



**CONSOLIDATED MID-YEAR REPORT OF
BORYSZEW CAPITAL GROUP
for the period between 1 January and 30 June
2022**

Report publication date
31 August 2022





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(amounts expressed in PLN '000 unless specified otherwise)

SELECTED FINANCIAL DATA

	in PLN '000		in EUR '000	
	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
data regarding abbreviated consolidated financial statements				
Revenue from continuing operations	3 536 233	3 056 748	761 676	672 226
Operating profit	184 051	85 536	39 643	18 811
Net profit on continuing operations	112 880	47 197	24 313	10 379
Profit on continuing and discontinued operations	112 495	48 646	24 231	10 698
Net profit attributable to the parent	108 560	43 804	23 383	9 633
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)	0.54	0.22	0.12	0.05
Net cash flow from operating activities	257 810	(58 621)	55 530	(12 892)
Net cash flow from investment activities	93 666	10 093	20 175	2 220
Net cash flow from financial activities	(337 340)	12 442	(72 660)	2 736
	As at 30.06.2022	As at 31.12.2021	As at 30.06.2022	As at 31.12.2021
Total assets	4 226 848	4 220 636	903 057	917 649
Total liabilities and provisions	2 544 042	2 473 932	543 529	537 881
Assets of continuing operations	4 224 962	4 161 119	902 654	904 709
Liabilities of continuing operations	2 528 223	2 433 029	540 149	528 988
Equity	1 682 806	1 746 704	359 528	379 768
Equity attributable to the parent company	1 652 372	1 720 205	353 026	374 006

SELECTED FINANCIAL DATA	in PLN '000		in EUR '000	
	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
data regarding separate abbreviated financial statements				
Revenues from sales	1 418 360	836 478	305 503	183 955
Operating profit	6 876	46 472	1 481	10 220
Net profit	(5 676)	25 648	(1 223)	5 640
Weighted average number of shares	205 205 000	205 205 000	205 205 000	205 205 000
Profit per ordinary share in PLN/EUR	(0.03)	0.12	(0.01)	0.03
Net cash flow from operating activities	57 985	68 116	12 489	14 980
Net cash flow from investment activities	8 988	(91 554)	1 936	(20 134)
Net cash flow from financial activities	(72 202)	19 923	(15 552)	4 381
	As at 30.06.2022	As at 31.12.2021	As at 30.06.2022	As at 31.12.2021
Total assets	2 525 836	2 513 462	539 639	546 476
Total liabilities and provisions	1 356 265	1 146 137	289 763	249 193
Equity	1 169 571	1 367 325	249 876	297 283

**ABBREVIATED MID-YEAR CONSOLIDATED
FINANCIAL STATEMENTS**

**Boryszew Capital Group
for the period between 1 January and 30 June 2022**



**Boryszew Capital Group**Abbreviated consolidated financial report for the period between 1 January and 30 June 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 - 30.06.2022	01.01.2021 - 30.06.2021	01.04.2022 - 30.06.2022	01.04.2021 - 30.06.2021
Continuing operations		restated		restated
Revenues from sales	3 536 233	3 056 748	1 833 607	1 605 810
Prime cost of sale	3 193 175	2 739 053	1 627 575	1 442 312
Gross profit on sales	343 058	317 695	206 032	163 498
Selling costs	70 764	85 750	39 241	48 837
Administrative expenses	151 309	142 196	82 713	69 448
Other operating revenue	201 806	49 384	168 063	32 154
Other operating expenses	138 740	53 597	124 357	41 716
Operating income	184 051	85 536	127 784	35 651
Financial revenues	47 882	19 696	38 647	5 170
Financial expenses	68 176	36 613	47 234	14 514
Profit on sales of subsidiary	-	4 352	-	4 352
Profit/loss on impairment of financial assets	-	-	-	-
Share in profit of affiliates	23	15	5	34
Profit before taxation	163 780	72 986	119 202	30 693
Income tax	50 900	25 789	40 428	11 139
Net profit on continuing operations	112 880	47 197	78 774	19 554
Net profit/loss on discontinued operations	(385)	1 449	(131)	(205)
Net profit on continuing and discontinued operations	112 495	48 646	78 643	19 349
including attributable to:				
<i>shareholders of the parent</i>	108 560	43 804	76 654	16 827
<i>non-controlling interests</i>	3 935	4 842	1 989	2 522
Earnings / Diluted earnings per share	108 560	43 804	76 654	16 827
Weighted average number of shares	202 000 000	202 000 000	202 000 000	202 000 000
Earnings / Diluted earnings per share (PLN/gr)	0.54	0.22	0.38	0.08
Net profit (loss) per share (in PLN, 100/PLN per share)	0.54	0.22	0.38	0.08
Earnings per share on continuing operations	0.54	0.22	0.38	0.08
Earnings per share on discontinued operations	-	-	-	-
Diluted net profit (loss) per share (PLN/share)	0.54	0.22	0.38	0.08
Diluted on continuing operations	0.54	0.22	0.38	0.08
Diluted on discontinued operations	-	-	-	-



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - continued

	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021	01.04.2022 - 30.06.2022	01.04.2021 - 30.06.2021
		restated		restated
Net profit	112 495	48 646	78 643	19 349
Earnings recognised in equity				
Earnings recognised in equity, to be transferred to income statement (before tax)	2 586	1 467	(12 146)	(1 465)
Hedge accounting	(31 598)	(219)	(45 249)	(498)
Income tax	6 004	42	8 598	95
Exchange differences on translating foreign operations	34 184	1 686	33 103	(967)
Earnings recognised in equity, not to be transferred to income statement (before tax)	2 454	23 775	(2 239)	4 421
Gains/losses on valuation and disposal of equity instruments	2 364	23 775	(2 329)	4 421
Employee benefit capital reserve	90	-	90	-
Income tax	(449)	(4 517)	443	(840)
Total earnings recognised in equity	10 595	20 767	(5 344)	2 211
<i>shareholders of the parent</i>	<i>10 595</i>	<i>20 767</i>	<i>(5 344)</i>	<i>2 211</i>
<i>non-controlling interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total comprehensive income, including attributable:	123 090	69 413	73 299	21 560
<i>shareholders of the parent</i>	<i>119 155</i>	<i>64 571</i>	<i>71 310</i>	<i>19 038</i>
<i>non-controlling interests</i>	<i>3 935</i>	<i>4 842</i>	<i>1 989</i>	<i>2 522</i>



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Discontinued operations

	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021	01.04.2022 - 30.06.2022	01.04.2021 - 30.06.2021
Revenues from sales	4	9	2	7
Prime cost of sale	4	9	2	7
Gross profit (loss) from sales	-	-	-	-
Selling costs	-	-	-	-
Administrative expenses	-	-	-	-
Other operating revenue	70	2 259	70	109
Other operating expenses	498	786	212	404
Profit (loss) from operating activity	(428)	1 473	(142)	(295)
Financial revenues	43	53	11	42
Financial expenses	-	66	-	1
Financial profit/loss	43	(13)	11	41
Profit (loss) before income tax	(385)	1 460	(131)	(254)
Income tax	-	11	-	(49)
Net profit (loss) on discontinued operations	(385)	1 449	(131)	(205)
in the parent company	946	1 347	620	94
<i>non-controlling interests</i>	(1 331)	102	(751)	(299)

**Boryszew Capital Group**Abbreviated consolidated financial report for the period between 1 January and 30 June 2022
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(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED BALANCE SHEET

ASSETS	As at 30.06.2022	As at 31.12.2021	Balance on 30.06.2021
Non-current assets			restated
Property, plant and equipment	1 339 552	1 276 594	1 285 088
Investment property	138 331	141 760	148 180
Goodwill	6 418	6 418	6 418
Intangible assets	42 913	46 246	45 296
Right-of-use assets	299 582	292 713	301 926
Shares in affiliates	237	214	225
Financial assets	197	1 685	1 534
Long-term receivables	46 188	30 875	28 632
Deferred tax assets	17 425	24 173	24 822
Total fixed assets	1 890 843	1 820 678	1 842 121
Current assets	2 336 005	2 399 958	2 496 636
Current assets other than assets held for sale	2 334 119	2 340 441	2 495 284
Inventory	1 091 762	991 826	1 024 671
Trade receivables and other receivables	931 868	977 247	1 064 208
Short-term financial assets	91 540	165 855	246 757
Derivative financial instruments	10 988	12 434	5 177
Current tax assets	7 424	5 355	6 374
Cash and cash equivalents	200 537	187 724	148 097
Assets classified as held for sale	1 886	59 517	1 352
Total assets	4 226 848	4 220 636	4 338 757

**Boryszew Capital Group**Abbreviated consolidated financial report for the period between 1 January and 30 June 2022
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(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 30.06.2022	As at 31.12.2021	Balance on 30.06.2021
			restated
Equity			
Share capital	248 906	248 906	248 906
Share premium	114 435	114 435	114 435
Own shares	(236 753)	(236 753)	(236 753)
Hedge accounting capital	(18 272)	7 322	(6 427)
Capital reserve on translating employee payables	(222)	(312)	(1 851)
Revaluation reserve and gain on disposal of financial assets	25 111	43 699	51 050
Exchange differences on translating foreign entities	(14 506)	(48 690)	(54 856)
Retained earnings	1 533 673	1 591 598	1 562 607
Total equity	1 652 372	1 720 205	1 677 111
Equity of non-controlling shareholders	30 434	26 499	21 981
Total equity	1 682 806	1 746 704	1 699 092
Liabilities and long-term provisions			
Bank loans, borrowings	114 334	107 964	139 311
Lease liabilities	213 161	210 562	212 482
Deferred tax provision	70 425	82 397	87 164
Employee benefit provisions	22 104	23 788	26 567
Other provisions	45 465	42 852	47 638
Other long term equity and liabilities	63 472	59 651	53 956
Liabilities and long-term provisions - total	528 961	527 214	567 118
Short-term liabilities	2 015 081	1 946 718	2 072 547
Bank loans, borrowings	571 673	651 095	843 609
Lease liabilities	45 038	53 061	69 904
Trade payables and other liabilities	1 025 471	898 623	815 210
Derivative financial instruments	31 680	2 915	11 171
Current tax liabilities	39 103	55 748	70 144
Employee benefit provisions	45 497	37 672	40 678
Other provisions	204 221	171 483	159 771
Other liabilities and equity	36 579	35 218	45 634
Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale	1 999 262	1 905 815	2 056 121
Liabilities directly associated with assets classified as discontinued operations	15 819	40 903	16 426
Total liabilities and provisions	2 544 042	2 473 932	2 639 665
Total equity and liabilities	4 226 848	4 220 636	4 338 757



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED CASH FLOW STATEMENT

	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
		restated
Cash flows from operating activities		
Profit before taxation	163 780	72 986
Adjustments for	94 030	(131 607)
Amortisation/depreciation	87 746	83 963
Profit/loss on financial activity (including interest on financial liabilities)	28 163	15 504
Profit / loss on investment activities	(114 892)	(4 744)
Change in receivables	67 549	(269 413)
Change in inventories	(80 416)	(43 713)
Change in liabilities	118 185	88 746
Change in employee benefits	6 141	6 944
Movement in provisions	30 738	3 684
Other items	24 088	11 167
Income tax paid	(73 272)	(23 745)
Net cash from operating activities	257 810	(58 621)
Cash flows from investment activities:		
Proceeds from disposal of fixed assets	116 087	6 699
Revenue on sales of subsidiary	80 812	47 857
Proceeds from redemption of bonds by issuers	1 000	-
Proceeds from repayment of loans granted	9 937	2 455
Expenses on acquisition of fixed assets	(103 326)	(46 105)
Acquisition of shares and stocks in capital group entities	(693)	-
Loans granted	(10 700)	(14 900)
Other investment inflows/outflows	549	14 087
Net cash from investing activities	93 666	10 093
Cash flows from financial activities:		
Incomes on credit and loan facilities	102 955	204 976
Dividends paid	(186 399)	(3 915)
Repayment of loans and borrowings	(202 085)	(142 532)
Interest paid on loans, borrowings and leasing	(26 595)	(14 964)
Payment of liabilities under finance lease agreements	(30 264)	(34 650)
Other financial inflows/outflows	5 048	3 527
Net cash from financing activities	(337 340)	12 442
Net change in cash (before the impact of exchange rates)	14 136	(36 086)
Translation reserve	(1 323)	(1 028)
Cash opening balance	187 724	185 211
Net increase/(decrease) in cash and cash equivalents (including the impact of exchange rates)	12 813	(37 114)
Cash closing balance	200 537	148 097
<i>Restricted cash</i>	<i>25 713</i>	<i>23 593</i>



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	Share capital	Share premium	Own shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
As at 01.01.2022	248 906	114 435	(236 753)	7 322	(312)	43 699	(48 690)	1 591 598	1 720 205	26 499	1 746 704
Valuation of hedge instruments	-	-	-	(25 594)	-	-	-	-	(25 594)	-	(25 594)
Valuation of employee benefits	-	-	-	-	90	-	-	-	90	-	90
Measurement of financial assets	-	-	-	-	-	1 915	-	-	1 915	-	1 915
Disposal of financial assets	-	-	-	-	-	(20 503)	-	20 503	-	-	-
Currency translation differences (subsidiaries)	-	-	-	-	-	-	34 184	-	34 184	-	34 184
Profit/loss for the first six months of 2022	-	-	-	-	-	-	-	108 560	108 560	3 935	112 495
Total revenue for the first six months of 2022	-	-	-	(25 594)	90	(18 588)	34 184	129 063	119 155	3 935	123 090
Dividend distribution	-	-	-	-	-	-	-	(186 399)	(186 399)	-	(186 399)
Change in CG structure and others	-	-	-	-	-	-	-	(589)	(589)	-	(589)
As at 30.06.2022	248 906	114 435	(236 753)	(18 272)	(222)	25 111	(14 506)	1 533 673	1 652 372	30 434	1 682 806

	Share capital	Share premium	Own shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
Balance on 01.01.2021	248 906	114 435	(236 753)	(6 250)	(1 851)	31 792	(56 542)	1 518 803	1 612 540	21 054	1 633 594
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
Total comprehensive income for 2021	-	-	-	13 572	1 329	11 907	15 314	72 795	114 917	9 360	124 277
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
As at 31.12.2021	248 906	114 435	(236 753)	7 322	(312)	43 699	(48 690)	1 591 598	1 720 205	26 499	1 746 704

**Boryszew Capital Group**

Abbreviated consolidated financial report for the period between 1 January and 30 June 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

	Share capital	Share premium	Own shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
Balance on 01.01.2021	248 906	114 435	(236 753)	(6 250)	(1 851)	31 792	(56 542)	1 518 803	1 612 540	21 054	1 633 594
Valuation of hedge instruments	-	-	-	(177)	-	-	-	-	(177)	-	(177)
Measurement of financial assets	-	-	-	-	-	18 374	-	-	18 374	-	18 374
Disposal of financial assets	-	-	-	-	-	884	-	-	884	-	884
Currency translation differences (subsidiaries)	-	-	-	-	-	-	1 686	-	1 686	-	1 686
Profit/loss for the first six months of 2021	-	-	-	-	-	-	-	43 804	43 804	4 842	48 646
Total revenue for the first six months of 2021	-	-	-	(177)	-	19 258	1 686	43 804	64 571	4 842	69 413
Dividend distribution	-	-	-	-	-	-	-	-	-	(3 915)	(3 915)
Balance on 30.06.2021	248 906	114 435	(236 753)	(6 427)	(1 851)	51 050	(54 856)	1 562 607	1 677 111	21 981	1 699 092



ADDITIONAL INFORMATION

to the consolidated quarterly report drafted as at 31 March 2022

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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 (such as 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 the first half of 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 Siemieniec – Member of the Supervisory Board.

MANAGEMENT BOARD OF BORYSZEW S.A.

In the first half of 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

1. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES

The information contained in the financial statements for H1 '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 (Journal of Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

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

The accounting principles, other than described below 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.



(amounts expressed in PLN '000 unless specified otherwise)

	Average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01 – 30.06.2021	4.5472	4.5208
01.01 – 31.12.2021	4.5622	4.5994
01.01- 30.06.2022	4.6427	4.6806

ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these mid-year consolidated financial statements for the period ended on 30 March 2022 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 June 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.
- 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.
- Amendment to IFRS 16 "Leases" - COVID-19-related rent concessions granted after 30 June 2021. The amendment to IFRS 16 was published on 31 March 2021 and applies to annual periods beginning on or after 1 April 2021. The purpose of the amendment to the standard is solely to extend by one year (to 30 June 2022) the period during which COVID-19-related rent concessions require no amendments to lease agreements. This amendment is closely associated with the already effective amendment to IFRS 16 published in May 2020.

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:

- IFRS 17 "Insurance Contracts". The new standard was published on 18 May 2017 then amended on 25 June 2020 and applies to annual periods beginning on or after 1 January 2023. Earlier application is permitted (but subject to simultaneous application of IFRS 9 and IFRS 15). The standard supersedes the existing regulations concerning insurance contracts (IFRS 4). IFRS 4 was also amended on 25 June 2020 - in terms of extending the exemption for insurers from the application of IFRS 9 Financial Instruments until 1 January 2023.
- Amendment to IFRS 17 "Insurance Contracts" first-time adoption of IFRS 17 and IFRS 19 - comparative information. The amendment to IFRS 17 was published on 9 December 2021 and applies to annual periods beginning on or after 1 April 2023. The amendment includes a transition option for comparative information on financial assets presented on initial application of IFRS 17. The change is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities.
- 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. The Group will apply the amended standards as of 1 January 2023. As of the date of drafting of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.
- Amendments to 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,



(amounts expressed in PLN '000 unless specified otherwise)

- 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.

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 Group will apply the amended standard as of 1 January 2023. As on the date of drafting these financial statements application of the amended standard will have no impact on financial statements of the Company.

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 – 30.06.2021	01.01.2021 – 30.06.2021	Impact on profit/loss
	<i>restated</i>	<i>published</i>	
Continuing operations			
Revenues from sales	3 056 748	3 056 748	-
Prime cost of sale	2 739 053	2 739 053	-
Gross profit on sales	317 695	317 695	-
Selling costs	85 750	85 750	-
Administrative expenses	142 196	142 196	-
Other operating revenue	49 384	47 622	1 762
Other operating expenses	53 597	29 356	(24 241)
Gain (loss) on impairment of trade and other receivables	-	(3 447)	3 447
Operating income	85 536	104 568	(19 032)
Financial revenues	19 696	19 643	53
Financial expenses	36 613	36 464	(149)
Share in profit of affiliates	15	15	-
Profit on sales of subsidiary	4 352	4 352	-
Profit/loss on impairment of financial assets	-	(96)	96
Provisions and write-offs due to the liquidation of Hutmen Sp. z o.o	-	(19 032)	19 032
Profit before taxation	72 986	72 986	-
Income tax	25 789	25 789	-
Net profit on continuing operations	47 197	47 197	-
Net profit/loss on discontinued operations	1 449	1 449	-
Net profit on continuing and discontinued operations	48 646	48 646	-


Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021	change
	restated	published	
including attributable to:			
<i>shareholders of the parent</i>	43 804	43 804	-
<i>non-controlling interests</i>	4 842	4 842	-
Net profit	48 646	48 646	-
Earnings recognised in equity			
Earnings recognised in equity, to be transferred to profit and loss account	1 509	1 509	-
before tax	1 467	-	-
after tax	-	1 509	-
Hedge accounting	(219)	(219)	-
Exchange differences on translating foreign operations	1 686	1 686	-
Income tax	-	42	-
Income tax	42	-	-
Earnings recognised in equity, not to be transferred to income statement	19 258	19 258	-
before tax	23 775	-	-
after tax	-	19 258	-
Gains/losses on valuation and disposal of equity instruments	23 775	-	23 775
Gains/losses on valuation of equity instruments	-	22 684	(22 684)
Income tax	-	(4 310)	4 310
Gains/losses on disposal of equity instruments	-	1 091	(1 091)
Income tax	-	(207)	207
Income tax	(4 517)	-	(4 517)
Total earnings recognised in equity	20 767	20 767	-
<i>shareholders of the parent</i>	20 767	20 767	-
<i>non-controlling interests</i>	-	-	-
Total comprehensive income, including attributable:	69 413	69 413	-
<i>shareholders of the parent</i>	64 571	64 571	-
<i>non-controlling interests</i>	4 842	4 842	-



(amounts expressed in PLN '000 unless specified otherwise)

Consolidated statement of financial position - restated

ASSETS	Balance on 30.06.2021	Balance on 30.06.2021	change
	<i>restated</i>	<i>published</i>	
Non-current assets			
Property, plant and equipment	1 285 088	1 285 088	-
Investment property	148 180	148 180	-
Goodwill	6 418	6 418	-
Intangible assets	45 296	45 296	-
Right-of-use assets	301 926	301 926	-
Shares in affiliates	225	225	-
Financial assets	1 534	1 534	-
Derivative financial instruments	-	2	(2)
Long-term receivables	28 632	2 927	25 705
Deferred tax assets	24 822	24 822	-
Other assets	-	25 703	(25 703)
Total fixed assets	1 842 121	1 842 121	-
Current assets	2 496 636	2 496 636	-
Current assets other than assets held for sale	2 495 284	2 495 284	-
Inventory	1 024 671	1 024 671	-
Trade receivables and other receivables	1 064 208	1 001 211	62 997
Short-term financial assets	246 757	246 757	-
Derivative financial instruments	5 177	5 177	-
Current tax assets	6 374	6 374	-
Other assets	-	62 997	(62 997)
Cash and cash equivalents	148 097	148 097	-
Assets classified as held for sale	1 352	1 352	-
Total assets	4 338 757	4 338 757	-

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LIABILITIES AND EQUITY	Balance on 30.06.2021	Balance on 30.06.2021	change
	<i>restated</i>	<i>published</i>	
Equity			
Share capital	248 906	248 906	-
Share premium	114 435	114 435	-
Own shares	(236 753)	(236 753)	-
Hedge accounting capital	(6 427)	(6 427)	-
Capital reserve on translating employee payables	(1 851)	(1 851)	-
Revaluation reserve and gain on disposal of financial assets	51 050	51 050	-
Exchange differences on translating foreign entities	(54 856)	(54 856)	-
Retained earnings	1 562 607	1 562 607	-
Total equity	1 677 111	1 677 111	-
Equity of non-controlling shareholders	21 981	21 981	-
Total equity	1 699 092	1 699 092	-
Liabilities and long-term provisions			
Bank loans, borrowings	139 311	139 311	-
Lease liabilities	212 482	50 871	161 611
Liabilities associated with right-of-use assets	-	104 794	(104 794)
Payables on perpetual usufruct of investment land	-	56 817	(56 817)
Deferred tax provision	87 164	87 164	-
Employee benefit provisions	26 567	26 567	-
Other provisions	47 638	47 638	-
Other long term equity and liabilities	53 956	53 956	-
Liabilities and long-term provisions - total	567 118	567 118	-
Short-term liabilities	2 072 547	2 072 547	-
Bank loans, borrowings	843 609	843 609	-
Lease liabilities	69 904	49 613	20 291
Liabilities associated with right-of-use assets	-	20 050	(20 050)
Payables on perpetual usufruct of investment land	-	241	(241)
Trade payables and other liabilities	815 210	815 210	-
Derivative financial instruments	11 171	11 171	-
Current tax liabilities	70 144	70 144	-
Employee benefit provisions	40 678	40 678	-
Other provisions	159 771	159 771	-
Other liabilities and equity	45 634	45 634	-
Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale	2 056 121	2 056 121	-
Liabilities directly associated with assets classified as discontinued operations	16 426	16 426	-
Total liabilities and provisions	2 639 665	2 639 665	-
Total equity and liabilities	4 338 757	4 338 757	-



(amounts expressed in PLN '000 unless specified otherwise)

Consolidated statement of cash flows - restated

	01.01.2021 – 30.06.2021	01.01.2021 – 30.06.2021	change
	<i>restated</i>	<i>published</i>	
Cash flows from operating activities			
Profit before taxation	72 986	72 986	-
Adjustments for	(131 607)	(131 607)	-
Amortisation/depreciation	83 963	83 963	-
Gains/losses on financing activities (including interest on financial liabilities)	15 504	15 504	-
Profit / loss on investment activities	(4 744)	(4 744)	-
Change in receivables	(269 413)	(269 413)	-
Change in inventories	(43 713)	(43 713)	-
Change in liabilities	88 746	88 746	-
Change in employee benefits	6 944	-	6 944
Change in provisions and accruals as well as prepayments	-	10 628	(10 628)
Movement in provisions	3 684	-	3 684
Other items	11 167	11 167	-
Income tax paid	(23 745)	(23 745)	-
Net cash from operating activities	(58 621)	(58 621)	-
Cash flows from investment activities:			
Proceeds from disposal of fixed assets	6 699	6 699	-
Proceeds from disposal of shares	47 857	47 857	-
Proceeds from repayment of loans granted	2 455	2 455	-
Other proceeds from investment activities	14 087	14 087	-
Expenses on acquisition of fixed assets	(46 105)	(46 105)	-
Loans granted	(14 900)	(14 900)	-
Net cash from investing activities	10 093	10 093	-
Cash flows from financial activities:			
Incomes on credit and loan facilities	204 976	-	204 976
Incomes on credit and loan facilities	-	201 976	(201 976)
Loans received	-	3 000	(3 000)
Proceeds from grants and other proceeds	-	3 527	(3 527)
Dividends paid	(3 915)	(3 915)	-
Repayment of loans and borrowings	(142 532)	-	(142 532)
Loans repaid	-	(136 311)	136 311
Repayment of borrowings	-	(6 221)	6 221
Interest paid on loans, borrowings and leasing	(14 964)	(14 964)	-
Payment of liabilities under finance lease agreements	(34 650)	(34 650)	-
Other financial inflows/outflows	3 527	-	3 527
Net cash from financing activities	12 442	12 442	-
Net change in cash (before the impact of exchange rates)	(36 086)	(36 086)	-
Translation reserve	(1 028)	(1 028)	-
Cash opening balance	185 211	185 211	-
Net increase/(decrease) in cash and cash equivalents (including the impact of exchange rates)	148 097	148 097	-
Closing balance of cash	148 097	148 097	-

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THE FOLLOWING COMPANIES WERE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2020:

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
<i>Head Offices</i>	Warsaw			Unallocated
<i>Elana Branch</i>	Toruń			Chemical products
<i>Boryszew Energy Branch</i>	Toruń			Unallocated
<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.	Chemical products
Elana Energetyka Sp. z o.o.	Toruń	100.00	Boryszew S.A.	Unallocated
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	Boryszew S.A. (79%) Maflow Polska Sp. z o.o. (21%),	Automotive
Maflow Components Dalian Co. Ltd.	China	100.00	Maflow Polska Sp. z o.o.	Automotive
Maflow India Private Limited	India	100.00	Boryszew S.A. 99.99%	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

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Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
AKT Plastikářská Technologie Čechy, spol. S.r.o.	The Czech Republic	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Plastic RUS Sp. z o.o.	Russia	100.00	Boryszew S.A., Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Tensho Poland Sp. z o.o.	Ostaszewo	100.00	Boryszew S.A.	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 S.A.	Unallocated
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.	Unallocated
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.	Unallocated
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 company in capital (%)	share in votes (%)	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

Changes in the Group structure

No significant changes in the group structure during the first six months of 2022 occurred.

**2. 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.

3. INCOME AND PROFITS/LOSSES BY CONTINUING ACTIVITIES SEGMENTS OF AS FROM THE BEGINNING 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 Sp. 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 Investment 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.

REVENUES FROM SALE BY DESTINATION MARKET

Sales revenues by geographical areas	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
Continuing operations		
Domestic sales	1 434 078	957 706
Sales to EU countries	1 818 259	1 769 720
Sales to other European countries	128 653	147 010
Export outside Europe	155 243	182 312
Total (revenues from continuing operations)	3 536 233	3 056 748

**Boryszew Capital Group****Abbreviated consolidated financial report for the period between 1 January and 30 June 2022
drafted in accordance with IAS 34 as adopted by the European Union****(amounts expressed in PLN '000 unless specified otherwise)****SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES:**

Share of EU member states in intra-Community sales:	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
Germany	39%	38%
The Czech Republic	19%	16%
Italy	6%	10%
Slovakia	5%	4%
Spain	4%	6%



(amounts expressed in PLN '000 unless specified otherwise)

REVENUES AND RESULTS BY OPERATING SEGMENTS IN THE FIRST SIX MONTHS OF 2022
(data on continuing operations)

Continuing operations 01.01.2022 - 30.06.2022	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	156 460	794 102	2 341 771	462 526	3 754 859	(218 626)	3 536 233
Segment costs of sales	136 321	742 248	2 077 478	452 140	3 408 187	(215 012)	3 193 175
Result on sales within segment	20 139	51 854	264 293	10 386	346 672	(3 614)	343 058
General, administrative and sales expenses	19 341	98 734	93 042	12 767	223 884	(1 811)	222 073
Other operating profit/loss	(17 928)	4 584	75 081	1 363	63 100	(34)	63 066
Segment profit/loss	(17 130)	(42 296)	246 332	(1 018)	185 888	(1 837)	184 051
Amortisation/depreciation	2 398	48 490	33 164	4 146	88 198	(452)	87 746
EBITDA *)	(14 732)	6 194	279 496	3 128	274 086	(2 289)	271 797
Segment assets	470 177	1 512 652	2 834 079	2 305 178	7 122 086	(2 897 124)	4 224 962
Segment liabilities	179 966	1 990 379	1 299 854	964 183	4 434 382	(1 906 159)	2 528 223

Continuing operations 01.01.2021 - 30.06.2021	Chemical products	Automotive	Metals	Other unallocated	Total	exclusions between segments	Total
Revenues from sales	136 394	894 620	1 962 607	162 898	3 156 519	(99 771)	3 056 748
Segment costs of sales	113 542	790 242	1 778 674	149 732	2 832 190	(93 137)	2 739 053
Result on sales within segment	22 852	104 378	183 933	13 166	324 329	(6 634)	317 695
General, administrative and sales expenses	16 637	101 887	97 500	15 345	231 369	(3 423)	227 946
Other operating profit/loss	2 047	2 296	7 454	4 574	16 371	(1 552)	14 819
Segment profit/loss	8 262	4 787	93 887	2 395	109 331	(4 763)	104 568
Amortisation/depreciation	3 354	46 165	33 426	2 717	85 662	(1 699)	83 963
EBITDA *)	11 616	50 952	127 313	5 112	194 993	(6 462)	188 531
Segment assets	264 898	1 427 643	2 970 629	2 612 766	7 275 936	(2 938 531)	4 337 405
Segment liabilities	114 757	1 841 894	1 315 592	636 533	3 908 776	(1 285 537)	2 623 239



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

Coverage of net loss for 2021

On 27 May 2022, the Ordinary General Meeting of Boryszew S.A. passed a resolution to cover the net loss for 2021 in the amount 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.

Payment of dividend from reserve capital of Boryszew S.A.

On 27 May 2022 the Ordinary General Meeting of Boryszew S.A. passed a resolution to pay a dividend to shareholders in the amount of PLN 0.92 per share entitled to dividend, that is, in the total amount of PLN 188 788 600.00, from the Company's supplementary capital, which, according to art. 348 § the Commercial Companies Code may be allocated for distribution.

The dividend was paid on 205 205 000 shares. 34 795 000 treasury shares held by Boryszew S.A. were not entitled to the dividend.

The dividend date was set for 3 June 2022. The dividend payment date was 10 June 2022.

Part of the dividend paid remained in the Group, the value of the dividend paid outside the Group amounts to PLN 186 399 thousand.

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

NON-EQUITY SECURITIES

In H1 '2022 and until the date of publication of the report, the Group issued no non-equity securities.

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 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.

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

EQUITY SECURITIES

In H1 '2022 and until the report publication date, the Company issued no 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

EASTSIDE - BIS SPÓŁKA Z O.O.

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.

Hutmen Spółka z o.o.

On 15 June 2022 the Management Board of Hutmen Sp. z o.o. a subsidiary based in Wrocław (Hutmen), concluded a final agreement with MS Investment 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 116 850 000.00 (that is including the applicable tax on goods and services).



(amounts expressed in PLN '000 unless specified otherwise)

Payment of a portion of the price net price, i.e. the amount of PLN 95 000 000 was made on 17 June 2022. The remainder of the price, i.e. the amount of PLN 21 850 000 was made on 17 June 2022. The property was released on the day the agreement was signed.

The remaining terms of the final 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.

LOANS GRANTED

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

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

Alchemia S.A.

Agreement on establishing a freeze on securities account

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 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, issued by Unibax in 2018. As a collateral of above liabilities Unibax Ltd. established a freeze on 4 000 000 Boryszew S.A. shares in favour of Alchemia S.A.

TRANSACTION AFTER THE BALANCE SHEET DATE

EASTSIDE - BIS SPÓŁKA Z O.O.

Loan granted to a related party

On 1 July 2022 Eastside - Bis Spółka z o.o. granted a cash loan to a natural person related to the Issuer in the amount of PLN 15 000 000.00 with repayment on 31 December 2022. The interest on the above mentioned loan was determined on the arm's length basis. WIBOR 3M + margin

6. 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:

- availability constraints as well as the cost of energy carriers and gas,
- higher inflation,
- volatility in the market for raw materials and materials,
- 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.

IMPACT OF OTHER FACTORS ON THE SITUATION OF BORYSZEW CAPITAL GROUP

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

- higher average annual LME metal quotations,
- invasion on Ukrainian territory,
- significant increases in electricity and natural gas prices,
- exchange rate volatility and rising inflation,
- global shortage of electrical wire harnesses and semiconductors resulting in reduced orders from OEMs.

7. 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,
- limited availability and cost of key energy carriers and gas, particularly in the energy-intensive metal processing industry and in chemistry,
- 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,
- 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.
- a change in consumer sentiment that could curb household demand for durable goods,
- Poland's receipt of funds from the National Recovery Plan.

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

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

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 as indicated by estimates from various institutions.

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, could affect lower GDP growth.

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



(amounts expressed in PLN '000 unless specified otherwise)

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 H1 '2022. The decision is 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.

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

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.

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

Contingent liabilities

Contingent items	As at 30.06.2022	As at 31.12.2021
Sureties for the repayment of loans and other liabilities by associated companies	88 015	85 831
Liability for tax risks on proceedings in Silesia S.A.	93 126	78 304
Total	181 141	164 135

Contingent items	As at 30.06.2022	As at 31.12.2021	change
Contingent liabilities	88 015	85 831	2 184
resulting from granted guarantees, sureties and other liabilities	88 015	85 831	2 184
- guarantees and sureties associated with performance of contracts	88 015	85 831	2 184
- guarantees and sureties in favour of financial institutions	-	-	-
Increases / decreases in the period of 6 months ended on 30.06.2022, including:			2 184
Additions			
- Increase due to valuation of sureties			2 184
- Increase in surety amount			-
Reductions			
- Reduction due to valuation of sureties			-
- Decrease in the amount of existing sureties due to expiration, reduction			-



(amounts expressed in PLN '000 unless specified otherwise)

Contingent items	As at 30.06.2022	As at 31.12.2021	change
Contingent assets/ CO2 emission rights	36 504	45 006	(8 502)

The decrease in contingent assets in the 6-month period of 2022 is due to remeasurement, disposal of emission rights held, redemption of emission for 2021 and allocation of allowances for 2022.

The market value of the CO2 emission rights held on 30.06.2022 amounts to PLN 36.5 million [87 131 units x EUR 89.51 (average rate for CO2 emission forward contracts) x 4.6806 (average NBP exchange rate as at 30.06.2022)].

The fair value of EUA units received free of charge as at the acquisition date is PLN 33.2 million.

9. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA

Financial assets per balance sheet on 30.06.2022

	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	-	9 489	9 567
Trade receivables, factoring	655 899	53 803	-	-	709 702
Derivative financial instruments	-	768	10 220	-	10 988
Loans granted	49 244	-	-	-	49 244
Bonds	32 926	-	-	-	32 926
Other debtors	81 240	-	-	-	81 240
Cash and cash equivalents	200 537	-	-	-	200 537
Total	1 019 846	54 649	10 220	9 489	1 094 204

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
Total	953 077	59 620	12 165	86 453	1 111 315



(amounts expressed in PLN '000 unless specified otherwise)

Financial liabilities on 30.06.2022

	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	686 007	-	-	686 007
Derivative financial instruments	-	587	31 093	31 680
Lease liabilities	78 939	-	-	78 939
Liabilities to SMA and PdUA	122 213	-	-	122 213
Trade and other liabilities	865 248	-	-	865 248
Total	1 752 407	587	31 093	1 784 087

Financial liabilities on 31.12.2021

	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	759 059	-	-	759 059
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
Total	1 715 872	128	2 787	1 718 787

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

	Fair value as at		Hierarchy of fair value
	As at 30.06.2022	As at 31.12.2021	
Financial assets			
Listed shares	9 370	86 433	Level 1
Derivative financial instruments	10 988	12 434	Level 2
Financial obligations			
Derivative financial instruments	31 680	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)

	Fair value as at		Hierarchy of fair value
	As at 30.06.2022	As at 31.12.2021	
Financial assets			
Shares and stock	197	98	Level 3
Bonds	32 926	33 749	Level 3
Borrowings	49 244	47 260	Level 3
Trade and other receivables	790 942	743 617	Level 3
Cash and cash equivalents	200 537	187 724	Level 1

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Financial obligations

Borrowings and loans	686 007	759 059	Level 2
Trade and other liabilities	865 248	750 247	Level 3
Lease liabilities	78 939	93 721	Level 2
Liabilities to SMA and PdUA	122 213	112 845	Level 2
Liabilities to SMA - investment property	57 047	57 057	Level 2

Impact of write-offs on assets and provisions on profit/loss

01.01.2022 – 30.06.2022 01.01.2021 – 30.06.2021

Creation of value impairment write-offs for accounts receivable	(1 399)	(5 209)
Reversal of write-downs on accounts receivable (-)	5 760	1 762
Reversal of revaluation write-offs on loans granted	-	37
Reversal of impairment write-off on bonds	-	16
Tangible fixed assets impairment write-offs	(9)	(15 248)
Reversal of tangible fixed assets impairment write-offs	67	515
Valuation of shares to fair value	(226)	(27)
Valuation to fair value of investment properties	224	(83)
Provisions for tax risks in ERG branch	(30 313)	-
Reversal of provisions for liquidation of Hutmen Sp. z o.o.	45 621	-
Creation of provisions	(4 717)	(9 143)
Reversal of provisions (-)	3 053	3 694
Total impact on profit/loss	18 061	(23 686)

Transactions with affiliated entities

	Associates	Personally related entities
in the period 01.01.2022 - 30.06.2022		
Revenues from sales (of products, services, goods)	501	4 944
Interest income	-	2 237
Purchase of goods and services	5 318	2 242
as at 30.06.2022		
Trade receivables	30	1 828
Loans granted	-	47 478
Bonds purchased	-	32 926
Other receivables (advances, deposits)	-	3
Trade liabilities	1 231	451



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	Associates	Personally related entities
in the period 01.01.2021 - 30.06.2021		
Revenues from sales (of products, services, goods)	343	1 368
Interest income	-	819
Other revenues (waiver of liabilities)	-	9
Purchase of goods and services	5 411	2 834
Interest expense	-	88
balance on 30.06.2021		
Trade receivables	28	157
Loans granted	-	35 554
Bonds purchased	-	33 488
Other receivables (advances, deposits)	-	360
Trade liabilities	1 053	487
Other liabilities (advances, deposits)	-	356

10. 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 foreign subsidiaries and affiliates. As the Parent company, it performs management and supervisory functions with regard to other companies of the Capital Group.

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

During the first 6 months of 2022 Boryszew S.A. conducted its activity based on:

- 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 – operating in the field of manufacturing of aluminium rolled products (rods), wire and cables, including overhead cables of special aluminium alloys with constructions which eliminate the threat of phenomena of the „black-out” type, and supply of energy carries to external customers.
- Boryszew ERG Branch in Sochaczew - manufacturer of chemical and construction products. Company's flagship product in “Borygo” coolant,
- Nylonbor Branch in Sochaczew – production of modern engineering polyamides, which are used for manufacture of machinery and equipment as well as battlefield simulators for military applications.
- Boryszew Energy Branch in Toruń - involved in sales of energy utilities (electricity, gas) for the companies of Boryszew Capital Group and external customers.

STRUCTURE OF BORYSZEW GROUP

Boryszew Capital Group is one of the largest private industrial groups in Poland. In 2005 Boryszew SA seized control of Impexmetal S.A., a company listed at the Warsaw Stock Exchange, a parent company of manufacturing enterprises involved in non-ferrous metals and bearing industry.

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

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



(amounts expressed in PLN '000 unless specified otherwise)

automotive industry. In June 2014 Boryszew S.A. assumed control over Tensho Poland Corporation Sp. z o.o. based in Ostaszewo (currently: Boryszew Tensho Poland Sp. z o.o.), a manufacturer of high quality plastic products. In 2019, Boryszew Group assumed control over Alchemia Capital Group and the following Alchemia Group companies: Alchemia S.A., Huta Bankowa Spółka z o.o. and Laboratoria Badań Batory Spółka z o.o. On 5 November 2020 Boryszew S.A. purchased from Impexmetal S.A. shares in Impexmetal Capital Group companies. On 6 November 2020 Boryszew S.A. sold Impexmetal S.A. to a third party (Gänges AB).

In 2021, Elana PET spółka z o.o., based in Toruń, and FŁT Group companies - FŁT Polska Sp. z o.o., based in Warsaw, along with shares held by FŁT in subsidiaries: FLT-Wälzlager GmbH, FLT & Metals s.r.l., FLT Bearings Ltd, FLT France SAS, FLT (Wuxi) Trading Co., FLT USA LLC, were sold to third party investors.

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 specializes 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.



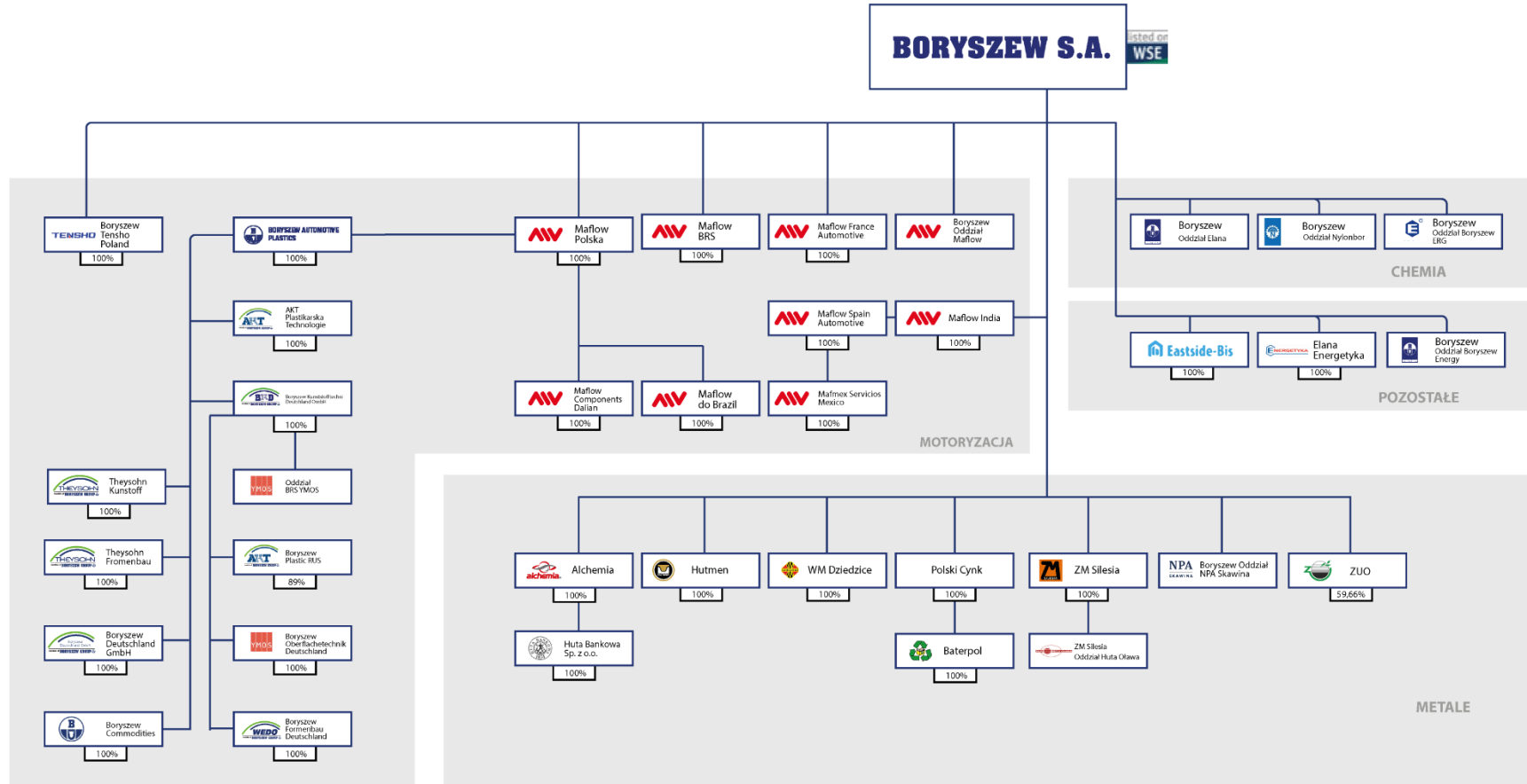
Boryszew Capital Group

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SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW CAPITAL GROUP (ON 30 JUNE 2022)

Struktura organizacyjna Grupy Kapitałowej Boryszew





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

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 property sale agreement

On 15 June 2022 the Management Board of Hutmen Sp. z o.o. based in Wrocław (Hutmen), concluded a final 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 app. 19.2 ha (the preliminary agreement was concluded on 28 March 2022), for the gross amount of PLN 116 850 000.00 (that is including the applicable tax on goods and services).

Payment of a portion of the price net price, i.e. the amount of PLN 95 000 000 was made on 17 June 2022. The remainder of the price, i.e. the amount of PLN 21 850.000, was paid on 25 July 2022. The property was released on 15 June 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.

Due to the termination of Maflow France current operations, a workforce restructuring process has been initiated.

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. The merger took place on 23 March 2022, following registration in the National Court Register of 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 by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register.

The merger of the companies was carried out under the provisions of CCC Article 492 § 1 pint 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.

Capital increase in Maflow Polska Spółka z o.o..

On 24 May 2022 the District Court for Katowice - Wschód in Katowice issued a decision to enter in the Register of Entrepreneurs of the National Court Register information on the share capital increase of Maflow Polska Sp. z o.o. based in Tychy from the amount of PLN 5 000 to the amount of PLN 46 333 000, together with the change of the number of shares held by the sole shareholder of the company - Boryszew S.A. from 5 shares to 46 333 shares.

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 30 June 2022 the total value of assets that will be ultimately sold,



(amounts expressed in PLN '000 unless specified otherwise)

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.
The transaction is expected to be completed in Q3 2022

Boryszew S.A. Branch Nowoczesne Produkty Aluminiowe Skawina

The Management Board of Boryszew S.A., acting upon the authorisation granted by the General Meeting of Shareholders, initiated measures associated with the contribution of Nowoczesne Produkty Aluminiowe Skawina branch as an in-kind contribution to NPA Skawina Spółka z o.o. based in Skawina.
The spin-off of NPA Skawina branch is planned for 2023.

Boryszew Tensho Poland Ltd.

On 15 June 2022, based on a share sale agreement, Boryszew S.A., exercising the company's repurchase option, acquired from Tensho Electric Industries Co. Ltd. 10 744 shares of Boryszew Tensho Poland Sp. z o.o. based in Ostaszewo, which accounts for 6.32% of the company's share capital, for EUR 126 400. Following the transaction, Boryszew S.A. holds 100% of shares in the share capital of Tensho Poland Sp. z o.o.

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

Establishment of NPA Skawina Spółka z o.o. in Skawina

On 11 July 2022, the Management Board of Boryszew S.A. decided to establish a new company under the business name NPA Skawina Spółka z o.o. based in Skawina, in which 100% of shares will be subscribed by Boryszew S.A. The share capital of the newly established company will amount to PLN 5 000.00 and will be divided into 5 shares, each with nominal value of PLN 1 000.00. The Company will be established for an indefinite period of time.

On 20 July 2022, the District Court for Kraków Śródmieście, 12th Commercial Division of the National Court Register entered NPA Skawina Spółka z o.o. in Skawina into the National Court Register under KRS number: 0000983019.

Decision on the intention to merge Boryszew S.A. with based in Warsaw and Hutmen Spółka z o.o. based in Wrocław

On 11 July 2022 the Management Board of Boryszew S.A. made a decision on the merger of Boryszew S.A. based in Warsaw with its 100% subsidiary Hutmen Spółka z o.o. based in Wrocław (the Acquired Company).

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

The Acquired Company terminated its operations at the end of 2021, and thus the merger process in the aforementioned manner will be, from a cost and organisational point of view, the optimum solution to formally terminate the operation of the Acquired Company and put its assets in order.

The merger plan for the two companies was approved and published on 27 July 2022. The purpose of the merger of Boryszew S.A., based in Warsaw, and Hutmen Spółka z o.o. is a more effective use of the potential of the merged companies and to achieve economic and financial effects of direct and indirect synergies, including:

- more efficient use of assets of the merged companies,
- better allocation of cash resources,
- more rational cash flows – the use of economies of scale as regards external financing,
- reduction of operating costs,

The Acquired Company terminated its operations at the end of 2021, and thus, in the Issuer's opinion, the merger process in the aforementioned manner will be, from a cost and organisational point of view, the optimum solution to formally terminate the operation of the Acquired Company and put its assets in order.

Metalix Limited

On 21 July 2022, Metalix Limited, based in the United Kingdom, was formally removed from the company register. Until the date of publication of the financial statements, no other significant changes occurred in the structure of Boryszew Capital Group, except for the events indicated above.

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

In the first half of 2022 the Management Board of Boryszew S.A. did not publish financial result forecasts for the current year.

Implementation of Boryszew Group strategy for 2022 - 2026

According to the Boryszew Group Strategy for 2022 - 2026, adopted and published on 17 May 2022, 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,
- installation of 5MW RES by 2023,
- potential entry into a new business segment,
- reduction of 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.

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

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 30.06.2022 and the date of submitting the report for publication:

Shareholders	Number of shares	% of capital	Number of votes	% of votes
Roman Krzysztof Karkosik (*)	156 832 020	65.35%	156 832 020	65.35%
including:				
<i>Boryszew S.A. (**)</i>	<i>34 795 000</i>	<i>14.50%</i>	<i>34 795 000</i>	<i>14.50%</i>
<i>RKKK Investments Sp. z o.o.</i>	<i>119 998 000</i>	<i>49.99%</i>	<i>119 998 000</i>	<i>49.99%</i>
Unibax Spółka z o.o. (***)	36 879 055	15.37%	36 879 055	15.37%
Others	46 288 925	19.28%	46 288 925	19.28%
Total	240 000 000	100.00%	240 000 000	100.00%

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

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

(***) Unibax Spółka z o.o. as per notification of 3 June 2022.



(amounts expressed in PLN '000 unless specified otherwise)

14. 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

Background	Number of shares held (shares)	Percentage in the share capital (in %)	Number of votes on the General Meeting of Shareholders	Total number of votes at the General Meeting (%) (in %)
as at the date of submission of the consolidated report for Q1 '2022 Spółka z o.o.	-	-	-	-
as at the date of submission of the consolidated report for the first half of 2022: Unibax Spółka z o.o. *)	36.879.055	15.37%	36.879.055	15.37%

(**) Unibax Spółka z o.o. as per notification of 3 June 2022.

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.

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

Background	Number of shares held (shares)	Percentage in the share capital (in %)	Number of votes on the General Meeting of Shareholders	Total number of votes at the General Meeting (%) (in %)
<i>Małgorzata Waldowska</i> as at the date of submission of the consolidated quarterly report for Q1 '2022	-	-	-	-
<i>Małgorzata Waldowska</i> as at the date of submission of the consolidated report for the first half of 2022:	30.000	0.013%	30.000	0.013%
<i>Wojciech Kowalczyk</i> as at the date of submission of the consolidated quarterly report for Q1 '2022	-	-	-	-
<i>Wojciech Kowalczyk</i> as at the date of submission of the consolidated report for the first half of 2022:	10.000	0.004%	10.000	0.004%



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

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

ZM SILESIA S.A.

- 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 S.A. 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 S.A. 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 1 June 2022, the tax authority of the first instance - the Customs and Fiscal Office in Opole - reopened audit proceedings in the aforementioned case. The completion date for the proceedings was set for 3 October 2022.
- 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



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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.

On 14 July 2022, the attorney of ZM SILESIA S.A. applied to the Provincial Administrative Court in Gliwice for confirmation of the validity of the judgment by the Provincial Administrative Court in Gliwice issued on 27 April 2022. On 29 July 2022, ZM SILESIA received a copy of the conclusion of the judgment of 27 April 2022, with a statement of validity. The ruling is legally binding as of 30 June 2022. This means that the Director of the Director of the Fiscal Administration Chamber in Katowice did not file a cassation complaint with the Supreme Administrative Court. The company awaits the second instance tax authority's position on whether to change its decision or send it back to the first instance for reconsideration.

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. The deadline for processing of the appeal was set for 2 September 2022.

HUTMEN Spółka z o.o.

- On 14 February 2018 Hutmen Sp. z o. o. 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.



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- On 3 April 2019, Hutmen Sp. z o. o. received the decision issued on 26 March 2019 by the Head of the Lower Silesian Tax and Customs Office, which sets out company's VAT arrears for Q4 of 2014 at PLN 3.04 million plus interest on tax arrears. As claimed by the Office, Hutmen Sp. z o. o. 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. appealed with the Tax Chamber 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. received a decision of the Tax Administration Chamber 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. received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków 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 bodies, Hutmen Sp. z o. o. 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.

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 30 June 2022 of PLN 2.0 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



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Company has not received a decision of the first instance authority concerning the aforementioned tax proceedings. The case is expected to close on 31 October 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.
- On 3 August 2022, the Company received an Audit Result following the audit of tax books, in which the Head of Mazovian Tax and Customs Office in Warsaw stated that Boryszew ERG Branch had failed to exercise due diligence in documenting transactions, which was recognised by the Authority as irregularities in the settlement of the tax on goods and services. The Head of the Mazovian Customs and Fiscal Office in Warsaw questions, in the Audit Result submitted to the Company, the right to apply 0% rate in intra-Community deliveries of goods to foreign entities and indicates that, given the facts, these deliveries should be taxed at 23% rate of the tax on goods and services in the period between December 2015 and March 2016 in the amount of PLN 9 817 220. According to the National Revenue Administration Boryszew S.A. also wrongfully deducted input VAT from invoices issued for the purchase of rapeseed oil, in the period December 2015 to March 2016, thereby overstating it by a total amount of PLN 12 435 798.
The total amount of the overdue the tax for the above transactions is PLN 22 253 018 plus interest due. Despite the entitlement of Boryszew S.A. to correct the submitted declarations in accordance with the findings of the Audit Result within 14 days of the date of delivery of the Audit Result, the Company intends to challenge these findings in the tax proceedings. On 29 August 2022, the Company received a notice that the customs and tax audit had been transformed into a tax procedure.
The company recognised a provision for tax risk with interest for the aforementioned procedure, in the total amount of app. PLN 30.3 million, with the total amount of the principal receivable including the provision for tax risk without interest being app. PLN 22.5 million.
The decision to recognise the aforementioned provision is due to the Issuer's prudent approach to accounting issues, while as a matter of principle the Issuer maintains the position of no merit to the determination of the overdue tax in the aforementioned amount and intends to challenge these findings in tax proceedings.

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 - November 2022.
- Maflow 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 December 2023. Amount subject to verification: EUR 2 468 517 of income re-estimation for 2017.

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),
- **possible risk** (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 Group recognised provisions for tax risks following pending proceedings, taking into consideration the probability of an unfavourable outcome of the proceedings.

As estimated by the Management Board, the amount of this provision was recognised up to the possible outflow of resources from the Group, with the maximum being the net value of assets of the subsidiary and sureties granted to it.

In the case of an unfavourable scenario of the pending court proceedings in tax matters, as described above, the Subsidiary will likely go bankrupt, and then the outflow of resources from the Group will be up to the value of Subsidiary's net assets lost as a result of bankruptcy and the equivalent of the sureties granted to the Subsidiary.



The balance of provisions for all tax risks in the consolidated financial statement of Boryszew S.A. on the balance sheet date ended on 30.06.2022 is PLN 181 506 thousand (high risk).

Furthermore, the Group recognises contingent liabilities in the amount of PLN 93 126 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.

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

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

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)

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

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

Alchemia S.A.

Agreement on establishing a freeze on securities account

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 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, issued by Unibax in 2018. As a collateral of above liabilities Unibax Ltd. established a freeze on 4 000 000 Boryszew S.A. shares in favour of Alchemia S.A.

TRANSACTION AFTER THE BALANCE SHEET DATE

EASTSIDE - BIS SPÓŁKA Z O.O.

Loan granted to a related party

On 1 July 2022 Eastside - Bis Spółka z o.o. granted a cash loan to a natural person related to the Issuer in the amount of PLN 15 000 000.00 with repayment on 31 December 2022. The interest on the above mentioned loan was determined on the arm's length basis. WIBOR 3M + margin

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

As at 30 June 2022 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.



(amounts expressed in PLN '000 unless specified otherwise)

19. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF LOAN OR BORROWING SURETIES OR GUARANTEES – JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS MATERIAL**SURETIES GRANTED BY BORYSZEW S.A. AS AT 30.06.2022 TO COMPANIES OF THE GROUP**

Guarantees disclosed in Boryszew S.A. separate financial statements include guarantees and suretyships granted to companies of the Group.

Sureties granted to Group companies in the balance sheet liabilities section of the consolidated report were excluded from the Group's statement of sureties.

Guarantees and sureties as at 30.06.2022

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	Expiry date of guarantee
Boryszew Plastic RUS	Guarantee granted to Volvo Group Trucks Operations	23 403	indefinite validity
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	23 403	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	13 125	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	28 084	contract period + 15 years
Total		88 015	

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	Expiry date of guarantee
Boryszew Plastic RUS	Guarantee granted to Volvo Group Trucks Operations	22 997	indefinite validity
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	22 997	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	12 241	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	27 596	contract period + 15 years
Total		85 831	

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.

20. OTHER INFORMATION THAT IS RELEVANT FOR THE EVALUATION OF ITS HUMAN RESOURCES, FINANCIAL POSITION, FINANCIAL PERFORMANCE AND CHANGES THEREOF AS WELL AS 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.



21. OTHER IMPORTANT EVENTS

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.

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 and then on 10 August 2022 from PLN 45 million to PLN 52 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.

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 Maflow 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 signing 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.

Adoption of the Strategy of Boryszew Capital Group for 2022 - 2026

According to the resolution of the Supervisory Board of Boryszew S.A. of 17 May 2022 on approval of: "Business Strategy for Boryszew Group for 2022–2026" (Strategy)", the Company adopted on the same day the development strategy until 2026 to be implemented, which assumes:

1. continued development of the most profitable products by expanding into new markets and diversifying end customer sectors,
2. maintaining high dynamics of ca. 13% year-on-year growth of EBITDA in 2022-2026 and reaching EBITDA of PLN 0.6 billion in 2026,
3. ensuring the required liquidity in Boryszew Capital Group through optimisation of resources used,
4. new product development through the use of research and development (R&D) centres,
5. active participation in the green energy transition,
6. optimisation of low-margin assets in the Chemicals and Metals Segments.

Given the remote time perspective and the possibility of occurrence of a number of external factors as well as unpredictability of risk factors resulting from the above, the above presented figures cannot be considered as forecasts for the strategy validity period, but only as an estimation of expected levels of revenues in relevant business areas that Boryszew Capital Group will strive to achieve.

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 the Issuer's Capital Group, which was presented to the public on 17 May 2022 (current report 22/2022).

At the same time, the Issuer 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 strategic and business objectives of the Issuer's Capital Group.

BORYSZEW CAPITAL GROUP

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 (KUBE 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. 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 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 an agreement for the sale of real estate

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.

On 15 June 2022 the Management Board of Hutmen Sp. z o.o. based in Wrocław (Hutmen), concluded a final 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 app. 19.2 ha, for the gross amount of PLN 116 850 000.00 (that is including the applicable tax on goods and services).

Payment of a portion of the price net price, i.e. the amount of PLN 95 000 000 was made on 17 June 2022. The remainder of the price, i.e. the amount of PLN 21 850.000, was paid on 25 July 2022.

The property was released on 15 June 2022.

The remaining terms of the final agreement are consistent with the standards generally applied in such agreements.

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 loan agreements

- I. 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.

II. On 28 June 2022, Boryszew Maflow Spółka z o.o. (the "Borrower") signed an overdraft agreement with BNP Paribas Bank Polska S.A. in the amount of EUR 3 800 000.

The collateral for repayment of the aforementioned loan includes:

1. Corporate guarantee issued by Boryszew S.A. up to a maximum amount of EUR 4 750 000.
2. Borrower's statement of submission to execution under Art. 777 §1(5) of the Code of Civil Procedure regarding the repayment of obligations under the Agreement, up to the amount of EUR 5 700 000.00, with the deadline for filing an enforcement clause application of 28 June 2026, with wording acceptable to the Bank,
3. Loan repayment guarantee provided by Bank Gospodarstwa Krajowego ("BGK") under PLG FGP's portfolio guarantee line, in the amount of 80.00 percent of the granted Loan, that is up to PLN 14 317 184.00. The guarantee is valid from 28 June 2022 to 28 June 2023,

The agreement will remain in force until 28 June 2023.

The loan interest rate was determined at EURIBOR 1M 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

On 23 May 2022 Boryszew Maflow Spółka z o.o. and Mafmex S de R.L. de C.V., subsidiaries, (Borrowers) signed non-revolving loan agreement with BNP Paribas Bank Polska S.A. for the amount of approximately USD 21 600 000 million 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.

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



Boryszew Capital Group

**Abbreviated consolidated financial report for the period between 1 January and 30 June 2022
drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

22. REPRESENTATIONS 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 for H1 '2022 and the comparative data 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 H1 '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 30 June 2022





Boryszew S.A.

Mid-year abbreviated report for the period between 1 January and 30 June 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 – 30.06.2022	01.01.2021 – 30.06.2021	01.04.2022- 30.06.2022	01.04.2021- 30.06.2021
		<i>restated</i>		<i>restated</i>
Revenues from sales	1 418 360	836 478	740 999	432 229
Prime cost of sale	1 326 370	729 822	689 280	377 879
Gross profit on sales	91 990	106 656	51 719	54 350
Selling costs	22 566	27 087	12 343	19 304
Administrative expenses	53 427	44 233	27 548	20 989
Other operating revenue	22 805	31 026	10 791	24 475
Other operating expenses	31 926	19 890	29 317	16 018
Operating income	6 876	46 472	(6 698)	22 514
Financial revenues	44 708	15 314	20 549	(843)
Financial expenses	44 606	25 943	25 397	11 558
Financial profit/loss	102	(10 629)	(4 848)	(12 401)
Profit before taxation	6 978	35 843	(11 546)	10 113
Income tax	12 654	10 195	7 429	4 272
Net profit	(5 676)	25 648	(18 975)	5 841
Earnings / Diluted earnings per share				
Weighted average number of shares	205 205 000	205 205 000	205 205 000	220 656 301
Earnings / Diluted earnings per share (PLN/gr)	(0.03)	0.12	(0.09)	0.03
		<i>restated</i>		<i>restated</i>
Net profit	(5 676)	25 648	(18 975)	5 841
Earnings recognised in equity				
Earnings recognised in equity, to be transferred to income statement (before tax)	(6 606)	5 217	(15 899)	(12 381)
Hedge accounting	(6 606)	5 217	(15 899)	3 296
Measurement of financial assets	-	-	-	(15 677)
Income tax	1 255	(991)	3 021	(626)
Earnings recognised in equity, not to be transferred to income statement (before tax)	2 545	23 775	(2 148)	23 775
Gains/losses on valuation and disposal of equity instruments	2 364	23 775	(2 329)	23 775
Income tax	(449)	(4 517)	443	(4 517)
Employee benefit capital reserve	181	-	181	-
Income tax	(34)	-	(34)	-
Total earnings recognised in equity	(3 289)	23 484	(14 617)	6 251
Total comprehensive income	(8 965)	49 132	(33 592)	12 092



Boryszew S.A.

Mid-year abbreviated report for the period between 1 January and 30 June 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 30.06.2022	As at 31.12.2021	Balance on 30.06.2021
Non-current assets		<i>restated</i>	<i>restated</i>
Property, plant and equipment	250 987	257 847	270 133
Investment property	22 950	21 619	17 243
Goodwill	-	-	-
Intangible assets	31 491	35 223	32 972
Right-of-use assets	130 752	117 891	100 140
Shares in subsidiaries and associates	810 425	803 978	864 011
Financial assets	148 882	41 328	148 718
Long-term receivables	136 855	121 761	118 442
Deferred tax assets	-	-	-
Total fixed assets	1 532 342	1 399 647	1 551 659
Current assets	993 494	1 113 815	1 168 694
Current assets other than assets held for sale			
Inventory	291 270	242 154	234 929
Trade receivables and other receivables	359 485	415 183	322 218
Short-term financial assets	290 657	399 578	582 152
Derivative financial instruments	-	-	16
Current tax assets	411	-	-
Cash and cash equivalents	51 671	56 900	29 379
Total current assets	993 494	1 113 815	1 168 694
Total assets	2 525 836	2 513 462	2 720 353



Boryszew S.A.

Mid-year abbreviated report for the period between 1 January and 30 June 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 30.06.2022	As at 31.12.2021	Balance on 30.06.2021
		<i>restated</i>	<i>restated</i>
Equity			
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	(8 021)	(2 670)	(1 879)
Capital reserve on translating employee payables	(61)	(208)	(426)
Revaluation reserve and gain on disposal of financial assets	25 111	43 699	51 050
Retained earnings	974 106	1 148 068	1 419 743
Total equity	1 169 571	1 367 325	1 646 924
Liabilities and long-term provisions			
Bank loans, borrowings	3 806	8 275	28 378
Bonds	-	-	-
Lease liabilities	77 107	67 337	57 636
Deferred tax provision	15 675	15 213	16 006
Derivative financial instruments	-	-	-
Employee benefit provisions	2 670	2 754	2 812
Other provisions	21 486	23 413	8 636
Other long term equity and liabilities	20 657	18 489	22 699
Liabilities and long-term provisions - total	141 401	135 481	136 167
Short-term liabilities			
Bank loans, borrowings	688 992	477 083	493 846
Bonds	-	28 000	28 000
Lease liabilities	21 444	20 123	19 002
Trade payables and other liabilities	437 848	436 143	316 168
Liabilities under agreements with customers			
Derivative financial instruments	4 654	300	457
Current tax liabilities	-	22 906	53 367
Employee benefit provisions	11 608	8 722	9 451
Other provisions	35 371	3 378	8 568
Other liabilities and equity	14 947	14 001	8 403
Liabilities and short-term provisions - total	1 214 864	1 010 656	937 262
Total liabilities and provisions	1 356 265	1 146 137	1 073 429
Total equity and liabilities	2 525 836	2 513 462	2 720 353



(amounts expressed in PLN '000 unless specified otherwise)

CASH FLOW STATEMENT

	01.01.2022 – 30.06.2022	01.01.2021 – 30.06.2021
		<i>restated</i>
Cash flows from operating activities		
Profit before taxation	6 978	35 843
Adjustments for	51 007	32 273
Amortisation/depreciation	28 546	22 474
Profit/loss on financial activity (including interest on financial liabilities)	5 626	9 607
Dividends received	(279)	(13 921)
Profit / loss on investment activities	(23 217)	(10 542)
Change in receivables	183 155	(31 571)
Change in inventories	(49 116)	(25 880)
Change in liabilities	(97 236)	78 005
Change in provisions and accruals as well as prepayments	39 444	5 490
Other items	(1 264)	(1 177)
Income tax paid	(34 652)	(212)
Net cash from operating activities	57 985	68 116
Cash flows from investment activities:		
Proceeds from disposal of fixed assets	1 583	1 413
Proceeds from disposal of shares	80 812	10 114
Proceeds from disposal of shares/dividends	196	7 010
Proceeds from repayment of loans granted	15 962	27 592
Other proceeds from investment activities	20	10 484
Expenses on acquisition of fixed assets	(13 152)	(24 373)
Acquisition of shares and stocks in capital group entities	(693)	(25)
Long term borrowings granted	(75 740)	(123 769)
Net cash from investing activities	8 988	(91 554)
Cash flows from financial activities:		
Incomes on credit and loan facilities	55 007	103 638
Loans received	385 500	95 297
Other inflows	3 440	3 999
Dividends paid	(188 789)	-
Loans repaid	(65 452)	(81 205)
Repayment of borrowings	(210 389)	(44 693)
Redemption of bonds	(28 000)	(36 000)
Interest paid on loans, borrowings and leasing	(12 189)	(5 924)
Payment of liabilities under finance lease agreements	(11 330)	(15 189)
Net cash from financing activities	(72 202)	19 923
Net change in cash	(5 229)	(3 515)
Cash opening balance	56 900	32 894
Cash closing balance	51 671	29 379
<i>Restricted cash</i>	<i>14 678</i>	<i>10 388</i>



STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Own shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
Balance on 01.01.2022	248 906	112 346	(182 816)	(2 670)	(208)	43 699	1 148 068	1 367 325
Valuation of hedge instruments	-	-	-	(5 351)	-	-	-	(5 351)
Valuation of employee benefits	-	-	-	-	147	-	-	147
Valuation of financial assets and disposal through comprehensive income in 2022.	-	-	-	-	-	1 915	-	1 915
Disposal of financial assets through comprehensive income/distribution of result 2021	-	-	-	-	-	(20 503)	20 503	-
Profit/loss for the first half of 2022	-	-	-	-	-	-	(5 676)	(5 676)
Total revenue for the first six months of 2022	-	-	-	(5 351)	147	(18 588)	14 827	(8 965)
Dividends paid	-	-	-	-	-	-	(188 789)	(188 789)
Balance on 06.30.2022	248 906	112 346	(182 816)	(8 021)	(61)	25 111	974 106	1 169 571

	Share capital	Share premium	Own shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
Balance on 01.01.2021	248 906	112 346	(182 816)	(6 105)	(426)	31 792	1 394 095	1 597 792
Valuation of hedge instruments	-	-	-	3 435	-	-	-	3 435
Valuation of employee benefits	-	-	-	-	218	-	-	218
Measurement of financial assets	-	-	-	-	-	(8 598)	-	(8 598)
Disposal of financial assets	-	-	-	-	-	20 505	-	20 505
Profit/loss for 2021	-	-	-	-	-	-	(259 762)	(259 762)
Total comprehensive income for 2021	-	-	-	3 435	218	11 907	(259 762)	(244 202)
Merger with a subsidiary	-	-	-	-	-	-	13 735	13 735
As at 31.12.2021	248 906	112 346	(182 816)	(2 670)	(208)	43 699	1 148 068	1 367 325

	Share capital	Share premium	Own shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
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Balance on 01.01.2021	248 906	112 346	(182 816)	(6 105)	(426)	31 792	1 394 095	1 597 792
Valuation of hedge instruments	-	-	-	4 226	-	-	-	4 226
Measurement of financial assets	-	-	-	-	-	18 374	-	18 374
Disposal of financial assets	-	-	-	-	-	884	-	884
Profit/loss for the first half of 2021	-	-	-	-	-	-	25 648	25 648
Total revenue for the first six months of 2021	-	-	-	4 226	-	19 258	25 648	49 132
Balance on 30.06.2021	248 906	112 346	(182 816)	(1 879)	(426)	51 050	1 419 743	1 646 924



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ADDITIONAL INFORMATION

ABBREVIATED MID-YEAR FINANCIAL STATEMENTS OF BORYSZEW S.A. FOR THE FIRST HALF 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 H1 '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 H1 '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 (Journal of 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 - 30.06.2021	4.5472	4.5208
01.01 - 31.12.2021	4.5622	4.5994
01.01- 30.06.2022	4.6427	4.6806

ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these mid-year separate financial statements for the period ended on 30 June 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.
- 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.
- Amendment to IFRS 16 "Leases" - COVID-19-related rent concessions granted after 30 June 2021. The amendment to IFRS 16 was published on 31 March 2021 and applies to annual periods beginning on or after 1 April 2021. The purpose of the amendment to the standard is solely to extend by one year (to 30 June 2022) the period during which COVID-19-related rent concessions require no amendments to lease agreements. This amendment is closely associated with the already effective amendment to IFRS 16 published in May 2020.

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.



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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:

- IFRS 17 "Insurance Contracts". The new standard was published on 18 May 2017 then amended on 25 June 2020 and applies to annual periods beginning on or after 1 January 2023. Earlier application is permitted (but subject to simultaneous application of IFRS 9 and IFRS 15). The standard supersedes the existing regulations concerning insurance contracts (IFRS 4). IFRS 4 was also amended on 25 June 2020 - in terms of extending the exemption for insurers from the application of IFRS 9 Financial Instruments until 1 January 2023.
- Amendment to IFRS 17 "Insurance Contracts" first-time adoption of IFRS 17 and IFRS 19 - comparative information. The amendment to IFRS 17 was published on 9 December 2021 and applies to annual periods beginning on or after 1 April 2023. The amendment includes a transition option for comparative information on financial assets presented on initial application of IFRS 17. The change is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities.
- 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. The Group will apply the amended standards as of 1 January 2023. As of the date of drafting of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.
- Amendments to 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.

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 will apply the change in the standard as of 1 January 2023. As on the date of drafting these financial statements application of the amended standard will have no impact on financial statements of the Company.

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.



(amounts expressed in PLN '000 unless specified otherwise)

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME - restatement

	01.01.2021 - 30.06.2021	01.01.2021 - 30.06.2021	Impact on profit/loss
	<i>restated</i>	<i>published</i>	
Revenues from sales	836 478	836 478	-
Prime cost of sale	729 822	729 822	-
Gross profit on sales	106 656	106 656	-
Selling costs	27 087	27 087	-
Administrative expenses	44 233	44 233	-
Other operating revenue	31 026	29 449	1 577
Other operating expenses	19 890	12 626	(7 264)
Profit/loss on impairment of trade receivables and other receivables	-	(5 687)	5 687
Operating income	46 472	46 472	-
Financial revenues	15 314	15 310	4
Financial expenses	25 943	25 943	-
Profit/loss on impairment of financial assets	-	4	(4)
Financial profit/loss	(10 629)	(10 629)	-
Profit before taxation	35 843	35 843	-
Income tax	10 195	10 195	-
Net profit	25 648	25 648	-

	01.01.2021 - 30.06.2021	01.01.2021 - 30.06.2021	change
	<i>restated</i>	<i>published</i>	
Net profit	25 648	25 648	-
Earnings recognised in equity			
Earnings recognised in equity, to be transferred to profit and loss account	4 226	4 226	-
before tax	5 217	-	-
after tax	-	4 226	-
Hedge accounting	5 217	5 217	-
Income tax	-	(991)	-
Income tax	(991)	-	-
Earnings recognised in equity, not to be transferred to income statement	19 258	19 258	-
before tax	23 775	-	-
after tax	-	19 258	-
Gains/losses on valuation and disposal of equity instruments	23 775	-	23 775
Gains/losses on valuation of equity instruments	-	22 684	(22 684)
Income tax	-	(4 310)	4 310
Gains/losses on disposal of equity instruments	-	1 091	(1 091)
Income tax	-	(207)	207
Income tax	(4 517)	-	(4 517)
Total earnings recognised in equity	23 484	23 484	-
Total comprehensive income	49 132	49 132	-



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SEPARATE STATEMENT OF FINANCIAL POSITION - restatement

ASSETS	As at	As at	change
	31.12.2021	31.12.2021	
	<i>restated</i>	<i>published</i>	
Non-current assets			
Property, plant and equipment	257 847	257 847	-
Investment property	21 619	21 619	-
Intangible assets	35 223	35 223	-
Right-of-use assets	117 891	117 891	-
Shares in subsidiaries and associates	803 978	803 978	-
Financial assets	41 328	41 328	-
Long-term receivables	121 761	110 195	11 566
Other assets	-	11 566	(11 566)
Total fixed assets	1 399 647	1 399 647	-
Current assets	1 113 815	1 113 815	-
Current assets other than assets held for sale			
Inventory	242 154	242 154	-
Trade receivables and other receivables	415 183	385 580	29 603
Short-term financial assets	399 578	399 578	-
Other assets	-	29 603	(29 603)
Cash and cash equivalents	56 900	56 900	-
Total current assets	1 113 815	1 113 815	-
Total assets	2 513 462	2 513 462	-



(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at	As at	change
	31.12.2021	31.12.2021	
	<i>restated</i>	<i>published</i>	
Equity			
Share capital	248 906	248 906	-
Share premium	112 346	112 346	-
Own shares	(182 816)	(182 816)	-
Hedge accounting capital	(2 670)	(2 670)	-
Capital reserve on translating employee payables	(208)	(208)	-
Revaluation reserve and gain on disposal of financial assets	43 699	43 699	-
Retained earnings	1 148 068	1 148 068	-
Total equity	1 367 325	1 367 325	-
Liabilities and long-term provisions			
Bank loans, borrowings	8 275	8 275	-
Lease liabilities	-	29 755	(29 755)
Liabilities related to right-of-use assets - other assets	67 337	35 650	31 687
Payables on perpetual usufruct of investment land	-	1 932	(1 932)
Deferred tax provision	15 213	15 213	-
Employee benefit provisions	2 754	2 754	-
Other provisions	23 413	23 413	-
Other long term equity and liabilities	18 489	18 489	-
Liabilities and long-term provisions - total	135 481	135 481	-
Short-term liabilities			
Bank loans, borrowings	477 083	505 083	(28 000)
Bonds	28 000	-	28 000
Lease liabilities	-	10 831	(10 831)
Liabilities related to right-of-use assets - other assets	20 123	9 292	10 831
Trade payables and other liabilities	436 143	436 143	-
Derivative financial instruments	300	300	-
Current tax liabilities	22 906	22 906	-
Employee benefit provisions	8 722	8 722	-
Other provisions	3 378	3 378	-
Other liabilities and equity	14 001	14 001	-
Liabilities and short-term provisions - total	1 010 656	1 010 656	-
Total liabilities and provisions	1 146 137	1 146 137	-
Total equity and liabilities	2 513 462	2 513 462	-



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ASSETS	Balance on	Balance on	change
	30.06.2021	30.06.2021	
	<i>restated</i>	<i>published</i>	
Non-current assets			
Property, plant and equipment	270 133	270 133	-
Investment property	17 243	17 243	-
Intangible assets	32 972	32 972	-
Right-of-use assets	100 140	100 140	-
Shares in subsidiaries and associates	864 011	864 011	-
Financial assets	148 718	148 718	-
Long-term receivables	118 442	108 311	10 131
Other assets	-	10 131	(10 131)
Total fixed assets	1 551 659	1 551 659	-
Current assets	1 168 694	1 168 694	-
Current assets other than assets held for sale			
Inventory	234 929	234 929	-
Trade receivables and other receivables	322 218	294 953	27 265
Short-term financial assets	582 152	582 152	-
Derivative financial instruments	16	16	-
Other assets	-	27 265	(27 265)
Cash and cash equivalents	29 379	29 379	-
Total current assets	1 168 694	1 168 694	-
Total assets	2 720 353	2 720 353	-



(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	Balance on	Balance on	change
	30.06.2021	30.06.2021	
	<i>restated</i>	<i>published</i>	
Equity			
Share capital	248 906	248 906	-
Share premium	112 346	112 346	-
Own shares	(182 816)	(182 816)	-
Hedge accounting capital	(1 879)	(1 879)	-
Gains on investments in financial instruments	-	51 050	(51 050)
Capital reserve on translating employee payables	(426)	(426)	-
Revaluation reserve and gain on disposal of financial assets	51 050	-	51 050
Retained earnings	1 419 743	1 419 743	-
Total equity	1 646 924	1 646 924	-
Liabilities and long-term provisions			
Bank loans, borrowings	28 378	28 378	-
Lease liabilities	57 636	13 660	43 976
Liabilities related to right-of-use assets - other assets	-	42 044	(42 044)
Payables on perpetual usufruct of investment land	-	1 932	(1 932)
Deferred tax provision	16 006	16 006	-
Employee benefit provisions	2 812	2 812	-
Other provisions	8 636	8 636	-
Other long term equity and liabilities	-	22 699	-
Liabilities and long-term provisions - total	136 167	136 167	-
Short-term liabilities			
Bank loans, borrowings	493 846	521 846	(28 000)
Bonds	28 000	-	28 000
Lease liabilities	19 002	10 085	8 917
Liabilities related to right-of-use assets - other assets	-	8 917	(8 917)
Trade payables and other liabilities	316 168	316 168	-
Derivative financial instruments	457	457	-
Current tax liabilities	53 367	53 367	-
Employee benefit provisions	9 451	9 451	-
Other provisions	8 568	8 568	-
Other liabilities and equity	8 403	8 403	-
Liabilities and short-term provisions - total	937 262	937 262	-
Total liabilities and provisions	1 073 429	1 073 429	-
Total equity and liabilities	2 720 353	2 720 353	-



(amounts expressed in PLN '000 unless specified otherwise)

	01.01.2021 - 30.06.2021	01.01.2021 - 30.06.2021	change
	<i>restated</i>	<i>published</i>	
Cash flows from operating activities			
Profit before taxation	35 843	35 843	-
Adjustments for	32 273	32 273	-
Amortisation/depreciation	22 474	22 474	-
Profit/loss on financial activity (including interest on financial liabilities)	9 607	9 607	-
Dividend	(13 921)	(13 921)	-
Profit / loss on investment activities	(10 542)	(10 542)	-
Change in receivables	(31 571)	(31 571)	-
Change in inventories	(25 880)	(25 880)	-
Change in liabilities	78 005	78 005	-
Change in provisions and accruals as well as prepayments	5 490	5 490	-
Other items	(1 177)	(1 177)	-
Income tax paid	(212)	(212)	-
Net cash from operating activities	68 116	68 116	-
Cash flows from investment activities:			
Proceeds from disposal of fixed assets	1 413	1 413	-
Proceeds from disposal of shares	10 114	10 114	-
Proceeds from disposal of shares/dividends	7 010	7 010	-
Proceeds from repayment of loans granted	27 592	27 592	-
Other proceeds from investment activities	10 484	10 484	-
Expenses on acquisition of fixed assets	(24 373)	(24 373)	-
Acquisition of shares and stocks in capital group entities	(25)	(25)	-
Long term borrowings granted	(123 769)	(123 769)	-
Net cash from investing activities	(91 554)	(91 554)	-
Cash flows from financial activities:			
Incomes on credit and loan facilities	103 638	103 638	-
Loans received	95 297	95 297	-
Other inflows	3 999	3 999	-
Loans repaid	(81 205)	(81 205)	-
Repayment of borrowings	(44 693)	(44 693)	-
Redemption of bonds	(36 000)	(36 000)	-
Interest paid on loans, borrowings and leasing	(5 924)	(4 506)	(1 418)
Payment of liabilities under finance lease agreements	(15 189)	(16 607)	1 418
Net cash from financing activities	19 923	19 923	-
Net change in cash	(3 515)	(3 515)	-
Cash opening balance	32 894	32 894	-
Cash closing balance	29 379	29 379	-



(amounts expressed in PLN '000 unless specified otherwise)

3. Off-balance-sheet liabilities

	As at 30.06.2022	As at 31.12.2021
Sureties for the repayment of loans and other liabilities by associated companies	250 652	223 329
Total	250 652	223 329

Contingent items	As at 30.06.2022	As at 31.12.2021	change
Contingent liabilities	250 652	223 329	27 323
resulting from granted guarantees, sureties and other liabilities	250 652	223 329	27 323
- guarantees and sureties associated with performance of contracts	60 848	66 691	(5 843)
- guarantees and sureties in favour of financial institutions	189 804	156 638	33 166
Increases / decreases in the period of 6 months ended on 30.06.2022, including:			27 323
Additions			
- Increase due to valuation of sureties			2 853
- Increase in surety amount			49 715
Reductions			
- Reduction due to valuation of sureties			-
- Decrease in the amount of existing sureties due to expiration, reduction			(25 245)

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 (PLN 19.8 million) as well as the increase of factoring limit exposure in Coface by ZM Silesia (PLN 6.7 million), and sureties granted to BNP Paribas S.A. to secure non-revolving loans for investments taken by Maflow Boryszew Sp. z o.o. and Mafmex S. DE R.L. DE C.V. (PLN 22.9 million).

Decrease in the amount of existing sureties due to expiration and reduction is the result of repayment of guaranteed leases as well as the expiry of the guarantee issued to BSB Recycling GmbH.



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Status of current warranties and guarantees as at 30.06.2022.

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	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.	2 228	01.09.2022
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	13 859	31.12.2028
Boryszew Plastic Rus LLC	Guarantee granted to Volvo Group Trucks Operations	23 403	indefinite validity
Boryszew Plastic Rus LLC	Guarantee granted to Alfa Bank	1 077	31.12.2024
Boryszew Plastic Rus LLC	Payment guarantee granted to Engel Austria GmbH	6 239	25.08.2023
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	7 083	30.10.2022
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	380	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	715	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	366	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	366	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	671	15.02.2025
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	509	15.02.2025
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to PKO Leasing S.A.	4 152	10.10.2022
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	1 498	31.08.2023
1. Boryszew Tensho Poland Sp. z o.o. 2. Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Borealis AG	4 681	31.12.2022
1. Boryszew Tensho Poland Sp. z o.o. 2. Boryszew Kunststofftechnik Deutschland GmbH 3. Boryszew Plastic Rus LLC 4. AKT Plastikářská Technologie Čechy, spol. S.r.o.	Guarantee granted to Basell Sales & Marketing Company B.V.	9 361	31.12.2022
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	23 403	01.12.2026
Maflow France Automotive S.A.S.	Guarantee granted to Natixis Lease	94	04.10.2022
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	23 403	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	13 125	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	28 084	contract period + 15 years
Mafmex S. de R.L. de C.V.	Guarantee granted to BNP Paribas S.A.	12 382	30.06.2031
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.	36 404	indefinite validity
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	20 088	18.01.2025
Maflow Boryszew Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	10 533	30.06.2031
Total guarantees and sureties granted by Boryszew S.A.		250 652	



Boryszew S.A.

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(amounts expressed in PLN '000 unless specified otherwise)

Status of current warranties and guarantees as at 31.12.2021.

Entity on whose behalf the surety or guarantee was issued	The entity to which surety was granted	Value of guarantee	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 Plastikářská Technologie Čechy, spol. S.r.o.	Guarantee granted to Basell Sales & Marketing Company B.V.	9 199	31.12.2022
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	22 997	01.12.2026
Maflow France Automotive S.A.S.	Guarantee granted to Natixis Lease	455	04.12.2022
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	22 997	term of the agreement
	Mafmex's rent payment bond to Innova Dintel	12 241	01.01.2030
	BMW AG performance bond	27 596	contract performance 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
Total guarantees and sureties granted by Boryszew S.A.		223 329	



Boryszew S.A.

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(amounts expressed in PLN '000 unless specified otherwise)

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

Distribution of profit for 2021

On 27 May 2022, the Ordinary General Meeting of Boryszew S.A. passed a resolution to cover the net loss for 2021 in the amount 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 27 May 2022 the Ordinary General Meeting of Boryszew S.A. passed a resolution to pay a dividend to shareholders in the amount of PLN 0.92 per share entitled to dividend, that is, in the total amount of PLN 188 788 600.00, from the Company's supplementary capital, which, according to art. 348 § the Commercial Companies Code may be allocated for distribution.

The dividend was paid on 205 205 000 shares. No treasury shares held by Boryszew S.A. were entitled to the dividend. The dividend date was set for 3 June 2022. The dividend payment date was 10 June 2022.

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

DEBT SECURITIES

In H1 '2022 and until the date of publication of the report, the Group issued no non-equity securities.

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 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.

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

EQUITY SECURITIES

In H1 '2022 and until the report publication date, the Company 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.



(amounts expressed in PLN '000 unless specified otherwise)

6. Operating segments

01.01.2022 - 30.06.2022	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	156 399	355 939	470 432	436 331	1 419 101	(741)	1 418 360
Segment costs of sales	136 511	313 097	447 135	430 283	1 327 026	(656)	1 326 370
Result on sales within segment	19 888	42 842	23 297	6 048	92 075	(85)	91 990
General, administrative and sales expenses	19 009	36 395	10 988	9 622	76 014	(21)	75 993
Other operating profit/loss	(17 942)	5 069	2 173	1 524	(9 176)	55	(9 121)
Segment profit/loss	(17 063)	11 516	14 482	(2 050)	6 885	(9)	6 876
Amortisation/depreciation	2 388	17 965	7 292	901	28 546	-	28 546
EBITDA *)	(14 675)	29 481	21 774	(1 149)	35 431	(9)	35 422
Segment assets	469 192	693 254	300 102	1 809 947	3 272 495	(746 659)	2 525 836
Segment liabilities	179 836	655 195	275 375	992 518	2 102 924	(746 659)	1 356 265

01.01.2021 - 30.06.2021	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	123 611	334 870	244 693	147 814	850 988	(14 510)	836 478
Segment costs of sales	101 574	272 516	229 184	139 995	743 269	(13 447)	729 822
Result on sales within segment	22 037	62 354	15 509	7 819	107 719	(1 063)	106 656
General, administrative and sales expenses	15 713	36 468	8 053	12 532	72 766	(1 446)	71 320
Other operating profit/loss	1 717	(76)	522	9 465	11 628	(492)	11 136
Segment profit/loss	8 041	25 810	7 978	4 752	46 581	(109)	46 472
Amortisation/depreciation	2 447	16 187	3 065	775	22 474	-	22 474
EBITDA *)	10 488	41 997	11 043	5 527	69 055	(109)	68 946
Segment assets	230 811	641 880	228 525	1 947 935	3 049 151	(328 798)	2 720 353
Segment liabilities	99 475	684 624	148 493	445 414	1 378 006	(304 577)	1 073 429

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



(amounts expressed in PLN '000 unless specified otherwise)

REVENUES FROM SALE BY DESTINATION MARKET	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Continuing operations		
Domestic sales	816 340	333 131
Sales to EU countries	508 362	418 032
Sales to other European countries	54 387	49 261
Export outside Europe	39 271	36 054
Total (revenues from continuing operations)	1 418 360	836 478

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES:	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Germany	27%	27%
The Czech Republic	21%	12%
Sweden	10%	13%
The Netherlands	7%	5%
Spain	5%	9%
Belgium	5%	3%
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 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.

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. Importantly, lower sales are observed during the December holiday season.

8. Financial instruments, fair value, estimated data

Financial assets as at 30.06.2022

	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	-	-	9 369	-	9 369
Bonds	12 434	-	-	-	12 434
Trade receivables, factoring	299 178	24 825	-	-	324 003
Derivative financial instruments	-	-	-	-	-
Loans granted	417 617	-	-	-	417 617
Other debtors	-	119 063	-	-	119 063
Cash and cash equivalents	51 671	-	-	-	51 671
Total	780 900	143 888	9 369	-	934 157



(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
Total	726 387	163 273	86 433	-	976 093

Financial liabilities as at 30.06.2022

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	692 798	-	692 798
Liabilities on bonds	-	-	-
Derivative financial instruments	-	4 654	4 654
Lease liabilities	43 692	-	43 692
Liabilities to SMA and PdUA	54 859	-	54 859
Trade and other liabilities	387 952	-	387 952
Total	1 179 301	4 654	1 183 955

Financial liabilities as at 31.12.2021

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



(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 of fair value
	As at 30.06.2022	As at 31.12.2021	
Financial assets			
Listed shares	9 369	86 433	Level 1
Derivative financial instruments	-	-	Level 2
Financial obligations			
Derivative financial instruments	4 654	300	Level 2

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

	As at 30.06.2022	As at 31.12.2021	of fair value
Financial assets			
Bonds	12 434	14 916	Level 3
Borrowings	417 617	339 537	Level 3
Trade and other receivables	443 066	478 307	Level 3
Cash and cash equivalents	51 671	56 900	Level 1
Financial obligations			
Borrowings and loans	692 798	485 358	Level 2
Liabilities on bonds	-	28 000	Level 2
Trade and other liabilities	387 952	393 416	Level 3
Lease liabilities	43 692	40 586	Level 2
Liabilities to SMA and PdUA	52 937	44 942	Level 2
Liabilities to SMA - investment property	1 922	1 932	Level 2

	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Impact of write-offs on assets and provisions on profit/loss		
Creation of value impairment write-offs for accounts receivable	(800)	(844)
Reversal of write-downs on accounts receivable (-)	861	793
Revaluation write-offs of loan receivables	-	-
Reversal of revaluation write-offs on loans granted	5	4
Creation of value impairment write-offs on other receivables	-	(6 420)
Reversal of value impairment write-offs on other receivables	8 263	784
Tangible fixed assets impairment write-offs	-	-
Reversal, release of revaluation write-offs on fixed assets	67	-
Provisions for tax risks in ERG branch	(30 313)	-
Reversal of provisions (-)	-	23
Total impact on profit/loss	(21 917)	(5 660)



(amounts expressed in PLN '000 unless specified otherwise)

9. Transactions with affiliated entities

	Subsidiaries	Personally related entities
in the period 01.01.2022 - 30.06.2022		
Revenues from sales (of products, services, goods)	256 900	4 660
Interest income	14 642	1 567
Purchases (of materials, goods, services)	54 053	131
Interest expense	4 403	-
as at 30.06.2022		
Trade receivables	150 058	1 763
Bonds purchased	3 657	8 777
Loans granted	383 190	34 427
Other receivables (advances, deposits)	112 140	-
Lease liabilities	9 114	-
Trade liabilities	68 334	38
Loans received	307 618	-
Other liabilities (advances, deposits)	59	-

	Subsidiaries	Personally related entities
in the period 01.01.2021 - 30.06.2021		
Revenues from sales (of products, services, goods)	137 550	1 034
Interest income	10 377	60
Dividends received and due	12 285	-
Purchases (of materials, goods, services)	47 858	409
Interest expense	777	61
balance on 30.06.2021		
Trade receivables	99 864	46
Bonds purchased	5 802	2 674
Loans granted	544 954	-
Other debtors	108 311	360
Lease liabilities	13 383	-
Trade payables and deposits	48 857	-
Loans received	71 506	-
Issued bonds	28 000	-
Other liabilities (advances, deposits)	25	-



Boryszew S.A.

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(amounts expressed in PLN '000 unless specified otherwise)

10. Additional information

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

As at 30 June 2022 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

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

During the reporting period, no negative impact of the Covid - 19 pandemic on the Company's results was found. The Management Board does not currently identify a material risk associated with the virus in the near future.

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., Boryszew Group identified key risks of operating activities related to the war in Ukraine:

- availability constraints as well as the cost of energy carriers and gas,
- higher inflation,
- volatility in the market for raw materials and materials,
- 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.

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. No adjustments have been made to reflect this in this report.

OTHER IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

BORYSZEW S.A.

Decision on the intention to merge Boryszew S.A. with based in Warsaw and Hutmen Spółka z o.o. based in Wrocław

On 11 July 2022 the Management Board of Boryszew S.A. made a decision on the merger of Boryszew S.A. based in Warsaw with its 100% subsidiary Hutmen Spółka z o.o. based in Wrocław (the Acquired Company).

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

The Acquired Company terminated its operations at the end of 2021, and thus the merger process in the aforementioned manner will be, from a cost and organisational point of view, the optimum solution to formally terminate the operation of the Acquired Company and put its assets in order.

On 27 July 2022, Boryszew S.A. and Hutmen Spółka z o.o., based in Wrocław, agreed on and signed the Merger Plan.

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

On 10 August 2022, the bill of exchange surety granted to ZM Silesia S.A. for Coface Poland Factoring Sp. z o.o. was increased from PLN 45 million to PLN 52 million.



Boryszew Capital Group

**Abbreviated consolidated financial report for the period between 1 January and 30 June 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 30 AUGUST 2022.

SIGNATURES:

Wojciech Kowalczyk - President of the Management Board -----

Mikołaj Budzanowski – Member of the Management Board -----

Radostław Szorc - Chief Financial Officer -----

Agata Kęszczyk-Grabowska - Chief Accountant -----