



**CONSOLIDATED QUARTERLY REPORT OF  
BORYSZEW CAPITAL GROUP**  
**for the period between 1 January and 31 March  
2022**

Report publication date  
26 May 2022



**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Table of contents	Party
<b>SELECTED FINANCIAL DATA .....</b>	<b>3</b>
<b>CONSOLIDATED QUARTERLY REPORT OF BORYSZEW CAPITAL GROUP .....</b>	<b>1</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>5</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Discontinued operations .....</b>	<b>6</b>
<b>CONSOLIDATED BALANCE SHEET .....</b>	<b>7</b>
<b>CONSOLIDATED CASH FLOW STATEMENT .....</b>	<b>9</b>
<b>CONSOLIDATED STATEMENT ON CHANGES IN EQUITY .....</b>	<b>10</b>
 <b>ABBREVIATED MID-YEAR FINANCIAL STATEMENTS FOR BORYSZEW S.A. ....</b>	 <b>54</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>5</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Discontinued operations .....</b>	<b>6</b>
<b>CONSOLIDATED BALANCE SHEET .....</b>	<b>7</b>
<b>CONSOLIDATED CASH FLOW STATEMENT .....</b>	<b>9</b>
<b>CONSOLIDATED STATEMENT ON CHANGES IN EQUITY .....</b>	<b>10</b>
<b>ADDITIONAL INFORMATION .....</b>	<b>11</b>


**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**SELECTED FINANCIAL DATA**

	in PLN '000		in EUR '000	
	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>data regarding abbreviated consolidated financial statements</b>				
Revenue from continuing operations	1 702 626	1 450 938	366 377	317 346
Operating profit	56 267	49 885	12 108	10 911
Net profit on continuing operations	34 106	27 641	7 339	6 046
Profit on continuing and discontinued operations	33 852	29 297	7 284	6 408
Net profit attributable to the parent	31 906	26 977	6 866	5 900
Weighted average number of shares	202 000 000	202 000 000	202 000 000	202 000 000
Earnings per share attributable to shareholders of the Parent (in PLN/EURO)	0.16	0.13	0.03	0.03
Net cash flow from operating activities	95 177	(24 812)	20 481	(5 427)
Net cash flow from investment activities	62 175	(31 493)	13 379	(6 888)
Net cash flow from financial activities	(118 689)	23 994	(25 540)	5 248
	<b>As at 31.03.2022</b>	<b>As at 31.12.2021</b>	<b>As at 31.03.2022</b>	<b>As at 31.12.2021</b>
Total assets	4 284 497	4 220 636	920 902	917 649
Total liabilities and provisions	2 488 002	2 473 932	534 767	537 881
Assets of continuing operations	4 226 239	4 161 119	908 380	904 709
Liabilities of continuing operations	2 447 666	2 433 029	526 097	528 988
Equity	1 796 495	1 746 704	386 135	379 768
Equity attributable to the parent company	1 768 050	1 720 205	380 021	374 006

	in PLN '000		in EUR '000	
	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>data regarding separate abbreviated financial statements</b>				
Revenues from sales	677 361	404 249	145 757	88 416
Operating profit	13 574	23 958	2 921	5 240
Net profit	13 299	19 807	2 862	4 332
Weighted average number of shares	205 205 000	205 205 000	205 205 000	205 205 000
Profit per ordinary share in PLN/EUR	0.06	0.10	0.01	0.02
Net cash flow from operating activities	(9 494)	45 870	(2 043)	10 033
Net cash flow from investment activities	44 750	(91 336)	9 629	(19 977)
Net cash flow from financial activities	(40 895)	44 057	(8 800)	9 636
	<b>As at 31.03.2022</b>	<b>As at 31.12.2021</b>	<b>As at 31.03.2022</b>	<b>As at 31.12.2021</b>
Total assets	2 548 430	2 513 462	547 755	546 476
Total liabilities and provisions	1 156 478	1 146 137	248 571	249 193
Equity	1 391 952	1 367 325	299 184	297 283

# **ABBREVIATED MID-YEAR CONSOLIDATED FINANCIAL STATEMENTS**

**Boryszew Capital Group  
for the period between 1 January and 31 March 2022**



**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>Continuing operations</b>		
Revenues from sales	1 702 626	1 450 938
Prime cost of sale	1 565 600	1 296 741
<b>Gross profit on sales</b>	<b>137 026</b>	<b>154 197</b>
Selling costs	31 523	36 913
Administrative expenses	68 596	72 748
Other operating revenue	33 743	17 230
Other operating expenses	14 383	11 881
<b>Operating income</b>	<b>56 267</b>	<b>49 885</b>
Financial revenues	9 235	14 524
Financial expenses	20 942	22 099
Share in profit of affiliates	18	(19)
<b>Profit before taxation</b>	<b>44 578</b>	<b>42 291</b>
Income tax	10 472	14 650
<b>Net profit on continuing operations</b>	<b>34 106</b>	<b>27 641</b>
<b>Net profit/loss on discontinued operations</b>	<b>(254)</b>	<b>1 656</b>
<b>Net profit on continuing and discontinued operations including attributable to:</b>	<b>33 852</b>	<b>29 297</b>
<i>shareholders of the parent</i>	31 906	26 977
<i>non-controlling interests</i>	1 946	2 320
<b>Earnings / Diluted earnings per share</b>	<b>31 906</b>	<b>26 977</b>
Weighted average number of shares	202 000 000	202 000 000
Earnings / Diluted earnings per share (PLN)	0.16	0.13
Net profit (loss) per share (in PLN per share)	0.16	0.13
Earnings per share from continuing operations (in PLN per share)	0.16	0.13
Earnings per share on discontinued operations	-	-
Net profit (loss) diluted per share (in PLN per share)	0.16	0.13
Diluted on continuing operations	0.16	0.13
Diluted on discontinued operations	-	-


**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - continued**

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>Net profit</b>	<b>33 852</b>	<b>29 297</b>
<b>Earnings recognised in equity</b>		
<i>Earnings recognised in equity, to be transferred to income statement (before tax)</i>	<b>14 732</b>	<b>2 932</b>
Hedge accounting	13 651	279
Exchange differences on translating foreign operations	1 081	2 653
Income tax expense (-provision/+asset)	(2 594)	(53)
<i>Earnings recognised in equity, not to be transferred to income statement (before tax)</i>	<b>4 693</b>	<b>19 354</b>
Gains/losses on valuation of equity instruments	4 693	19 354
Income tax expense (-provision/+asset)	(892)	(3 677)
<b>Total earnings recognised in equity</b>	<b>15 939</b>	<b>18 556</b>
shareholders of the parent	15 939	18 556
non-controlling interests	-	-
<b>Total comprehensive income, including attributable:</b>	<b>49 791</b>	<b>47 853</b>
shareholders of the parent	47 845	45 533
non-controlling interests	1 946	2 320

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Discontinued operations**

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Revenues from sales	2	2
Prime cost of sale	2	2
<b>Gross profit (loss) from sales</b>	<b>-</b>	<b>-</b>
Selling costs	-	-
Administrative expenses	-	-
Other operating revenue	-	2 150
Other operating expenses	286	382
<b>Profit (loss) from operating activity</b>	<b>(286)</b>	<b>1 768</b>
Financial revenues	32	11
Financial expenses	-	63
<b>Financial profit/loss</b>	<b>32</b>	<b>(52)</b>
<b>Profit (loss) before income tax</b>	<b>(254)</b>	<b>1 716</b>
Income tax	-	60
<b>Net profit (loss) on discontinued operations</b>	<b>(254)</b>	<b>1 656</b>
in the parent company	326	1 253
non-controlling interests	(580)	403

**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED BALANCE SHEET**

<b>ASSETS</b>	<b>As at 31.03.2022</b>	<b>As at 31.12.2021</b>	<b>As at 31.03.2021</b>
<b>Non-current assets</b>			
Property, plant and equipment	1 263 461	1 276 594	1 299 366
Investment property	140 408	141 760	151 660
Goodwill	6 418	6 418	8 865
Intangible assets	44 323	46 246	46 157
Right-of-use assets	306 985	292 713	315 913
Shares in affiliates	232	214	191
Financial assets	1 790	1 685	1 537
Long-term receivables	45 814	30 875	27 874
Deferred tax assets	26 896	24 173	26 853
<b>Total fixed assets</b>	<b>1 836 327</b>	<b>1 820 678</b>	<b>1 878 416</b>
<b>Current assets</b>	<b>2 448 170</b>	<b>2 399 958</b>	<b>2 412 625</b>
<b>Current assets other than assets held for sale</b>	<b>2 389 912</b>	<b>2 340 441</b>	<b>2 410 915</b>
Inventory	1 026 192	991 826	1 022 856
Trade receivables and other receivables	1 006 981	977 247	941 984
Short-term financial assets	92 511	165 855	280 490
Derivative financial instruments	30 543	12 434	4 330
Current tax assets	6 825	5 355	6 335
Cash and cash equivalents	226 860	187 724	154 920
<b>Assets classified as held for sale</b>	<b>58 258</b>	<b>59 517</b>	<b>1 710</b>
<b>Total assets</b>	<b>4 284 497</b>	<b>4 220 636</b>	<b>4 291 041</b>




**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 31.03.2022	As at 31.12.2021	As at 31.03.2021
<b>Equity</b>			
Share capital	248 906	248 906	248 906
Share premium	114 435	114 435	114 435
Own shares	(236 753)	(236 753)	(236 753)
Hedge accounting capital	18 379	7 322	(6 024)
Capital reserve on translating employee payables	(312)	(312)	(1 851)
Revaluation reserve and gain on disposal of financial assets	47 500	43 699	47 469
Exchange differences on translating foreign entities	(47 609)	(48 690)	(53 889)
Retained earnings	1 623 504	1 591 598	1 545 780
<b>Total equity</b>	<b>1 768 050</b>	<b>1 720 205</b>	<b>1 658 073</b>
<b>Equity of non-controlling shareholders</b>	<b>28 445</b>	<b>26 499</b>	<b>23 374</b>
<b>Total equity</b>	<b>1 796 495</b>	<b>1 746 704</b>	<b>1 681 447</b>
<b>Liabilities and long-term provisions</b>			
Bank loans, borrowings	110 541	107 964	190 175
Lease liabilities	221 878	210 562	228 619
Deferred tax provision	81 175	82 397	86 847
Employee benefit provisions	24 033	23 788	27 890
Other provisions	43 126	42 852	48 155
Other long term equity and liabilities	56 327	59 651	35 781
<b>Liabilities and long-term provisions - total</b>	<b>537 080</b>	<b>527 214</b>	<b>617 467</b>
<b>Short-term liabilities</b>	<b>1 950 922</b>	<b>1 946 718</b>	<b>1 992 127</b>
Bank loans, borrowings	539 582	651 095	787 982
Lease liabilities	49 548	53 061	67 565
Trade payables and other liabilities	1 003 557	898 623	787 712
Derivative financial instruments	10 343	2 915	12 809
Current tax liabilities	60 131	55 748	65 829
Employee benefit provisions	42 609	37 672	39 281
Other provisions	170 021	171 483	152 874
Other liabilities and equity	34 795	35 218	61 498
<b>Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale</b>	<b>1 910 586</b>	<b>1 905 815</b>	<b>1 975 550</b>
<b>Liabilities directly associated with assets classified as discontinued operations</b>	<b>40 336</b>	<b>40 903</b>	<b>16 577</b>
<b>Total liabilities and provisions</b>	<b>2 488 002</b>	<b>2 473 932</b>	<b>2 609 594</b>
<b>Total equity and liabilities</b>	<b>4 284 497</b>	<b>4 220 636</b>	<b>4 291 041</b>




**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED CASH FLOW STATEMENT**

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>44 578</b>	<b>42 291</b>
<b>Adjustments for</b>	<b>50 599</b>	<b>(67 103)</b>
Amortisation/depreciation	43 769	41 894
Profit/loss on financial activity (including interest on financial liabilities)	24 638	9 447
Profit / loss on investment activities	(16 792)	(4 271)
Change in receivables	(84 849)	(160 369)
Change in inventories	(30 599)	(35 995)
Change in liabilities	130 611	100 600
Change in employee benefits	5 182	(118)
Movement in provisions	(13 666)	4 263
Other items	8 488	(2 649)
Income tax paid	(16 183)	(19 905)
<b>Net cash from operating activities</b>	<b>95 177</b>	<b>(24 812)</b>
<b>Cash flows from investment activities</b>		
Proceeds from disposal of fixed assets	6 243	7 795
Revenue on sales of subsidiary	80 812	-
Proceeds from repayment of loans granted	-	2 311
Expenses on acquisition of fixed assets	(24 273)	(27 615)
Acquisition of shares and stocks in capital group entities	(103)	-
Loans granted	(700)	(15 200)
Expenditure on bonds	-	-
Other investment inflows/outflows	196	1 216
<b>Net cash from investing activities</b>	<b>62 175</b>	<b>(31 493)</b>
<b>Cash flows from financial activities</b>		
Incomes on credit and loan facilities	75 198	142 866
Share buy-back expense	-	-
Dividends paid	-	-
Repayment of loans and borrowings	(175 496)	(92 044)
Interest paid on loans, borrowings and leasing	(8 854)	(10 865)
Payment of liabilities under finance lease agreements	(12 968)	(20 674)
Other financial inflows/outflows	3 431	4 711
<b>Net cash from financing activities</b>	<b>(118 689)</b>	<b>23 994</b>
<b>Net change in cash and cash equivalents (before impact of foreign exchange rates)</b>	<b>38 663</b>	<b>(32 311)</b>
Translation reserve	473	2 020
Cash opening balance	187 724	185 211
Cash of units sold/acquired	-	-
<b>Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)</b>	<b>39 136</b>	<b>(30 291)</b>
<b>Cash closing balance</b>	<b>226 860</b>	<b>154 920</b>
<i>Restricted cash</i>	<i>23 233</i>	<i>23 593</i>



# Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

## CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
<b>As at 01.01.2022</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>7 322</b>	<b>(312)</b>	<b>43 699</b>	<b>(48 690)</b>	<b>1 591 598</b>	<b>1 720 205</b>	<b>26 499</b>	<b>1 746 704</b>
Other comprehensive income				11 057		3 801	1 081		15 939		15 939
Profit/loss for Q1 '2022								31 906	31 906	1 946	33 852
<b>Total revenue for Q1 '2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11 057</b>	<b>-</b>	<b>3 801</b>	<b>1 081</b>	<b>31 906</b>	<b>47 845</b>	<b>1 946</b>	<b>49 791</b>
<b>As at 31.03.2022</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>18 379</b>	<b>(312)</b>	<b>47 500</b>	<b>(47 609)</b>	<b>1 623 504</b>	<b>1 768 050</b>	<b>28 445</b>	<b>1 796 495</b>

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
<b>Balance on 01.01.2021</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>(6 250)</b>	<b>(1 851)</b>	<b>31 792</b>	<b>(56 542)</b>	<b>1 518 803</b>	<b>1 612 540</b>	<b>21 054</b>	<b>1 633 594</b>
Other comprehensive income				13 572	1 329	11 907	15 314		42 122		42 122
Profit/loss for 2021								72 795	72 795	9 360	82 155
<b>Total comprehensive income for 2021</b>				<b>13 572</b>	<b>1 329</b>	<b>11 907</b>	<b>15 314</b>	<b>72 795</b>	<b>114 917</b>	<b>9 360</b>	<b>124 277</b>
Dividend distribution										(3 915)	(3 915)
Disposal of subsidiary					210		(7 462)		(7 252)		(7 252)
Changes in equity.				13 572	1 539	11 907	7 852	72 795	107 665	5 445	113 110
<b>As at 31.12.2021</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>7 322</b>	<b>(312)</b>	<b>43 699</b>	<b>(48 690)</b>	<b>1 591 598</b>	<b>1 720 205</b>	<b>26 499</b>	<b>1 746 704</b>

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
<b>Balance on 01.01.2021</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>(6 250)</b>	<b>(1 851)</b>	<b>31 792</b>	<b>(56 542)</b>	<b>1 518 803</b>	<b>1 612 540</b>	<b>21 054</b>	<b>1 633 594</b>
Other comprehensive income				226		15 677	2 653		18 556		18 556
Profit/loss for Q1 '2021								26 977	26 977	2 320	29 297
<b>Comprehensive income for Q1 '2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226</b>	<b>-</b>	<b>15 677</b>	<b>2 653</b>	<b>26 977</b>	<b>45 533</b>	<b>2 320</b>	<b>47 853</b>
<b>As at 31.03.2021</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>(6 024)</b>	<b>(1 851)</b>	<b>47 469</b>	<b>(53 889)</b>	<b>1 545 780</b>	<b>1 658 073</b>	<b>23 374</b>	<b>1 681 447</b>

**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**ADDITIONAL INFORMATION**

to the consolidated quarterly report drafted as at 31 March 2022

Party

1. INTRODUCTION.....	12
2. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES .....	12
3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q1 '2022 INCLUDING FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT.....	21
4. NOTES ON THE SEASONALITY OF THE COMPANY'S BUSINESS IN THE REPORTED PERIOD .....	29
5. INCOME AND PROFITS/LOSSES BY CONTINUING ACTIVITIES SEGMENTS OF AS FROM THE BEGINNING OF THE CURRENT YEAR .....	29
6. DIVIDEND PAID OR DECLARED IN THE PERIOD FROM THE BEGINNING OF THE YEAR .....	32
7. INFORMATION CONCERNING THE ISSUE, REDEMPTION AND REPAYMENT OF NON-SHARE AND EQUITY SECURITIES .....	32
8. FACTORS AND EVENTS, IN PARTICULAR THOSE OF UNTYPICAL NATURE, AFFECTING THE FINANCIAL PERFORMANCE IN THE CURRENT PERIOD .....	33
9. FACTORS THAT WILL AFFECT THE COMPANY'S FINANCIAL PERFORMANCE FOR AT LEAST THE UPCOMING QUARTER .....	33
10. MOVEMENTS IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS AS WELL AS ESTIMATED DATA .....	34
11. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA .....	36
12. ORGANISATION OF THE CAPITAL GROUP .....	39
13. THE EFFECTS OF CHANGES IN THE GROUP'S STRUCTURE SINCE THE BEGINNING OF THE YEAR, INCLUDING MERGERS, ACQUISITIONS OR SALES OF SUBSIDIARIES AND LONG-TERM INVESTMENTS, RESTRUCTURING AND DISCONTINUATION OF OPERATIONS .....	41
14. POSITION OF THE MANAGEMENT BOARD'S POSITION ON THE POSSIBILITY OF PREVIOUS PREVIOUSLY PUBLISHED FINANCIAL RESULT FORECASTS IN THE CURRENT YEAR.....	42
15. SHAREHOLDERS HOLDING, DIRECTLY OR INDIRECTLY THROUGH SUBSIDIARIES, AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE GENERAL MEETING OF THE COMPANY AS AT THE DATE OF SUBMITTING THE REPORT.....	42
16. CHANGES IN THE OWNERSHIP STRUCTURE OF SIGNIFICANT BLOCKS OF SHARES IN THE COMPANY SHARE OF VOTES AT THE COMPANY'S GENERAL MEETING OF SHAREHOLDERS IN THE PERIOD FROM THE PUBLICATION OF THE PREVIOUS REPORT .....	43
17. COMPANY'S MANAGERS AND SUPERVISORS - CHANGES IN SHARE HOLDING OR SHARE OPTIONS IN THE CURRENT PERIOD SINCE THE SUBMISSION OF THE PREVIOUS QUARTERLY REPORT.....	43
18. MATERIAL PROCEEDINGS BEFORE A COURT, ARBITRATION BODY OR PUBLIC ADMINISTRATION AUTHORIT .....	43
19. CONCLUSION BY THE COMPANY OR ITS SUBSIDIARY OF ONE OR MORE TRANSACTIONS WITH RELATED PARTIES .....	47
20. INFORMATION ON BREACH OF MATERIAL PROVISIONS OF A CREDIT OR LOAN AGREEMENT, IN RELATION TO WHICH NO REMEDIAL ACTIONS WERE TAKEN UNTIL THE END OF THE REPORTING PERIOD .....	47
21. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF LOAN OR BORROWING SURETIES OR GUARANTEES – JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS MATERIAL .....	48
22. OTHER INFORMATION THAT IS RELEVANT FOR THE EVALUATION OF ITS HUMAN RESOURCES, FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CHANGES THEREOF AS WELL AS ANY INFORMATION RELEVANT FOR THE EVALUATION OF THE CAPACITY TO MEET OBLIGATIONS .....	48
23. OTHER IMPORTANT EVENTS .....	49
24. DECLARATIONS OF THE MANAGEMENT BOARD .....	52



## **1. INTRODUCTION**

### **COMPANY DETAILS**

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

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

The company is established for an indefinite period of time.

### **HISTORY**

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

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

In 1999 Boryszew S.A., offering a wide range of chemicals (including Borygo, a widely known coolant) gained a strategic investor, Mr Roman Krzysztof 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 approximately 9 000 people.

### **SUPERVISORY BOARD OF BORYSZEW S.A.**

In Q1 '2022 and till the publication date of the report the following persons were members of the Supervisory Board of Boryszew S.A.:

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

### **MANAGEMENT BOARD OF BORYSZEW S.A.**

In Q1 '2022 and till the publication day of the report the following persons were members of the Management Board of Boryszew S.A.:

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

## **2. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES**

The information contained in the financial statements for Q1 '2022 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Dz. Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

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



(amounts expressed in PLN '000 unless specified otherwise)

The accounting principles and calculation methods applied by the Group have not changed in the period covered by these statements, and are presented in detail in the consolidated financial statements for 2021, published on 27 April 2022.

	average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01- 31.03.2021	4.5721	4.6603
01.01 - 31.12.2021	4.5622	4.5994
01.01- 31.03.2022	4.6472	4.6525

## ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these mid-year consolidated financial statements for the period ended on 31 March 2022 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2021, except for the application of the following new or revised standards and new interpretations effective for annual periods beginning on 1 January 2022:

- The annual improvements to IFRSs 2018-2020 introduce amendments to IFRS1, IFRS9, IAS41 and the examples to IFRS 16. The amendments include clarifications and refinements to the standards' guidance on recognition and measurement. As on the date of preparation of these abbreviated consolidated financial statements, these amendments have not yet been approved by the European Union,
- Amendments to IFRS 3 "Business Combinations". The amendments to the standard, published in May 2020, are intended to update relevant references to the Conceptual Framework in IFRS, with no substantive changes for merger accounting,
- Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets". The amendments provide clarification on the costs an entity considers in assessing whether a contract is an onerous contract.

The aforementioned changes have no significant impact on the Group's financial position, performance or the scope of information presented in these mid-year abbreviated consolidated financial statements.

The Group has not opted for early adoption of the standard, interpretation or amendment that has been published but is not yet effective.

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 or have not yet been approved by the European Union:

- Amendments to IFRS 10 and IAS 28 regarding sale or in-kind contribution of assets between an investor and its associated entities or joint venture. The amendments resolve inconsistencies between IFRS 10 and IAS 28. The accounting method depends on whether the non-monetary assets sold or contributed to an associate or joint venture are the "business". If the non-monetary assets constitute a "business", the investor shall recognise the full profit or loss on the transaction. If the assets do not meet the definition of a business, the investor shall recognise the profit or loss only to the extent representing the interests of other investors. As on the day of drafting these mid-year abbreviated financial statements, the approval of this amendment is deferred by the European Union,
- Amendments to IAS 1 "Presentation of financial statements". The Board issued amendments to IAS1 that clarify the presentation of liabilities as long- and short-term. The published amendments are effective for financial statements for periods beginning on or after 1 January 2023. As on the day of drafting these mid-year abbreviated financial statements, this amendment has not yet been approved by the EU.
- Amendments to IAS 1 "Presentation of financial statements". And the IFRS Board's guidance on accounting policy disclosures in practice. The amendment requires disclosure of significant information on accounting policies as defined in the standard. The amendment clarifies that information on accounting policies is material if, in its absence, users of the financial statements would not be able to understand other relevant information in the financial statements. In addition, the Board's guidance on applying the concept of materiality in practice was also revised to provide guidance on applying the concept of materiality to accounting principle disclosures. The change is effective beginning 1 January 2023,
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors". In February 2021 the Board published an amendment to the definition of assessed values. The amendment to IAS 8 clarifies how entities should distinguish between changes in accounting policies and changes in accounting estimates. The change is effective beginning 1 January 2023,
- Amendments to IAS 12 "Income taxes". The amendments clarify the method of accounting for deferred taxes on transactions such as leases and decommissioning obligations. Prior to the amendment of the standard, some ambiguity existed as to whether or not the exemption for recognition of deferred tax recognised for the first time applied to this type of transactions, i.e. where both deferred tax assets and

**Boryszew Capital Group**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

liabilities are recognised. The amendments clarify that the exemption does not apply and those entities are required to recognise deferred taxes on such transactions that, upon initial recognition, give rise to identical taxable and deductible temporary differences. The amendment is effective for financial statements for periods beginning on or after 1 January 2023. As on the day of drafting these mid-year abbreviated financial statements, these amendments have not yet been approved by the EU.

The Management Board is currently verifying the impact of the above standards on the financial position, results of Group's operations and the scope of information presented in the mid-year abbreviated financial statements. The Company's management does not expect that the new standards and amendments to the currently effective standards will have a material impact on the Group's mid-year abbreviated consolidated financial statements for the period in which they are first applied.

**RESTATEMENT OF FINANCIAL DATA**

In December 2021, the Group changed the appearance of the basic reports following the requirement to report in accordance with the ESEF format. Reports published after this period follow the same structure as the annual report.

Restated figures for the comparative period consisting of reclassifications of individual items are presented below.

**Consolidated statement of comprehensive income - restated**

	01.01.2021 - 31.03.2021	01.01.2021 - 31.03.2021	change
	<i>restated</i>	<i>published</i>	
<b>Continuing operations</b>			
Revenues from sales	1 450 938	1 450 938	-
Prime cost of sale	1 296 741	1 296 741	-
<b>Gross profit on sales</b>	<b>154 197</b>	<b>154 197</b>	-
Selling costs	36 913	36 913	-
Administrative expenses	72 748	72 748	-
Other operating revenue	17 230	17 230	-
Other operating expenses	11 881	8 517	3 364
Gain (loss) on impairment of trade and other receivables	-	(3 364)	(3 364)
<b>Operating income</b>	<b>49 885</b>	<b>49 885</b>	-
Financial revenues	14 524	14 524	-
Financial expenses	22 099	22 090	9
Share in profit of affiliates	(19)	(19)	-
Profit/loss on impairment of financial assets	-	(9)	(9)
<b>Profit before taxation</b>	<b>42 291</b>	<b>42 291</b>	-
Income tax	14 650	14 650	-
<b>Net profit on continuing operations</b>	<b>27 641</b>	<b>27 641</b>	-
<b>Net profit/loss on discontinued operations</b>	<b>1 656</b>	<b>1 656</b>	-
<b>Net profit on continuing and discontinued operations</b>	<b>29 297</b>	<b>29 297</b>	-
<b>including attributable to:</b>			
shareholders of the parent	26 977	26 977	-
non-controlling interests	2 320	2 320	-


**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

	01.01.2021 - 31.03.2021	01.01.2021 - 31.03.2021	change
	<i>restated</i>	<i>published</i>	
<b>Net profit</b>	<b>29 297</b>	<b>29 297</b>	-
<b>Earnings recognised in equity</b>			
<i>Earnings recognised in equity, to be transferred to income statement (before tax)</i>	<b>29 297</b>	-	-
Hedge accounting	279	279	-
<i>Exchange differences on translating foreign operations</i>	2 653	2 653	-
<i>Income tax expense (-provision/+asset)</i>	(53)	(53)	-
<i>Earnings recognised in equity, to be transferred to income statement</i>	-	<b>2 879</b>	-
<i>Earnings recognised in equity, not to be transferred to income statement (before tax)</i>	<b>19 354</b>	-	-
Gains/losses on valuation of equity instruments	19 354	19 354	-
<i>Income tax expense (-provision/+asset)</i>	(3 677)	(3 677)	-
<i>Earnings recognised in equity, not to be transferred to income statement</i>	-	<b>15 677</b>	-
<b>Total earnings recognised in equity</b>	<b>18 556</b>	<b>18 556</b>	-
<i>shareholders of the parent</i>	18 556	18 556	-
<i>non-controlling interests</i>	-	-	-
<b>Total comprehensive income, including attributable:</b>	<b>47 853</b>	<b>47 853</b>	-
<i>shareholders of the parent</i>	45 533	45 533	-
<i>non-controlling interests</i>	2 320	2 320	-




**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**Consolidated statement of financial position - restated**

ASSETS	As at 31.03.2021	As at 31.03.2021	change
	<i>restated</i>	<i>published</i>	
<b>Non-current assets</b>			
Property, plant and equipment	1 299 366	1 299 366	-
Investment property	151 660	151 660	-
Goodwill	8 865	8 865	-
Intangible assets	46 157	46 157	-
Right-of-use assets	315 913	315 913	-
Shares in affiliates	191	191	-
Financial assets	1 537	1 537	-
Long-term receivables	27 874	2 717	25 157
Deferred tax assets	26 853	26 853	-
Other assets	-	25 157	(25 157)
<b>Total fixed assets</b>	<b>1 878 416</b>	<b>1 878 416</b>	-
<b>Current assets</b>	<b>2 412 625</b>	<b>2 412 625</b>	-
<b>Current assets other than assets held for sale</b>	<b>2 410 915</b>	<b>2 410 915</b>	-
Inventory	1 022 856	1 022 856	-
Trade receivables and other receivables	941 984	877 082	64 902
Short-term financial assets	280 490	280 490	-
Derivative financial instruments	4 330	4 330	-
Current tax assets	6 335	6 335	-
Other assets	-	64 902	(64 902)
Cash and cash equivalents	154 920	154 920	-
<b>Assets classified as held for sale</b>	<b>1 710</b>	<b>1 710</b>	-
<b>Total assets</b>	<b>4 291 041</b>	<b>4 291 041</b>	-


**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 31.03.2021 <i>restated</i>	As at 31.03.2021 <i>published</i>	change
<b>Equity</b>			
Share capital	248 906	248 906	-
Share premium	114 435	114 435	-
Own shares	(236 753)	(236 753)	-
Hedge accounting capital	(6 024)	(6 024)	-
Capital reserve on translating employee payables	(1 851)	(1 851)	-
Revaluation reserve and gain on disposal of financial assets	47 469	47 469	-
Exchange differences on translating foreign entities	(53 889)	(53 889)	-
Retained earnings	1 545 780	1 545 780	-
<b>Total equity</b>	<b>1 658 073</b>	<b>1 658 073</b>	-
<b>Equity of non-controlling shareholders</b>	<b>23 374</b>	<b>23 374</b>	-
<b>Total equity</b>	<b>1 681 447</b>	<b>1 681 447</b>	-
<b>Liabilities and long-term provisions</b>			
Bank loans, borrowings	190 175	190 175	-
Leasing liabilities	228 619	56 928	171 691
Liabilities associated with right-of-use assets	-	114 874	(114 874)
Payables on perpetual usufruct of investment land	-	56 817	(56 817)
Deferred tax provision	86 847	86 847	-
Employee benefit provisions	27 890	27 890	-
Other provisions	48 155	48 155	-
Other long term equity and liabilities	35 781	35 781	-
<b>Liabilities and long-term provisions - total</b>	<b>617 467</b>	<b>617 467</b>	-
<b>Short-term liabilities</b>	<b>1 992 127</b>	<b>1 992 127</b>	-
Bank loans, borrowings	787 982	787 982	-
Leasing liabilities	67 565	59 596	7 969
Liabilities associated with right-of-use assets	-	7 728	(7 728)
Payables on perpetual usufruct of investment land	-	241	(241)
Trade payables and other liabilities	787 712	787 712	-
Derivative financial instruments	12 809	12 809	-
Current tax liabilities	65 829	65 829	-
Employee benefit provisions	39 281	39 281	-
Other provisions	152 874	152 874	-
Other liabilities and equity	61 498	61 498	-
<b>Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale</b>	<b>1 975 550</b>	<b>1 975 550</b>	-
<b>Liabilities directly associated with assets classified as discontinued operations</b>	<b>16 577</b>	<b>16 577</b>	-
<b>Total liabilities and provisions</b>	<b>2 609 594</b>	<b>2 609 594</b>	-
<b>Total equity and liabilities</b>	<b>4 291 041</b>	<b>4 291 041</b>	-


**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**Consolidated statement of cash flows - restated**

	01.01.2021 - 31.03.2021	01.01.2021 - 31.03.2021	change
	<i>restated</i>	<i>published</i>	
<b>Cash flows from operating activities</b>			
<b>Profit before taxation</b>	<b>42 291</b>	<b>42 291</b>	-
<b>Adjustments for</b>	<b>(67 103)</b>	<b>(67 103)</b>	-
Amortisation/depreciation	41 894	41 894	-
Profit/loss on financial activity (including interest on financial liabilities)	9 447	9 447	-
Profit / loss on investment activities	(4 271)	(4 271)	-
Change in receivables	(160 369)	(160 369)	-
Change in inventories	(35 995)	(35 995)	-
Change in liabilities	100 600	100 600	-
Change in employee benefits	(118)	-	(118)
Change in provisions and accruals as well as prepayments	-	4 145	(4 145)
Movement in provisions	4 263	-	4 263
Other items	(2 649)	(2 649)	-
Income tax paid	(19 905)	(19 905)	-
<b>Net cash from operating activities</b>	<b>(24 812)</b>	<b>(24 812)</b>	-
<b>Cash flows from investment activities</b>			
Proceeds from disposal of fixed assets	7 795	7 795	-
Proceeds from repayment of loans granted	2 311	2 311	-
Expenses on acquisition of fixed assets	(27 615)	(27 615)	-
Loans granted	(15 200)	(15 200)	-
Other investment inflows/outflows	1 216	1 216	-
<b>Net cash from investing activities</b>	<b>(31 493)</b>	<b>(31 493)</b>	-
<b>Cash flows from financial activities</b>			
Incomes on credit and loan facilities	142 866	-	142 866
Incomes on credit and loan facilities	-	139 866	(139 866)
Loans received	-	3 000	(3 000)
Repayment of loans and borrowings	(92 044)	-	(92 044)
Loans repaid	-	(89 758)	89 758
Repayment of borrowings	-	(2 286)	2 286
Interest paid on loans, borrowings and leasing	(10 865)	(10 865)	-
Payment of liabilities under finance lease agreements	(20 674)	(20 674)	-
Other financial inflows/outflows	4 711	4 711	-
<b>Net cash from financing activities</b>	<b>23 994</b>	<b>23 994</b>	-
<b>Net change in cash and cash equivalents (before impact of foreign exchange rates)</b>	<b>(32 311)</b>	<b>(32 311)</b>	-
Translation reserve	2 020	2 020	-
Cash opening balance	185 211	185 211	-
<b>Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)</b>	<b>(30 291)</b>	<b>(30 291)</b>	-
<b>Cash closing balance</b>	<b>154 920</b>	<b>154 920</b>	-
<i>Restricted cash</i>	<i>23 593</i>	<i>23 593</i>	-



# Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

## THE FOLLOWING COMPANIES WERE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022:

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
<i>Head Offices</i>	Warsaw			Other
<i>Elana Branch</i>	Toruń			Chemical products
<i>Boryszew Energy Branch</i>	Toruń			Other
<i>Maflow Branch</i>	Tychy			Automotive
<i>Boryszew ERG Branch</i>	Sochaczew			Chemical products
<i>Nylonbor Branch</i>	Sochaczew			Chemical products
<i>NPA Skawina Branch</i>	Skawina			Metals
Elimer Sp. z o.o.	Sochaczew	52.44	Boryszew S.A.	Chemical products
Nylonbor Sp. z o.o.	Sochaczew	100.00	Boryszew S.A.	Other
Elana Energetyka Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Other
Boryszew Maflow Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Automotive
Maflow Polska Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Automotive
Maflow BRS s.r.l	Italy	100.00	Boryszew S.A.	Automotive
Maflow Spain Automotive S.L.U	Spain	100.00	Boryszew S.A.	Automotive
Maflow France Automotive S.A.	France	100.00	Boryszew S.A.	Automotive
Maflow do Brasil Ltda	Brazil	100.00	Maflow Polska Sp. z o.o. (21%), Boryszew S.A. (79%)	Automotive
Maflow Components Co. Ltd.	China	100.00	Maflow Polska Sp. z o.o.	Automotive
Maflow India Private Limited	India	100.00	Boryszew S.A.	Automotive
MAFMEX S.DE R.L.DE C. V	Mexico	100.00	Maflow Spain Automotive S.L.U (3.34%), Maflow Polska Sp. z o.o. (96.66%)	Automotive
Boryszew Automotive Mexico S.DE R.L.DE C.V	Mexico	100.00	Maflow Spain Automotive S.L.U (90.00%), Maflow Polska Sp. z o.o. (10.00%)	Automotive
Boryszew Automotive Plastics Sp. z o.o.	Tychy	100.00	Maflow Polska Spółka z o.o.	Automotive
Boryszew Components Poland Sp. z o.o.	Warsaw	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew HR Service Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Automotive
Boryszew Commodities Sp. z o.o.	Warsaw	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
ICOS GmbH in liquidation	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Theysohn Kunststoff GmbH in liquidation	Germany	100.00	ICOS GmbH in liquidation	Automotive
Theysohn Formenbau GmbH in liquidation	Germany	100.00	ICOS GmbH in liquidation	Automotive
Boryszew Formenbau Deutschland GmbH	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Kunststofftechnik Deutschland GmbH	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Oberflächentechnik GmbH	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Deutschland GmbH	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive



## Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
AKT Plastikarska Technologie	The Czech Republic	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Plastic RUS Sp. z o.o.	Russia	100.00	Boryszew S.A., Boryszew Kunststofftechnik Deutschland GmbH, Boryszew S.A.	Automotive
Boryszew Tensho Poland Sp. z o.o.	Ostaszewo	93.68	Boryszew S.A. (recognised option to acquire shares up to 100%)	Automotive
Boryszew Holding Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Metals
SPV Lakme Investment Sp. z o.o.	Warsaw	100.00	Boryszew	Other
Hutmen Sp. z o.o.	Wrocław	100.00	Boryszew S.A.	Metals
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	100.00	Hutmen Sp. z o.o., Boryszew S.A.	Metals
Huta Metali Nieżelaznych Szopienice S.A. – in liquidation	Katowice	61.77	Polski Cynk Sp. z o.o.	discontinued operations
ZM SILESIA S.A.	Katowice	100.00	Boryszew S.A.	Metals
Baterpol S.A.	Katowice	100.00	Polski Cynk Sp. z o.o.	Metals
Alchemia S.A.	Warsaw	100.00	Boryszew S.A., Alchemia S.A. (own shares)	Metals
Huta Bankowa Sp. z o.o.	Dąbrowa Górnicza	100.00	Alchemia S.A.	Metals
Laboratoria Badań Batory	Chorzów	100.00	Alchemia S.A.	Metals
Polski Cynk Sp. z o.o.	Katowice	100.00	Boryszew S.A.	Metals
Eastside Capital Investments Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Other
Baterpol Recycler Sp. z o.o.	Wrocław	100.00	Polski Cynk Sp. z o.o.	Metals
Metal Zinc Sp. z o.o.	Katowice	100.00	ZM Silesia S.A.	Metals
Eastside BIS Sp. z o.o.	Warsaw	100.00	Eastside Capital Investments Sp. z o.o.	Other
Zakład Utylizacji Odpadów Sp. z o.o.,	Konin	59.97	Boryszew S.A.	Metals
RAPZ Sp. z o.o.	Dąbrowa Górnicza	42.67	Huta Bankowa Sp. z o.o.	Metals

### COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Seat	share of the parent in share capital (%)	share in voting rights (%)	Core activity
Elana Ukraina Sp. z o.o.	Ukraine	90	90	dormant company
Brasco Inc	the US	100	100	dormant company
Hutnik Sp. z o.o. – in liquidation,	Konin	94	94	dormant company
Brick factory Wostoczna - Sp. z o.o.	Belarus	30	30	trade, production of secondary raw materials

**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**Changes in the Group structure**

No significant changes in the group structure during Q1 '2022 occurred.

### 3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q1 '2022 INCLUDING FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT

**ACHIEVED PROFIT/LOSS****A. OVERALL MACROECONOMIC SITUATION**

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

	1Q2022		1Q2021			1Q2022		1Q2021	
Chemical products	76 517	4.5%	66 417	4.6%	Poland	687 695	40.4%	446 404	30.8%
<b>Automotive</b>	<b>374 996</b>	<b>22.04</b>	<b>449 555</b>	<b>31.0%</b>	<b>Germany</b>	<b>350 200</b>	<b>20.6%</b>	<b>324 833</b>	<b>22.4%</b>
Metals	1 141 700	67.1%	904 711	62.4%	Other EU countries	529 432	31.1%	521 429	35.9%
<b>Other *</b>	<b>109 413</b>	<b>6.4%</b>	<b>30 255</b>	<b>2.0%</b>	<b>Other</b>	<b>135 299</b>	<b>7.9%</b>	<b>158 272</b>	<b>10.9%</b>
<b>TOTAL</b>	<b>1 702 626</b>	<b>100.0%</b>	<b>1 450 938</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>1 702 626</b>	<b>100.0%</b>	<b>1 450 938</b>	<b>100.0%</b>

(\*) Includes consolidation adjustments not allocated to business segments

Key determinants:

**Market sentiment - PMI and GDP:**

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

In the EU countries as well as in Poland, the general macroeconomic sentiment in Q1 '2022 was at a lower level compared to the previous year. The reasons for this include the ongoing armed conflict in Ukraine. Russian aggression against Ukraine led to increased business uncertainty, disrupted supply chains and intensified inflationary pressures around the world, also resulting in slower growth in Polish industry. Most notably, output fell for the first time in 14 months and new order inflows weakened for the first time in 15 months. This was especially evident for export orders, which saw the strongest regression since mid-2020.

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

PMI	1Q 2022	1Q 2021
EU	57.4	62.5
Poland	54.0	54.3
Germany	57.4	66.6

In Poland PMI was at a level slightly lower than in the corresponding period of the previous year and above of 50, indicating an increase in industrial activity.

The overall downturn in Q1 '2022 was mainly the consequence of the war in Ukraine. On top of that, the pandemic-induced disruption to supply chains (as well as a renewed increase in sanitary restrictions in China) worsened with the Russian invasion of Ukraine.

In addition, high fuel and energy prices, unfavourable exchange rate movements, and inflation continue to be a problem.

In summary, Q1 '2022 proved to be the most turbulent period since the pandemic outbreak. Not only because of the war, but also because of strong inflation, further policy tightening by central banks, and simultaneous signs of slowing economies. All these factors mean that we can expect increased volatility in the next three months as well, and market sentiment suggests that this trend will continue in future periods.



<b>Forecast of GDP growth for Poland</b>	<b>2022</b>	<b>2023</b>
NBP	4.4%	3.0%
World Bank	3.9%	3.6%
European Commission	3.7%	3.0%

In its spring forecast, the European Commission forecasts Poland's GDP to grow by 3.7% (vs. 5.5% growth in the winter forecast). This is mainly due to Russia's invasion of Ukraine and rising inflation. Higher economic uncertainty and higher inflation are expected to reduce households' propensity to spend. At the same time, the European Commission predicts that the negative effect may be partially neutralised by the inflow of refugees from Ukraine, which will stimulate consumption. By comparison the EU economy as a whole is expected to grow by 2.7% this year and by 2.3% next year. The European Commission explains that the reason for the lowered forecast is the situation resulting from Russia's invasion of Ukraine. It has driven up energy and agricultural commodity prices and disrupted supply chains, hampering recovery from the Covid-19 pandemic.

The NBP forecasts GDP growth of 4.4% in 2022 (3.9% in the March 2021 forecast) and growth of 3.0% in 2023. NBP forecasts for 2022 are much more optimistic than those of the World Bank and the European Commission.

#### **Market sentiments - Sales of cars:**

Another important parameter with an impact on the results of the Group is the sale of cars (the Automotive segment accounts for approximately 22% of Group's turnover).

European car sales fell in Q1 '2022. According to ACEA data, the passenger car market in Europe fell 10.6% year-on-year.

After 3 months of 2022 the main customer of the Automotive segment, Volkswagen Group, recorded a 15.4% drop in car sales on the European market (compared to the same period last year).

The war prevented Ukrainian wiring harness factories from operating, and without new supplies of wires, downtime began at many automotive plants in Germany, the Czech Republic, and Poland. The industry immediately began building new supply chains and reorganising production, but it will still take some time for the situation to stabilise.

It is difficult to forecast the course of the conflict and its full impact, but assuming no escalation of hostilities and a longer-term freeze in the conflict, it is reasonable to expect that after a short-term supply shock causing cost increases and sharp declines in automotive production, within a few months supply chains will return to a state similar to that before the war as price lists adjust to higher costs. However, if the disruptions were to last longer, a pandemic-like crisis could return once stocks are depleted, followed by an even more sustained recession in the auto industry.

#### **Market sentiment - basic products of the Metals segment and prices of basic raw materials:**

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

The first quarter of this year saw a significant increase in the average (y/y) prices of all four basic metals (in USD) - aluminium (by 56.6%), zinc (by 36.5%), copper (by 17.6%) and lead (by 15.7%).

Also metal prices expressed in PLN increased y/y by 71,0% (aluminium), 49,2% (zinc), 28,5% (copper) and 26,5% (lead) respectively, which was due to changes in the USD to PLN exchange rate.

The situation on the market of aluminium wire rod and aluminium alloy products is very good. Wire rod is used in production of wires, cables and wires. In particular the segment of overhead conductors and wires records a continuous increase in demand of several percent. Boryszew S.A. NPA Skawina branch is the only producer of such products in Poland.

As predicted last year, the situation in the steel market at the beginning of 2022 improved significantly. A sharp increase could be seen in the prices of steel products, moreover, the margins in the steel market increased. Overall, the beginning of 2022 saw another increase in the inflow of orders for steel products in Alchemia and Huta Bankowa areas of operation, resulting in little change in Poland y/y and a decline of less than 4% in the EU alone. However, the first quarter of 2022 globally saw a 6.8% decline in steel production due to the downturn in China and lockdown in some regions of China causing this market to reduce y/y production by almost 8%.



**Market sentiments - significant currency pairs**

Due to the fact that transactions are mainly closed in foreign currencies, the impact of foreign exchange rates is of great importance.

The level of US dollar rates has an impact on revenues of the Group, as it is linked to metal rates, which are the major component of product price.

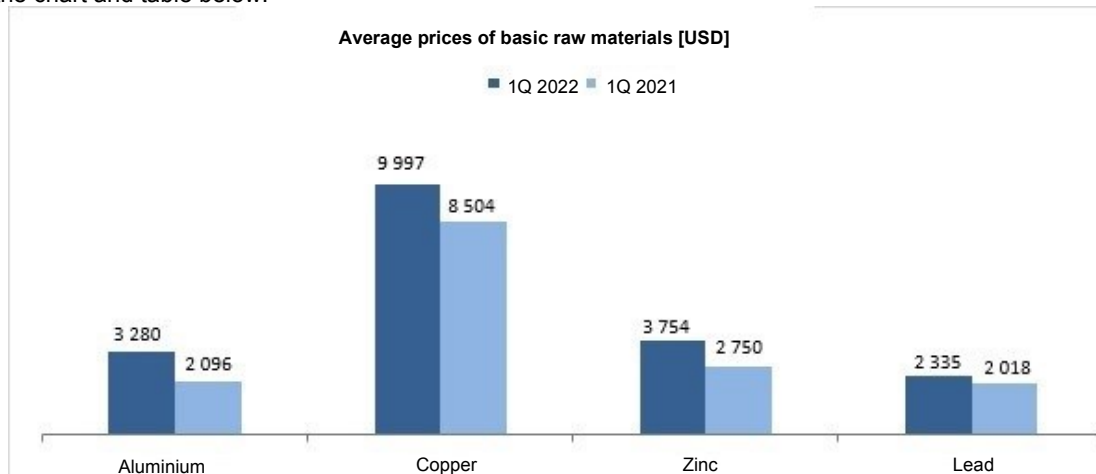
In the reviewed period USD strengthened against the PLN by 9.3%, which had an impact on the listings of basic metals expressed in PLN and on the sales profitability on this account.

In the reviewed period the average EUR listings increased by 1.7% in relation to PLN.

The level of the Euro rate is important for the Group, given the predominance of the processing margins expressed in this currency and app. 60% share of export sales (most of the sales in the Automotive segment), mainly to the Euro zone.

In the first 3 months of 2022, the EUR/USD exchange rate was 1.12, or some 6.9% lower than in the same period last year.

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



	1Q 2022	1Q 2021	% change
Aluminium [PLN]	13 534	7 914	71.0%
Copper [PLN]	41 247	32 103	28.5%
Zinc [PLN]	15 488	10 380	49.2%
Lead [PLN]	9 635	7 617	26.5%

Source: Daily listings of LME, NBP

**Boryszew Capital Group**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

**Sales revenues / Demand for Group's products**

The revenues of Boryszew Capital Group after the first quarter of 2022 amounted to PLN 1 702.6 million, which was an increase of 17.3% against revenues for the same period last year.

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

in PLN million	1Q 2022	1Q 2021	difference
<b>Revenues from sale, including:</b>	<b>1 702.6</b>	<b>1 450.9</b>	<b>251,7</b>
Automotive Segment	375.0	449.6	(74.6)
Metals Segment	1 141.7	904.7	237,0
Chemicals segment	76.5	66.4	10.1
Other	109.4	30.3	79.2

in thousand tonnes	1Q 2022	1Q 2021	difference
<b>Volume of sales, including:</b>	<b>121.0</b>	<b>126.4</b>	<b>(5.4)</b>
Metals Segment	111.4	112.5	(1.1)
Chemicals segment	9.6	13.9	(4.3)

Revenue growth was seen in almost all companies in the Metals Segment (except for Hutmen, which ceased operations at the end of 2021). This came from an increase in prices (expressed in PLN) of most of the products offered (linked to metal prices on the LME). Q1 '2022 saw a slight decrease in the sales volume of the Segment compared to the previous year (1.2 thousand tonnes), mainly due to Hutmen and ZM Silesia (a decrease of 4.7 thousand tonnes in total). The negative effect was partially neutralised by increased sales volume at NPA Branch and Alchemia Group companies (in total by 4.6 thousand tonnes).

The decrease of revenues in the Automotive Segment resulted from the current political situation in Eastern Europe, i.e. Russia's aggression against Ukraine and, consequently, the ongoing military operations in the territory of Ukraine. The aforementioned war had a decisive impact on the reduction of order volumes. Considerable part of key clients of Maflow Group as well as Boryszew Automotive Plastics Group decided to temporarily suspend or temporarily stop their production, which largely influenced the decrease of revenues generated by the Group in 1Q '2022. The decision also a consequence of problems with the availability of semiconductors and electrical components used in car manufacturing. According to ACEA data, the number of newly registered cars fell by 10.6 percent compared to the same period of 2021.

The Chemicals segment reported higher revenues compared to the same period of the previous year, with lower sales volumes in almost all companies in the segment. This is mainly due to increased sales value of plasticizers, staple fibre, elball and specialty manufacturing.

The decrease in volumes in the Chemicals segment was recorded in all companies and amounted to 30.7% (4.3 thousand tonnes). This is a result of the sale of Elana Pet shares on 30 August 2021.

The increase of sales revenues in other companies is mainly due to the increase of prices of utilities (gas and electricity) which translated into higher revenues in Energy Branch and Elana Energetyka.

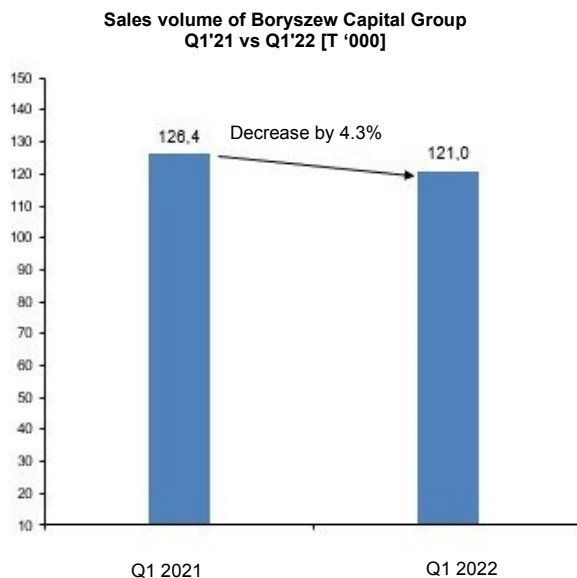


## Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

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

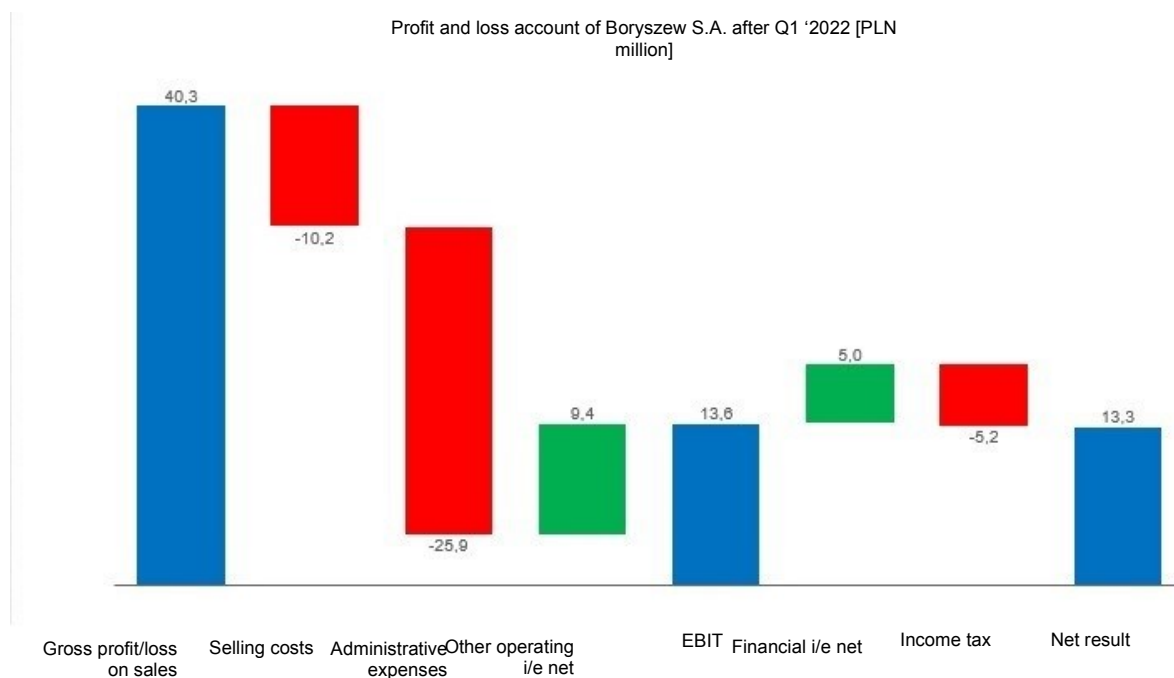


The decrease in volumes is due to Hutmen ceasing operations at the end of 2021 and the sale of Elana Pet on 30 August 2021.

### B. ACHIEVED FINANCIAL RESULTS

#### Separate figures:

The chart below compiles components of the profit and loss account of Boryszew S.A. after the first quarter of 2022.



**Boryszew Capital Group**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

Gross profit on sales after the first quarter of 2022 amounted to PLN 40.3 million and was lower by PLN 12.0 million than the result in the corresponding period of the previous year. The decrease in gross profit is a result of the deterioration of results in almost all Business Segments (except for the Metals Segment).

Average gross margin on sales decreased from 12.9% at the end of Q1 2021 to 5.9% today.

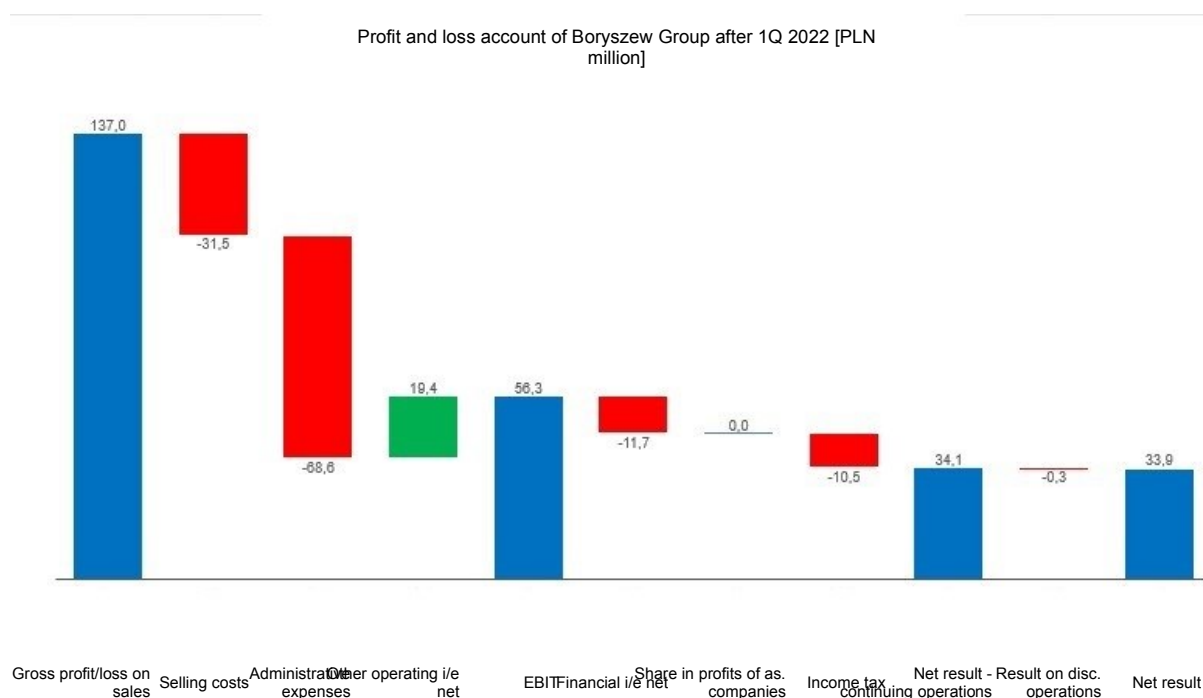
Costs of sales were higher by PLN 2.4 million, or by 31.4% against the same period of the previous year.

General and administrative expenses were by PLN 2.6 million, i.e. 11.3% higher than in 1Q '2021.

The balance of operating income/expenses amounted to PLN 9.4 million and it was PLN 6.7 million higher against the same period of 2021.

### Consolidates figures:

The graph below compiles components of the profit and loss account after Q1 '2022.



Gross profit on sales after the first quarter of 2021 amounted to PLN 137.0 million and was lower by PLN 17.1 million than the result in the corresponding period of the previous year. The decrease in gross profit is a consequence of deteriorating results in most of the Group's Segments.

Average gross margin on sales decreased from 10.6% at the end of Q1 2021 to 8.0% today.

Costs of sales were lower by PLN 5.4 million, or by 14.6% against the same period of the previous year.

General and administrative expenses were down by PLN 4.2 million, or 5.7%, compared to Q1 '2021.

The balance of other operating income/expenses amounted to PLN 19.4 million and was PLN 14.0 million higher against the same period of 2021. The increase in revenue compared to the same period last year was mainly due to the disposal of investment properties and recognition of CO2 offsets for 2021.

**Boryszew Capital Group**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

The balance of other financial income/costs amounted to minus PLN 11.6 million and was lower by PLN 4.1 million compared to the same period of the previous year, mainly due to exchange rate differences and a decrease in profit on derivative financial instruments.

**OPERATING RESULTS BY SEGMENTS****Separate figures:**

At the end of 1Q '2022, EBITDA on continuing operations of Boryszew S.A. amounted to PLN 27.8 million compared to PLN 35.1 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

in PLN million	1Q 2022	1Q 2021	difference
<b>EBITDA, including</b>	<b>27.8</b>	<b>35.1</b>	<b>(7.3)</b>
Automotive Segment	16.9	24.0	(7.0)
Metals Segment	8.1	4.5	3.6
Chemicals segment	3.7	6.4	(2.7)
Other	(1.0)	0.2	(1.2)

The decrease in profit was due to lower results in almost all Business Segments (except the Metals Segment).

In the Automotive Segment, the decline in results is due to, among other things, the current political situation in Eastern Europe, which has impacted the suspension of business by customers, and a shortage of semiconductors resulting in lower orders from OEMs and increased energy costs. The deterioration in results in the non-segmented entities (Other) was associated with lower royalty income and higher general admin expenses compared to the same period in 2021.

For the Metals Segment, the increase is due to higher sales volumes and increased margins on aluminium products.

In the Chemicals Segment, the deterioration of results is mainly attributable to the Boryszew ERG branch due to higher costs of electricity and natural gas, which caused a decrease of margin.

**Consolidates figures:**

After Q1 '2022 EBITDA on continuing operations amounted to PLN 100.0 million compared to PLN 91.8 million in the corresponding period of the previous year. Importantly the increase in EBITDA was seen despite the absence of the impact of Elana Pet and F&T Polska due to their sale in the third and fourth quarter of 2021. In relevant operating segments, the EBITDA result was as follows:

in PLN million	1Q 2022	1Q 2021	difference
<b>EBITDA, including</b>	<b>100.0</b>	<b>91.8</b>	<b>8.3</b>
Automotive Segment	(1.7)	32.8	(34.4)
Metals Segment	99.0	52.2	46.8
Chemicals segment	3.7	6.9	(3.2)
Other (*)	(1.0)	(0.1)	(0.9)

\* other include consolidation adjustments

**1. Metals Segment**

Almost all of the segment's companies (except Hutmen and ZM Silesia) are responsible for EBITDA in the Metals Segment that was higher than last year, indicating an improvement in the market after the previous year dominated by the COVID-19 pandemic which resulted in an uncertain economic environment. Alchemia Group companies are largely responsible for the higher results of the Segment. This is the result of strong demand for steel products and thus higher margins. Importantly, Hutmen ceased operations at the end of 2021.



## Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

### 2. Automotive Segment

Lower EBITDA result in Automotive Segment is mainly a result of already mentioned current political situation in the East of Europe that influenced the suspension of operations by the customers of Maflow Group and Boryszew Automotive Plastics and thus the decrease of orders' volume. The decision also a consequence of problems with the availability of semiconductors and electrical components used in car manufacturing.

### 3. Chemical products segment

The decrease of EBITDA results of the Segment is mainly attributable to Boryszew S.A. ERG branch and Boryszew S.A. Elana branch. Lower results of Boryszew S.A. ERG branch are a result of lower margin and higher overheads.

### 4. Other

In other Companies not attributed to business segments results are at a similar level compared to the comparable period.

## NET PROFIT/LOSS

### Separate figures

Net result of Boryszew S.A. for the first six months of 2022 amounts to PLN 13.3 million and is lower than in the same period of the previous year by PLN 6.5 million.

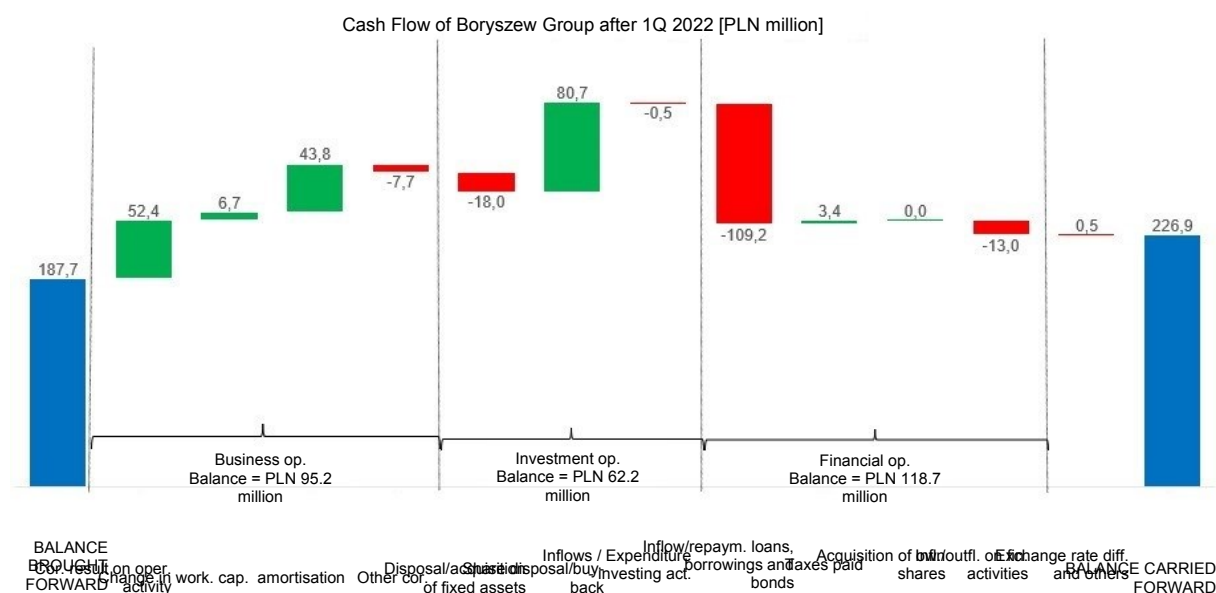
### Consolidates figures:

Net result on continuing operations amounted to PLN 34.1 million and was higher by PLN 6.5 million than the result after the first quarter of the previous year.

The total net result including continuing and discontinued operations amounted to PLN 33.9 million and was higher than the result after Q1 '2021 by PLN 4.6 million, while the net result attributable to shareholders of the parent company amounted to PLN 31.9 million - higher than last year's result by PLN 4.9 million, mainly due to higher profit on operations by PLN 6.4 million.

## C. CASH FLOW

Cash flows after the first quarter of 2022 are presented in the chart below:





After the first quarter of 2022 Boryszew Capital Group had a positive cash flows from operating activity, due to improvement of receivables collection in comparison with the same period of the previous year with simultaneous extension of payment dates of liabilities.

The positive cash flow balance from investing activities was mainly due to the disposal of Gränges shares.

The negative balance from financing activities is mainly due to repayment of loans.

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

Boryszew Capital Group is exposed to seasonality only to a limited extent. In the Automotive segment seasonality affects holiday months as well as December, when production of cars falls considerably, causing also a fall in component orders. In the Metal Segment, seasonality affects the range of products sold for the construction sector, which include:

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

The peak in sales of these products for the construction sector is recorded the second and third quarter, which is predominantly influenced by weather conditions, suitable for construction works, as well as the economic situation in the construction industry. Other products of this segment are not exposed to seasonality. In the segment of Chemical products seasonality affects a certain range of products manufactured by Boryszew ERG, Branch of Boryszew S.A. in Sochaczew. This range includes cooling fluids for the automotive segment (with peak sales in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak sales in the fourth and first quarter). No specific seasonality is observed for other products of the Capital Group. Furthermore, in the fourth quarter of the year, due to the December Christmas holiday period and planned shutdowns by customers, lower sales are observed each year.

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

Boryszew Capital Group operates in three industry segments.

##### **OPERATING SEGMENTS**

Automotive	Boryszew S.A. Oddział Maflow w Tychach, Maflow Spain Automotive S.L.U., Maflow France Automotive S.A.S., Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Maflow Automotive Mexico S.DE R.L.DE C.V.,, MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., Theysohn Kunststoff GmbH in liquidation under self-administration, Theysohn Formenbau GmbH in liquidation under self-administration, Boryszew Kunststofftechnik Deutschland GmbH, AKT Plastikarska Technologie Cechy spol. s.r.o., Boryszew Formenbau Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, Boryszew Plastik Rus, Boryszew Tensho Poland Sp. z o.o., ICOS GmbH in liquidation under self-administration, Boryszew Deutschland GmbH, Boryszew Commodities Sp. z o.o., Boryszew HR Service Sp. z o.o., Boryszew Components Poland Sp. z o.o., Boryszew Maflow Spółka z o.o.
Metals	WM Dziedzice S.A., ZM SILESIA S.A., Baterpol S.A., Polski Cynk Sp. z o.o., Boryszew S.A. NPA Skawina branch, Baterpol Recycler Sp. z o.o., Metal Zinc Sp. z o.o., Alchemia S.A., Huta Bankowa Sp. z o.o., Laboratoria Badań Batory Sp. z o.o., Zakład Utylizacji Odpadów Sp. z o.o., RAPZ Sp. z o.o., Boryszew Holding Spółka z o.o., Hutmen Sp. z o.o.
Chemical products	Boryszew S.A. Elana Branch, Boryszew S.A. Boryszew ERG Branch, Boryszew S.A. Nylonbor Branch, Nylonbor Sp. z o.o., Elimer Sp. z o.o.

Other companies not assigned to segments are: Boryszew S.A. – Centrala, Boryszew S.A. Oddział Boryszew Energy, Eastside – Bis Sp. z o.o., SPV Lakme Sp. z o.o. ,Huta Metali Nieżelaznych Szopienice S.A. w likwidacji, Eastside Capital Investments Sp. z o.o., Elana Energetyka Sp. z o.o.



**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**REVENUES FROM SALE BY DESTINATION MARKET**

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>Sales revenues by geographical areas</b>		
<b>Continuing operations</b>		
Domestic sales	687 695	446 404
Sales to EU countries	879 632	846 262
Sales to other European countries	62 110	69 828
Export outside Europe	73 189	88 444
<b>Total (revenues from continuing operations)</b>	<b>1 702 626</b>	<b>1 450 938</b>

**SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES:**

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Germany	40%	38%
The Czech Republic	19%	17%
Italy	7%	9%
Spain	4%	6%
Slovakia	4%	4%



# Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

## REVENUES AND RESULTS BY OPERATING SEGMENTS IN QUARTER 1 OF 2022 (data regarding continuing operations)

Continuing operations 01.01.2022 - 31.03.2022	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	76 517	374 996	1 141 700	222 039	1 815 252	(112 626)	1 702 626
Segment costs of sales	66 438	363 191	1 026 740	219 052	1 675 421	(109 821)	1 565 600
<b>Result on sales within segment</b>	<b>10 079</b>	<b>11 805</b>	<b>114 960</b>	<b>2 987</b>	<b>139 831</b>	<b>(2 805)</b>	<b>137 026</b>
General, administrative and sales expenses	10 298	42 395	45 352	5 646	103 691	(3 572)	100 119
Other operating profit/loss	2 661	4 388	12 571	263	19 883	(523)	19 360
<b>Segment profit/loss</b>	<b>2 442</b>	<b>(26 202)</b>	<b>82 179</b>	<b>(2 396)</b>	<b>56 023</b>	<b>244</b>	<b>56 267</b>
Amortisation/depreciation	1 253	24 537	16 834	1 371	43 995	(226)	43 769
EBITDA *)	3 695	(1 665)	99 013	(1 025)	100 018	18	100 036
Segment assets	302 532	1 368 847	2 741 606	2 075 721	6 488 706	(2 262 467)	4 226 239
Segment liabilities	133 666	1 868 057	1 246 958	499 252	3 747 933	(1 300 267)	2 447 666

Continuing operations 01.01.2021 - 31.03.2021	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	66 417	449 555	904 711	79 407	1 500 090	(49 152)	1 450 938
Segment costs of sales	53 773	391 937	826 187	72 513	1 344 410	(47 669)	1 296 741
<b>Result on sales within segment</b>	<b>12 644</b>	<b>57 618</b>	<b>78 524</b>	<b>6 894</b>	<b>155 680</b>	<b>(1 483)</b>	<b>154 197</b>
General, administrative and sales expenses	8 198	49 120	46 869	7 371	111 558	(1 897)	109 661
Other operating profit/loss	828	1 280	3 174	2 035	7 317	(1 968)	5 349
<b>Segment profit/loss</b>	<b>5 274</b>	<b>9 778</b>	<b>34 829</b>	<b>1 558</b>	<b>51 439</b>	<b>(1 554)</b>	<b>49 885</b>
Amortisation/depreciation	1 669	22 983	17 347	1 368	43 367	(1 473)	41 894
EBITDA *)	6 943	32 761	52 176	2 926	94 806	(3 027)	91 779
Segment assets	276 326	1 435 537	2 971 376	2 509 260	7 192 499	(2 903 168)	4 289 331
Segment liabilities	128 183	1 846 550	1 303 746	529 890	3 808 369	(1 215 352)	2 593 017

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



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

### **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.

### **Declaration of dividend payment**

On 29 April 2022 the Management Board of the Company decided to submit to the nearest General Meeting of Boryszew S.A. a motion on dividend payment in the amount of PLN 0.92 per one share entitled to dividend, i.e. in total amount of PLN 188 788 600.00, from the Company's supplementary capital, which, according to the provisions of art. 348 § 1 of the Commercial Companies Code may be assigned for distribution.

At the same time, the Management Board decided to apply to the Company's General Meeting of Shareholders to set the dividend date as 3 June 2022 and the dividend payment date as 10 June 2022.

In view of the foregoing, the Management Board applied for approvals from the financing banks under the terms of certain loan agreements to pay dividends. On 24 May 2022, it received a complete set of required approvals for disbursement.

## **7. INFORMATION CONCERNING THE ISSUE, REDEMPTION AND REPAYMENT OF NON-SHARE AND EQUITY SECURITIES**

### **NON-EQUITY SECURITIES**

The Group issued no non-equity securities in Q1 2022 and up to the date of the report.

### **REDEMPTION OF BONDS ISSUED BY BORYSZEW S.A.**

On 31 March 2022 Boryszew S.A. redeemed the following bonds held by Hutmen Sp. z o.o.

- 1) 20 registered bonds, P-series, with nominal value of PLN 1 000 000 each and total nominal value of PLN 20 000 000, acquired on 31 October 2018 by Hutmen Spółka z o.o. with registered office in Wrocław, with the redemption date of 31 March 2022.
- 2) 8 registered bonds, A34-series, with nominal value of PLN 1 000 000 each and total nominal value of PLN 8 000 000, acquired on 31 December 2018 by Hutmen Spółka z o.o. with registered office in Wrocław, with the redemption date of 31 March 2022.

On the date of publication of the Financial Statements Boryszew S.A. has no liabilities under bond issue.

### **EQUITY SECURITIES**

In Q1 '2022, until publication of the report the Company did not issue any equity securities.

### **CAPITAL INVESTMENTS**

A summary of consolidated and unconsolidated shares is provided in the introduction to the report. The Issuer has no other material equity investments.

### **REAL PROPERTY**

In the first quarter of 2022 and until the report publication date, the Company acquired no significant real estate.

### **Events after the balance sheet date**

### **REAL PROPERTY**

On 6 April 2022 Eastside-Bis Sp. z o.o. and Unipartner Sp. z o.o. concluded the Final Agreement ("Agreement") for the purchase of an office property located in Warsaw at Foksal street 6 (Real Estate) for the amount of PLN 70 million (the preliminary agreement was concluded on 8 November 2021).

The transaction price was determined on an arm's length basis according to a valuation performed by an independent appraiser. Eastside - Bis Spółka z o.o. made an advance payment of ap. 85% towards the price at the conclusion of the preliminary agreement. The transfer of the ownership title to the real estate and the payment of the balance of the price was made on the date of the Agreement. The remaining terms of the Agreement are consistent with the standards generally applied in such agreements.



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

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

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

During the reporting period the Company and the Group suffered no negative impact of the Covid-19. The Management Board does not currently identify a material risk associated with the virus in the near future.

### **IMPACT OF WAR IN UKRAINE ON SITUATION OF BORYSZEW CAPITAL GROUP**

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 Group identified key risks of operating activities related to 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. Boryszew Group runs diversified business based on plants located in Europe, Asia and both Americas. The Management Board monitors on on-going basis the impact of the conflict on activity of the Company and Boryszew Group. The Management Board believes that on the day of publication no risk exists of significant impact of the conflict on operating activity and going concern of the Company and Boryszew Group. No adjustments have been made to reflect this in this report.

### **CAPITAL GROUP**

Major one-off factors and unusual events having a significant impact on the results of Q1 '2022 should include:

- higher average annual LME metal quotations,
- invasion on Ukrainian territory,
- a significant increase in the sales level of the Other segment of electricity and natural gas
- shortages of materials and raw materials,
- global semiconductor shortage crisis resulting in reduced orders from OEMs.

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

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

- the duration and scale of the armed conflict in Ukraine,
- global economic situation, especially in the key sectors (motorization and construction) as well as in the main sales markets (the European Union, including Germany).
- monetary policy of the National Bank of Poland, which has an impact on inflation and rules of granting financing by the banking sector,
- availability of feedstock,
- demand for new cars, especially for products of the VW Group, which is the most important customer of the Boryszew Capital Group,
- supply chain disruptions,
- cost of key energy carriers and gas, particularly in the energy-intensive metal processing industry and in chemistry,
- legislation in energy prices (in the European Union and in Poland),
- costs of adapting production processes to the environmental requirements of the European Union (particularly the non-ferrous metals industry),
- the level of metal quotations and currencies determining the amount of working capital and effectiveness of export and domestic sales.
- higher economic protectionism in international trade, resulting in restrictions to access markets,
- costs of raw materials, including in particular scrap prices and the amount of the metal premium,



- PLN exchange rate against foreign currencies; due to the significant share of export sales, which in effect affects the level of margins earned in PLN,
- prices of crude oil and, as a consequence, prices of organic chemicals derivatives - plastics and components for the production of plastic parts for cars in injection moulding technology,
- volatility of tax law regulations and stricter attitude of fiscal authorities during tax audits.
- changing consumer sentiment,
- the process of implementing the National Recovery Plan.

GDP forecasts for Poland for 2022 were still optimistic at the beginning of the year predicting growth above 5%. However, any forecast is currently subject to considerable uncertainty and economic growth could be lower this year while inflation higher.

At the moment it is very difficult to estimate the impact of the war in Ukraine on the economy and on global markets especially in the long term. Any forecasts should be treated as one of many possible scenarios, not as predictions presented with full conviction.

Risks to the economy associated with the Russian invasion of Ukraine and high uncertainty about the economic consequences of the war, as well as rising commodity prices, weaker exchange rate and disruptions in supply chains.

For Maflow Group and Boryszew Automotive Plastics Group, the external factors that significantly influence their activity and possibility of development include: current political situation in the East Europe i.e. Russia's aggression against Ukraine and, consequently, the ongoing military operations in the territory of Ukraine. The aforementioned aggression had a decisive impact on the reduction of order volumes. Considerable part of key clients of Maflow Group as well as Boryszew Automotive Plastics Group decided to temporarily suspend or temporarily stop their production, which largely influenced the decrease of revenues generated by the Group in 1Q '2022. The decision also a consequence of problems with the availability of semiconductors and electrical components used in car manufacturing. A manufacturing plant in Russia has temporarily halted production of components used by automakers. However, it does not concern only Boryszew Plastic Rus Ltd., but the whole automotive segment in Russia, which is currently in limbo.

Previous pandemic disruptions resulted in temporary supply chain disruptions primarily in the automotive industry. Military actions on the territory of Ukraine have contributed to inflation growth and weakening of PLN rates. The unstable economic and political situation in Europe has the effect of increasing prices for components and utilities or transport costs due to the exclusion of supply sources located in war zones. The increase of electricity and gas prices in the last quarter of last year caused the increase of production costs of raw materials directly produced by Boryszew Automotive Plastics Group and one of the companies of Maflow Group - Maflow BRS S.R.L. in Ascoli and at the same time the increase of purchase prices of these raw materials.

On 13 October 2021 the Management Boards of indirect subsidiaries of Boryszew S.A: ICOS GmbH, THEYSOHN Kunststoff GmbH and THEYSOHN Formenbau GmbH ("ICOS Group") filed for declaration of bankruptcy of these companies with relevant competent courts. According to the proposal, the application will seek insolvency under administration in accordance with German insolvency law.

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

### **Contingent liabilities**

<b>Contingent items</b>	<b>As at 31.03.2022</b>	<b>As at 31.12.2021</b>
Sureties for the repayment of loans and other liabilities by associated companies	86 680	85 831
Liability for tax risks on proceedings in Silesia S.A.	78 304	78 304
<b>Total</b>	<b>164 984</b>	<b>164 135</b>

Description of pending tax proceedings in one of the Parent Company's 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.

**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Contingent items	As at 31.03.2022	As at 31.12.2021	change
<b>Contingent liabilities</b>	<b>86 680</b>	<b>85 831</b>	<b>849</b>
<b>resulting from granted guarantees, sureties and other liabilities</b>	<b>86 680</b>	<b>85 831</b>	<b>849</b>
- guarantees and sureties associated with performance of contracts	86 680	85 831	849
- guarantees and sureties in favour of financial institutions	-	-	-
<b>Increases / decreases in the period of 3 months ended on 31.03.2022, including:</b>			<b>849</b>
<b>Additions</b>			
- Increase due to valuation of sureties			849
- Increase in surety amount			-
<b>Reductions</b>			
- Reduction due to valuation of sureties			-
- Decrease in the amount of existing sureties due to expiration, reduction			-

Contingent items	As at 31.03.2022	As at 31.12.2021	change
<b>Contingent assets/ CO2 emission rights</b>	<b>38 412</b>	<b>45 006</b>	<b>(6 594)</b>

The decrease in contingent assets in the 3-month period of 2022 is due to the remeasurement and disposal of emission rights held.

The market value of the CO2 emission rights held on 31.03.2022 amounts to PLN 38.4 million [107 954 units x EUR 76.48 (average rate for CO2 emission forward contracts) x 4.6525 (average NBP exchange rate as at 31.03.2022)]. The fair value of EUA units received free of charge as at the acquisition date is PLN 26.0 million.

**Estimates of contingent risks**

In 2021, the tax on goods and services proceedings were initiated in one of the Parent Company's branches, it covers the six-month period between October 2015 and March 2016. It is difficult to estimate the value of any potential contingent liability that may potentially arise as a result of these proceedings. VAT on all audited transactions during the audit period is 12 114 thousand.


**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**11. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA**
**Financial assets per balance sheet on 31.03.2022**

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets at fair value through other comprehensive income	Carrying value
Shares and stock	-	78		11 817	11 895
Trade receivables, factoring	689 200	53 162			742 362
Derivative financial instruments		98	30 445		30 543
Loans granted	48 455				48 455
Bonds	33 951				33 951
Other debtors	81 643				81 643
Cash and cash equivalents	226 860				226 860
<b>Total</b>	<b>1 080 109</b>	<b>53 338</b>	<b>30 445</b>	<b>11 817</b>	<b>1 175 709</b>

**Financial assets per balance sheet on 31.12.2021**

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets at fair value through other comprehensive income	Carrying value
Shares and stock	-	78		86 453	86 531
Trade receivables, factoring	615 733	59 273			675 006
Derivative financial instruments	-	269	12 165		12 434
Loans granted	47 260				47 260
Bonds	33 749				33 749
Other debtors	68 611				68 611
Cash and cash equivalents	187 724				187 724
<b>Total</b>	<b>953 077</b>	<b>59 620</b>	<b>12 165</b>	<b>86 453</b>	<b>1 111 315</b>

**Financial liabilities on 31.03.2022**

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	650 123			650 123
Bonds	-			-
Derivative financial instruments			161	10 343
Lease liabilities	91 817			91 817
Liabilities to SMA and PdUA	122 562			122 562
Trade and other liabilities	877 120			877 120
<b>Total</b>	<b>1 741 622</b>		<b>161</b>	<b>1 751 965</b>





## Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

### Financial liabilities on 31.12.2021

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivative instruments used for hedging	Carrying value
Bank loans, factoring, borrowings	759 059			759 059
Bonds	-			-
Derivative financial instruments		128	2 787	2 915
Lease liabilities	93 721			93 721
Liabilities to SMA and due to right-of-use assets	112 845			112 845
Trade and other liabilities	750 247			750 247
<b>Total</b>	<b>1 715 872</b>	<b>128</b>	<b>2 787</b>	<b>1 718 787</b>

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

	As at 31.03.2022	As at 31.12.2021	of fair value
<b>Financial assets</b>			
Listed shares	11 693	152 882	Level 1
Derivative financial instruments	30 543	12 434	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	10 343	2 915	Level 2

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

	As at 31.03.2022	As at 31.12.2021	of fair value
<b>Financial assets</b>			
Shares and stock	202	(66 351)	Level 3
Bonds	33 951	33 749	Level 3
Borrowings	48 455	47 260	Level 3
Trade and other receivables	824 005	743 617	Level 3
Cash and cash equivalents	226 860	187 724	Level 1
<b>Financial obligations</b>			
Borrowings and loans	650 123	759 059	Level 2
Trade and other liabilities	877 120	724 862	Level 3
Lease liabilities	91 817	93 721	Level 2
Liabilities to SMA and PdUA	122 562	112 845	Level 2
Liabilities to SMA - investment property	57 047	57 057	Level 2

**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Impact of write-offs on assets and provisions on profit/loss	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Creation of value impairment write-offs for accounts receivable	(1 564)	(4 641)
Reversal of write-downs on accounts receivable (-)	474	1 277
Tangible fixed assets impairment write-offs	(5)	-
Reversal of tangible fixed assets impairment write-offs	1 501	491
Valuation of shares to fair value	-	(9)
Valuation to fair value of investment properties	74	-
Creation of provisions	(1 133)	(1 220)
Reversal of provisions ( - )	5 349	1 284
<b>Total impact on profit/loss</b>	<b>4 696</b>	<b>(2 818)</b>

**Transactions with affiliated entities**

	Associates	Personally related entities
<b>in the period 01.01.2022 - 31.03.2022</b>		
Revenues from sales (of products, services, goods)	295	664
Interest income	-	1 116
Purchase of goods and services	616	1 325
<b>as at 31.03.2022</b>		
Trade receivables	87	11 600
Loans granted	-	51 599
Bonds purchased	-	32 851
Trade liabilities	1 066	49

	Associates	Personally related entities
<b>in the period 01.01.2021 - 31.03.2021</b>		
Revenues from sales (of products, services, goods)	189	218
Interest income	-	375
Other revenues (waiver of liabilities)	-	9
Purchase of goods and services	2 506	1 162
Interest expense	-	31
<b>as at 31.03.2021</b>		
Trade receivables	44	6 061
Loans granted	-	33 503
Bonds purchased	-	33 930
Other receivables (advances, deposits)	-	5 625
Trade liabilities	1 018	1 015



## **12. ORGANISATION OF THE CAPITAL GROUP**

### **BORYSZEW S.A.**

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

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

In Q1 '2022 Boryszew S.A. carries out its activity through the following units:

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

The Management Board of the Company, authorised by the General Meeting, started the process of separating Boryszew S.A. Branch Nylonbor in Sochaczew and Branch Nowoczesne Produkty Aluminiowe Skawina from the organisational structure and transferring the business of these branches to special purpose vehicles. As of today, no decisions have been made on the spin-off of the above mentioned Branches.

### **STRUCTURE OF BORYSZEW GROUP**

Boryszew Capital Group is one of the largest private industrial groups in Poland. The Group is involved in manufacturing automotive components, steel products, non-ferrous metal processing and industrial chemicals. We operate through 35 manufacturing facilities and 6 R&D centres located in Europe, Asia and the Americas.

### **SEGMENTS OF ACTIVITY**

#### **Automotive**

Boryszew Group is the largest Polish producer in the automotive industry. Group's facilities produce plastic parts (lockers, dashboards, door handles, engine covers, etc.), as well as hoses for transporting fluids in braking and air-conditioning systems. Every 10th car in the world and every 5th in Europe has a part manufactured in one of the Group's facilities.

Automotive industry is the second largest Segment of Boryszew business, it is formed by two Groups: Maflow and Boryszew Automotive Plastics (BAP).

#### **Metals:**

Boryszew Group is the largest producer in the non-ferrous metals segment in Poland and Central and Eastern Europe. It specialises in the processing of aluminium, steel, copper, and zinc and lead. Manufactures technologically advanced products for the automotive, electrical, construction and packaging industries. Invests in environmentally friendly manufacturing solutions.

Moreover, Boryszew Group is a significant producer of steel products such as forged, forged-rolled and rolled products and a wide range of seamless and welded pipes, whose production is concentrated in Alchemia Group.

The most important entities of Boryszew Group Metals Segment are Nowoczesne Produkty Aluminiowe Skawina, ZM SILESIA, Baterpol and Walcownia Metali "Dziedzice", Kuznia Batory, Walcownia Rur Batory, Stalownia Batory, Rurexpol and Walcownia Rur Andrzej and Huta Bankowa.

#### **Chemical products**

Boryszew Group is a manufacturer of advanced chemicals for the automotive sector, de-icing fluids used in aviation and railroad industry, polyester fibres, plasticizers and disinfectants. The most recognisable product of Boryszew Group in Poland is the cult radiator fluid BORYGO, which has been produced in Sochaczew since 1968.

Within the chemical segment, Boryszew has Elana, Nylonbor and Boryszew ERG.

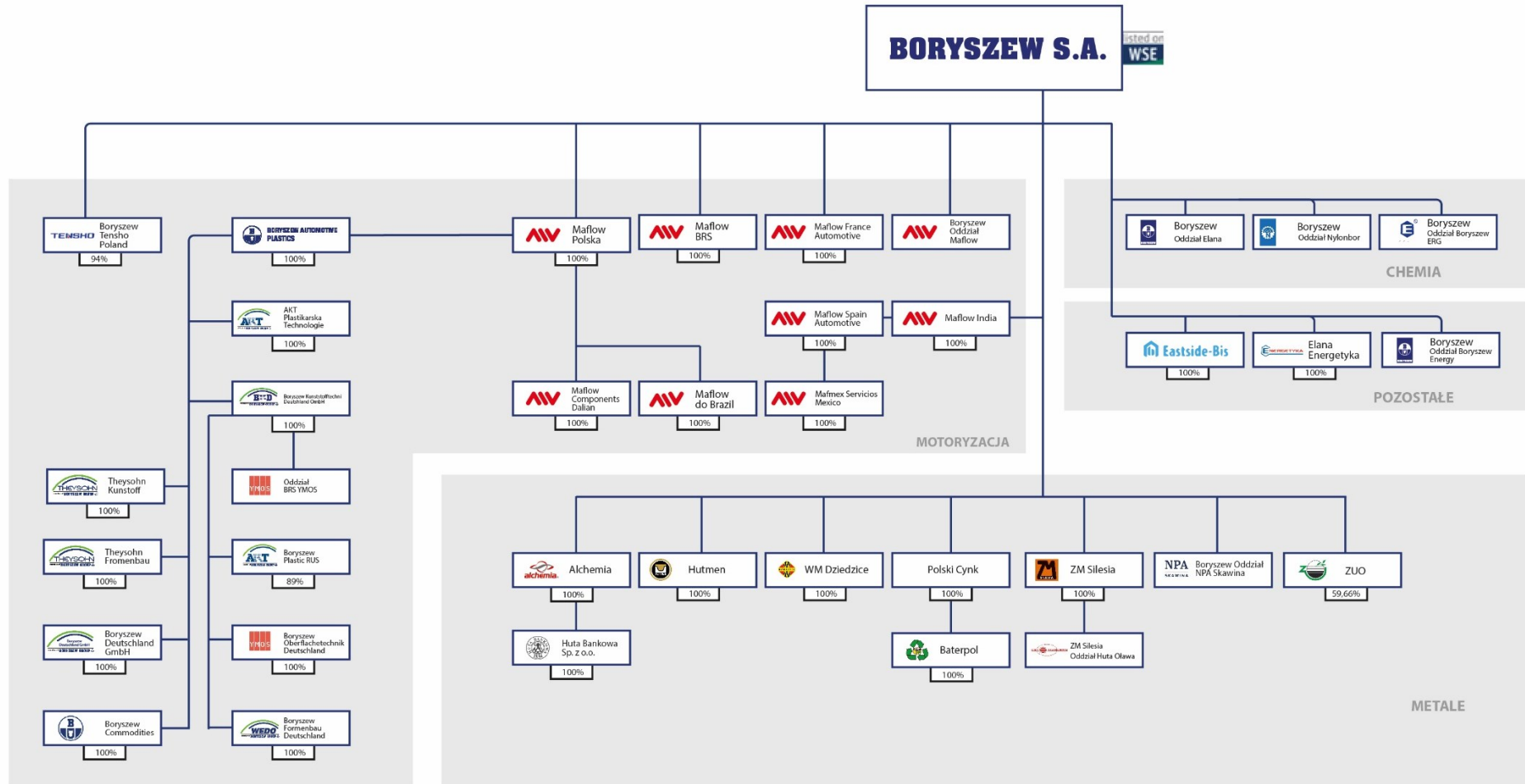


## Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

### SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW CAPITAL GROUP (ON 31 MARCH 2022)





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

#### **ICOS Group - opening of bankruptcy proceedings**

On 12 January 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. - conclusion of a preliminary property sale agreement**

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. - decision on the intention to liquidate**

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.

#### **Merger of 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.

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.

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

##### **Conclusion of preliminary agreement for the sale of shares in Nylonbor Sp. z o.o.**

On 25 July 2022 Boryszew S.A. concluded a preliminary conditional agreement with Air Force Institute of Technology (AFIT) for the sale of 100% shares ("Agreement") of Nylonbor Sp. z o.o. based in Sochaczew ("Nylonbor").



The conclusion of the share sale agreement will be preceded by the increase by Boryszew S.A. of Nylonbor initial capital and covering it with in-kind contribution in form of the Company's Branch operating under the name of Boryszew S.A. Nylonbor branch in Sochaczew ("Nylonbor Branch"). The conclusion of the share sale agreement will also require occurrence of a number of organisational and corporate circumstances typical for such agreements, such as obtaining consent of relevant supervisory bodies of AFIT or submission of appropriate representations.

The price for the shares after the increase, i.e. for all assets currently attributed to the Nylonbor subsidiary and Nylonbor Branch was set at PLN 19.9 million. On 31 December 2021 the total value of assets that will be ultimately sold, i.e. shares in Nylonbor and the value of assets of Nylonbor Branch that will be contributed in kind to Nylonbor, in the books of Boryszew S.A. amounts to ca PLN 18 million.

Nylonbor Division is a manufacturer of advanced structural polyamides, used for the production of machine and equipment components and battlefield simulators for military applications.

The transaction is expected to be completed in Q3 2022

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

##### **Implementation of the strategy of Boryszew Capital Group**

On 17 May 2022 the Supervisory Board adopted the Strategy of Boryszew Group for 2022 - 2026. According to the Strategy of Boryszew Group the key goal is to be a strong leader in the global automotive and metal sectors with an innovative product offer and a diversified group of customers.

The main assumptions of Boryszew Group Strategy include:

- continued development of the most profitable products by expanding into new markets and diversifying end customer sectors,
- new product development through the use of research and development (R&D) centres,
- active participation in the green energy transition,
- optimisation of low-margin assets in the Chemicals and Metals Segments,
- 5MW RES installation by 2023,
- potential entry into a new business segment.

The Group plans to reduce CO2 emissions (per tonne of production) by 10% by 2026. The value of Boryszew Group will be based on profitable investments, products, utilisation of synergies and stable balance sheet. Optimising the non-current asset base will increase ROA in 2026 from 4.95% to 5.5%. The financial effect of the strategy will be an increase in EBITDA to over PLN 600 million in 2026.

On the date of publication of the report, no threats to the achievement of the objectives in the Strategy for the current year have been identified.

##### **Completion of review of strategic options**

On 25 May 2022 the Management Board of Boryszew S.A. decided to complete the review of strategic options for selected groups of assets; the launch of the review was announced in current reports no. 17/2021 of 20 May 2021 and no. 32/2021 of 30 September 2021.

Conclusions from the review of strategic options, including also identification of key development areas of the Capital Group, were the starting point for the Strategy of Boryszew Capital Group, which was presented to the public on 17 May 2022.

At the same time, the Company still may sell or liquidate selected assets or groups of assets in the future, if they find it justified from the point of view of the Group's strategic and business objectives.

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

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 31.03.2022 and the date of submitting the report for publication:



**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

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%
<b>Total:</b>	<b>240 000 000</b>	<b>100.00%</b>	<b>240 000 000</b>	<b>100.00%</b>

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

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

## 16. CHANGES IN THE OWNERSHIP STRUCTURE OF SIGNIFICANT BLOCKS OF SHARES IN THE COMPANY SHARE OF VOTES AT THE COMPANY'S GENERAL MEETING OF SHAREHOLDERS IN THE PERIOD FROM THE PUBLICATION OF THE PREVIOUS REPORT

In the period between the reporting period 2021 and publication of the report for Q1 '2022 no changes occurred in the ownership structure of significant blocks of shares of Boryszew S.A.

On 28 April 2022 Alchemia S.A. (creditor) signed an agreement with Unibax Sp. z o.o. (blocking party) on establishing a freeze on securities account.

The agreement was concluded between Alchemia S.A. and Unibax Sp. z o.o. in order to secure Alchemia receivables from Unibax Sp. z o.o. for purchase of registered bonds of the total nominal value of PLN 12.8 million, i.e. 9 AL2 series bonds of the total nominal value of PLN 9 million and 4 AL3 series registered bonds of the total nominal value of PLN 3.8 million.

As a collateral of above liabilities Unibax Ltd. established a freeze on 4 000 000 Boryszew shares in favour of Alchemia S.A.

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

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

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

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

### Tax proceedings in the Capital Group companies

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





### **Proceedings completed at first instance**

- On 12 March 2018, ZM SILESIA S.A. received a decision of the Head of the Customs and Tax Office (Office) in Opole dated 28 February 2018, determining the outstanding VAT liability for 2012 in the amount of PLN 28.6 million plus interest on tax arrears in the amount of PLN 15.5 million. According to the position of the Office, ZM SILESIA S.A. failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget. As a result, ZM SILESIA S.A. should not have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office. On 26 April 2021 the company received the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 determining overdue VAT liability of ZM SILESIA S.A. for 2012 in the amount of PLN 28.6 million, plus interest on outstanding tax liability. To secure tax liabilities for 2012, compulsory mortgages were established on part of the Company's land properties. On 29 April 2021 ZM SILESIA received a notice from the Head of the 2nd Fiscal Office in Katowice on the freezing of ZM SILESIA's bank accounts as a security of claims associated with the execution of the Decision On 7 May 2021, the Company's attorney filed a complaint against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 requesting that the decision be revoked in its entirety, claiming that the tax liabilities for the period between January and November 2012 had become time-barred and requesting that the Court suspend the execution of the decision appealed against. On 6 August 2021 the Company received a decision of the Provincial Administrative Court in Gliwice of 26 July 2021 on suspending the execution of the decision of the Head of the Fiscal Administration Chamber on determining VAT liability for 2012. On 8 September 2021, the Provincial Administrative Court notified on the scheduled hearing in the case on the complaint of ZM SILESIA SA against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021. On 27 October 2021 the Provincial Administrative Court issued a judgment revoking in its entirety the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021. The reason why the Provincial Administrative Court revoked the decision challenged by ZM SILESIA was, primarily, the deficiencies of the tax authority involving the lack of a proper justification of the circumstances and legal grounds for a possible suspension of the statute of limitations for tax liabilities for 2012. Given the crucial importance of the issue of the statute of limitations for the possibility and admissibility of proceedings concerning the assessment of tax liabilities, the court found that the examination and resolution of the remaining disputed issues was premature. The judgment is not final. The parties have the right to file a cassation complaint with the Supreme Administrative Court. Until the judgment of the Provincial Administrative Court becomes final, the repealed tax decision will not be enforceable. On 28 March 2022 ZM SILESIA S.A. received a decision of 25 March 2022 from the Director of the Fiscal Administration Chamber in Katowice, which revoked in its entirety the decision of the Head of the Customs and Tax Office in Opole of 28 February 2018 determining the outstanding VAT liability for relevant months of 2012 and referred the case for reconsideration by this body. The Head of the Fiscal Administration Chamber in Katowice, being bound by the assessments and recommendations of the Provincial Administrative Court in Gliwice in the final judgment of 27 October 2021 (case file I SA/GI 791/21), pointed out that it was necessary to re-examine and justify the position of the first instance authority with respect to the tax liability statute of limitations and the circumstances which could possibly extend the statute of limitations, as the previous position of the first instance authority in this respect turned out to be incorrect or incomplete.
- On 24 September 2020 ZM SILESIA S.A. received the decision of the Head of the Małopolska Customs and Tax Office determining the overdue VAT tax liability for 2013 and 2014 in the amount of PLN 97.3 million plus interest on outstanding tax liability. According to the position of the Office, ZM SILESIA S.A. failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget. As a result, ZM SILESIA S.A. should not have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office. On 8 October 2020, the Company filed an appeal against this decision with the Head of the Fiscal Administration Chamber in Katowice. On 25 November 2021 the Company received a decision of the Head of the Fiscal Administration Chamber in Katowice upholding the decision of the authority of first instance. This decision is final. Given the different assessment of the facts, ZM SILESIA lodged a complaint with the Provincial Administrative Court against the above decision. On 13 December 2021 ZM SILESIA received executive titles from the Head of the Tax Office in Katowice concerning the enforcement of outstanding tax liabilities resulting from the above decision. At the same time ZM SILESIA was notified of the freeze bank accounts as a collateral for claims in the execution of the decision. On 23 December 2021, ZM SILESIA filed objections to the enforcement proceedings concerning all enforcement titles. The filing of the charges suspended the enforcement proceedings ex officio. At the same time ZM SILESIA received information that the freeze of bank accounts has been released. On 10 February 2022, ZM SILESIA received the decision of the Provincial Administrative Court in Gliwice of 31 January 2022, according to which the Provincial Administrative Court decided to suspend the execution of the decision of the Director of the Fiscal Administration Chamber in Katowice of 17 November 2021 on VAT



for the period from January 2013 to December 2014. The Provincial Administrative Court held that ZM SILESIA had convincingly substantiated that, in the case of tax liabilities for 2013 - 2014, no prerequisites existed justifying the suspension of the execution of the appealed decision of the tax authority based on Art. 61 § 3 and 5 of the Act of 30 August 2021 - Law on proceedings before administrative courts. The decision of the Provincial Administrative Court may be appealed.

On 27 October 2022 the Provincial Administrative Court issued a judgment revoking in its entirety the decision of the Head of the Fiscal Administration Chamber in Katowice of 17 November 2021 on the tax on goods and services for the period between January 2013 and December 2014. The reason why the challenged decision was revoked was, primarily, the deficiencies of the tax authority involving the lack of a proper justification of the circumstances and legal grounds for a possible suspension of the statute of limitations for tax liabilities for 2013 - 2014. Given the crucial importance of the issue of the statute of limitations for the possibility and admissibility of proceedings concerning the assessment of tax liabilities, the court found that the examination and resolution of the remaining disputed issues was premature. The court also obliged the tax authority to take into consideration the content and effects of SAC resolution of 24 May 2021 (case ref. I FPS 1/21), which imposes on tax authorities the obligation to justify that the actions taken in the context of criminal fiscal proceedings, resulting in suspension of tax liability, were undertaken in a justified and purposeful manner and not merely instrumental.

The judgment is not final. The parties have the right to file a cassation complaint with the Supreme Administrative Court. However, until the judgment becomes final, the repealed tax decision will not be enforceable.

- On 14 February 2018 Hutmen Sp. z o. o. in liquidation filed a cassation complaint against the judgment of the Provincial Administrative Court in Warsaw dismissing the company's complaint against the decision of the Director of the Tax Chamber in Warsaw concerning VAT settlement for November 2012. The subject of the dispute is the amount of PLN 548 thousand, which the Company paid and recognised in the result for 2018. On 08 March 2022, a hearing was held before the Supreme Administrative Court, which returned the case to the Provincial Administrative Court for re-examination.

On 3 April 2019, Hutmen Sp. z o. o. in liquidation received the decision issued on 26 March 2019 by the Head of the Lower Silesian Tax and Customs Office (Office), which sets out company's VAT arrears for Q4 '2014 at PLN 3.04 million plus interest on tax arrears. As claimed by the Office, Hutmen Sp. z o. o. in liquidation failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection bodies, Hutmen Sp. z o. o. in liquidation appealed against the decision of the office. The appeal was recognised and the case was referred back to the Director of the Tax Administration Chamber in Wrocław for further consideration. On 16 November 2020, the company received a decision of the Head of the Lower Silesian Customs and Tax Office in Wrocław, determining again the outstanding VAT liability for Q4 '2014 in the amount of PLN 3.04 million plus interest on tax arrears. On 29 June 2021, the Director of the Fiscal Administration Chamber in Wrocław repealed the decision of the 1st Instance Body in its entirety and referred the case for re-examination. On 16 November 2021, the Fiscal Administration Chamber issued a decision securing the amount of the tax liability. On 2 December 2021, a security deposit was placed in the Office's account. On 20 December 2021, the company again received a decision on the validity of the tax liability. On 3 January 2022, the company filed an appeal against the aforementioned decision.

On 10 September 2018 Hutmen Sp. z o. o. in liquidation (Hutmen) received a decision of the Tax Administration Chamber (Office) in Wrocław of 4 September 2018 determining the outstanding VAT liability of Hutmen for October and December 2012 in the amount of PLN 1.14 million plus interest on outstanding tax liabilities. As claimed by the Office, Hutmen failed to observe due diligence in verifying the tax reliability of some of its contractors, and as a consequence did not have the right to deduct input VAT. The claim amount was paid in September 2018 and recognised in the company's 2018 results. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office to the Provincial Administrative Court in Wrocław. On 13 March 2019 the Provincial Court ruled in favour of Hutmen, the judgment is final. On 3 September 2019 the Director of the Fiscal Administration Chamber in Wrocław repealed fully the decision of the 1st Instance Body in its entirety and referred the case for re-examination by that Body. On 11 December 2019 Hutmen received a refund of the entire amount of the tax in question together with interest. On 12 April 2021, the company received the decision issued on 8 April 2021 by the Head of Mazowiecki Tax and Customs Office, which again sets out company's outstanding VAT for October and December of 2012 at PLN 1.14 million plus interest on overdue tax liability. The decision is not final and is not enforceable. Hutmen appealed against the decision of the Tax Chamber. On 7 October 2021 the company received a decision of the Director of the Fiscal Administration Chamber in Wrocław repealing the appealed decision and transferring the case for reconsideration.

On 16 December 2020, Hutmen Sp. z o. o. in liquidation ("Hutmen") received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków ("Office") determining the outstanding VAT liability of company in the first half of 2015 in the amount of PLN 7.8 million plus interest on outstanding tax liability. As claimed by the Office, the company failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection body, Hutmen Sp. z o. o. in liquidation appealed



with the Tax Chamber against the decision of the office. The Director of the Fiscal Administration Chamber in Wrocław repealed the decision of the 1st Instance Body in its entirety and referred the case for re-examination. On 14 October 2021, Hutmen received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków ("Decision") on the correctness of VAT settlements of Hutmen for the period January 2015 – June 2015 in the total amount of PLN 11.7.

On 22 October 2021 a security deposit in the amount of PLN 11 723 thousand was established on the account of the Fiscal Office following the decision of 14 October 2021 on Hutmen's assets the state budget liabilities associated with pending customs and fiscal proceedings. On 23 December 2021, the Head of the Małopolska Customs and Fiscal Office in Kraków again issued a decision on the validity of the tax liability, which was appealed by the company.

- On 19 April 2022, ZM SILESIA S.A. received a decision from the Head of the Małopolska Customs and Fiscal Office (Office) in Kraków of 6 April 2022 determining the outstanding VAT liability of ZM SILESIA S.A. (ZM SILESIA) for the first half of 2015 in the amount of PLN 34.9 million, plus interest due for outstanding tax liability. As argued by the Office, ZM SILESIA should not have reduced its output tax by the input tax shown on invoices issued by some contractors who were alleged to have been involved in a chain of transactions with the aim of effecting tax evasion. At the same time, the Office stated that ZM SILESIA had not acted with the so-called 'good faith', which would nevertheless help them maintain the right to deduct input tax despite the occurrence of tax irregularities at earlier stages of the disputed supplies.

The decision in question is non-final and not enforceable. Due to different assessment of the above circumstances, on 29 April 2022 the Company filed an appeal against the Decision of the Head of Małopolska Customs and Fiscal Office.

#### **Other significant pending VAT proceedings in the Capital Group companies**

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

#### **Litigations underway:**

- Baterpol S.A. received a VAT audit protocol - audited period: July 2013 - December 2015. Based on that protocol, the Company estimated the risk of questioning the deductible VAT to be PLN 3.2 million plus interest as at 31 March 2022 of PLN 1.9 million. The audit was conducted by the First Silesian Tax Office in Sosnowiec. Following the aforementioned tax inspection, on 20 March 2019, the Head of the First Tax Office in Sosnowiec initiated VAT proceedings for the period December 2013 to December 2015. By the date of this report, the Company has not received a decision of the first instance authority concerning the aforementioned tax proceedings. The case is expected to close on 30 June 2022.
- On 12 March 2019 the Head of the Lower Silesian Tax Office in Wrocław sent Baterpol Recycler Sp. z o.o. a notice of initiation of an investigation by the Regional Prosecutor's Office in Katowice, on 1 April 2016, into a tax offence suspending the period of limitation of company's tax liabilities for the period between January 2014 and June 2015.
- Boryszew S.A. - on 12 April 2021 the Company received a notification from the Head of Mazovian Tax and Customs Office in Warsaw on the initiation of VAT settlements audit for the period December 2015 - March 2016. By the date of publication of the financial statements, the company has not received the audit protocol.

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

- On 22 October 2020 the President of the Office of Competition and Consumer Protection initiated proceedings against Boryszew S.A. due to the company's excessive delays in meeting its cash obligations in the period June-August 2020. By the date of publication of the financial statements, the company has not received the audit protocol. The anticipated completion date of the proceedings is 22 June 2022.
- Mafrow BRS s.l.r. (Italy) is currently audited and the audit covers corporate tax for 2017. The audit was initiated in 2021; the audit is expected to be completed in July 2022.

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

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



The balance of provisions for all tax risks in the consolidated financial statement of Boryszew S.A. on the balance sheet date ended on 31.03.2022 is PLN 151 007 thousand (high risk).

Furthermore, the Group recognises contingent liabilities in the amount of PLN 78 304 thousand (medium or low risk).

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

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

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

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

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

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

#### **Boryszew S.A.**

##### **Loan granted to Skotan S.A. with registered office in Chorzów**

On 10 February 2022 Boryszew S.A. granted a cash loan to Skotan S.A. in the amount of PLN 500 000.00 with repayment on 10 August 2022.

The interest on the above mentioned loan was determined on the arm's length basis. WIBOR 3M + margin

### **TRANSACTION AFTER THE BALANCE SHEET DATE**

#### **EASTSIDE - BIS SPÓŁKA Z O.O.**

##### **Loan granted to a related party**

On 14 April 2022 Eastside – Bis Spółka z o.o. granted a cash loan to a natural person related to the Issuer in the amount of PLN 10 000 000.00 with repayment on 31 August 2022. The interest on the above mentioned loan was determined on the arm's length basis. WIBOR 3M + margin

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

As at 31 March 2022 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

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

### SURETIES GRANTED BY BORYSZEW S.A. AS AT 31.03.2022 TO COMPANIES OF THE GROUP

#### Guarantees and sureties as at 31.03.2022

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee PLN '000	Expiry date of guarantee
<b>Boryszew Plastic RUS</b>	Guarantee granted to Volvo Group Trucks Operations	23 263	indefinite validity
<b>MAFMEX S. de R.L. de C.V.</b>	Mafmex's performance bond for AB Volvo	23 263	term of the Agreement
<b>MAFMEX S. de R.L. de C.V.</b>	Mafmex's rent payment bond to Innova Dintel	12 239	01.01.2030
<b>MAFMEX S. de R.L. de C.V.</b>	BMW AG performance bond	27 915	contract period + 15 years
<b>Total</b>		<b>86 680</b>	

#### Guarantees and sureties as at 31.12.2021

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee PLN '000	Expiry date of guarantee
<b>Boryszew Plastic RUS</b>	Guarantee granted to Volvo Group Trucks Operations	22 997	indefinite validity
<b>MAFMEX S. de R.L. de C.V.</b>	Mafmex's performance bond for AB Volvo	22 997	term of the Agreement
<b>MAFMEX S. de R.L. de C.V.</b>	Mafmex's rent payment bond to Innova Dintel	12 241	01.01.2030
<b>MAFMEX S. de R.L. de C.V.</b>	BMW AG performance bond	27 596	contract period + 15 years
<b>Total</b>		<b>85 831</b>	

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

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

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

In the reporting period no other events occurred than described that would be significant for the assessment of human resources, property, financial standing, financial result and the Capital Group's ability to meet its obligations.





## **23. OTHER IMPORTANT EVENTS**

### **ALCHEMIA S.A.**

On 5 January 2022 a bank guarantee was issued under the signed multi-currency debt limit agreement with Alior Bank S.A. for the amount of PLN 14 million. The guarantee secures the repayment of liabilities for deliveries of charge from ArcelorMittal Poland S.A.

On 15 February 2022, Alchemia S.A. signed a General Agreement for granting payment insurance guarantees guaranteed by the State Treasury with Korporacja Ubezpieczeń Kredytów Eksportowych Spółka Akcyjna (KUKE S.A.) with a renewable limit of PLN 30 million to be used in the form of payment insurance guarantees. Limit expiry: 1 year of the date of signing the General Agreement. Commission: 1.3% per annum on the amount of the guarantee granted. Agreement collateral: 5 Alchemia S.A. blank promissory notes with 5 promissory note declarations. Under the above general agreement, on 11 March 2022 KUKE S.A. issued an insurance payment guarantee PLN 30 million as a collateral for the repayment of liabilities for the deliveries of charge from ArcelorMittal Poland S.A.

### **BORYSZEW PLASTICS RUS SPÓŁKA Z O.O.**

#### **Suspension of the production of Boryszew Plastics Rus, a subsidiary based in Russia**

On 3 March 2022 the Management Board of Boryszew S.A. received information about temporary suspension of activity of Boryszew Plastics Rus a subsidiary based in Russia as of 14 March 2022.

Temporary suspension of Boryszew Plastics Rus business is primarily the consequence of the decision of foreign automotive corporations to suspend until further notice production in facilities located in Russia due to the armed aggression of Russia on Ukraine.

As at the date of these financial statements Boryszew S.A. is not able to estimate precisely possible negative financial effects of the above decision.

### **HUTMEN SPÓŁKA Z O.O.**

#### **Conclusion of a preliminary property sale agreement by a subsidiary**

On 28 March 2022 the Management Board of Hutmen Sp. z o.o. a subsidiary based in Wrocław (Hutmen), concluded a preliminary agreement with MS Inwestment Sp. z o.o. based in Warsaw on the sale of the real estate of Hutmen, 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 and will be preceded by a number of formal and technical actions typical for this type of transaction.

As at 28 February 2022, the book value of the aforementioned property along with buildings and structures located on it amounted to PLN 44.5 million.

### **BORYSZEW S.A.**

#### **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 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**

In order to secure the working capital loan taken by Maflow China with HSBC Bank China Company Limited, a corporate guarantee valid until 18 January 2025 up to a maximum amount of CNY30 million was provided on 23 March 2022.



## **Boryszew Capital Group**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

### **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 Skawina 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 Skawina 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.

### **Selection of the auditor to audit the financial statement of Boryszew S.A. for 2022 - 2024**

On 29 March 2022 the Supervisory Board of Boryszew S.A., acting under § 15 of the Articles of Association of Boryszew S.A. appointed BDO Spółka z ograniczoną odpowiedzialnością sp. k. with registered office in Warsaw to:

- conduct review of separate interim financial statements of Boryszew S.A. 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,
- conduct review of 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, respectively
- conduct audit of separate annual financial statements of Boryszew S.A. 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.
- conduct audit of 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.

### **Other important events after the balance sheet date**

#### **BORYSZEW S.A.**

##### **Providing a warranty to equipment supplier**

On 19 April 2022 Boryszew S.A. granted to CRIPPA S.p.A. Italy a guarantee for liabilities of Mafmex S.DE R.L. DE C.V. and Boryszew Mafflow Sp. z o.o. under the agreements on purchase of machinery up to the total amount of EUR 6 700 000. The aforementioned guarantees will automatically expire upon payment in full of each agreement, 60 days following the due date at the latest.

##### **Signing a restructuring agreement with a client of BAP Group**

On 29 April 2022 Boryszew S.A. and subsidiaries listed below signed the Agreement with important customer of Boryszew Capital Group. The agreement is on the support of restructuring of the following companies: Boryszew Kunststofftechnik Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, AKT Plastikářská Technologie Čechy, spol. S.r.o. ("BAP Companies").

Under the Agreement, during the restructuring period, namely until the end of 2023, the Client will participate in costs of restructuring of certain BAP Group Companies.

The conclusion of this Agreement will have a materially positive impact on the performance of BAP Companies.

The condition for BAP Companies to receive support is timely implementation of restructuring measures in accordance with a plan.

Moreover, Boryszew S.A. committed to provide BAP Companies, covered by the Agreement, in the period till 31 December 2023, with financial support to facilitate undisturbed business. Also, when it is necessary to refund money by BAP to the Client, Boryszew S.A. guarantees to the Client their return.

The basic assumption of the restructuring agreement is that the Company and the Client act jointly and severally. The Agreement will become effective upon signature by all parties.

The restructuring process will give BAP Companies operational stability and will improve their market position.





### **Dividend policy of Boryszew S.A.**

On 9 May 2022 the Management Board of Boryszew S.A. adopted the Company's Dividend Policy.

According to the policy the Management Board intends to submit to the General Meeting proposals of dividend payment equivalent to between 30% and maximum 70% of consolidated net profit of Boryszew Capital Group provided that the relation of net debt for group to consolidated operating profit plus depreciation (EBITDA) at the end of the financial year, for which the profit will be distributed, will be below 3.5.

The definitions of net debt, EBITDA and the methodologies of their calculation are the same as the definitions and methodologies for calculation of these ratios in the Company's previous current and interim reports.

When recommending profit distributions, the Management Board will take into consideration the financial and liquidity position, existing and future liabilities (including potential restrictions under loan agreements) and an assessment of the Group's prospects in certain market and macroeconomic conditions.

The dividend policy will be applicable as of the fiscal year ending 31 December 2022.

The final decision about the amount of dividend paid will be made by the Ordinary General Meeting of Boryszew S.A.

### **EASTSIDE - BIS SPÓŁKA Z O.O.**

#### **Conclusion of the final real estate purchase agreement**

On 6 April 2022 Eastside-Bis Sp. z o.o. and Unipartner Sp. z o.o. concluded the Final Agreement ("Agreement") for the purchase of an office property located in Warsaw at Foksal street 6 (Real Estate), for the net amount of PLN 70 million. The transaction price was determined on an arm's length basis according to a valuation performed by an independent appraiser. Eastside - Bis Spółka z o.o. made an advance payment of ap. 85% towards the price at the conclusion of the preliminary agreement. The transfer of the ownership title to the real estate and the payment of the balance of the price was made on the date of the Agreement. The remaining terms of the Agreement are consistent with the standards generally applied in such agreements.

### **BORYSZEW MAFLOW SPÓŁKA Z O.O.**

#### **Conclusion of a loan agreement by a subsidiary**

On 29 April 2022, Boryszew Maflow Spółka z o.o., a subsidiary, (Borrower) signed a non-revolving loan agreement with BNP Paribas Bank Polska S.A. for the amount of approx. EUR 19 500 000 to be used for the purchase of machines and equipment necessary for execution of contracts with customers in the automotive industry.

The collateral for repayment of the aforementioned loan includes:

- 1) Insurance guarantee from KUKE S.A. up to 80% of the loan amount;
- 2) Registered pledge on machinery and equipment subject to financing up to the maximum security amount of EUR 24 400 000 million.
- 3) Declarations (of Borrower and Boryszew S.A. respectively) on submission to enforcement under art. 777 sec. 1 point 5 of the Code of Civil Procedure up to the amount of EUR 29 300 000 and corporate guarantee of Boryszew S.A. up to the amount of EUR 24 400 000.

The agreement will remain in force until end of June 2028.

The loan interest rate was determined at EURIBOR 3M plus the Bank's margin. The remaining terms of the Agreement are not different from standard provisions in this type of agreements.

### **BORYSZEW MAFLOW SPÓŁKA Z O.O. I MAFMEX S de R.L. de C.V.**

#### **Conclusion of loan agreement by subsidiaries**

On 23 May 2022 Boryszew Maflow Spółka z o.o., a subsidiary, and Mafmex S de R.L. de C.V. (Borrowers) signed non-revolving loan agreement with BNP Paribas Bank Polska S.A. for the amount of approximately USD 21 600 000 to be used for the purchase of machines and equipment necessary for execution of contracts with customers in the automotive industry in Mexico.

The collateral for repayment of the aforementioned loan includes:

- 1) Insurance policy of KUKE S.A. up to 100% of the loan amount;
- 2) Assignment of receivables under concluded contracts;
- 3) Declarations (of Borrowers and Boryszew S.A. respectively) on submission to enforcement under art. 777 sec. 1 point 5 of the Code of Civil Procedure up to the amount of USD 32 400 000 and corporate guarantee of Boryszew S.A. up to the amount of USD 27 000 000.

The agreement will remain in force until end of June 2028.

**Boryszew Capital Group**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

---

The loan interest rate was determined at SOFR 3M plus the Bank's margin. The remaining terms of the Agreement are not different from standard provisions in this type of agreements.

***Information on other important events was provided in the form of current reports of the Company, which are available at: [www.boryszew.com](http://www.boryszew.com)***

## **24. DECLARATIONS OF THE MANAGEMENT BOARD**

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

- to the best of its knowledge, the financial statements of the Company and the consolidated financial statements of Boryszew Capital Group and the comparative data for Q1 '2022 were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result of Boryszew S.A and Boryszew Capital Group.
- the report on activity of Boryszew Capital Group for Q1 '2022 contains a true view of development, accomplishments and situation of Boryszew Capital Group, including a description of fundamental risks and threats.



## **ABBREVIATED MID-YEAR FINANCIAL STATEMENTS**

**Boryszew S.A.**  
**for the period between 1 January and 31 March 2022**



**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

## STATEMENT OF COMPREHENSIVE INCOME

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Revenues from sales	677 361	404 249
Prime cost of sale	637 090	351 943
<b>Gross profit on sales</b>	<b>40 271</b>	<b>52 306</b>
Selling costs	10 223	7 783
Administrative expenses	25 879	23 244
Other operating revenue	12 014	6 551
Other operating expenses	2 609	3 872
<b>Operating income</b>	<b>13 574</b>	<b>23 958</b>
Financial revenues	24 159	16 157
Financial expenses	19 209	14 385
<b>Financial profit/loss</b>	<b>4 950</b>	<b>1 772</b>
<b>Profit before taxation</b>	<b>18 524</b>	<b>25 730</b>
Income tax	5 225	5 923
<b>Net profit</b>	<b>13 299</b>	<b>19 807</b>
<b>Earnings / Diluted earnings per share</b>		
Weighted average number of shares	205 205 000	205 205 000
Earnings / Diluted earnings per share (PLN)	0.06	0.10

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>Net profit</b>	<b>13 299</b>	<b>19 807</b>
<b>Earnings recognised in equity</b>		
<i>Earnings recognised in equity, to be transferred to income statement</i>	<b>7 527</b>	<b>17 233</b>
Hedge accounting	9 293	1 921
Measurement of financial assets	-	15 677
<i>Income tax expense (-provision/+asset)</i>	(1 766)	(365)
<i>Earnings recognised in equity, not to be transferred to income statement</i>	<b>3 801</b>	-
Gains/losses on valuation of equity instruments	4 693	-
Gains/losses on disposal of equity instruments	-	-
Income tax	(892)	-
<b>Total earnings recognised in equity</b>	<b>11 328</b>	<b>17 233</b>
<b>Total comprehensive income</b>	<b>24 627</b>	<b>37 040</b>

**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

## STATEMENT OF FINANCIAL POSITION

ASSETS	As at 31.03.2022	As at 31.12.2021	As at 31.03.2021
<b>Non-current assets</b>			
Property, plant and equipment	249 525	257 847	252 226
Investment property	22 950	21 619	17 243
Goodwill	-	-	-
Intangible assets	33 207	35 223	32 666
Right-of-use assets	133 588	117 891	108 106
Shares in affiliates	-	-	-
Financial assets	876 116	845 306	1 165 749
Long-term receivables	136 233	121 761	128 718
Deferred tax assets	-	-	-
<b>Total fixed assets</b>	<b>1 451 619</b>	<b>1 399 647</b>	<b>1 704 708</b>
<b>Current assets</b>	<b>1 096 811</b>	<b>1 113 815</b>	<b>973 607</b>
<b>Current assets other than assets held for sale</b>			
Inventory	275 451	242 154	211 665
Trade receivables and other receivables	426 455	415 183	308 231
Short-term financial assets	335 611	399 578	422 226
Derivative financial instruments	8 033	-	-
Current tax assets	-	-	-
Cash and cash equivalents	51 261	56 900	31 485
<b>Total current assets</b>	<b>1 096 811</b>	<b>1 113 815</b>	<b>973 607</b>
<b>Total assets</b>	<b>2 548 430</b>	<b>2 513 462</b>	<b>2 678 315</b>

**Boryszew S.A.**

**Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

<b>LIABILITIES AND EQUITY</b>	<b>As at 31.03.2022</b>	<b>As at 31.12.2021</b>	<b>As at 01.01.2022</b>
<b>Equity</b>			
Share capital	248 906	248 906	248 906
Share premium	112 346	112 346	112 346
Own shares	(182 816)	(182 816)	(182 816)
Hedge accounting capital	4 857	(2 670)	(4 549)
Capital reserve on translating employee payables	(208)	(208)	(426)
Revaluation reserve and gain on disposal of financial assets	47 500	43 699	47 469
Retained earnings	1 161 367	1 148 068	1 413 902
<b>Total equity</b>	<b>1 391 952</b>	<b>1 367 325</b>	<b>1 634 832</b>
<b>Liabilities and long-term provisions</b>			
Bank loans, borrowings	16 267	8 275	52 513
Bonds	-	-	-
Lease liabilities	79 347	67 337	56 409
Deferred tax provision	12 495	15 213	11 858
Derivative financial instruments	-	-	-
Employee benefit provisions	2 754	2 754	2 812
Other provisions	21 476	23 413	8 637
Other long term equity and liabilities	15 835	18 489	3 029
<b>Liabilities and long-term provisions - total</b>	<b>148 174</b>	<b>135 481</b>	<b>135 258</b>
<b>Short-term liabilities</b>			
Bank loans, borrowings	463 163	477 083	455 624
Bonds	-	28 000	61 000
Lease liabilities	23 114	20 123	23 396
Trade payables and other liabilities	468 923	436 143	275 341
Liabilities under agreements with customers			
Derivative financial instruments	691	300	2 623
Current tax liabilities	24 393	22 906	52 123
Employee benefit provisions	10 805	8 722	8 204
Other provisions	4 333	3 378	6 288
Other liabilities and equity	12 882	14 001	23 626
<b>Liabilities and short-term provisions - total</b>	<b>1 008 304</b>	<b>1 010 656</b>	<b>908 225</b>
<b>Total liabilities and provisions</b>	<b>1 156 478</b>	<b>1 146 137</b>	<b>1 043 483</b>
<b>Total equity and liabilities</b>	<b>2 548 430</b>	<b>2 513 462</b>	<b>2 678 315</b>

**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**CASH FLOW STATEMENT**

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>18 524</b>	<b>25 730</b>
<b>Adjustments for (+/-)</b>	<b>(28 018)</b>	<b>20 140</b>
Amortisation/depreciation	14 205	11 148
Profit/loss on financial activity (including interest on financial liabilities)	2 783	4 524
Profit / loss on investment activities	(11 369)	(11 891)
Change in receivables	91 380	(25 612)
Change in inventories	(33 297)	(3 366)
Change in liabilities	(80 693)	38 073
Change in provisions and accruals as well as prepayments	(2 252)	4 660
Other items	339	2 807
Income tax paid	(9 114)	(203)
<b>Net cash from operating activities</b>	<b>(9 494)</b>	<b>45 870</b>
<b>Cash flows from investment activities</b>		
Proceeds from disposal of fixed assets	1 451	6 977
Proceeds from disposal of shares	80 812	-
Proceeds from repayment of loans granted	6 060	13 721
Other proceeds from investment activities	28	208
Expenses on acquisition of fixed assets	(6 380)	(17 134)
Acquisition of shares and stocks in capital group entities	(103)	-
Long term borrowings granted	(37 118)	(95 108)
<b>Net cash from investing activities</b>	<b>44 750</b>	<b>(91 336)</b>
<b>Cash flows from financial activities</b>		
Incomes on credit and loan facilities	53 941	62 964
Loans received	40 000	48 000
Other inflows	3 422	4 043
Loans repaid	(99 090)	(36 475)
Repayment of borrowings	(1 761)	(18 697)
Redemption of bonds	(28 000)	(3 000)
Interest paid on loans, borrowings and leasing	(3 701)	(3 613)
Payment of liabilities under finance lease agreements	(5 706)	(9 165)
<b>Net cash from financing activities</b>	<b>(40 895)</b>	<b>44 057</b>
<b>Net change in cash</b>	<b>(5 639)</b>	<b>(1 409)</b>
Cash opening balance	56 900	32 894
<b>Cash closing balance</b>	<b>51 261</b>	<b>31 485</b>
<i>Restricted cash</i>	<i>13 336</i>	<i>10 388</i>





**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

## 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
<b>Balance on 01.01.2021</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(2 670)</b>	<b>(208)</b>	<b>43 699</b>	<b>1 148 068</b>	<b>1 367 325</b>
Valuation of hedge instruments				7 527				7 527
Measurement of financial assets						3 801		3 801
Profit/loss for 2021							13 299	13 299
<b>Total comprehensive income for 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 527</b>	<b>-</b>	<b>3 801</b>	<b>13 299</b>	<b>24 627</b>
<b>As at 31.12.2021</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>4 857</b>	<b>(208)</b>	<b>47 500</b>	<b>1 161 367</b>	<b>1 391 952</b>

	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
<b>Balance on 01.01.2021</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(6 105)</b>	<b>(426)</b>	<b>31 792</b>	<b>1 394 095</b>	<b>1 597 792</b>
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)
<b>Total comprehensive income for 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 435</b>	<b>218</b>	<b>11 907</b>	<b>(259 762)</b>	<b>(244 202)</b>
Merger with a subsidiary							13 735	13 735
<b>As at 31.12.2021</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(2 670)</b>	<b>(208)</b>	<b>43 699</b>	<b>1 148 068</b>	<b>1 367 325</b>

	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
<b>Balance on 01.01.2021</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(6 105)</b>	<b>(426)</b>	<b>31 792</b>	<b>1 394 095</b>	<b>1 597 792</b>
Valuation of hedge instruments				1 556				1 556
Measurement of financial assets						15 677		15 677
Profit/loss for Q1 2021							19 807	19 807
<b>Comprehensive income, 31.03.2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 556</b>	<b>-</b>	<b>15 677</b>	<b>19 807</b>	<b>37 040</b>
<b>As at 31.03.2021</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(4 549)</b>	<b>(426)</b>	<b>47 469</b>	<b>1 413 902</b>	<b>1 634 832</b>

**Boryszew S.A.**

**Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

**ADDITIONAL INFORMATION****ABBREVIATED MID-YEAR FINANCIAL STATEMENTS  
OF BORYSZEW S.A. FOR THE FIRST QUARTER OF 2022****1. Statement by the Management Board 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 consolidated financial statements for Q1 '2022 and comparative data covering separate financial statements of Boryszew S.A. have been compiled in accordance with the binding accounting principles and that the financial statements truly, reliably and clearly reflect the actual and financial condition as well as the financial result of Boryszew S.A.

**2. Accounting principles applied**

The information contained in the financial statements for Q1 '2022 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Dz. Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

	average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01- 31.03.2021	4.5721	4.6603
01.01 - 31.12.2021	4.5622	4.5994
01.01- 31.03.2022	4.6472	4.6525

**ACCOUNTING PRINCIPLES**

Accounting principles (policy) of applied when drafting these mid-year separate financial statements for the period ended on 31 March 2022 are consistent with those applied when drafting annual separate financial statements for the financial year ended on 31 December 2021, except for the application of the following new or revised standards and new interpretations effective for annual periods beginning on 1 January 2022:

- The annual improvements to IFRSs 2018-2020 introduce amendments to IFRS1, IFRS9, IAS41 and the examples to IFRS 16. The amendments include clarifications and refinements to the standards' guidance on recognition and measurement. As on the date of preparation of these separate consolidated financial statements, these amendments have not yet been approved by the European Union,
- Amendments to IFRS 3 "Business Combinations". The amendments to the standard, published in May 2020, are intended to update relevant references to the Conceptual Framework in IFRS, with no substantive changes for merger accounting,
- Amendments to IAS 37 "Provisions, contingent liabilities and contingent assets". The amendments provide clarification on the costs an entity considers in assessing whether a contract is an onerous contract.

The aforementioned changes have no significant impact on the Company's financial position, performance or the scope of information presented in these mid-year abbreviated separate financial statements.

The Company has not opted for early adoption of the standard, interpretation or amendment that has been published but is not yet effective.

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 or have not yet been approved by the European Union:



(amounts expressed in PLN '000 unless specified otherwise)

- Amendments to IFRS 10 and IAS 28 regarding sale or in-kind contribution of assets between an investor and its associated entities or joint venture. The amendments resolve inconsistencies between IFRS 10 and IAS 28. The accounting method depends on whether the non-monetary assets sold or contributed to an associate or joint venture are the "business". If the non-monetary assets constitute a "business", the investor shall recognise the full profit or loss on the transaction. If the assets do not meet the definition of a business, the investor shall recognise the profit or loss only to the extent representing the interests of other investors. As on the day of drafting these mid-year abbreviated financial statements, the approval of this amendment is deferred by the European Union,
- Amendments to IAS 1 "Presentation of financial statements". The Board issued amendments to IAS1 that clarify the presentation of liabilities as long- and short-term. The published amendments are effective for financial statements for periods beginning on or after 1 January 2023. As on the day of drafting these mid-year abbreviated financial statements, this amendment has not yet been approved by the EU.
- Amendments to IAS 1 "Presentation of financial statements". And the IFRS Board's guidance on accounting policy disclosures in practice. The amendment requires disclosure of significant information on accounting policies as defined in the standard. The amendment clarifies that information on accounting policies is material if, in its absence, users of the financial statements would not be able to understand other relevant information in the financial statements. In addition, the Board's guidance on applying the concept of materiality in practice was also revised to provide guidance on applying the concept of materiality to accounting principle disclosures. The change is effective beginning 1 January 2023,
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors". In February 2021 the Board published an amendment to the definition of assessed values. The amendment to IAS 8 clarifies how entities should distinguish between changes in accounting policies and changes in accounting estimates. The change is effective beginning 1 January 2023,
- Amendments to IAS 12 "Income taxes". The amendments clarify the method of accounting for deferred taxes on transactions such as leases and decommissioning obligations. Prior to the amendment of the standard, some ambiguity existed as to whether or not the exemption for recognition of deferred tax recognised for the first time applied to this type of transactions, i.e. where both deferred tax assets and liabilities are recognised. The amendments clarify that the exemption does not apply and those entities are required to recognise deferred taxes on such transactions that, upon initial recognition, give rise to identical taxable and deductible temporary differences. The amendment is effective for financial statements for periods beginning on or after 1 January 2023. As on the day of drafting these mid-year abbreviated financial statements, these amendments have not yet been approved by the EU.

The Management Board is currently verifying the impact of the above standards on the financial position, results of Company's operations and the scope of information presented in the mid-year abbreviated financial statements. The Company's management does not expect that the new standards and amendments to the currently effective standards will have a material impact on the Group's mid-year abbreviated separate financial statements for the period in which they are first applied.

**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**RESTATEMENT OF FINANCIAL DATA**

In December 2021, the Group changed the appearance of the basic reports following the requirement to report in accordance with the ESEF format. Reports published after this period, consolidated and separate, follow the same structure as the annual report. Restated figures for the comparative period consisting of reclassifications of individual items are presented below.

**SEPARATE STATEMENTS OF COMPREHENSIVE INCOME - restatement**

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021	change
	<i>restated</i>	<i>published</i>	
Revenues from sales	404 249	404 249	-
Prime cost of sale	351 943	351 943	-
<b>Gross profit on sales</b>	<b>52 306</b>	<b>52 306</b>	-
Selling costs	7 783	7 783	-
Administrative expenses	23 244	23 244	-
Other operating revenue	6 551	5 294	1 257
Other operating expenses	3 872	3 478	(394)
Profit/loss on impairment of financial assets		863	(863)
<b>Operating income</b>	<b>23 958</b>	<b>23 958</b>	-
Financial revenues	16 157	16 157	-
Financial expenses	14 385	14 385	-
<b>Financial profit/loss</b>	<b>1 772</b>	<b>1 772</b>	-
<b>Profit before taxation</b>	<b>25 730</b>	<b>25 730</b>	-
Income tax	5 923	5 923	-
<b>Net profit</b>	<b>19 807</b>	<b>19 807</b>	-

**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**SEPARATE STATEMENT OF FINANCIAL POSITION - restatement**

<b>ASSETS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2021</b>	<b>change</b>
	<i>restated</i>	<i>published</i>	
<b>Non-current assets</b>			
Property, plant and equipment	252 226	252 226	-
Investment property	17 243	17 243	-
Intangible assets	32 666	32 666	-
Right-of-use assets	108 106	108 106	-
Shares in subsidiaries and associates	-	853 656	(853 656)
Financial assets	1 165 749	312 093	853 656
Long-term receivables	128 718	118 084	10 634
Other assets		10 634	(10 634)
<b>Total fixed assets</b>	<b>1 704 708</b>	<b>1 704 708</b>	-
<b>Current assets</b>	<b>973 607</b>	<b>973 607</b>	-
<b>Current assets other than assets held for sale</b>			
Inventory	211 665	211 665	-
Trade receivables and other receivables	308 231	285 007	23 224
Short-term financial assets	422 226	422 226	-
Other assets		23 224	(23 224)
Cash and cash equivalents	31 485	31 485	-
<b>Total current assets</b>	<b>973 607</b>	<b>973 607</b>	-
<b>Total assets</b>	<b>2 678 315</b>	<b>2 678 315</b>	-


**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 31.03.2021 <i>restated</i>	As at 31.03.2021 <i>published</i>	change
<b>Equity</b>			
Share capital	248 906	248 906	-
Share premium	112 346	112 346	-
Own shares	(182 816)	(182 816)	-
Hedge accounting capital	(4 549)	(4 549)	-
Capital reserve on translating employee payables	(426)	(426)	-
Revaluation reserve and gain on disposal of financial assets	47 469	47 469	-
Retained earnings	1 413 902	1 413 902	-
<b>Total equity</b>	<b>1 634 832</b>	<b>1 634 832</b>	<b>-</b>
<b>Liabilities and long-term provisions</b>			
Bank loans, borrowings	52 513	52 513	-
Lease liabilities	56 409	16 634	39 775
Liabilities related to right-of-use assets - other assets	-	37 843	(37 843)
Payables on perpetual usufruct of investment land	-	1 932	(1 932)
Deferred tax provision	11 858	11 858	-
Employee benefit provisions	2 812	2 812	-
Other provisions	8 637	8 637	-
Other long term equity and liabilities	3 029	3 029	-
<b>Liabilities and long-term provisions - total</b>	<b>135 258</b>	<b>135 258</b>	<b>-</b>
<b>Short-term liabilities</b>			
Bank loans, borrowings	455 624	516 624	(61 000)
Bonds	61 000	-	61 000
Lease liabilities	23 396	12 329	11 067
Liabilities related to right-of-use assets - other assets	-	11 067	(11 067)
Trade payables and other liabilities	275 341	275 341	-
Derivative financial instruments	2 623	2 623	-
Current tax liabilities	52 123	52 123	-
Employee benefit provisions	8 204	8 204	-
Other provisions	6 288	6 288	-
Other liabilities and equity	23 626	23 626	-
<b>Liabilities and short-term provisions - total</b>	<b>908 225</b>	<b>908 225</b>	<b>-</b>
<b>Total liabilities and provisions</b>	<b>1 043 483</b>	<b>1 043 483</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>2 678 315</b>	<b>2 678 315</b>	<b>-</b>

**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**3. Off-balance-sheet liabilities**

	As at 31.03.2022	As at 31.12.2021
Sureties for the repayment of loans and other liabilities by associated companies	237 751	223 329
<b>Total</b>	<b>237 751</b>	<b>223 329</b>

Contingent items	As at 31.03.2022	As at 31.12.2021	change
<b>Contingent liabilities</b>	<b>237 751</b>	<b>223 329</b>	<b>14 422</b>
<b>resulting from granted guarantees, sureties and other liabilities</b>	<b>237 751</b>	<b>223 329</b>	<b>14 422</b>
- guarantees and sureties associated with performance of contracts	67 463	66 691	772
- guarantees and sureties in favour of financial institutions	170 288	156 638	13 650

**Increases / decreases in the period of 3 months ended on 31.03.2022, including: 14 422****Additions**

- Increase due to valuation of sureties	1 367
- Increase in surety amount	25 031

**Reductions**

- Reduction due to valuation of sureties	-
- Decrease in the amount of existing sureties due to expiration, reduction	(11 976)

The increase in the value of granted guarantees primarily comes from the corporate guarantee issued in March 2022 in favour of HSBC Bank China Company Limited in order to secure a working capital loan by Maflow China (19.8 million) as well as the increase of factoring limit exposure in Coface by ZM Silesia (5.3 million). Decrease in the amount of existing sureties due to expiration and reduction is the result of repayment of guaranteed leases.

**Status of current sureties as at 31.03.2022**

Entity for which guarantee or surety was issued	Subject of liability	Value of guarantee PLN '000	Expiry date of guarantee
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to ALD AutoLeasing D GmbH	28	30.06.2022
Boryszew Kunststofftechnik Deutschland GmbH	Endorsement of lease agreement for PKO Leasing S.A.	4 434	01.09.2022
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	15 186	31.12.2028
Boryszew Plastic Rus LLC	Guarantee granted to Volvo Group Trucks Operations	23 263	indefinite validity
Boryszew Plastic Rus LLC	Guarantee granted to Alfa Bank	1 070	31.12.2024
Boryszew Plastic Rus LLC	Payment guarantee granted to Engel Austria GmbH	7 088	25.08.2023
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	7 081	30.10.2022




**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Entity for which guarantee or surety was issued	Subject of liability	Value of guarantee PLN '000	Expiry date of guarantee
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	400	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	777	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	395	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	395	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	726	15.02.2025
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	549	15.02.2025
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to PKO Leasing S.A.	5 364	20.10.2022
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	1 949	31.08.2023
1) Boryszew Tensho Poland Sp. z o.o. 2) Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Borealis AG	4 653	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	6 979	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.	9 305	31.12.2022
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	23 263	01.12.2026
Maflow France Automotive S.A.S.	Guarantee granted to Natixis Lease	186	04.10.2022
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	23 263	term of the Agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	12 239	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	27 915	contract period + 15 years
ZM Silesia S.A.	Surety granted to PKO BP S.A.	6 520	28.02.2025
ZM Silesia S.A.	Endorsement for Coface Poland Factoring Sp. z o.o.	34 953	indefinite validity
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	19 770	18.01.2025
<b>Total guarantees and sureties granted by Boryszew S.A.</b>		<b>237 751</b>	


**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**Status of current sureties as at 31.12.2021**

Entity for which guarantee or surety was issued	Subject of liability 2021	Value of guarantee 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
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
	Endorsement of lease agreement for mLeasing	1 608	30.01.2022
	Endorsement of lease agreements for mLeasing	445	15.12.2024
	Endorsement of lease agreements for mLeasing	864	15.12.2024
	Endorsement of lease agreement for mLeasing	442	15.12.2024
	Endorsement of lease agreements for mLeasing	442	15.12.2024
	Endorsement of lease agreements for mLeasing	806	15.02.2025
	Endorsement 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

**Boryszew S.A.**

**Interim abbreviated report for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

Entity for which guarantee or surety was issued	Subject of liability 2021	Value of guarantee PLN	Expiry date of guarantee
	Maftex'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
	Endorsement for Coface Poland Factoring Sp. z o.o.	29 692	indefinite validity
<b>Total guarantees and sureties granted by Boryszew S.A.</b>		<b>223 329</b>	

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

##### 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.

##### Declaration of dividend payment

On 29 April 2022 the Management Board of the Company decided to submit to the nearest General Meeting of Boryszew S.A. a motion on dividend payment in the amount of PLN 0.92 per one share entitled to dividend, i.e. in total amount of PLN 188 788 600.00, from the Company's supplementary capital, which, according to the provisions of art. 348 § 1 of the Commercial Companies Code may be assigned for distribution.

At the same time, the Management Board decided to apply to the Company's General Meeting of Shareholders to set the dividend date as 3 June 2022 and the dividend payment date as 10 June 2022.

In view of the foregoing, the Management Board applied for approvals from the financing banks under the terms of certain loan agreements to pay dividends. On 24 May 2022, it received a complete set of required approvals for disbursement.

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

##### DEBT SECURITIES

During the 3 months of 2022 and until the date of publication of this report, the Group issued no non-equity securities.

##### REDEMPTION OF BONDS ISSUED BY BORYSZEWS S.A.

On 31 March 2022 Boryszew S.A. redeemed the following bonds held by Hutmen Sp. z o.o.

- 3) 20 registered bonds, P-series, with nominal value of PLN 1 000 000 each and total nominal value of PLN 20 000 000, acquired on 31 October 2018 by Hutmen Spółka z o.o. with registered office in Wrocław, with the redemption date of 31 March 2022.
- 4) 8 registered bonds, A34-series, with nominal value of PLN 1 000 000 each and total nominal value of PLN 8 000 000, acquired on 31 December 2018 by Hutmen Spółka z o.o. with registered office in Wrocław, with the redemption date of 31 March 2022.

On the date of publication of the report Boryszew S.A. has no liabilities under bond issue.

##### EQUITY SECURITIES

During the 3 months of 2022 and until the date of publication of this report, the Group issued no equity securities.

##### CAPITAL INVESTMENTS

The summary of shares held in the Consolidated Companies and the Excluded Companies described in the introduction to this report includes all significant investments. The Issuer has no other significant capital investments, except for shares in Gränges AB, with a value of PLN 11 692 thousand as on the balance sheet date.



## 6. Operating segments

01.01.2022 - 31.03.2022	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	76 505	174 289	218 789	209 116	678 699	(1 338)	677 361
Segment costs of sales	66 553	153 119	209 859	207 850	637 381	(291)	637 090
<b>Result on sales within segment</b>	<b>9 952</b>	<b>21 170</b>	<b>8 930</b>	<b>1 266</b>	<b>41 318</b>	<b>(1 047)</b>	<b>40 271</b>
General, administrative and sales expenses	10 138	17 760	5 027	4 239	37 164	(1 062)	36 102
Other operating profit/loss	2 659	4 626	576	1 559	9 420	(15)	9 405
<b>Segment profit/loss</b>	<b>2 473</b>	<b>8 036</b>	<b>4 479</b>	<b>(1 414)</b>	<b>13 574</b>	<b>-</b>	<b>13 574</b>
Amortisation/depreciation	1 248	8 909	3 648	400	14 205	-	14 205
EBITDA *)	3 721	16 945	8 127	(1 014)	27 779	-	27 779
Segment assets	301 531	627 586	342 417	1 546 110	2 817 644	(269 719)	2 547 925
Segment liabilities	133 556	604 396	219 432	468 308	1 425 692	(269 719)	1 155 973

01.01.2021 - 31.03.2021	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	60 525	171 513	107 474	71 720	411 232	(6 983)	404 249
Segment costs of sales	48 307	141 306	100 876	67 674	358 163	(6 220)	351 943
<b>Result on sales within segment</b>	<b>12 218</b>	<b>30 207</b>	<b>6 598</b>	<b>4 046</b>	<b>53 069</b>	<b>(763)</b>	<b>52 306</b>
General, administrative and sales expenses	7 769	13 999	3 887	6 032	31 687	(660)	31 027
Other operating profit/loss	709	(170)	218	1 926	2 683	(4)	2 679
<b>Segment profit/loss</b>	<b>5 158</b>	<b>16 038</b>	<b>2 929</b>	<b>(60)</b>	<b>24 065</b>	<b>(107)</b>	<b>23 958</b>
Amortisation/depreciation	1 213	7 956	1 588	391	11 148	-	11 148
EBITDA *)	6 371	23 994	4 517	331	35 213	(107)	35 106
Segment assets	243 005	613 121	224 162	1 904 228	2 984 516	(306 201)	2 678 315
Segment liabilities	113 682	677 601	149 333	409 069	1 349 685	(306 201)	1 043 484

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



## Boryszew S.A.

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

REVENUES FROM SALE BY DESTINATION MARKET	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>Continuing operations</b>		
Domestic sales	395 772	160 253
Sales to EU countries	239 261	200 545
Sales to other European countries	23 158	25 651
Export outside Europe	19 170	17 800
<b>Total (revenues from continuing operations)</b>	<b>677 361</b>	<b>404 249</b>

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES:	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
Germany	27%	29%
The Czech Republic	20%	12%
Sweden	10%	13%
The Netherlands	6%	5%
Spain	6%	9%
Belgium	6%	2%
Slovakia	5%	6%

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

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

In the Automotive segment seasonality affects holiday months as well as December, when production of cars falls considerably, causing also a fall in component orders. The Metal segment is barely exposed to any seasonality. In the segment of Chemical products seasonality affects a certain range of products manufactured by Boryszew ERG, Branch of Boryszew S.A. in Sochaczew. This range includes cooling fluids for the automotive segment (with peak demand in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak demand in the fourth and first quarter). PWC siding and EPS decorative components follow the seasonality of the construction industry, showing peak demand in second and third quarter. No specific seasonality is observed for other products of Boryszew S.A. It is important to note that the Christmas period in December is usually the time of scheduled shut-downs at our customers, hence sales also decline.

## 8. Financial instruments, fair value, estimated data

### Financial assets as at 31.03.2022

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Derivatives used for hedges	Carrying value
Listed shares	-	-	11 693	-	11 693
Bonds	16 436	-	-	-	16 436
Trade receivables, factoring	351 684	18 387	-	-	370 071
Derivative financial instruments	-	-	-	8 033	8 033
Loans granted	379 497	-	-	-	379 497
Other debtors	-	136 245	-	-	136 245
Cash and cash equivalents	51 261	-	-	-	51 261
<b>Total</b>	<b>798 878</b>	<b>154 632</b>	<b>11 693</b>	<b>8 033</b>	<b>973 236</b>

**Boryszew S.A.**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

**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	Derivatives used for hedges	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
<b>Total</b>	<b>726 387</b>	<b>163 273</b>	<b>86 433</b>	<b>-</b>	<b>976 093</b>

**Financial liabilities as at 31.03.2022**

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	479 430	-	479 430
Liabilities on bonds	-	-	-
Derivative financial instruments	-	691	691
Lease liabilities	46 487	-	46 487
Liabilities to SMA and PdUA	55 974	-	55 974
Trade and other liabilities	423 086	-	423 086
<b>Total</b>	<b>1 004 977</b>	<b>691</b>	<b>1 005 668</b>

**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
<b>Total</b>	<b>992 122</b>	<b>300</b>	<b>992 422</b>


**Boryszew S.A.**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

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

	Fair value as at		Hierarchy
	As at 31.03.2022	As at 31.12.2021	of fair value
<b>Financial assets</b>			
Listed shares	11 693	86 433	Level 1
Derivative financial instruments	8 033	-	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	691	300	Level 2

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

	As at 31.03.2022	As at 31.12.2021	of fair value
<b>Financial assets</b>			
Bonds	16 436	14 916	Level 3
Borrowings	379 497	339 537	Level 3
Trade and other receivables	506 316	478 307	Level 3
Cash and cash equivalents	51 261	56 900	Level 1
<b>Financial obligations</b>			
Borrowings and loans	479 430	485 358	Level 2
Liabilities on bonds	-	28 000	Level 2
Trade and other liabilities	423 086	393 416	Level 3
Lease liabilities	46 487	40 586	Level 2
Liabilities to SMA and PdUA	54 052	44 942	Level 2
Liabilities to SMA - investment property	1 922	1 932	Level 2

	01.01.2022 - 31.03.2022	01.01.2021 - 31.03.2021
<b>Impact of write-offs on assets and provisions on profit/loss</b>		
Creation of value impairment write-offs for accounts receivable	(81)	-
Reversal of write-downs on accounts receivable (-)	4 818	1 257
Creation of value impairment write-offs on other receivables	-	(394)
Reversal of value impairment write-offs on other receivables	-	-
Tangible fixed assets impairment write-offs	-	-
Reversal, release of revaluation write-offs on fixed assets	1 501	233
Creation of provisions	(500)	-
Reversal of provisions ( - )	-	248
Deferred tax provision	(149)	1 779
<b>Total impact on profit/loss</b>	<b>5 589</b>	<b>3 123</b>



**Boryszew S.A.**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

**9. Transactions with affiliated entities**

	Subsidiaries	Personally related entities
<b>in the period 01.01.2022 - 31.03.2022</b>		
Revenues from sales (of products, services, goods)	132 713	647
Interest income	6 839	589
Purchases (of materials, goods, services)	26 130	-
Interest expense	1 704	-
<b>as at 31.03.2022</b>		
Trade receivables	163 978	11 583
Bonds purchased	7 648	8 788
Loans granted	335 863	43 634
Other receivables (advances, deposits)	30 047	-
Lease liabilities	10 616	-
Trade liabilities	56 620	-
Loans received	167 970	-
Other liabilities (advances, deposits)	53	-

	Subsidiaries	Personally related entities
<b>in the period 01.01.2021 - 31.03.2021</b>		
Revenues from sales (of products, services, goods)	68 188	137
Interest income	4 159	29
Purchases (of materials, goods, services)	24 385	194
Interest expense	412	31
<b>as at 31.12.2021</b>		
Trade receivables	148 934	11 080
Bonds purchased	6 285	8 631
Loans granted	296 839	42 698
Other debtors	110 195	-
Lease liabilities	11 413	-
Trade payables and deposits	54 629	24
Loans received	126 867	-
Issued bonds	28 000	-
Other liabilities (advances, deposits)	43	-

**10. Additional information**

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

As at 31 March 2022 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

**Boryszew S.A.**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

---

**THE IMPACT OF THE COVID-19 PANDEMIC ON THE OPERATIONS OF BORYSZEW S.A.**

During the reporting period, no negative impact of the Covid - 19 pandemic on the Company's results was found.

**THE IMPACT OF WAR IN UKRAINE ON THE SITUATION OF BORYSZEW S.A.**

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., the Company's Management Board reviewed the Company's involvement in the conflict countries. The description of indirect impact on Boryszew S.A. as a parent company of Boryszew Capital Group is described in note 8 of the abbreviated consolidated financial statement

**OTHER IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE****BORYSZEW S.A.****Providing a warranty to equipment supplier**

On 19 April 2022 Boryszew S.A. granted to CRIPPA S.p.A. Italy a guarantee for liabilities of Mafmex S.DE R.L. DE C.V. and Boryszew Mafflow Sp. z o.o. under the agreements on purchase of machinery up to the total amount of EUR 6 700 000. The aforementioned guarantees will automatically expire upon payment in full of each agreement, 60 days following the due date at the latest.

**Signing a restructuring agreement with a client of BAP Group**

On 29 April 2022 Boryszew S.A. and subsidiaries listed below signed the Agreement with important customer of Boryszew Capital Group. The agreement is on the support of restructuring of the following companies: Boryszew Kunststofftechnik Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, AKT Plastikářská Technologie Čechy, spol. S.r.o. ("BAP Companies").

Under the Agreement, during the restructuring period, namely until the end of 2023, the Client will participate in costs of restructuring of certain BAP Group Companies.

The conclusion of this Agreement will have a materially positive impact on the performance of BAP Companies.

The condition for BAP Companies to receive support is timely implementation of restructuring measures in accordance with a plan.

Moreover, Boryszew S.A. committed to provide BAP Companies, covered by the Agreement, in the period till 31 December 2023, with financial support to facilitate undisturbed business. Also, when it is necessary to refund money by BAP to the Client, Boryszew S.A. guarantees to the Client their return.

The basic assumption of the restructuring agreement is that the Company and the Client act jointly and severally. The Agreement will become effective upon signature by all parties.

The restructuring process will give BAP Companies operational stability and will improve their market position.

**Dividend policy of Boryszew S.A.**

On 9 May 2022 the Management Board of Boryszew S.A. adopted the Company's Dividend Policy.

According to the policy the Management Board intends to submit to the General Meeting proposals of dividend payment equivalent to between 30% and maximum 70% of consolidated net profit of Boryszew Capital Group provided that the relation of net debt for group to consolidated operating profit plus depreciation (EBITDA) at the end of the financial year, for which the profit will be distributed, will be below 3.5.

The definitions of net debt, EBITDA and the methodologies of their calculation are the same as the definitions and methodologies for calculation of these ratios in the Company's previous current and interim reports.

When recommending profit distributions, the Management Board will take into consideration the financial and liquidity position, existing and future liabilities (including potential restrictions under loan agreements) and an assessment of the Group's prospects in certain market and macroeconomic conditions.

The dividend policy will be applicable as of the fiscal year ending 31 December 2022.

The final decision about the amount of dividend paid will be made by the Ordinary General Meeting of Boryszew S.A.



**Boryszew S.A.**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2022 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

---

**THE FINANCIAL STATEMENTS WERE SIGNED BY THE MANAGEMENT BOARD ON 25 MAY 2022.**

**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 -----