Accumulated depreciation at the beginning of the period	9 120	8 149	57	4 295	21 621
Transfer of leased patents to the right-of-use assets	-	-	(57)	-	(57)
Scheduled depreciation of intangible assets	2 461	2 274	-	1 001	5 736
Liquidation	(127)	(57)	-	(18)	(202)
Accumulated depreciation at the end of the period	11 454	10 366	-	5 278	27 098
Net value of intangible assets at the end of the period	6 005	15 599	-	11 179	32 783



(amounts expressed in PLN '000 unless specified otherwise)

18. RIGHT-OF-USE ASSETS

As at 31.12.2021	<i>Buildings and structures</i>	<i>Technical equipment and machines</i>	<i>Vehicles</i>	<i>Other tangible fixed assets</i>	<i>Land - SMA</i>	<i>The Lease Agreement</i>	<i>Total</i>
Value at the beginning of the period	-	75 873	3 765	1 069	18 925	49 981	149 613
Acceptance for use under new lease agreements signed during the current year	-	19 530	437	-	-	5 384	25 351
Disposal	-	-	-	-	(1 824)	-	(1 824)
Transfer from under leaseback	-	13 222	-	-	-	-	13 222
Reduction due to end of lease term	-	(20 477)	(1 764)	-	-	-	(22 241)
Gross value of fixed assets at the end of the period	-	88 148	2 438	1 069	17 101	55 365	164 121
Accumulated depreciation of leased assets - beginning of the period	-	14 822	2 414	421	897	17 534	36 088
Transfer of existing depreciation of leased fixed assets	-	-	-	-	-	-	-
Planned depreciation of own fixed assets	-	6 464	546	158	195	9 625	16 988
Disposal	-	-	-	-	(113)	-	(113)
Reduction at the end of lease (-)	-	(6 224)	(1 373)	-	-	-	(7 597)
Accumulated depreciation at the end of the period	-	15 062	1 587	579	979	27 159	45 366
Impairment write-offs at the beginning of the period	-	802	-	-	65	-	867
Write-off provision recognised in the profit/loss for the current period	-	-	-	-	(65)	-	(65)
Reduction due to termination of lease	-	-	-	-	-	-	-
Impact of exchange rate differences	-	-	-	-	62	-	62
impairment write-offs at the end of the period	-	802	-	-	62	-	864
Net value of leased fixed assets at the end of the period	-	72 284	851	490	16 060	28 206	117 891



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As at 31.12.2020	<i>Buildings and structures</i>	<i>Technical equipment and machines</i>	<i>Vehicles</i>	<i>Other tangible fixed assets</i>	<i>Land - SMA</i>	<i>The Lease Agreement</i>	<i>Total</i>
Value at the beginning of the period	-	73 619	4 152	1 069	18 912	49 981	147 733
Transfer of leased fixed assets	-	-	-	-	57	-	57
Acceptance for use under new lease agreements signed during the current year	-	8 415	555	-	-	-	8 970
Disposal	-	-	-	-	(44)	-	(44)
Transfer from under leaseback	-	(1 623)	-	-	-	-	(1 623)
Reduction du to end of lease term	-	(4 538)	(942)	-	-	-	(5 480)
Gross value of fixed assets at the end of the period	-	75 873	3 765	1 069	18 925	49 981	149 613
Accumulated depreciation of leased assets - beginning of the period	-	9 930	2 391	277	635	8 626	21 859
Transfer of existing depreciation of leased fixed assets	-	-	-	-	57	-	57
Planned depreciation of own fixed assets	-	6 008	866	144	213	8 908	16 139
Disposal	-	-	-	-	(8)	-	-
Reduction at the end of lease (-)	-	(1 116)	(843)	-	-	-	(1 959)
Accumulated depreciation at the end of the period	-	14 822	2 414	421	897	17 534	36 088
Impairment write-offs at the beginning of the period	-	802	-	-	-	-	802
Write-off provision recognised in the profit/loss for the current period	-	-	-	-	65	-	65
impairment write-offs at the end of the period	-	802	-	-	65	-	867
Net value of leased fixed assets at the end of the period	-	60 249	1 351	648	17 963	32 447	112 658



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19. SHARES IN SUBSIDIARIES

Company name	Balance on 01.01.2021				change			As at 31.12.2021			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	acquisition/other additions	sale/liquidation	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
Direct subsidiaries:											
Elimer Sp. z o.o.	52.44	53	-	53				52.44	53	-	53
Elana Pet Sp. z o.o.	100.00	4 707	-	4 707		(4 707)		-	-	-	-
Nylonbor Sp. z o.o.	100.00	53	-	53				100.00	53	-	53
Elana Energetyka Sp. z o.o.	100.00	1 500	1 500	-				100.00	1 500	1 500	-
SPV Boryszew 5 Sp. z o.o. (formerly NPA Skawina Sp. z o.o.)	100.00	27	-	27	5	(32)		-	-	-	-
SPV Boryszew 6 Sp. z o.o.	100.00	25	-	25		(25)		-	-	-	-
SPV Boryszew 8 Sp. z o.o.	100.00	25	-	25		(25)		-	-	-	-
SPV Boryszew 9 Sp. z o.o.	100.00	25	-	25		(25)		-	-	-	-
SPV Boryszew 10 Sp. z o.o. (currently Boryszew Maflow Spółka z o.o.)	-	-	-	-	75			100.00	75	-	75
Boryszew Tensho Poland Sp. z o.o.	93.68	7 919	7 919	-				93.68	7 919	7 919	-
BOR Plastic RUS Sp. z o.o., Rosja	10.90	2 242	2 242	-				10.90	2 242	2 242	-
HR Service Sp. z o.o. Toruń	100.00	354	354	-				100.00	354	354	-
Maflow Polska Sp. z o.o.	100.00	5	-	5	46 329		43 190	100.00	46 334	43 190	3 144
Maflow BRS s.r.l	100.00	39	-	39				100.00	39	-	39
Maflow Spain Automotive S.L.U	100.00	6 080	-	6 080				100.00	6 080	-	6 080
Maflow France Automotive S.A.	100.00	3 951	3 951	-				100.00	3 951	3 951	-
Maflow do Brasil Ltda, Brazil	79.00	108 053	96 249	11 804				79.00	108 053	96 249	11 804
Maflow India Private Ltd	100.00	14 294	-	14 294	10 330			100.00	24 624	-	24 624
MAFMEX S.DE R.L.DE C.V, Mexico	-	47 749	32 872	14 877				-	47 749	32 872	14 877



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Company name	Balance on 01.01.2021				change			As at 31.12.2021			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	acquisition/other additions	sale/liquidation	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
Eastside Bis Sp. z o.o.	0.009	60	-	60				0.009	60	-	60
Elana Ukraina Sp. z o.o.	90.00	338	338	-				90.00	338	338	-
FLT Polska Sp. z o.o.	100.00	62 800	-	62 800		(62 800)		-	-	-	-
Hutmen S.A.	37.19	46 020	-	46 020	63 511			100.00	109 531	-	109 531
Walcownia Metali Dziedzice S.A.	28.70	17 229	-	17 229				28.70	17 229	-	17 229
ZM SILESIA S.A., Katowice	100.00	100	-	100				100.00	100	-	100
Zakład Utylizacji Odpadów Sp. z o.o.,	59.97	57 000	-	57 000				59.97	57 000	-	57 000
Polski Cynk Sp. z o.o., Oława	100.00	46 900	-	46 900				100.00	46 900	-	46 900
SPV Impexmetal Sp. z o.o.	100.00	218 000	-	218 000		(218 000)		-	-	-	-
Symonvit Ltd in liquidation Cyprus	100.00	1 500	-	1 500		(1 500)		-	-	-	-
Impex-invest Sp. z o.o.	100.00	26 000	-	26 000	50	(26 050)		-	-	-	-
Boryszew Holding Sp. z o.o. (formerly Imexmetal Holding Sp. z o.o.)	100.00	50	-	50				100.00	50	-	50
Eastside Capital Investment Sp. z o.o.	100.00	125 460	-	125 460				100.00	125 460	-	125 460
SPV Lakme Investment Sp. z o.o.	-	1	-	1	2 843			89.30	2 844	-	2 844
Metalix Ltd w likwidacji	100.00	1 500		1 500		(1 500)		-	-	-	-
Alchemia S.A.	57.21	200 603	1 581	199 022	185 033			91.93	385 636	1 581	384 055
		1 000 662	147 006	853 656	308 176	(314 664)	43 190		994 174	190 196	803 978
Affiliated entities											
Zawod Mogiliev - Sp. z o.o. Belarus	30.00	1 091	1 091	-				30.00	1 091	1 091	-
		1 091	1 091	-	-	-	-		1 091	1 091	-
Total shares and stocks		1 001 753	148 097	853 656	308 176	(314 664)	43 190	-	995 265	191 287	803 978



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Company name	As at 01.01.2020				change			As at 31.12.2020			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	Acquisition of a subsidiary/merger	Liquidation /disposal	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
Direct subsidiaries:											
Elimer Sp. z o.o.	52.44	53	-	53				52.44	53	-	53
Elana Pet Sp. z o.o.	100.00	4 707	-	4 707				100.00	4 707	-	4 707
Nylonbor Sp. z o.o.	100.00	50	-	50	3			100.00	53	-	53
Elana Energetyka Sp. z o.o.	100.00	1 500	1 500	-				100.00	1 500	1 500	-
SPV Boryszew 3 Sp. z o.o.	100.00	9 086	-	9 086		(9 086)		-	-	-	-
Nowoczesne Produkty Aluminiowe Skawina Sp. z o.o.	100.00	17.00	-	17.00	10			100.00	27	-	27
SPV Boryszew 6 Sp. z o.o.	100.00	25	-	25				100.00	25	-	25
SPV Maflow Sp. z o.o.	100.00	25	-	25				100.00	25	-	25
SPV Boryszew 9 Sp. z o.o.	100.00	25	-	25				100.00	25	-	25
Boryszew Automotive Plastics Sp. z o.o.	100.00	59 875	59 875	-		(59 875)	(59 875)	-	-	-	-
Boryszew Tensho Poland Sp. z o.o.	93.68	7 919	7 919	-				93.68	7 919	7 919	-
BOR Plastic RUS Sp. z o.o., Russia	10.90	2 242	2 242	-				10.90	2 242	2 242	-
HR Service Sp. z o.o. Toruń	100.00	354	354	-				100.00	354	354	-
Maflow Polska Sp. z o.	100.00	5	-	5				100.00	5	-	5
Maflow BRS s.r.l	100.00	40	-	40		(1)		100.00	39	-	39
Maflow Spain Automotive S.L.U	100.00	6 080	-	6 080				100.00	6 080	-	6 080
Maflow France Automotive S.A.	100.00	3 951	3 951	-				100.00	3 951	3 951	-
Maflow do Brasil Ltda, Brazil	79.00				108 053		96 249	79.00	108 053	96 249	11 804
Maflow India Private Ltd	100.00	14 294	-	14 294				100.00	14 294	-	14 294
MAFMEX S.DE R.L.DE C.V, Mexico	-	-	-	-	47 749		32 872	-	47 749	32 872	14 877
Eastside Bis Sp. z o.o.	0.004	8	-	8	52			0.009	60	-	60
Elana Ukraina Sp. z o.o.	90.00	338	338	-				90.00	338	338	-



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Company name	As at 01.01.2020				change			As at 31.12.2020			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	Acquisition of a subsidiary/merger	Liquidation /disposal	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
Impexmetal S.A.	61.84	294 278	-	294 278	16 573	(310 851)		-	-	-	-
FLT Polska Sp. z o.o.	-	-	-	-	62 800			100.00	62 800	-	62 800
Hutmen Sp. z o.o.	10.38	-	-	-	46 020	-	-	37.19	46 020	-	46 020
Walcownia Metali Dziedzice S.A.	1.92	-	-	-	17 229	-	-	28.70	17 229	-	17 229
ZM SILESIA S.A., Katowice	-	-	-	-	100			100.00	100	-	100
Zakład Utylizacji Odpadów Sp. z o.o.,	-	-	-	-	57 000			59.97	57 000	-	57 000
Polski Cynk Sp. z o.o., Oława	-	-	-	-	46 900			100.00	46 900	-	46 900
SPV Impexmetal Sp. z o.o.	-	-	-	-	218 000			100.00	218 000	-	218 000
Symonvit Ltd in liquidation Cyprus	-	-	-	-	1 500			100.00	1 500	-	1 500
Impex-invest Sp. z o.o.	-	-	-	-	26 000			100.00	26 000	-	26 000
Impexmetal Holding Sp. z o.o.	-	-	-	-	50			100.00	50	-	50
Eastside Capital Investment Sp. z o.o.	65.02	58 660	-	58 660	66 800			100.00	125 460	-	125 460
SPV Lakme Investment Sp. z o.o.	-	-	-	-	1			-	1	-	1
Metalix Ltd w likwidacji	-	-	-	-	1 500			100.00	1 500	-	1 500
Alchemia S.A.	0.29	-	-	-	200 603	-	1 581	57.21	200 603	1 581	199 022
		463 532	76 179	387 353	916 943	(379 813)	70 827		1 000 662	147 006	853 656
Indirect subsidiaries											
Hutmen Sp. z o.o.	10.38	14 101	-	14 101		(14 101)			-	-	-
Walcownia Metali Dziedzice S.A.	1.92	1 529	-	1 529		(1 529)			-	-	-
Alchemia S.A.	0.25	2 503.00	120.00	2 383.00		(2 503)	(120)		-	-	-
		18 133	120	18 013	-	(18 133)	(120)		-	-	-



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Company name	As at 01.01.2020				change			As at 31.12.2020			
	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value	Acquisition of a subsidiary/merger	Liquidation /disposal	change in revaluation and valuation write-offs	share of the parent in share capital (%)	Value of shares	Impairment write-off	Net value
Affiliated entities											
Zavod Mogiliev - Sp. z o.o. Belarus	30.00	1 091	1 091	-				30.00	1 091	1 091	-
		1 091	1 091	-	-	-	-		1 091	1 091	-
Total shares and stocks		482 756	77 390	405 366	916 943	(397 946)	70 707		1 001 753	148 097	853 656

The Company tested its exposure as of 31 December 2021, the tests performed as of 31 December 2021 indicate no need for additional write-offs. At year-end 2021, the assets in the following entities were tested for impairment:

- BAP Group (income approach),
- Alchemia S.A. (income approach),
- ZM Silesia S.A. (income approach),
- Maflow Spain Automotive S.L.U (income approach),
- Maflow do Brasil Ltda (income approach),
- MAFMEX S.DE R.L.DE C. V (income approach),
- Eastside Capital Investments Sp. z o.o. (asset-based approach),
- Polski Cynk Sp. z o.o. (asset-based approach),
- Hutmen Sp. z o.o. (asset-based approach).

The tests on impairment of Boryszew engaged assets showed no need to recognise any write-offs.

The impairment tests of the assets involved using the asset-based approach were performed on a discounted cash flow basis consistent with the budgets approved by the Management Board. The discount rate was calculated based on a WACC between 5.09% and 15.55%. To determine the cost of equity, the CAPM valuation model and industry average beta value were used. The tests assumed growth rates over the residual period of 0% - 5.3%. Asset impairment test was conducted as at 31 December 2021 and based on five-year discounted forecasted cash flows. Cash flows were discounted in each test period by the weighted average cost of capital WACC determined individually for each tested entity. For tests prepared on the basis of forecasts in nominal terms, the increase in the value of flows after the forecast period was assumed to be equal to the long-term inflation target for the market.

Tests for non-manufacturing companies carried out using the asset-based approach were prepared using the net asset value method. Additional valuations by appraisers as well as in-house assessments and valuations were used when determining the value of individual items of assets and liabilities.



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The following took place during the reporting period:

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.

Business combination of 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).

On 15 December 2021, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department of the National Court Register, made an entry in the National Court Register – Register of Enterprises on the merger of Boryszew S.A. based in Warsaw with SPV Impexmetal Sp. z o.o. based in Warsaw and Impex – invest Sp. z o.o. based in Warsaw.

The merger was 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 effect of the merger is described in detail in Note 35.

The Acquiring Company operates under the name: Boryszew S.A. with its registered office in Warsaw,

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

In Q4 '2021 Boryszew S.A. acquired from Eastside Bis Sp. z o.o., its subsidiary with registered office in Warsaw, 60 225 000 shares of Alchemia S.A. carrying 60 225 000 votes at the GM, which accounts for 34.72% of share in the share capital and the total number of votes at the GM of Alchemia S.A., for a total of PLN 184.9 million.

Date of transaction	Number of shares
09.11.2021	19 543 974
30.11.2021	13 029 316
01.12.2021	6 970 684
14.12.2021	18 000 000
15.12.2021	2 681 026
Total:	60 225 000

On the date of report preparation, Boryszew S.A. holds 159 450 000 shares of Alchemia S.A. carrying 159 450 000 votes at the GM, which accounts for approximately 91.93% share 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.

Liquidation of companies

End of the year saw completion of liquidation of two overseas subsidiaries Symonvit and Metalix.

The effect of this liquidation was recognised in the 2021 result, the amount of cash received from the liquidation approximated the value of the shares held in these Companies and amounted to: Symonvit shares PLN 1 500 thousand, proceeds from liquidation PLN 1 499 thousand, Metalix Ltd shares PLN 1 500 thousand, proceeds from liquidation PLN 1 379 thousand, loss on liquidation amounted to PLN 122 thousand.



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20. FINANCIAL ASSETS

Financial assets - loans and bonds	As at 31.12.2021	As at 31.12.2020
Debt instruments (bonds)	14 916	17 709
Loans granted	339 537	462 037
Stocks and shares	86 453	152 882
of which: Gränges AB, Sweden *)	86 433	152 862
In total, including:	440 906	632 628
Long-term financial assets	41 328	120 752
Short-term financial assets	399 578	511 876

*) shares used as collateral for the repayment of financial obligations.

Statement of bonds subscribed for	As at 31.12.2021	As at 31.12.2020
Maflow India Private Ltd	6 285	15 101
Skotan S.A.	8 631	2 608
Total	14 916	17 709

Skotan Bonds secured on the assets of the issuer.

Receivables from loans granted (with interest due) by borrowers	As at 31.12.2021	As at 31.12.2020
ICOS GmbH	474	-
Boryszew Automotive Plastics Sp. z o.o.	18 430	193 198
Theysohn Kunststoff GmbH	235	37 964
Boryszew Kunststofftechnik Deutschland GmbH	142 419	88 664
Boryszew Oberfachentechnik Deutschland GmbH	38 314	8 907
Boryszew Formenbau GmbH	11 026	9 618
AKT Plastikarska Technologie Cechy spol.	2 383	2 305
Boryszew Tensho Poland Sp. z o.o.	29 517	8 774
Maflow BRS Srl	-	9 220
MAFMEX S. de R.L. de C.V.	39 100	38 643
Maflow Polska Sp. z o.o.	300	-
Boryszew Commodities	13 281	26 415
Eastside Bis Sp. z o.o.	-	15 314
Metal Zinc Sp. z o.o.	47	11 036
Baterpol SA	-	8 655
Unibax Sp. z o.o.	15 172	2 324
Unipartner sp. z o.o.	27 172	-
Przedsiębiorstwo Badań Geofizycznych Sp. z o.o.	354	-
Elana Pet Sp. z o.o.	-	1 000
SPV Boryszew 8 Sp. z o.o.	2	-
SPV Boryszew 10 Sp. z o.o.	-	-
HR Service Sp. z o.o.	300	-
SPV Lakme Investment Sp. z o.o.	1 011	-
Total	339 537	462 037

The above summary includes net receivables included in the balance sheet, including write-downs.



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The Company has tested their exposure as at 13.12.2021.
The tests carried out as at 31.12.2021 showed no need for additional write-offs.

Based on additional evaluation of the financial condition of borrowers and bond issuers, write-offs were recognised for loans granted in the total amount of PLN 310 005 thousand and for bonds purchased in the total amount of PLN 49 574 thousand.

write-offs on loans	As at 31.12.2021	As at 31.12.2020
ICOS GmbH	50 729	-
Boryszew Automotive Plastics Sp. z o.o.	339 200	132 541
Theysohn Kunststoff GmbH	38 835	272
Boryszew Kunststofftechnik Deutschland GmbH - Ymos branch	159	159
Boryszew Formenbau GmbH	417	417
Boryszew Deutschland GmbH	486	486
AKT Plastikarska Technologie Cechy spol.	2	2
Boryszew Tensho Poland Sp. z o.o.	508	508
Maflow Brasil Ltda	23 001	-
Maflow Polska Sp. z o.o.	8 335	-
Boryszew Commodities Sp. z o.o.	14 084	30
Metal Zinc Sp. z o.o.	5	5
Unibax Sp. z o.o.	-	4
	475 761	134 424

Change in bonds purchased and loans granted between 01.01.2021 and 31.12.2021	bonds	borrowings
Carrying amount - beginning of the period	17 709	462 037
Reduction in assets - repaid/purchased during the year (-)	-	(79 174)
Bonds/loans purchased/granted during the current year	4 125	208 933
Interest on bonds/loans recognised in P&L during the current year	2 011	22 607
Interest received	(157)	(885)
Write-offs recognised in P&L of the current year	(49 574)	(321 215)
Reversal of impairment write-offs recognised in P&L during the year	55	11
Bonds redeemed in the current year	-	-
Expected credit loss (reclassification to write-offs)	-	11 210
Write-off reversal following asset disposal	-	(43 190)
Compensations and other non-monetary changes	(9 201)	79 540
Merger with a subsidiary	48 907	-
Discount	(367)	-
Exchange differences recognised in current year P&L	1 408	(337)
Carrying amount as at period end	14 916	339 537



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Change in bonds purchased and loans granted between 01.01.2020 and 31.12.2020		
	bonds	borrowings
Carrying amount - beginning of the period	19 266	277 405
Reduction in assets - repaid/purchased during the year (-)	(900)	(13 473)
Bonds purchased during the current year	-	210 295
Interest on bonds/loans recognised in P&L during the current year	316	15 228
Interest received	(319)	(80)
Write-offs recognised in P&L of the current year	(105)	(15)
Reversal of impairment write-offs recognised in P&L during the year	18	-
Interest cancelled in the current year	-	(33 757)
Expected credit loss	-	(11 729)
Exchange differences recognised in current year P&L	(567)	18 163
Carrying amount as at period end	17 709	462 037

21. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31.12.2021	assets	liabilities
Cash flows hedging instruments	-	300
<i>Commodity swaps</i>	-	5
<i>Foreign exchange contracts</i>	-	295
Fair value hedges	-	-
Instruments held for trading	-	-
	-	300
<i>long-term part</i>	-	-
<i>short-term part</i>	-	300
balance	(300)	

As at 31.12.2020	assets	liabilities
Cash flows hedging instruments	482	922
<i>Commodity swaps</i>	-	604
<i>Foreign exchange contracts</i>	482	318
Fair value hedges	-	-
Instruments held for trading	-	-
	482	922
<i>long-term part</i>	-	-
<i>short-term part</i>	482	922
balance	(440)	

22. TRADE AND OTHER RECEIVABLES



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Trade receivables and other receivable	As at 31.12.2021	As at 31.12.2020
Trade receivables from sale of products, goods and services	342 336	216 592
Payables and receivables with shareholders	-	6 055
Budget receivables	17 468	32 328
Other debtors	135 921	121 146
Trade receivables and other receivables	495 725	376 121
<i>long-term</i>	<i>110 195</i>	<i>116 932</i>
<i>short-term</i>	<i>385 580</i>	<i>259 189</i>

Receivables of PLN 102 881 thousand are used as collateral for repayment of financial liabilities.

Write-downs on trade receivables	01.01.2021 - 31.12.2021	As at 31.12.2020
Balance as at the beginning	58 520	133 043
Write-offs on overdue receivables	18 121	3 499
Removal of write-off together with the receivable as irrecoverable/overdue	(1 487)	(3 090)
Write-downs derecognized from recovered receivables	(14)	(8)
Reversal of write-offs on overdue receivables	(2 748)	(73 818)
Impact of exchange rate differences	1 768	(1 106)
Total	74 160	58 520
Write-offs according to IFRS 9 - credit risk	7 625	7 419
Write-downs at the end of the period	81 785	65 939

Bad debt provision on other receivables	01.01.2021 - 31.12.2021	01.01.2021 - 31.12.2021
Balance as at the beginning	25 544	20 785
Write-offs on overdue receivables	1 171	333
Removal of write-off together with the receivable as irrecoverable/overdue	(14)	-
Impact of exchange rate differences	-	4 426
Write-downs at the end of the period	26 701	25 544

Aging of net trade receivables	As at 31.12.2021	As at 31.12.2020
net accounts receivable with the remaining repayment period from the balance sheet date	249 367	106 559
up to 3 months	254 392	113 978
up to 6 months	2 474	-
up to 1 year	-	-
above 1 year	-	-
Write-offs according to IFRS 9 - credit risk	(7 499)	(7 419)
overdue accounts receivable	92 969	110 033
up to 3 months	17 062	27 154
up to 6 months	25 983	9 643
up to 1 year	46 339	41 307
above 1 year	3 711	31 929
Write-offs according to IFRS 9 - credit risk	(126)	-
total trade receivables	342 336	216 592

23. INVENTORIES



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Inventories	As at 31.12.2021	As at 31.12.2020
Materials and raw materials	112 846	99 073
Work in progress	31 945	21 854
Finished products	81 326	79 381
Traded goods	5 447	5 757
Energy certificates	69	459
Total	231 633	206 524
Advances on supplies	10 521	1 758
Carrying value of inventories	242 154	208 282

Inventories of PLN 163 352 thousand are used as collateral for repayment of financial liabilities.

Revaluation write-offs for inventories at the beginning of the period

	As at 31.12.2021	As at 31.12.2020
Revaluation write-offs for inventories at the beginning of the period	16 022	15 494
Increase of impairments in the period	9 380	4 212
Inclusion of entities in consolidation	-	-
Reversal of write-downs in the period (-)	(5 055)	(3 167)
Excluding an entity from consolidation	-	-
Impact of exchange rate differences	-	-
Other decrease of write-downs in the period (written down with inventories)	(89)	(517)
Revaluation write-offs for inventories at the end of the period	20 258	16 022

Creation of impairments for inventories results from comparing the carrying value of inventories with their recoverable value by use or sale. Write-downs are also created for stocks that fall due in accordance with the accounting policy. A write-down is charged to particular period's costs. Reversal of write-downs occurs during cessation of the cause for creation and it is credited to the particular period's incomes.

24. OTHER ASSETS

	As at 31.12.2021	As at 31.12.2020
Prepayments	9 271	4 526
Prepayments - financial expenses	271	559
Quick savings (automotive)	13 735	12 614
Activated costs for new projects (automotive)	17 892	15 036
Total	41 169	32 735
<i>Long-term part</i>	<i>11 566</i>	<i>11 120</i>
<i>Short-term part</i>	<i>29 603</i>	<i>21 615</i>



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25. CASH

	As at 31.12.2021	As at 31.12.2020
Cash and cash equivalents		
Cash in hand and at bank	56 900	32 894
including restricted cash	10 388	1 278
Total	56 900	32 894
Unused credits in current bank accounts	30 021	30 422

26. RESERVES

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 31.12.2021 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

The Company is not aware of any agreements other than those disclosed in point 30 under which changes might occur in future in the proportions of shares held by the existing Shareholders.

The Company did not issue any securities that would confer any special controlling rights on any of its shareholders. All shares are equal, each share entitles to one vote at the General Meeting.

Own shares

In 2021 Boryszew S.A. did not purchase own shares.

On 31 December 2021 and the publication date of the Financial Statements Boryszew S.A. holds directly and indirectly through subsidiaries shares of Boryszew S.A.:

- Boryszew S.A. - 34 795 000 treasury shares, representing 34 795 000 votes at the General Meeting, which accounts for approximately 14.498 % share in the share capital and total number of votes at the General Meeting of Boryszew S.A.,
- Alchemia S.A. - 3 200 000 shares of Boryszew S.A., representing 3 200 000 votes at the General Meeting, which accounts for approximately 1.333 % share in the share capital and total number of votes at the General Meeting of Alchemia S.A.,
- Polski Cynk Sp. z o.o. - 5.000 shares of Boryszew S.A., representing 5 000 votes at the General Meeting, accounting for 0.002% of share capital and the total number of votes at the General Meeting of Boryszew S.A.

The Company holds no preferred shares. Each share carries one vote at the Shareholders' Meeting.



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According to IAS 29 par. 24 the components of owners' equity (except retained earnings and revaluation reserve) were restated as at the date of IAS transition, i.e. 01.01.2004 by applying general price indices from the dates the components were contributed or otherwise created. The amount of the hyperinflationary revaluation increased the share capital and the issue premium while the value of the retained earnings was reduced.

Change in equity	As at 31.12.2021	As at 31.12.2020
Number of shares as at the balance sheet date	240 000 000	240 000 000
<i>number of own shares</i>	<i>34 795 000</i>	<i>34 795 000</i>
<i>number of shares entitled to dividend</i>	<i>205 205 000</i>	<i>205 205 000</i>
Share capital as at the beginning of the year, including:	248 906	248 906
Share capital as at the end of the year	248 906	248 906
Share premium as at the beginning of the year	112 346	112 346
Balance as at the end	112 346	112 346
Own shares		
Balance as at the beginning of the year	(182 816)	(134 251)
share buy-back	-	(48 565)
Balance as at the end	(182 816)	(182 816)
Equity - hedge accounting		
Balance as at the beginning	(6 105)	(1 912)
Recognised profit/loss	3 183	(5 177)
Income tax (+/-)	252	984
Balance as at the end	(2 670)	(6 105)
Gains/losses on investments in equity instruments		
Balance as at the beginning	31 792	-
Valuation to fair value	14 700	39 250
Income tax (+/-)	(2 793)	(7 458)
Balance as at the end	43 699	31 792
Restatement of employee benefits		
Balance as at the beginning of the year	(426)	(638)
Valuation of retirement benefits liabilities in the period (+/-)	269	262
income tax (+/-)	(51)	(50)
Balance as at the end	(208)	(426)
Retained earnings		
Balance as at the beginning of the year	1 394 095	204 879
Merger with a subsidiary	13 735	12 479
Result of the current year	(259 762)	1 176 737
Balance as at the end	1 148 068	1 394 095
Total equity	1 367 325	1 597 792



27. BANK LOANS, BORROWINGS AND BONDS

External financing liabilities	As at 31.12.2021	As at 31.12.2020
Bank credits	347 080	416 661
Loans received	138 278	35 693
Bonds	28 000	64 000
Total liabilities, including:	513 358	516 354
<i>long-term</i>	8 275	120 313
<i>short-term</i>	505 083	396 041

The amount of loan liability includes incomplete factoring with recourse as at:
31.12.2020 PLN 33 654 thousand, respectively as at 31.12.2021 PLN 31 539 thousand.

27.1. Bank credits

	As at 31.12.2021	As at 31.12.2020
Investment loans	12 683	23 838
Working capital facilities	305 313	331 878
Non-revolving loans	29 084	27 291
Factoring with recourse	-	33 654
Total loans, including:	347 080	416 661
<i>long-term</i>	4 259	109 309
<i>short-term</i>	342 821	307 352

unused lending limits

69 519

Interest expense is presented in Note 12.

Change in loans

	01.01.2021 - 31.12.2021	As at 31.12.2020
nominal value of loans at the beginning of the year	416 661	494 988
proceeds from new loans received	146 769	189 502
repayment of loans	(213 694)	(271 353)
other cash changes	-	(854)
total cash change	(66 925)	(82 705)
non-cash changes		
assumption of debt from another entity	27 293	-
transfer of debt to another entity	(27 291)	-
impact of exchange rate differences	(2 658)	4 780
other non-cash changes	-	(402)
sum of non-cash changes	(2 656)	4 378
carrying amount of loans	347 080	416 661



(amounts expressed in PLN '000 unless specified otherwise)

Change in the balance of loans in between 1 January and 31 December 2021

Bank / Financial Institution	Loan liabilities 31.12.2021	Loan liabilities 31.12.2020	Change	Loan repayment date as per agreement	interest rate (%)	Loan collateral
ALIOR	14 261	14 294	(33)	2022-09-12	WIBOR + margin	liquidity guarantee by BCG, transfer of receivables, mortgage, pledge
ALIOR	4 375	4 375	-	2022-09-12	WIBOR + margin	liquidity guarantee by BCG, transfer of receivables, mortgage, pledge
ALIOR	30 555	-	30 555	2022-09-21	WIBOR + margin	mortgage, transfer of receivables
BGK	12 683	25 451	(12 768)	2022-12-31	EURIBOR + margin	mortgage, pledge
BGK	22 997	23 049	(52)	2022-06-30	EURIBOR + margin	mortgage, pledge
BNP	20 490	20 716	(226)	2022-01-31	WIBOR + margin	mortgage, pledge, transfer of receivables
BNP	29 084	-	29 084	2022-01-10	WIBOR + margin	pledge
CREDIT AGRICOLE	9 369	14 528	(5 159)	2023-10-19	EURIBOR + margin	pledge, transfer of receivables
COFACE	12 070	-	12 070	2023-04-02	WIBOR + margin	liquidity guarantee by BGK
HSBC	31 604	36 812	(5 208)	2022-09-30	WIBOR + margin	mortgage, pledge
HSBC	-	9 380	(9 380)		EURIBOR + margin	
ING	21 381	20 666	715	2022-08-30	WIBOR/EURIBOR/LIBOR + margin	liquidity guarantee by BCG, pledge, transfer of receivables
mBank	-	43 378	(43 378)		WIBOR + margin	
mBank	-	9 700	(9 700)		WIBOR + margin	
mBank	-	8 397	(8 397)		WIBOR + margin	
mBank	-	13 000	(13 000)		WIBOR + margin	
mBank	-	9 468	(9 468)		WIBOR + margin	
mFaktoring	-	18 730	(18 730)		EURIBOR + margin	
PKO BP	27 277	27 445	(168)	2022-12-31	EURIBOR + margin	mortgage, pledge, transfer of receivables
PKO BP	53 000	10 000	43 000	2022-12-31	WIBOR + margin	mortgage, pledge, transfer of receivables



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Bank / Financial Institution	Loan liabilities 31.12.2021	Loan liabilities 31.12.2020	Change	Loan repayment date as per agreement	interest rate (%)	Loan collateral
PKO BP	7 327	7 327	-	2022-10-09	WIBOR + margin	liquidity guarantee by BGK
PKO BP	23 720	23 429	291	2022-11-30	WIBOR + margin	liquidity guarantee by BCG, mortgage, pledge, transfer of receivables
PKO FAKTORING	-	5 545	(5 545)		EURIBOR + margin	
SANTANDER	41	16 409	(16 368)	2022-08-26	WIBOR + margin	liquidity guarantee by BCG, mortgage, pledge, transfer of receivables
SANTANDER	90	17 869	(17 779)	2022-02-25	WIBOR + margin	liquidity guarantee by BCG, mortgage, pledge, transfer of receivables
SANTANDER	11 167	21 104	(9 937)	2022-08-26	WIBOR + margin	liquidity guarantee by BCG, mortgage, pledge, transfer of receivables
SANTANDER	15 589	15 589	-	2022-10-11	WIBOR + margin	liquidity guarantee by BCG, mortgage, pledge, transfer of receivables
	347 080	416 661	(69 581)			



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Information on breach of material provisions of credit or loan agreements

As at 31 December 2021 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

27.2. Loan liabilities

	As at 31.12.2021	As at 31.12.2020
Loans from related parties	126 867	17 330
Loans from other entities	11 411	18 363
Total loans, including:	138 278	35 693
long-term	4 016	11 004
short-term	134 262	24 689
interest expenses on loans		
interest cost included in the result	1 330	3 784
interest expense (fixed assets)	218	249
total interest expenses	1 548	4 033

Statement of changes in loans received between 1 January and 31 December 2021

Change in loans	01.01.2021 - 31.12.2021	As at 31.12.2020
nominal value of loans at the beginning of the year	35 693	133 534
proceeds from new borrowings	256 990	124 274
repayment of loans	(60 476)	(59 612)
interest payment	(96)	(1 618)
interest unpaid at the end of the period	317	96
total cash change	196 735	63 140
non-cash changes		
compensations	-	(167 256)
impact of exchange rate differences	(360)	200
other non-monetary changes/business combinations	(93 790)	6 075
sum of non-cash changes	(94 150)	(160 981)
carrying amount of loans	138 278	35 693



27.3. Liabilities arising from issued bonds

	As at 31.12.2021	As at 31.12.2020
Liabilities to related entities arising from issued bonds	28 000	64 000
Liabilities to other entities due to bonds issued	-	-
Total bonds, including:	28 000	64 000
<i>long-term</i>	-	-
<i>short-term</i>	28 000	64 000

Change in bonds	01.01.2021 - 31.12.2021	As at 31.12.2020
the nominal value of bonds at the beginning of the year	64 000	142 388
redemption of bonds	(36 000)	(109 828)
total cash change	(36 000)	(109 828)
non-cash changes		
assumption of debt from another entity	-	31 000
impact of exchange rate differences	-	440
sum of non-cash changes	-	31 440
carrying amount of bonds	28 000	64 000

Statement of changes in bonds issued between 1 January and 31 December 2021

No new bonds were issued in 2021.

Conditions of credit agreements

Agreements signed with banks impose on the Company legal and financial liabilities (covenants), used for such transactions as a standard, including, inter alia:

- maintaining financial ratios at a specified level (calculated at the individual or consolidated level), the most frequent of which is the net debt to EBITDA ratio,
- performing cash-flows by specified bank accounts,
- limitations related to granting loans and sureties, as well as incurring investment expenditures,
- equal treatment of credit obligations.

28. LEASE LIABILITIES

	As at 31.12.2021	As at 31.12.2020
Liabilities under lease of fixed assets	40 586	36 600
Liability to SMA	14 659	16 441
Liabilities under lease agreements recognised as PdUW	30 283	34 659
Liabilities to SMA - investment property	1 932	1 941
	87 460	89 641



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28.1. Liabilities under lease of fixed assets

	As at 31.12.2021	As at 31.12.2020
Leasing liabilities		
Long-term lease	29 755	20 868
Short-term lease	10 831	15 732
Total lease liabilities	40 586	36 600

Lease interest costs recognised in profit or loss of current period	453	833
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Change in the balance of lease liabilities	As at 31.12.2021	As at 31.12.2020
Balance brought forward of lease liabilities	36 600	45 428
new discounted lease liabilities	23 651	6 878
repayment of capital lease instalments	(18 570)	(16 627)
payment of interest that was included in the balance	(17)	-
Revaluation of lease liabilities (for instance due to changes in interest rates, changes in the lease term)	-	(63)
impact of exchange rate differences	(998)	984
compensations and other non-monetary changes	(80)	-
Carrying value of lease liabilities	40 586	36 600

Undiscounted finance lease liabilities	As at 31.12.2021	As at 31.12.2020
non-discounted payment for 1 month under contract	1 069	1 004
from 2 to 3 months	1 932	5 996
from 4 to 6 months	2 889	4 576
from 7 to 12 months	5 645	5 040
between 1 year and 3 years	18 168	14 823
from 3 years to 5 years	13 566	7 050
over 5 years	-	-
Total undiscounted lease payments until the end of the lease term	43 269	38 489
future interest payments	(2 683)	(1 889)
Balance sheet value of lease liabilities	40 586	36 600



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28.2. Liability on perpetual usufruct of land for own use

	As at 31.12.2021	As at 31.12.2020
Leasing liabilities		
Long-term lease	14 610	16 346
Short-term lease	49	95
Total liabilities to SMA	14 659	16 441
Lease interest costs recognised in profit or loss of current period	472	477

	As at 31.12.2021	As at 31.12.2020
Change in the balance of lease liabilities		
Balance brought forward of lease liabilities	16 441	16 852
repayment of capital lease instalments	(77)	(411)
Derecognition due to sale	(1 705)	-
Carrying value of lease liabilities	14 659	16 441

	As at 31.12.2021	As at 31.12.2020
Non-discounted liabilities due to SMA		
annual fee	424	426
Instalments 1 year to 3 years	1 043	852
Instalments 3 years to 5 years	1 038	852
Instalments above 5 years - up to 10 years	2 473	2 130
Instalments above 10 years - up to 20 years	4 367	4 260
Instalments above 20 years	12 447	15 104
Total undiscounted amount of lease payments remaining until the end of the lease	21 792	23 624
future interest payments	(7 133)	(7 183)
Balance sheet value of lease liabilities	14 659	16 441

28.3. Liability under lease agreements recognised as right-of-use assets

	As at 31.12.2021	As at 31.12.2020
Leasing liabilities		
Short-term liabilities	9 243	7 940
Long-term liabilities	21 040	26 719
Total lease liabilities	30 283	34 659
Lease interest costs recognised in profit or loss of current period	1 216	1 215



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	As at 31.12.2021	As at 31.12.2020
Change in the balance of lease liabilities		
Balance brought forward of lease liabilities	34 659	41 805
new discounted lease liabilities	5 384	-
repayment of capital lease instalments	(9 385)	(8 471)
impact of exchange rate differences	(375)	1 325
Carrying value of lease liabilities	30 283	34 659

	As at 31.12.2021	As at 31.12.2020
Undiscounted finance lease liabilities		
monthly undiscounted rent under the agreement	932	802
rent payable within 2 to 6 months	4 659	4 009
above 7 month and up to 12 months	5 594	4 811
between 1 year and 3 years	14 113	19 931
from 3 years to 5 years	7 699	6 248
over 5 years	-	1 683
Total undiscounted payments remaining until the end of the lease term	32 997	37 484
future interest payments	(2 714)	(2 825)
Balance sheet value of lease liabilities	30 283	34 659

28.4. Liability to SMA - investment property

	As at 31.12.2021	As at 31.12.2020
Long-term liabilities	1 932	1 941
Short-term liabilities	-	-
Total liabilities	1 932	1 941
Lease interest costs recognised in profit or loss of current period	57	57

	As at 31.12.2021	As at 31.12.2020
Change in liabilities		
Liabilities - beginning of the year	1 941	1 951
repayment of capital instalments	(9)	(10)
Carrying value of lease liabilities	1 932	1 941

	As at 31.12.2021	As at 31.12.2020
Undiscounted finance lease liabilities		
annual fee to SMA	67	67
between 1 year and 3 years	133	133
from 3 years to 5 years	133	133
over 5 years - up to 10 years	335	335
over 10 years - up to 20 years	670	670
over 20 years	3 326	3 335
Total undiscounted lease payments until the end of the lease term	4 664	4 673
future interest payments	(2 732)	(2 732)
Balance sheet value of lease liabilities	1 932	1 941



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29. TRADE PAYABLES AND OTHER LIABILITIES

TRADE PAYABLES AND OTHER LIABILITIES	As at 31.12.2021	As at 31.12.2020
Trade liabilities due to purchase of materials, services and goods	393 416	205 559
Liabilities to state budget (excluding income tax)	27 949	19 685
Other Liabilities	1 122	2 203
Payroll liabilities	13 656	11 892
In total, including:	436 143	239 339
<i>Liabilities towards related parties</i>	<i>54 690</i>	<i>35 993</i>
<i>Liabilities towards unrelated parties</i>	<i>381 453</i>	<i>203 346</i>

Trade payables before maturity with maturity date:

Trade payables before maturity with maturity date:	285 490	144 098
up to 3 months	285 410	140 918
up to 6 months	39	3 180
up to 1 year	33	-
above 1 year	8	-
Overdue trade liabilities:	107 100	61 461
up to 3 months	38 293	37 464
up to 6 months	28 293	7 702
up to 1 year	28 884	9 614
above 1 year	11 630	6 681
Total trade liabilities:	392 590	205 559

30. PENSION AND SIMILAR EMPLOYEE BENEFITS LIABILITIES

Provision for employee benefits

Provision for employee benefits	Retirement severance pay	Disability severance pay	Death benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
Balance on 01.01.2021	2 409	459	424	4 493	1 492	9 277
Movement:	(13)	8	64	1 695	446	2 200
Interest expense	27	5	4	-	-	36
Current employment costs	277	89	30	1 695	547	2 638
Past employment costs	22	5	7	-	-	34
Benefits paid	(211)	(16)	(24)	-	(102)	(353)
Actuarial gains and losses - demographic changes	107	(51)	52	-	-	108
Actuarial gains and losses - financial changes	(235)	(24)	(5)	-	-	(264)
As at 31.12.2021	2 396	467	488	6 188	1 937	11 476

<i>long-term provisions</i>	<i>2 754</i>
<i>short-term provisions</i>	<i>8 722</i>



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	Retirement severance pay	Disability severance pay	Death benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
As at 01.01.2020	2 520	400	371	3 548	355	7 194
Movement:	(111)	59	53	945	1 137	2 083
Interest expense	40	6	6	-	-	52
Current employment costs	261	93	32	950	1 184	2 520
Past employment costs	5	-	-	-	-	5
Benefits paid	(87)	(67)	(30)	(5)	(107)	(296)
Actuarial gains and losses - demographic changes	(38)	(17)	(25)	-	-	(80)
Actuarial gains and losses - financial changes	(174)	(39)	2	-	-	(211)
Other	(118)	83	68	-	60	93
As at 31.12.2020	2 409	459	424	4 493	1 492	9 277

long-term provisions	2 812
short-term provisions	6 465

Calculations of provisions for employee benefits were carried out by an independent actuary and involved establishing current (discounted) value of retirement or similar benefit to which the employee became entitled as of the date of calculation, proportionally to the quotient of the employee's service period at the moment of calculation in relation to the service period at the date of payment of the benefit.

As at 31.12.2021 for the calculation of provisions for liabilities to employees, the following parameters and assumptions were adopted: the rate of mobility (rotation) of employees at the level of 1-5%, depending on age, the rate of return on investment at 3,6% and wage growth rate at 3.5%.

31. OTHER PROVISIONS

Change in provisions

Change in provisions	Balance on 01.01.2021	creation of provision	provisions used during the year	reversal of unnecessary provisions	As at 31.12.2021
Provisions for liquidation of fixed assets	4 656	925	(4)	-	5 577
Provisions for warranty repairs, complaints	5 817	100	-	(758)	5 159
Provision for customer claims	3 982	1 937	-	-	5 919
Provisions for court proceedings	227	636	-	(227)	636
Provisions for costs of liquidation of subsidiaries	-	9 500	-	-	9 500
Total	14 682	13 098	(4)	(985)	26 791
Short-term provisions	6 044				3 378
Long-term provisions	8 638				23 413



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Change in provisions	As at 01.01.2020	creation of provision	provisions used during the year	reversal of unnecessary provisions	As at 31.12.2020
Provisions for liquidation of fixed assets	5 121	-	(465)	-	4 656
Provisions for warranty repairs, complaints	3 132	2 685	-	-	5 817
Provision for customer claims	1 219	2 990	-	(227)	3 982
Provisions for court proceedings	-	227	-	-	227
Total	9 472	5 902	(465)	(227)	14 682
<i>short-term</i>	3 359				6 044
<i>long-term</i>	6 113				8 638

32. DEFERRED INCOME

	As at 31.12.2021	As at 31.12.2020
Subsidies	24 522	22 802
Other (deferred revenues)	7 968	25
	32 490	22 827
<i>long-term</i>	18 489	19 352
<i>short-term</i>	14 001	3 475

The Company received grants in the form of cash as subsidies for fixed assets (project funding from NCRD fund). As at 31.12.2021, PLN 24 522 thousand remained to be recognised.

The Company will recognise the amount in line with the depreciation of the financed fixed assets.

Major projects left to account for:

Demonstrator project (BRS NPA division) - involved development of high-strength alloy technology - PLN 16 504 thousand

Application Project (BRS NPA division) - involved low loss cables - PLN 1 2904 thousand

Project of the boiler house replacement (ERG Branch) PLN 4 435 thousand

The Company met all the conditions to receive these grants and as of 31.12.2021 there is no risk of reimbursement.



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33. FINANCIAL INSTRUMENTS

Financial instruments list by balance sheet item and instrument category

Financial assets as at 31.12.2021

	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	Carrying value
Listed shares	-	-	86 433	86 433
Bonds	14 916	-	-	14 916
Trade receivables, factoring	315 034	27 302		342 336
Derivative financial instruments	-	-		-
Loans granted	339 537	-		339 537
Other debtors	-	135 971		135 971
Cash and cash equivalents	56 900	-		56 900
Total	726 387	163 273	86 433	976 093

Financial assets as at 31.12.2020

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Carrying value
Bonds	17 709	-	-	17 709
Trade receivables	187 086	36 925	-	224 011
Derivative financial instruments	-	-	482	482
Loans granted	462 037	-	-	462 037
Other debtors	-	127 201	-	127 201
Cash and cash equivalents	32 894	-	-	32 894
Total	699 726	164 126	482	864 334

Financial liabilities as at 31.12.2021

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	485 358	-	485 358
Liabilities on bonds	28 000	-	28 000
Derivative financial instruments	-	300	300
Lease liabilities	40 586	-	40 586
Liabilities to SMA and PdUA	46 874	-	46 874
Trade and other liabilities (excluding towards state budget and employees)	391 304	-	391 304
Total	992 122	300	992 422



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Financial liabilities as at 31.12.2020

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	452 354	-	452 354
Liabilities on bonds	64 000	-	64 000
Derivative financial instruments	-	922	922
Lease liabilities	36 600	-	36 600
Liabilities to SMA and PdUA	53 041	-	53 041
Trade and other liabilities (excluding towards state budget and employees)	205 559	-	205 559
Total	811 554	922	812 476

34. BUSINESS RISKS

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

- credit risk.
- foreign exchange rate risk (change in PLN exchange rate to other currencies);
- interest rate risk (increase in interest rates),
- liquidity risk.

Credit risk

Credit risk exists due to the balance of trade receivables, loans granted, bonds acquired, guarantees and sureties granted, cash and cash equivalents.

The Company manages credit risk and evaluates it for each new customer before offering standard delivery and payment terms and conditions. Credit risk is managed by setting credit limits for each customer. The utilisation of credit limits is subject to regular monitoring. The Company insures its receivables up to a limit.

Where corporate clients have an independent rating, this rating is used to determine their credit risk. Otherwise, where no such rating is available, the Company evaluates credit risk for a group of customers, separately for each operating segment, taking into consideration past experience and other factors.

In the Automotive segment Company's customers are subsidiaries and acknowledged global manufacturers of vehicles and their production components. In this case the credit POLICY on payment terms and limits is determined within the framework of general terms of cooperation. The company has the possibility of flexible payment management in this segment, inter alia thanks to cash discount instruments. Receivables from Automotive customers are not insured.

In the Metals and Chemical segment, the credit policy regarding the terms, limits and hedges for payments is regulated by a periodically verified order of the Company Management Board. The order applies to the terms of contracts with customers negotiated by these segments. When verifying new customers, the Company uses the opinions of leading rating companies and companies insuring trade receivables. Periodic receivables aging reports are the main tool for credit monitoring. Receivables in the Metals and Chemical segment are insured.

The company also grants short- and long-term loans to subsidiaries or includes bonds issued by subsidiaries. In the case of uncertain repayment, the Company periodically makes write-downs updating the value of a loan or bond.



Cumulative revaluation write-downs on receivables

	As at 31.12.2021	As at 31.12.2020
Impairment write-off for receivables		
impairment write-offs on trade receivables	74 160	58 520
impairment write-offs on loans	475 761	134 424
impairment write-offs on bonds	50 036	150
expected credit loss on loans granted	516	11 729
expected credit loss on trade receivables	7 625	7 419
doubtful debt allowance on other receivables	26 701	25 544
Total	634 799	237 786

Write-offs on trade receivables are mostly recognised for receivables from subsidiaries (Maflow Mexico China, Brazil and India) Write-offs on loans relate are mostly recognised for loans granted to BAP Group companies. For other receivables - these are write-offs on receivables from related companies (BAP group companies).

In order to estimate the expected loan losses, the Company has identified the following groups of customers:

- External customers for the automotive segment
- Customers - entities related to the Boryszew Group for the automotive segment
- Customers for chemicals segment
- Customers for metal segment

The calculations are based on historical data starting from 2010. Historically, the percentage ratio of losses incurred on account of write-downs to the sales amount was calculated separately for each customer group and then the expected loss for the balance of receivables as at the balance sheet date was calculated

For loans, bonds and sureties, Company's debt ratings and Moody's data were used

Interest rate risk

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

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

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



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Sensitivity analysis

	As at 31.12.2021	Interest rate increase by 0.5 p.p.	Interest rate decrease by 0.5 p.p.
Interest-bearing (variable %) financial assets	354 453	1 773	(1 773)
Loans granted	339 537	1 698	(1 698)
Debt instruments other	14 916	75	(75)
		-	-
Interest-bearing (variable %) financial liabilities	553 944	(2 769)	2 769
Loans	347 080	(1 735)	1 735
Borrowings	138 278	(691)	691
Debt instruments	28 000	(140)	140
Financial leasing of fixed assets	40 586	(203)	203
Impact on future profit/loss before tax		(996)	996
Impact on future net profit/loss		(807)	807

	As at 31.12.2020	Interest rate increase by 0.5 p.p.	Interest rate decrease by 0.5 p.p.
Interest-bearing (variable %) financial assets	479 746	2 399	(2 399)
Loans granted	462 037	2 310	(2 310)
Debt instruments other	17 709	89	(89)
		-	-
Interest-bearing (variable %) financial liabilities	552 954	(2 764)	2 764
Loans	383 007	(1 915)	1 915
Factoring with recourse	33 654	(168)	168
Borrowings	35 693	(178)	178
Debt instruments	64 000	(320)	320
Financial leasing of fixed assets	36 600	(183)	183
Impact on future profit/loss before tax		(365)	365
Impact on future net profit/loss		(296)	296

All significant items of the Company's interest debt and granted loans are based on variable interest rates (1M WIBOR, 3M WIBOR, 1M EURIBOR, 3M EURIBOR). Therefore, the fair value of financial assets and liabilities is not exposed to changing rates of interest. However, changes in interest rates affect the volume of future cash flows associated with assets and liabilities.

The table above illustrates sensitivity of the Company's profit/loss to changing rates of interest. The discussed impact on results refers to the time span of subsequent 12 months (assuming that the amount of interest-bearing assets and liabilities remains unchanged).



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Foreign exchange rate risk

Foreign exchange rate risk arises primarily from the fact that approximately 48% of the Company's revenue is from sales to European Union countries and other European countries and the contracts are concluded in EUR. The company granted the Group entities with loans in EUR for their operating activities. Change (decrease) EUR exchange rate may have a significant impact on sales revenues and the cost of exchange rate differences for valuation of receivables. In 2021 the Company was not involved in currency option or any other derivative instruments of a speculative nature. The Company does not hedge its currency risk by entering into long-term transaction hedging foreign exchange risk, the Company does not exclude the conclusion of such currency contracts in the future.

Analysis of sensitivity to risk of foreign exchange rates changes 2021

Currency	Exchange rate as at (PLN)	5% exrate change (PLN)
EUR	4.5994	0.2300
USD	4.0600	0.2030

	Value in currency	effect of increase in exchange rate 5%	effect of decrease in exchange rate 5%
Receivables and payables in EUR			
trade and other receivables	30 569	7 031	(7 031)
borrowings	160 009	36 802	(36 802)
bonds	2 019	464	(464)
trade and other liabilities	35 946	(8 268)	8 268
borrowings and loans	22 044	(5 070)	5 070
bonds	-	-	-
leasing	5 719	(1 315)	1 315
Result		29 644	(29 644)
Receivables and payables in USD			
trade and other receivables	14 749	2 994	(2 994)
trade and other liabilities	5 290	(1 074)	1 074
loans, borrowings, leasing	309	(63)	63
Result		1 857	(1 857)



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Analysis of sensitivity to risk of foreign exchange rates changes 2020

Currency	Exchange rate as at 31.12.2020 (PLN)	5% exrate change (PLN)
EUR	4.6148	0.2307
USD	3.7584	0.1879

	Value in currency	effect of increase in exchange rate 5%	effect of decrease in exchange rate 5%
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Receivables and payables in EUR

trade and other receivables	37 383	8 624	(8 624)
borrowings	117 145	27 025	(27 025)
bonds	3 917	904	(904)
trade and other liabilities	19 905	(4 592)	4 592
borrowings and loans	37 359	(8 619)	8 619
bonds	-	-	-
leasing	7 479	(1 725)	1 725
Result		21 617	(21 617)

Receivables and payables in USD

trade and other receivables	5 758	1 082	(1 082)
trade and other liabilities	2 156	(405)	405
loans, borrowings, leasing	-	-	-
Result		677	(677)

Capital management

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

Net debt to equity ratio	As at 31.12.2021	As at 31.12.2020
Loan, lease, borrowings debt	600 818	605 995
Cash and cash equivalents	(56 900)	(32 894)
Net debt	543 918	573 101
Equity	1 367 325	1 597 792
Net debt to equity	39.8%	35.9%

Debt ratio	As at 31.12.2021	As at 31.12.2020
Liabilities	1 146 485	947 257
Assets	2 513 810	2 545 049
Debt rate	45.6%	37.2%



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Liquidity risk

Liquidity risk is the risk of difficulties in meeting the obligations of the Company related to financial liabilities, settled by the expenditure of cash or other financial assets. Company's liquidity management is about ensuring, as far as possible, that the Company always enjoys sufficient liquidity to settle the required commitments, both in normal and crisis situation, without exposure to unacceptable loss or undermining the Company's reputation.

The Company has secured cash payable on demand in the amount which is sufficient to cover the expected operating expenses, including the handling of loan liabilities

Liquidity ratios	As at 31.12.2021	As at 31.12.2020
current ratio	1.16	1.57
quick ratio	0.91	1.25
current ratio	0.06	0.05

Plans for financing Boryszew S.A.

As at 31.12.2021, net working capital shows a positive value of PLN 175 414 thousand.

In order to improve the Company's liquidity in 2021, actions were undertaken which will be continued in the next period and which include:

- obtaining new financing (loan, full factoring and reverse factoring),
- repayment of a portion of loans and borrowings.
- use of leases to finance operations as well as to finance and refinance capital expenditure.

The Company has no arrears in payments of its financial liabilities and interest.

Management Board believes that the current financial situation and the actions justify preparation of financial statements on the going concern basis and there is no need to change the valuation of assets and liabilities that would have been necessary if the Company was not able to its business in the same or similar scope.

Analysis of contractual maturity dates of undiscounted cash flows due to financial liabilities as at 31.12.2021.

	1-3 months	4-6 months	7-12 months	1-3 years	3-5 years	>5 years	Total	Carrying value
Bank loans maturities	74 283	54 722	213 816	4 259			347 080	347 080
Maturities of borrowings	1 430	52 019	80 813	4 016	-		138 278	138 278
Maturities of liabilities on issued bonds	28 000	-	-	-			28 000	28 000
Maturities of leasing liabilities	3 001	2 889	5 645	18 168	13 566		43 269	40 586
Maturities of liabilities of leased rental services	932	4 659	5 594	14 113	7 699	-	32 997	30 283
Maturity of PMA fees	424			1 043	1 038	19 287	21 792	14 659
Maturity of PMA fees - investment real estate	67			133	133	1 005	1 338	1 932
payment of trade liabilities and other items	393 336	39	33	-			393 408	393 416
Total	501 473	114 328	305 901	41 732	22 436	20 292	1 006 162	994 234



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Analysis of contractual maturity dates of undiscounted cash flows due to financial liabilities as at 31.12.2020.

	1-3 months	4-6 months	7-12 months	1-3 years	3-5 years	>5 years	Total	Carrying value
Bank loans maturities	115 245	87 084	105 023	109 309			416 661	416 661
Maturities of borrowings	1 282	1 192	22 215	11 004	-		35 693	35 693
Maturities of liabilities on issued bonds	12 000	49 000	3 000	-			64 000	64 000
Maturities of leasing liabilities	7 000	4 576	5 040	14 823	7 050		38 489	36 600
Maturities of liabilities of leased rental services	802	4 009	4 811	19 931	6 248	1 683	37 484	34 659
Maturity of PMA fees	426			852	852	21 494	23 624	16 441
Maturity of PMA fees - investment real estate	67			133	133	4 340	4 673	1 941
payment of trade liabilities and other items	202 379	3 180	-	-			205 559	205 559
Total	339 201	149 041	140 089	156 052	14 283	27 517	826 183	811 554

Fair value

Valuation techniques and basic inputs that are used for the measurement of fair value

Level 1	Listed shares	Shares listed on the Stock Exchange were valued based on the closing price on the date ending the reporting period.
Level 2	Derivative commodity financial instruments - commodity swaps	The fair value of commodity transactions is calculated based on the prices of contracts for the timely distribution of individual metals as at valuation date and the exchange rates. Data for the valuation obtained from Reuters.
	Derivative currency financial instruments - currency forwards	The fair value of the foreign currency term symmetrical transactions was determined based on the model for the valuation of forward contracts which uses NBP rates as at the valuation date and term interest rates for individual currencies.

In the reporting period as well as in the comparable period, no shift of instruments between level 1 and 2 occurred. In the reporting period as well as in the comparable period, level 3 instruments were not reclassified to level 1 and 2.

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

	Fair value as at		Fair value hierarchy
	As at 31.12.2021	As at 31.12.2020	
Financial assets			
Listed shares (*)	86 433	152 862	Level 1
Derivative financial instruments	-	482	Level 2
Financial obligations			
Derivative financial instruments	300	922	Level 2

*) Granges shares listed on the Stockholm Stock Exchange.

The shares of Granges AB, listed on Nasdaq Stockholm, are treated as a short-term financial investment as of 31.12.2021 and recognised at cost through comprehensive income.



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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		Fair value hierarchy
	As at 31.12.2021	As at 31.12.2020	
Financial assets			
Bonds	14 916	17 709	Level 3
Borrowings	339 537	462 037	Level 3
Trade and other receivables	478 307	343 793	Level 3
Cash and cash equivalents	56 900	32 894	Level 1
Financial obligations			
Borrowings and loans	485 358	452 354	Level 2
Liabilities on bonds	28 000	64 000	Level 2
Trade and other liabilities	391 304	205 559	Level 3
Lease liabilities	40 586	36 600	Level 2
Liabilities to SMA and PdUA	44 942	51 100	Level 2
Liabilities to SMA - investment property	1 932	1 941	Level 2

Insurance of the Company's property and risks

Boryszew S.A. and subsidiaries had insurance policies for 2021 within the framework of general agreements concluded by the Parent Company with several insurance companies for the entire Boryszew Group. The scope of these agreements covers the insurance of:

- Boryszew Group property
- profit lost due to all risks
- machine damage
- loss of profit due to damage to machinery and equipment
- electronic equipment
- business activity and property owners civil liability insurance
- tax risks,
- liability of members of the governing bodies of a limited liability or joint stock company.

Boryszew S.A. and its subsidiaries also signed, depending on the needs, insurance contracts for insurance such as transport cargo insurance, motor insurance, compulsory third party insurance for bookkeeping services and tax advisory services and insurance of trade receivables.



35. SIGNIFICANT EVENTS IN ISSUER'S ACTIVITY

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.

On the report publication date the shareholder of the company is Boryszew S.A. with its registered office 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. passed 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.

Repeal of liquidation of Hutmen Sp. z o.o.

On 31 January 2022 the Management Board of Boryszew S.A. made a decision on the intention to repeal liquidation of Hutmen Sp. z o.o. in liquidation ("Hutmen") and applied on the same day to the Shareholders Meeting for decision on cancellation of liquidation and further existence of Hutmen.

The above decision was taken in particular because of the ongoing tax proceedings on the correctness of Hutmen's VAT settlements, which make it difficult to complete the liquidation process in a foreseeable time. Boryszew S.A. does not intend to continue the operating activity of Hutmen in production of copper products.

On 28 March 2022 the Management Board of Hutmen Sp. z o.o. a subsidiary based in Wrocław, concluded a preliminary agreement with MS Investment Sp. z o.o. based in Warsaw on the sale of the real estate of Hutmen Sp. z o.o., located in Wrocław at Grabiszyńska street No. 241, surface area of ap. 19.2 ha, for PLN 95 million net. The final agreement will be concluded by 31 July 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.

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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.

Business combination of 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).

On 28 October 2021 the EGM of Boryszew S.A. by resolution no. 5 expressed the consent to the Merger Plan approved on 16 September 2021 and decided on merger of above mentioned companies.

On 15 December 2021, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department of the National Court Register, made an entry in the National Court Register – Register of Enterprises on the merger



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of Boryszew S.A. based in Warsaw with SPV Impexmetal Sp. z o.o. based in Warsaw and Impex – invest Sp. z o.o. based in Warsaw.

The merger was 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 Acquiring Company operates under the name: Boryszew S.A. with its registered office in Warsaw,

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.

Merger with SPV Impexmetal sp. z o.o. and Impex-invest sp. z o.o.

The period covered by the financial statements saw business combination of 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 16 September 2021 Boryszew S.A. based in Warsaw ("Acquiring company") as well as SPV Impexmetal Sp. z o.o. based in Warsaw ("Acquired Company") and Impex-invest Sp. z o.o. based in Warsaw ("Acquired Company") approved and signed the Merger Plan. According to the plan, the merger will be effected under 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 Acquiring Company, by universal succession.

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 ("Acquired Company") and Impex-invest Spółka z o.o. based in Warsaw ("Acquired Company"). On 15 December 2021 the registry court of the National Court Register issued a decision on the registration of the merger of both Companies.



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The merger was carried in under the provisions of article Art. 492 § 1 item 1) of the Commercial Companies Code, i.e. by transferring to Boryszew S.A. (Acquiring Company) all assets of SPV Impexmetal Sp. z o.o.. (Acquired Company) and Impex-invest Sp. z o.o. by universal succession (merger by acquisition). As a result of the merger Boryszew S.A. - according to CCP Art. 494 § 1 - entered into all rights and obligations of SPV Impexmetal Sp. z o. o. and Impex-invest Sp. z o.o. Given that all shares in the share capital of the Acquired Companies are held by the Acquiring Company, under CCC Article 515 § 1, the merger was carried out without increasing the share capital of the Issuer.

The objective of the merger is to simplify the organisational structure of Boryszew Capital Group. In the Management Board's assessment, further simplification of the structure would improve efficiency of management of Boryszew Group's policy and activities and of the management of resources at the Group's possession. Carrying out internal consolidation of Boryszew Capital Group will result in improved profitability, reduced costs of general management as well as financial costs.

The merger was accounted for according to the share pooling method without restating the comparable data; the share pooling method could be applied because the merger of companies resulted in no loss of control by their existing shareholders. This method involves summing the corresponding items of assets, liabilities, income and expenses of the merged companies as at the merger date subject to prior unification of measurement methods and appropriate exclusions. The value of the share capital of the acquired companies, whose assets were transferred to the acquiring company and which were deleted from the register as a result of the merger, is excluded. Following that exclusion, the relevant equity items of the acquiring company are adjusted for the difference between the sum of assets and liabilities of the acquired companies.

The Acquiring Company included the following net assets of the Acquired Companies as of the merger date of 15 December 2021.

The following assets were included:

SPV Impexmetal Sp. z o.o.	
Non-current assets	36 799
<i>Shares of Hutmen</i>	17 315
<i>Shares of SPV Lakme</i>	2 343
<i>Intangible fixed assets</i>	16 336
<i>Other</i>	805
Current assets	223 656
<i>Of which:</i>	
<i>Short-term receivables</i>	6 065
<i>Loans Boryszew</i>	128 675
<i>Loan Unibax</i>	10 000
<i>Loan Unipartner</i>	17 160
<i>Bonds Tensho</i>	43 700
<i>Bonds BAP</i>	5 207
<i>Other short-term investments</i>	10 000
<i>Cash</i>	2 678
<i>Other</i>	171
Liabilities	47 391
<i>Including: Loan Hutmen</i>	40 700
<i>Other</i>	6 691
Impex-invest Sp. z o.o.	
Non-current assets	46 203
<i>of which: Shares of Hutmen</i>	46 196
<i>other</i>	7



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Current assets	21
Cash	17
Short-term prepayments and accruals	4
Liabilities	4

In the period between the date of the merger, i.e. 15 December 2021 and 31 December 2021, the Acquired Companies generated no revenue and thus no profit/loss.

Revenues and profits/losses included in the report of the Acquiring Company between 1 January 2021 and the merger date:

SPV Impexmetal Sp. z o.o.	
Total	27 874
Expenses	22 115
Tax	(1 330)
Profit/loss	4 429

Impex-invest Sp. z o.o.	
Total	-
Expenses	42
Tax	(2)
Profit/loss	(44)

Equity from merger of SPV Impexmetal and Impex-invest with Boryszew S.A. as at 15 December 2021

SPV Impexmetal Sp. z o.o.	
Net assets	217 493
Adjustment due to of reversed dividend	2 886
Value of shares	218 000
Equity from the merger	(6 479)

Impex-invest Sp. z o.o.	
Net assets	46 176
Value of shares	26 050
Equity from the merger	20 214

Value of merger equity **13 735**

As a result of the merger of Boryszew S.A.:

Assumed rights and obligations of SPV Impexmetal z o.o. and Impex-invest sp. z o.o. onder:

- Bonds acquired by SPV Impexmetal sp. z o.o. issued by Boryszew Tensho Poland sp. z o.o. in total amount of PLN 43 700 thousand with maturity date on 31 December 2021;
- Bonds acquired by SPV Impexmetal sp. z o.o. issued by Boryszew Automotive Plastics sp. z o.o. in total amount of PLN 5 207 thousand with maturity date on 31 December 2021;
- Loans granted by SPV Impexmetal sp. z o.o. to Unibax sp. z o.o. in the amount of PLN 10 000 thousand with maturity date on 31 December 2021,



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- Loans granted by SPV Impexmetal sp. z o.o. to Unipartner sp. z o.o. in the total amount of PLN 17 160 thousand with the principal repayment date on 31 December 2021,
- Loans granted by SPV Impexmetal sp. z o.o. to Przedsiębiorstwo Badań Geofizycznych sp. z o.o. in the amount of PLN 356 thousand with maturity date on 30 November 2021,
- Loan received by SPV Impexmetal sp. z o.o. from Hutmen sp. z o.o. in the amount of PLN 40 700 thousand with maturity date on 30 June 2022

Assumed ownership of:

- 16 078 196 shares in Hutmen sp. z o.o. accounting for 62.81% of its share capital
- 23 428 shares of SPV Lakme Investment sp. z o.o., accounting for 89.3% of its share capital
- 3 761 shares in P.U.H. Hutnik Sp. z o.o., accounting for 94% of the company's share capital

The impact of warfare

Following the invasion of Ukraine by the Russian Federation on 24 February 2022 and the sanctions against the Russian Federation and Belarus by the EU and the U.S., Boryszew SA assessed the revenues generated and assets involved in the conflict countries. The Company has no operations in Belarus or Ukraine.

Boryszew SA identified and monitors on current basis the following key areas and risks:

- supply chain,
- macroeconomics (including exchange rates, metals, and interest rates),
- foreign regulatory environment,
- contractors.

Key risks of Boryszew operations associated with the war in Ukraine:

- increase in electricity and gas prices,
- logistical disruptions affecting the supply of raw materials and components for production.

The current situation means better business performance in the Metals segment and a slowdown in the Automotive segment.

Financial liquidity of Boryszew SA is sufficient for functioning without significant disturbances.

The impact of the Covid-19 pandemic on the operations 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.



Due to diversified business profile of Boryszew S.A. and different level of risk, the impact of COVID-19 is presented by segments.

AUTOMOTIVE SEGMENT Boryszew S.A. Maflow Division recorded in 2021 sales by over 20% higher comparing to the turnover in 2020. Along with the change of trends, demand and geography of car sales, Maflow branch will carry out an organised monitoring of business activities of its customers and competitors, a review of the global automotive market and local markets, and will also assess its own potential, supporting business decisions in the changing market environment.

METAL SEGMENT Boryszew S.A. NPA Skawina Branch did not experience a significant Covid-19 negative impact on its sales volume in 2021. In the reporting period, the turnover of the branch was ALMOST 80% higher than in the entire 2020.

CHEMISTRY SEGMENT Boryszew S.A. Total sales revenues of Boryszew ERG Branch in 2021 were higher by more than 40% compared to the performance in 2020.

OTHERS COMPANIES NOT ASSIGNED TO SEGMENTS The COVID-19 pandemic in 2021 had no negative impact on the EBITDA of Boryszew S.A. Boryszew Energy branch, mainly due to the structure of contracts with related companies as well as with external customers (acquisition price plus margin formula). During the 12 months of 2021 no negative impact of the pandemic on sales was observed, compared to the budget assumptions. EBITDA may be lowered in case of significant deviations from the assumed natural gas consumption volumes at Boryszew Energy Branch Customers. Until the date of the report Contractors notified no planned significant contract drops.

36. SIGNIFICANT EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

ICOS Group

Opening of bankruptcy proceedings

On 12 February 2022 Boryszew S.A. received from the regional court in Braunschweig a letter dated 1 January 2022 on the opening of the bankruptcy proceedings on the same date against ICOS GmbH with registered office in Salzgitter and THEYSOHN Kunststoff GmbH with registered office in Salzgitter and THEYSOHN Formenbau GmbH with registered office in Salzgitter, Germany, under self-administration according to the German bankruptcy law.

Hutmen Spółka z o.o.

On 31 January 2022 the Management Board of Boryszew S.A. made a decision on the intention to cancel liquidation of Hutmen Sp. z o.o. in liquidation ("Hutmen") and applied on the same day to the Shareholders Meeting for decision on cancellation of liquidation and further existence of Hutmen.

The above decision was taken in particular because of the ongoing tax proceedings on the correctness of Hutmen's VAT settlements, which make it difficult to complete the liquidation process in a foreseeable time. Boryszew S.A. does not intend to continue the operating activity of Hutmen in production of copper products.

On 28 March 2022 the Management Board of Hutmen Sp. z o.o. a subsidiary based in Wrocław, concluded a preliminary agreement with MS Inwestment Sp. z o.o. based in Warsaw on the sale of the real estate of Hutmen Sp. z o.o., located in Wrocław at Grabiszyńska street No. 241, surface area of ap. 19.2 ha, for PLN 95 million net. The final agreement will be concluded by 31 July 2022

Maflow France Automotive S.A.S. - opening of liquidation

On 4 March 2022, the Management Board of Maflow France Automotive S.A.S, a subsidiary based in Chartes, France ("Maflow France") made a decision on the intention to commence the process of company liquidation. The decision of the Management Board of Maflow France on the intention to commence the liquidation by submitting a request to the General Meeting of Shareholders of Maflow France was made in particular following the failure of Maflow France to obtain new, perspective production orders, which would ensure profitability in the short and medium term.

Boryszew S.A. holds 100% shares in the share capital of Maflow France and in the total number of votes on the General Meeting of Shareholders.



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Decision on the intention to combine Impexmetal Holding Sp. z o.o. with SPV Boryszew 5 Sp. z o.o., SPV Boryszew 6 Sp. z o.o., SPV Boryszew 8 Sp. z o.o. and SPV Boryszew 9 Sp. z o.o.

On 24 January 2022 Management Boards of: Impexmetal Holding Spółka z o. o. (Acquiring Company), SPV Boryszew 5 Spółka z o.o. (Acquired Company 1), SPV Boryszew 6 Spółka z o.o. (Acquired Company 2), SPV Boryszew 8 Spółka z o. o. (Acquired Company 3) and SPV Boryszew 9 Spółka z o. o. (Acquired Company 4) agreed and signed the Merger Plan.

On 8 March 2022, the Extraordinary Shareholders' Meeting of these companies passed resolutions on the merger of the Acquiring Company with the Acquired Companies.

Also on 8 March 2022, the Extraordinary Shareholders' Meeting of Impexmetal Holding Sp. z o.o. passed the resolution to amend the articles of association. As of the day of registration of the change with the Companies' Register of the NCR the Company will operate under the name Boryszew Holding Spółka z o.o.

On 23 March 2022 the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register registered in the National Court Register the merger of Impexmetal Holding Spółka z o. o., SPV Boryszew 5 Spółka z o.o., SPV Boryszew 6 Spółka z o.o., SPV Boryszew 8 Spółka z o. o. and SPV Boryszew 9 Spółka z o. o. as well as amendments in the articles of association.

The merger of the companies was carried out under the provisions of CCC Article 492 § 1 point 1 by transferring all assets of the Acquired Company 1, Acquired Company 2, Acquired Company 3 and Acquired Company 4 to the Acquiring Company by universal succession, without increasing the share capital of the Acquiring Company.

As of 23 March 2022, the Acquiring Company will operate under the name: Boryszew Holding Spółka z o.o. with registered office in Warsaw.

Loan repayment to BNP Paribas Bank S.A.

On 9 February 2022, a non-revolving loan of PLN 29 084 thousand was repaid to BNP Paribas Bank SA. The loan was granted on 08 April 2021 for PLN 75 million.

Signing an agreement with Credit Agricole Bank Polska S.A

On 15 March 2022, an agreement was signed with Credit Agricole Bank Polska S.A. for a guarantee line of up to EUR 3.5 million. The maximum term of the bank guarantees is 28 February 2023.

Signing an agreement with Millennium S.A.

On 22 March 2022, an agreement was signed with Bank Millennium S.A. for a revolving loan facility in the amount of PLN 14 million. The loan will only be used to repay the debt due to a claim under guarantees issued under the Bank guarantee facility.

Provision of corporate guarantee for HSBC Bank China Company Limited

On 23 March 2022, a corporate guarantee valid until 18 January 2025 for up to CNY 30 million was provided to HSBC Bank China Company Limited to secure the working capital loan received by Maflow China.

Annex to the Factoring Agreement with ING Commercial Finance Polska S.A

On 24 March 2022, an annex to the full factoring agreement of NPA branch was signed with ING Commercial Finance Polska S.A., increasing the limit from PLN 25 million to PLN 45 million.

An agreement for a guarantee line with Korporacja Ubezpieczeń Kredytów Eksportowych S.A.

On 24 March 2022, an agreement was signed with Korporacja Ubezpieczeń Kredytów Eksportowych S.A. for a guarantee line for NPA branch up to USD 7.25 million until 24 March 2023.

Increase of bill of exchange surety for Coface Poland Factoring Sp. z o.o.

On 30 March 2022, the bill of exchange surety granted to ZM Silesia S.A. for Coface Poland Factoring Sp. z o.o. was increased from PLN 30 million to PLN 45 million.



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Redemption of registered bonds of Boryszew S.A.

On 31 March 2022, 20 registered Series P bonds of the total value of PLN 20 million and 8 registered Series A34 bonds of the total value of PLN 8 million issued by Boryszew S.A. were redeemed with Bondholder code - Hutmen Sp. z o.o.

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.

37. CONTINGENT LIABILITIES

	As at 31.12.2021	As at 31.12.2020
Sureties for the repayment of loans and other liabilities by associated companies	223 329	285 887
Total	223 329	285 887

Contingent items	As at 31.12.2021	As at 31.12.2020	change
Contingent liabilities	223 329	285 887	(62 558)
resulting from granted guarantees, sureties and other liabilities	223 329	285 887	(62 558)
- guarantees and sureties associated with performance of contracts	66 691	79 744	(13 053)
- guarantees and sureties in favour of financial institutions	156 638	206 143	(49 505)
Increases / decreases in the period of 12 months ended on 31.12.2021, of which:			(62 558)
Additions			
- Increase due to valuation of sureties			-
- Increase in surety amount			56 400
Reductions			
- Reduction due to valuation of sureties			(11 357)
- Decrease in the amount of existing sureties due to expiration, reduction			(107 601)

In 2021 Boryszew S.A. granted new guarantees and sureties in the amount of PLN 56.4 million: bill of exchange guarantee for ZM Silesia securing granted factoring and BMW performance bond for Mafmex. The balance of contingent liabilities decreased by 62.6 million compared to 31.12.2020. The decrease is caused by exchange rate differences, expiry of the guarantee granted to Commerzbank and reduction of guaranteed liabilities, including mainly: reduction of the debt level under guaranteed leases (mLeasing, PKO Leasing) and reduction of the debt of Boryszew Oberflächentechnik Deutschland in Bank Gospodarstwa Krajowego.

Status of current sureties as at 31.12.2021

Entity for which guarantee or surety was issued	Subject of liability 2021	Surety value in PLN	Expiry date of guarantee
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to ALD AutoLeasing D GmbH	308	30.06.2022
	Endorsement of lease agreement for PKO Leasing Sp. z o.o.	6 573	31.03.2022



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Entity for which guarantee or surety was issued	Subject of liability 2021	Surety value in PLN	Expiry date of guarantee
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	16 378	31.12.2028
Boryszew Plastic RUS	Guarantee granted to Alfa Bank	1 058	31.12.2024
	Guarantee granted to Volvo Group Trucks Operations	22 997	indefinite validity
	Payment guarantee granted to Engel Austria	8 757	25.08.2023
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	7 083	30.09.2022
	Aval of lease agreement for mLeasing	1 608	30.01.2022
	Aval of lease agreements for mLeasing	445	15.12.2024
	Aval of lease agreements for mLeasing	864	15.12.2024
	Aval of lease agreement for mLeasing	442	15.12.2024
	Aval of lease agreements for mLeasing	442	15.12.2024
	Aval of lease agreements for mLeasing	806	15.02.2025
	Aval of lease agreement for mLeasing	612	15.02.2025
	Guarantee granted to PKO Leasing Sp. z o.o.	6 559	10.10.2022
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	2 153	31.08.2023
Theysohn Kunststoff GmbH	Guarantee granted to PKO Leasing Sp. z o.o.	3 049	30.06.2022
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Borealis AG for commercial liabilities	4 599	31.12.2022
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) Theysohn Kunststoff GmbH	Guarantee granted to BSB Recycling GmbH	6 899	06.07.2023
1) Boryszew Tensho Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) Boryszew Plastic RUS LLC, 4) AKT Plastikarska Technologie Czechy Spol. S.R.O.	Guarantee granted to Basell Sales & Marketing Company B.V.	9 199	31.12.2022
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	22 997	01.12.2026
Maflow France Automotive S.A.S.	Guarantee granted to Natixis Lease	455	04.12.2022
MAFMEX S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	22 997	term of the Agreement
	Mafmex's rent payment bond to Innova Dintel	12 241	01.01.2030
	BMW AG performance bond	27 596	contract period + 15 years
ZM Silesia S.A.	Surety granted to PKO BP S.A.	6 520	28.02.2025



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Entity for which guarantee or surety was issued	Subject of liability 2021	Surety value in PLN	Expiry date of guarantee
	Bill of exchange surety for Coface Poland Factoring Sp. z o.o.	29 692	indefinite validity
Total guarantees and sureties granted by Boryszew SA		223 329	

Balance of sureties as at 31.12.2020

Entity for which guarantee or surety was issued	Subject of liability 2020	Value of guarantee	Expiry date of guarantee
		PLN	
Boryszew HR Service Sp. z o.o.	Endorsement of a loan agreement for mBank	700	2021-01-15
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Commerzbank	23 074	indefinite validity
	Guarantee granted to ALD AutoLeasing D GmbH	771	30.06.2022
	Guarantee granted to Deutsche Leasing International GmbH	2 857	indefinite validity
	Guarantee granted to Deutsche Leasing International GmbH	1 504	08.06.2023
	Endorsement of lease agreement for PKO Leasing Sp. z o.o.	16 272	2022-03-31
	Guarantee granted to Deutsche Leasing International GmbH	8 260	2024-08-31
Boryszew Kunststofftechnik Deutschland GmbH Oddział BRS YMOS	Guarantee granted to Wurth Leasing GmbH	372	15.03.2022
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	44 980	2028-12-31
Boryszew Plastic RUS	Guarantee granted to Volvo Group TrucksOperations	23 074	indefinite validity
	Guarantee granted to Alfa Bank	1 246	2024-12-31
	Payment guarantee granted to Engel Austria	12 303	2023-08-25
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	8 125	2021-09-11
	Aval of lease agreement for mLeasing	271	15.04.2021
	Aval of lease agreement for mLeasing	2 929	15.04.2021
	Bill of exchange guarantee for SGB Leasing Sp. z o.o.	357	2025-09-30
	Aval of lease agreements for mLeasing	7 753	2024-04-15
	Guarantee granted to PKO Leasing Sp. z o.o.	11 196	2022-10-10
	Guarantee granted to ENEA Obrót S.A.	165	2021-01-31
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	4 947	2023-08-31
Theysohn Kunststoff GmbH	Guarantee granted to PKO Leasing Sp. z o.o.	5 044	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	4 615	2021-12-31
	Guarantee granted to BSB Recycling GmbH	6 922	2023-07-06



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Entity for which guarantee or surety was issued	Subject of liability 2020	Value of guarantee	Expiry date of guarantee
		PLN	
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.	9 230	2021-12-31
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	23 074	2026-12-01
Maflow France Automotive S.A.S.	Guarantee granted to Natixis Lease	1 740	2021-12-31
MAFMEX S. de R.L. de C.V.	Guarantee granted to Volkswagen Group of America	3 608	2021-06-01
	Mafmex's performance bond for AB Volvo	23 074	term of the Agreement
	Mafmex's rent payment bond to Innova Dintel	11 760	2030-01-01
Alchemia S.A.	Guarantee granted to Arcelormittal Poland S.A.	11 537	2021-12-31
WM Dziedzice S.A.	Guarantee granted to ENEA Obrót S.A.	1 128	2021-01-31
ZM Silesia S.A.	Surety granted to PKO BP S.A.	8 000	2024-02-28
	Bill of exchange surety for Coface Poland Factoring Sp. z o.o.	5 000	indefinite validity
Total guarantees and sureties granted by Boryszew SA		285 887	

The Company estimated the credit risk associated with the guarantees granted and recognised a provision for possible claims (expected credit loss) in the amount of PLN 3 982 thousand.

Ongoing tax proceedings in one of the branches.

During the reporting period, Vat tax proceedings started, covering the six-month period between October 2015 and March 2016. It is difficult to estimate the value of the potential contingent liability that could arise as a result of this audit. VAT on all audited transactions during the audit period is 12 114 thousand.

38. TRANSACTIONS WITH AFFILIATED ENTITIES AND BENEFITS FOR KEY PERSONNEL

Transactions between related parties are mainly include commercial transactions concluded between companies of the Capital Group and personally related entities with regard to sale or purchase of traded goods and products of typical, conventional nature for the Company's operations. The below presented information on transactions in securities and loans within Boryszew Capital Group were concluded on the basis of standard liquidity management mechanisms at the Group used for balancing of funds for the purpose of financing the operations of individual Group companies.



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Transactions with affiliated entities

	Subsidiaries	Associates	Personally related entities
in the period 01.01.2021 - 31.12.2021			
Revenues from sales (of products, services, goods)	352 120	-	5 349
Interest income	24 190	-	1 088
Dividends received and due	50 210	-	-
Purchases (of materials, goods, services)	88 605	-	41
Interest expense	1 986	-	-
as at 31.12.2021			
Trade receivables	148 934	-	11 080
Bonds purchased	6 285	-	8 631
Loans granted	296 839	-	42 698
Other receivables (advances, deposits)	110 195	-	-
Lease liabilities	11 413	-	-
Trade liabilities	54 629	-	24
Loans received	126 867	-	-
Issued bonds	28 000	-	-
Other liabilities (advances, deposits)	43	-	-

	Subsidiaries	Associates	Personally related entities
in the period 01.01.2020 - 31.12.2020			
Revenues from sales (of products, services, goods)	193 896	-	2 021
Interest income	16 031	-	159
Dividends received and due	913 032	-	-
Purchases (of materials, goods, services)	76 352	-	14 507
Interest expense	6 505	-	137
as at 31.12.2020			
Trade receivables	90 710	-	6 045
Bonds purchased	15 101	-	2 663
Loans granted	459 712	-	2 328
Other receivables (advances, deposits)	116 932	-	1 944
Lease liabilities	16 403	-	-
Trade liabilities	35 289	-	708
Loans received	17 330	-	-
Issued bonds	64 000	-	-

Commercial transactions between subsidiaries regarding the sale or purchase of goods and services are concluded on market conditions.



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Remuneration of Management Board and Supervisory Board	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Remuneration of Management Board members	4 093	1 886
Remuneration of Supervisory Board members	477	402

Members of the Management Board and the Supervisory Board were not granted any loans or paid no advances

39. EMPLOYMENT

	As at 31.12.2021	As at 31.12.2020
Employment structure (in full-time equivalents)		
Blue-collar workers	2 197	2 224
White-collar workers	620	584
Total	2 817	2 808

40. THE REPORT PREPARED PURSUANT TO ARTICLE 44 OF THE ENERGY LAW ACT FINANCIAL STATEMENT

Financial statements are presented in PLN. PLN is the functional and reporting currency. All values in the financial statements are presented in full thousands of PLN, unless stated otherwise.

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

The Management Board for Boryszew S.A.: Wojciech Kowalczyk, Mikołaj Budzanowski declare that to the best of their knowledge the financial statement prepared according to the provisions of Art. 44 of the Power Law Act and comparable data have been prepared in compliance with valid accounting principles and that the statement reflects in real, reliable and clear manner the property and financial situation as well as financial result of Boryszew S.A. The Management Board confirms that the report on activity of Boryszew S.A. contains the true picture of development and achievements as well as its situation including the description of basic threats and risks.

2. ACCOUNTING PRINCIPLES APPLIED

The report was prepared based on the separate financial statements presented by Boryszew SA, prepared in accordance with International Financial Reporting Standards in the scope determined by Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards with amendments. In preparing these financial statements, the Company made no changes to any previously applied accounting principles.

The statement of comprehensive income was prepared in accordance with art. 44 section 1 of Energy Law. The Company keeps accounting records in a way that allows a separate calculation of variable costs and revenues for individual types of activities. If fixed costs relate to several types of activity, they are assigned according to the percentage share of sales revenues from a given activity in the total sales revenues referred to in the energy law.

Bearing in mind that it is also required to divide items of the statement of financial position, the same accounting principles apply to the balance sheet items.



The structure of the prepared financial statements is based on the following general classification:

- **licensed operations regulated by Energy Law** - gainful activity consisting in the sales and distribution of electricity and gas fuels
- **other activity** - activities in the following segments: automotive, chemical products, aluminium products, holding activities

In the licensed activity, the following have been specified:

- **Electricity with segments:**
Distribution list
Rotation
- **Gas fuels with segments:**
Distribution list
Rotation

Statement of comprehensive income

2.1. Licensed operations regulated by Energy Law

Total revenues from the distribution and trading of electricity and gas fuels have been determined by the use of a direct method and they result from invoices issued for the sale and distribution of electricity and gas fuels.

Variable costs for the electricity and gas fuels trading segment are directly related to invoices for the purchase of electricity and gas purchased for resale.

Fixed costs are the result of the cost allocation related to the maintenance of infrastructure for the distribution of electricity and gas fuels as well as the management and sales costs. Management and sales costs assigned to licensed activities are allocated to individual segments according to the percentage share of sales revenues for individual segments in the total sales revenues referred to in the energy law.

2.2. Other activities (other than regulated by the Energy Law)

The items of revenues and costs on other activities constitute all revenues and costs of Boryszew SA not assigned to activities covered by the Energy Law, i.e. operating in the following segments: automotive, chemical products, aluminium products, holding activities.

Total comprehensive income from other operations in 2021 is (244 977) and 1 201 095 in 2020, respectively.

The items shown in the Total column comprise the sum of individual items of the licensed activity described in paragraph 2.1, covered by Energy Law, and activities not covered by the Energy Law described in item 2.2.

Statement of financial position

2.3. Licensed operations regulated by Energy Law

Distribution and trading in electricity

Property, plant and equipment for the distribution business are the sum of the carrying value of property, plant and equipment as at 31 December 2021 allocated to electricity distribution in the financial and accounting system. This is mainly the infrastructure used for the transmission of electricity. Fixed assets are not used in the trading segment, and were not separated for this part of the statement.

Intangible assets include software appropriated based on the percentage share of revenues from electricity distribution/trading in total revenue.



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(amounts expressed in PLN '000 unless specified otherwise)

Trade and other receivables for the distribution and trade in electricity business are actual amounts resulting from sales invoices issued and not paid as at 31 December 2021.

The Company does not recognise any inventories for distribution and trade in electricity.

Equity for distribution and trading activities represents only the net profit for 2013 - 2020 resulting from the statement of comprehensive income for relevant segment of activities. Other equity items were shown as operations outside of the scope of energy law.

Long-term liabilities include provisions for employee benefits of employees in the electricity distribution segment. Trade and other liabilities are outstanding suppliers' invoices for electricity purchase and distribution as well as the surplus of output VAT over input VAT and also excise tax liabilities. Liabilities do not include the portion of liabilities that relates to purchase for own needs.

Distribution and trade in gaseous fuels

Property, plant and equipment for the distribution business are the sum of the carrying value of property, plant and equipment as at 31 December 2021 allocated to gaseous fuels distribution in the financial and accounting system. This is mainly infrastructure used for gas transmission. Fixed assets are not used in the trading segment, and were not separated for this part of the statement.

Intangible assets include software appropriated based on the percentage share of revenues from gas distribution/trading in total revenue.

Trade and other receivables for the distribution and trade in gas business are actual amounts resulting from sales invoices issued and not paid as at 31 December 2021. The Company does not recognise any inventories for distribution and trade in gas.

Equity capital (fund) for distribution and trading activities is only the net profit for 2013-2018 resulting from the statement of comprehensive income for the given segment of activity. Other equity items were shown as operations outside of the scope of energy law.

Short-term trade and other liabilities are outstanding suppliers' invoices for gas purchase and distribution as well as excise tax liabilities. Liabilities do not include the portion of liabilities that relates to purchase of gas for own needs.

2.4. Activities other than regulated by the Energy Law

Balance sheet items from activities other than regulated by the Energy Law are all items resulting from the financial statement of Boryszew S.A. and associated with activities in the following segments: Automotive, Chemistry, Metals, Other.

2.5. Total

The items shown in the Total column are the sum of relevant items of the licensed activity regulated by the Energy Law, and activities in the following segments: Automotive, Chemistry, Metals, Other.

Statement of comprehensive income for the period between 01.01.2021 and 31.12.2021.

	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	<i>Total activity under the Energy Law</i>	<i>Other business</i>	<i>Total</i>
Revenues from sales	19 398	228 242	3 518	158 454	409 612	1 508 113	1 917 725
Prime cost of sale	17 853	225 198	3 491	158 056	404 598	1 339 043	1 743 641
Profit on sale	1 545	3 044	27	398	5 014	169 070	174 084
Selling and management costs	240	1 710	250	1 523	3 723	132 748	136 471
Other operating profit/loss	2	24	-	64	90	33 526	33 616
Financial revenues	3	32	-	22	57	103 031	103 088



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Financial expenses	0	3	-	2	5	401 266	401 271
Profit (loss) before income tax	1 310	1 387	(223)	(1 041)	1 433	(228 387)	(226 954)
Income tax	32	368	4	254	658	32 150	32 808
Net profit/loss	1 278	1 019	(227)	(1 295)	775	(260 537)	(259 762)
Net profit/loss	1 278	1 019	(227)	(1 295)	775	(260 537)	(259 762)
Other income recognised in equity					-	15 560	15 560
Total comprehensive income	1 278	1 019	(227)	(1 295)	775	(244 977)	(244 202)

Statement of comprehensive income for the period between 01.01.2020 and 31.12.2020.

	Distribution of gaseous fuels	Trade in gaseous fuels	Supply of electricity	Electricity trading	Total activity under the Energy Law	other activity	Total
Revenues from sales	18 960	82 659	2 618	35 781	140 018	1 043 282	1 183 300
Prime cost of sale	18 085	78 370	2 607	33 866	132 928	892 096	1 025 024
Profit on sale	875	4 289	11	1 915	7 090	151 186	158 276
Selling and management costs	325	1 419	256	974	2 974	100 862	103 836
Other operating profit/loss	1	4	-	1	6	931 511	931 517
Financial revenues	22	96	2	40	160	301 890	302 050
Financial expenses	3	11	-	5	19	59 973	59 992
Profit (loss) before income tax	570	2 959	(243)	977	4 263	1 223 752	1 228 015
Income tax	108	562	(46)	186	810	50 468	51 278
Net profit/loss	462	2 397	(197)	791	3 453	1 173 284	1 176 737
Net profit/loss	462	2 397	(197)	791	3 453	1 173 284	1 176 737
Other income recognised in equity	-	-	-	-	-	27 811	27 811
Total comprehensive income	462	2 397	(197)	791	3 453	1 201 095	1 204 548

Statement of financial position as at 31.12.2021

ASSETS	Distribution of gaseous fuels	Trade in gaseous fuels	Supply of electricity	Electricity trading	Total activity under the Energy Law	Other business	Total
Non-current assets							
Non-current assets	37	448	65	307	857	396 500	397 357
Intangible assets	-	-	-	-	-	35 223	35 223
Other non-current assets	9	104	3	71	187	967 228	967 415
Total fixed assets	46	552	68	378	1 044	1 398 951	1 399 995



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Current assets					-		
Trade receivables and other receivables	5 166	86 147	356	64 887	156 556	229 024	385 580
Other assets	1 051	12 694	123	8 815	22 683	705 552	728 235
Total current assets	6 217	98 841	479	73 702	179 239	934 576	1 113 815
Assets classified as held for sale					-	-	-
Total assets	6 263	99 393	547	74 080	180 283	2 333 527	2 513 810

LIABILITIES AND EQUITY	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	Total activity under the Energy Law	<i>Other business</i>	Total
Equity							
Share capital	-	-	-	-	-	248 906	248 906
Retained earnings and other equity	(51)	24 920	(3 305)	4 069	25 633	1 336 988	1 362 621
Current year's profit	1 278	1 019	(227)	(1 295)	775	(244 977)	(244 202)
Total equity	1 227	25 939	(3 532)	2 774	26 408	1 340 917	1 367 325
Long-term liabilities	-	-	-	-	-	135 829	135 829
Short-term liabilities							
Trade payables and other liabilities	6 791	76 125	1 174	93 758	177 848	824 086	1 001 934
Employee benefit provisions	2	24	7	17	50	8 672	8 722
Total short-term liabilities	6 793	76 149	1 181	93 775	177 898	832 758	1 010 656
Total liabilities	6 793	76 149	1 181	93 775	177 898	968 587	1 146 485
Total equity and liabilities	8 020	102 088	(2 351)	96 549	204 306	2 309 504	2 513 810

Statement of financial position as at 31.12.2020

ASSETS	<i>Distribution of gaseous fuels</i>	<i>Trade in gaseous fuels</i>	<i>Supply of electricity</i>	<i>Electricity trading</i>	Total activity under the Energy Law	<i>Other business</i>	Total
Non-current assets							
Non-current assets	123	537	91	221	972	374 496	375 468
Intangible assets	-	-	-	-	-	32 783	32 783
Other non-current assets	57	248	6	102	413	1 102 047	1 102 460
Total fixed assets	180	785	97	323	1 385	1 509 326	1 510 711
Current assets							
Trade, financial and other receivables	2 726	13 652	200	29 895	46 473	212 716	259 189
Other assets	174	760	-	-	934	774 215	775 149
Total current assets	2 900	14 412	200	29 895	47 407	986 931	1 034 338



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Assets classified as held for sale

Total assets	3 080	15 197	297	30 218	48 792	2 496 257	2 545 049
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LIABILITIES AND EQUITY	Distribution of gaseous fuels	Trade in gaseous fuels	Supply of electricity	Electricity trading	Total activity under the Energy Law	Other business	Total
Equity							
Share capital	-	-	-	-	-	248 906	248 906
Retained earnings and other equity	(513)	22 523	(3 109)	3 278	22 179	122 159	144 338
Current year's profit	462	2 397	(196)	791	3 454	1 201 094	1 204 548
Total equity	(51)	24 920	(3 305)	4 069	25 633	1 572 159	1 597 792
Long-term liabilities	-	-	-	-	-	226 581	226 581
Short-term liabilities							
Trade, financial and other liabilities	11 370	10 767	122	28 082	50 341	663 870	714 211
Employee benefit provisions	20	43	7	18	88	6 377	6 465
Total short-term liabilities	11 390	10 810	129	28 100	50 429	670 247	720 676
Total liabilities	11 390	10 810	129	28 100	50 429	896 828	947 257
Total equity and liabilities	11 339	35 730	(3 176)	32 169	76 062	2 468 987	2 545 049

ADDITIONAL INFORMATION

3. Basic details of the Company

BORYSZEW SPÓŁKA AKCYJNA (JOINT STOCK COMPANY)

Concessionaire number: DKN 807
Concession type: DEE, OEE, DPG, OPG

Activities covered by the energy law are carried out in the following branches:

Branches of Boryszew SA:	2021	2020
Energy Branch in Toruń	DPG, OPG, OEE,	DPG, OPG, OEE,
ERG Branch in Sochaczew	DEE, OEE	DEE, OEE

This report contains cumulative data.



41. APPROVAL OF THE FINANCIAL STATEMENTS

This report was approved for publication by a resolution of the Management Board on 27 April 2021, including any events which occurred by the date of approval of this report for publication.

The report will be submitted for approval by the Supervisory Board and the General Meeting of Shareholders, which, in accordance with Polish law, may reject the report and request changes to be made.

SIGNATURES:

Wojciech Kowalczyk – President of the Management Board

Mikołaj Budzanowski – Member of the Management Board

Radosław Szorc – Chief Financial Officer

Agata Kęszczyk – Grabowska – Chief Accountant