



CONSOLIDATED QUARTERLY REPORT OF BORYSZEW CAPITAL GROUP

for the period between 1 January and 30 September 2022

**Report publication date
10 November 2022**



**Boryszew Capital Group**

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

(amounts expressed in PLN '000 unless specified otherwise)

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Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

SELECTED FINANCIAL DATA

	in PLN '000		in EUR '000	
	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
data regarding abbreviated consolidated financial statements				
Revenue from continuing operations	5 242 770	4 656 580	1 118 338	1 021 516
Operating profit	224 685	144 079	47 928	31 607
Net profit on continuing operations	135 589	89 712	28 923	19 680
Net profit on continuing and discontinued operations	137 327	91 524	29 293	20 078
Net profit attributable to the parent	131 401	84 656	28 029	18 571
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)	0.65	0.42	0.14	0.09
Net cash flow from operating activities	203 728	(26 768)	43 457	(5 872)
Net cash flow from investment activities	35 731	62 947	7 622	13 809
Net cash flow from financial activities	(272 273)	(66 657)	(58 079)	(14 623)
	As at 30.09.2022	As at 31.12.2021	As at 30.09.2022	As at 31.12.2021
Total assets	4 298 502	4 220 636	882 686	917 649
Total liabilities and provisions	2 587 050	2 473 932	531 244	537 881
Assets of continuing operations	4 297 243	4 161 119	882 427	904 709
Liabilities of continuing operations	2 573 819	2 433 029	528 527	528 988
Equity	1 711 452	1 746 704	351 442	379 768
Equity attributable to the parent company	1 683 030	1 720 205	345 606	374 006

	in PLN '000		in EUR '000	
	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
data regarding separate abbreviated financial statements				
Revenues from sales	2 203 248	1 295 828	469 976	284 266
Operating profit	48 527	95 748	10 351	21 004
Net profit	35 076	13 743	7 482	3 015
Weighted average number of shares	205 205 000	205 205 000	205 205 000	205 205 000
Profit per ordinary share in PLN/EUR	0.17	0.07	0.04	0.01
Net cash flow from operating activities	59 924	11 649	12 782	2 555
Net cash flow from investment activities	(13 456)	(15 933)	(2 870)	(3 495)
Net cash flow from financial activities	(57 063)	16 474	(12 172)	3 614
	As at 30.09.2022	As at 31.12.2021	As at 30.09.2022	As at 31.12.2021
Total assets	2 692 772	2 513 462	552 953	546 476
Total liabilities and provisions	1 482 690	1 146 137	304 466	249 193
Equity	1 210 082	1 367 325	248 487	297 283

ABBREVIATED MID-YEAR CONSOLIDATED FINANCIAL STATEMENTS

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




Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021	01.07.2022 -30.09.2022	01.07.2021 - 30.09.2021
Continuing operations		restated		restated
Revenues from sales	5 242 770	4 656 580	1 706 537	1 599 832
Prime cost of sale	4 774 962	4 170 339	1 581 787	1 431 286
Gross profit on sales	467 808	486 241	124 750	168 546
Selling costs	103 040	127 152	32 276	41 402
Administrative expenses	218 202	215 943	66 893	73 747
Other operating revenue	234 269	67 751	32 463	18 367
Other operating expenses	156 150	66 818	17 410	13 221
Operating income	224 685	144 079	40 634	58 543
Financial revenues	77 150	25 257	29 268	5 561
Financial expenses	102 981	34 242	34 805	(2 371)
Profit on sales of subsidiary	2 173	12 474	2 173	8 122
Profit/loss on impairment of financial assets	-	-	-	-
Share in profit of affiliates	(74)	15	(97)	-
Profit before taxation	200 953	147 583	37 173	74 597
Income tax	65 364	57 871	14 464	32 082
Net profit on continuing operations	135 589	89 712	22 709	42 515
Net profit/loss on discontinued operations	1 738	1 812	2 123	363
Net profit on continuing and discontinued operations	137 327	91 524	24 832	42 878
including attributable to:				
shareholders of the parent	131 401	84 656	22 841	40 852
non-controlling interests	5 926	6 868	1 991	2 026
Earnings / Diluted earnings per share	131 401	84 656	22 841	40 852
Weighted average number of shares	202 000 000	202 000 000	202 000 000	202 000 000
Earnings / Diluted earnings per share (PLN)	0.65	0.42	0.11	0.20
Net profit (loss) per share (in PLN, 100/PLN per share)	0.65	0.42	0.11	0.20
Earnings per share on continuing operations	0.65	0.42	0.11	0.20
Earnings per share on discontinued operations	-	-	-	-
Diluted net profit (loss) per share (PLN/share)	0.65	0.42	0.11	0.20
Diluted on continuing operations	0.65	0.42	0.11	0.20
Diluted on discontinued operations	-	-	-	-


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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - continued

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021	01.07.2022 - 30.09.2022	01.07.2021 - 30.09.2021
		restated		restated
Net profit	137 327	91 524	24 832	42 878
Earnings recognised in equity				
Earnings recognised in equity, to be transferred to income statement	16 777	12 282	8 187	10 773
Hedge accounting (before tax)	(20 907)	5 220	10 691	5 439
Income tax	3 972	(992)	(2 032)	(1 034)
Foreign exchange differences on recalculation of foreign controlled entities	33 712	8 054	(472)	6 368
Earnings recognised in equity, not to be transferred to income statement	1 635	11 865	(353)	(7 393)
Gains/losses on valuation and disposal of equity instruments (before tax)	1 933	14 643	(431)	(9 132)
Income tax	(367)	(2 782)	82	1 735
Gains/losses on disposal of equity instruments	-	-	-	-
Employee benefit capital reserve (before tax)	85	5	(5)	5
Income tax	(16)	(1)	1	(1)
Total earnings recognised in equity	18 412	24 147	7 834	3 380
<i>shareholders of the parent</i>	<i>18 412</i>	<i>24 147</i>	<i>7 834</i>	<i>3 380</i>
<i>non-controlling interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total comprehensive income, including attributable:	155 739	115 671	32 649	46 258
<i>shareholders of the parent</i>	<i>149 813</i>	<i>108 803</i>	<i>30 658</i>	<i>44 232</i>
<i>non-controlling interests</i>	<i>5 926</i>	<i>6 868</i>	<i>1 991</i>	<i>2 026</i>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Discontinued operations

**Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021	01.07.2022 -30.09.2022	01.07.2021 - 30.09.2021
Revenues from sales	6	11	2	2
Prime cost of sale	6	11	2	2
Gross profit (loss) from sales	-	-	-	-
Selling costs	-	-	-	-
Administrative expenses	-	-	-	-
Other operating revenue	2 556	3 020	2 486	761
Other operating expenses	710	1 088	212	302
Profit (loss) from operating activity	1 846	1 932	2 274	459
Financial revenues	59	53	16	-
Financial expenses	-	85	-	19
Financial profit/loss	59	(32)	16	(19)
Profit (loss) before income tax	1 905	1 900	2 290	440
Income tax	167	88	167	77
Net profit (loss) on discontinued operations	1 738	1 812	2 123	363
in the parent company	3 118	1 818	2 172	471
<i>non-controlling interests</i>	<i>(1 380)</i>	<i>(6)</i>	<i>(49)</i>	<i>(108)</i>


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CONSOLIDATED BALANCE SHEET

ASSETS	As at 30.09.2022	As at 31.12.2021	As at 30.09.2021
			restated
Non-current assets			
Property, plant and equipment	1 379 482	1 276 594	1 281 476
Investment property	124 005	141 760	151 965
Goodwill	6 418	6 418	8 670
Intangible assets	40 573	46 246	45 896
Right-of-use assets	292 916	292 713	282 468
Shares in affiliates	140	214	225
Financial assets	274	1 685	3 033
Long-term receivables	46 592	30 875	26 789
Deferred tax assets	16 649	24 173	18 456
Total fixed assets	1 907 049	1 820 678	1 818 978
Current assets	2 391 453	2 399 958	2 546 541
Current assets other than assets held for sale	2 390 194	2 340 441	2 357 108
Inventory	1 119 800	991 826	1 044 010
Trade receivables and other receivables	1 002 361	977 247	1 022 810
Short-term financial assets	95 786	165 855	154 587
Derivative financial instruments	7 315	12 434	4 481
Current tax assets	6 438	5 355	3 493
Cash and cash equivalents	158 494	187 724	127 727
Assets classified as held for sale	1 259	59 517	189 433
Total assets	4 298 502	4 220 636	4 365 519


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LIABILITIES AND EQUITY	As at 30.09.2022	As at 31.12.2021	As at 30.09.2021
			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	(9 613)	7 322	(2 022)
Capital reserve on translating employee payables	(243)	(312)	(1 847)
Revaluation reserve and gain on disposal of financial assets	24 762	43 699	43 653
Exchange differences on translating foreign entities	(14 978)	(48 690)	(48 488)
Retained earnings	1 556 514	1 591 598	1 603 459
Total equity	1 683 030	1 720 205	1 721 343
Equity of non-controlling shareholders	28 422	26 499	24 007
Total equity	1 711 452	1 746 704	1 745 350
Liabilities and long-term provisions			
Bank loans, borrowings	211 280	107 964	128 840
Bonds	-	-	-
Lease liabilities	190 628	210 562	195 598
Deferred tax provision	76 986	82 397	80 984
Derivative financial instruments	-	-	-
Employee benefit provisions	22 515	23 788	24 385
Other provisions	46 074	42 852	53 807
Other long term equity and liabilities	67 820	59 651	50 775
Liabilities and long-term provisions - total	615 303	527 214	534 389
Short-term liabilities	1 971 747	1 946 718	2 085 780
Bank loans, borrowings	575 089	651 095	785 557
Bonds	-	-	-
Lease liabilities	61 438	53 061	72 909
Trade payables and other liabilities	997 954	898 623	820 246
Derivative financial instruments	20 911	2 915	14 595
Current tax liabilities	30 651	55 748	43 270
Employee benefit provisions	42 283	37 672	37 179
Other provisions	195 710	171 483	155 244
Other liabilities and equity	34 480	35 218	47 116
Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale	1 958 516	1 905 815	1 976 116
Liabilities directly associated with assets classified as discontinued operations	13 231	40 903	109 664
Total liabilities and provisions	2 587 050	2 473 932	2 620 169
Total equity and liabilities	4 298 502	4 220 636	4 365 519


CONSOLIDATED CASH FLOW STATEMENT

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
		restated
Cash flows from operating activities		
Profit before taxation	200 953	147 583
Adjustments for	2 775	(174 351)
Amortisation/depreciation	131 946	127 285
Profit/loss on financial activity (including interest on financial liabilities)	76 702	8 995
Profit / loss on investment activities	(146 817)	(32 290)
Change in receivables	11 326	(319 315)
Change in inventories	(97 983)	(99 131)
Change in liabilities	75 672	195 547
Change in employee benefits	3 338	6 944
Movement in provisions	24 193	3 247
Other items	15 032	10 921
Income tax paid	(90 634)	(76 554)
Net cash from operating activities	203 728	(26 768)
Cash flows from investment activities		
Proceeds from disposal of fixed assets	126 452	11 627
Proceeds from disposal of shares and stocks	80 812	167 020
Proceeds from redemption of bonds by issuers	10 499	-
Proceeds from repayment of loans granted	10 508	2 311
Expenses on acquisition of fixed assets	(167 647)	(88 950)
Acquisition of shares and stocks	(104)	-
Loans granted	(25 700)	(33 721)
Other investment inflows/outflows	911	4 660
Net cash from investing activities	35 731	62 947
Cash flows from financial activities		
Incomes on credit and loan facilities	206 620	223 976
Dividends paid	(190 402)	(3 915)
Repayment of loans and borrowings	(221 180)	(222 750)
Interest paid on loans, borrowings and leasing	(39 253)	(24 232)
Payment of liabilities under finance lease agreements	(37 951)	(51 919)
Other financial inflows/outflows	9 893	12 183
Net cash from financing activities	(272 273)	(66 657)
Net change in cash and cash equivalents (before impact of foreign exchange rates)	(32 814)	(30 478)
Translation reserve	3 584	3 503
Cash opening balance	187 724	185 211
Cash of units sold/acquired	-	(30 509)
Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)	(29 230)	(57 484)
Cash closing balance	158 494	127 727
<i>Restricted cash</i>	<i>21 826</i>	<i>20 785</i>



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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	-	-	-	(16 935)	-	-	-	-	(16 935)	-	(16 935)
Valuation of employee benefits	-	-	-	-	69	-	-	-	69	-	69
Measurement of financial assets	-	-	-	-	-	1 566	-	-	1 566	-	1 566
Disposal of financial assets through comprehensive income/distribution of result 2021	-	-	-	-	-	(20 503)	-	20 503	-	-	-
Currency translation differences (subsidiaries)	-	-	-	-	-	-	33 712	-	33 712	-	33 712
Profit/loss for 3 quarters of 2022	-	-	-	-	-	-	-	131 401	131 401	5 926	137 327
Comprehensive income for 3 quarters of 2022.	-	-	-	(16 935)	69	(18 937)	33 712	151 904	149 813	5 926	155 739
Dividend distribution	-	-	-	-	-	-	-	(186 399)	(186 399)	(4 003)	(190 402)
Change in CG structure and others	-	-	-	-	-	-	-	(589)	(589)	-	(589)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-
As at 30.09.2022	248 906	114 435	(236 753)	(9 613)	(243)	24 762	(14 978)	1 556 514	1 683 030	28 422	1 711 452

	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



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	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	-	-	-	4 228	-	-	-	-	4 228	-	4 228
Valuation of employee benefits	-	-	-	-	4	-	-	-	4	-	4
Measurement of financial assets	-	-	-	-	-	(8 644)	-	-	(8 644)	-	(8 644)
Disposal of financial assets	-	-	-	-	-	20 505	-	-	20 505	-	20 505
Currency translation differences (subsidiaries)	-	-	-	-	-	-	8 054	-	8 054	-	8 054
Profit/loss for 3 quarters of 2021	-	-	-	-	-	-	-	84 656	84 656	6 868	91 524
Comprehensive income for 3 quarters of 2021.	-	-	-	4 228	4	11 861	8 054	84 656	108 803	6 868	115 671
Dividend distribution	-	-	-	-	-	-	-	-	-	(3 915)	(3 915)
As at 30.09.2021	248 906	114 435	(236 753)	(2 022)	(1 847)	43 653	(48 488)	1 603 459	1 721 343	24 007	1 745 350



ADDITIONAL INFORMATION

to the consolidated quarterly report drafted as at 30 September 2022

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1. INTRODUCTION

COMPANY DATA

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 Q3 '2022 and till the publication date of the report the following persons were members of the Supervisory Board of Boryszew S.A.:

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

MANAGEMENT BOARD OF BORYSZEW S.A.

In Q3 '2022 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

On 16 September 2022, the Supervisory Board of the Company, decided to appoint Mr Łukasz Bubacz as a Member of the Management Board, Chief Investment Officer, effective 1 October 2022.

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

Mr Wojciech Kowalczyk	– President of the Management Board, General Director
Mr Łukasz Bubacz	– Member of the Board of Directors, Chief Investment Officer,
Mr Mikołaj Budzanowski	– Member of the Management Board

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

The information contained in the financial statements for Q3 '2022 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Dz. Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

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

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.

	Average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01 – 30.09.2021	4.5585	4.6329
01.01 – 31.12.2021	4.5622	4.5994
01.01 – 30.09.2022	4.6880	4.8698

ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these mid-year consolidated financial statements for the period ended on 30 September 2022 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2021, except for the application of the following new or revised standards and new interpretations effective for annual periods beginning on 1 January 2022:

- The annual improvements to IFRSs 2018-2020 introduce amendments to IFRS1, IFRS9, IAS41 and the examples to IFRS 16. The amendments include clarifications and refinements to the standards' guidance on recognition and measurement.
- 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,
- 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 amendments to the standards as of 1 January 2023.

**Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

RESTATEMENT OF FINANCIAL DATA

In December 2021, the Group changed the appearance of the basic reports following the requirement to report in accordance with the ESEF format. Reports published after this period 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 - 30.09.2021	01.01.2021 - 30.09.2021	Impact on profit/loss
Continuing operations	<i>restated</i>	<i>published</i>	
Revenues from sales	4 656 580	4 656 580	-
Prime cost of sale	4 170 339	4 170 339	-
Gross profit on sales	486 241	486 241	-
Selling costs	127 152	127 152	-
Administrative expenses	215 943	215 943	-
Other operating revenue	67 751	64 827	2 924
Other operating expenses	66 818	39 617	(27 201)
Gain (loss) on impairment of trade and other receivables	-	(5 245)	5 245
Operating income	144 079	163 111	(19 032)
Financial revenues	25 257	25 207	50
Financial expenses	34 242	34 016	(226)
Share in profit of affiliates	15	15	-
Profit on sales of subsidiary	12 474	12 474	-
Profit/loss on impairment of financial assets	-	(176)	176
Provisions and write-offs due to the liquidation of Hutmen Sp. z o.o. in liquidation	-	(19 032)	19 032
Profit before taxation	147 583	147 583	-
Income tax	57 871	57 871	-
Net profit on continuing operations	89 712	89 712	-
Net profit/loss on discontinued operations	1 812	1 812	-
Net profit on continuing and discontinued operations including attributable to:	91 524	91 524	-
shareholders of the parent	84 656	84 656	-
non-controlling interests	6 868	6 868	-


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	01.01.2021 - 30.09.2021	01.01.2021 - 30.09.2021	change
	restated	published	
Net profit	91 524	91 524	-
Earnings recognised in equity			
<i>Earnings recognised in equity, to be transferred to profit and loss account</i>	12 282	12 286	(4)
before tax	13 274	-	-
after tax	-	12 286	-
Gross hedge accounting	5 220	5 220	-
Employee benefit capital reserve	-	5	(5)
Foreign exchange differences on recalculation of foreign controlled entities	8 054	8 054	-
Income tax expense (-provision/+asset)	-	(993)	993
Income tax expense (-provision/+asset)	(992)		(992)
<i>Earnings recognised in equity, not to be transferred to income statement</i>	11 865	11 861	4
before tax	14 647	-	-
after tax	-	11 861	-
Gross gains/losses on valuation and disposal of equity instruments	14 643	-	14 643
Gains/losses on valuation of equity instruments	-	(10 672)	10 672
Employee benefit capital reserve	4	-	4
Income tax expense (-provision/+asset)	-	2 028	(2 028)
Gains/losses on disposal of equity instruments	-	25 315	(25 315)
Income tax expense (-provision/+asset)	-	(4 810)	4 810
Income tax expense (-provision/+asset)	(2 782)	-	(2 782)
Total earnings recognised in equity	24 147	24 147	-
shareholders of the parent	24 147	24 147	-
non-controlling interests	-	-	-
Total comprehensive income, including attributable:	115 671	115 671	-
shareholders of the parent	108 803	108 803	-
non-controlling interests	6 868	6 868	-


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Consolidated statement of financial position - restated

ASSETS	As at 30.09.2021	As at 30.09.2021	change
	<i>restated</i>	<i>published</i>	
Non-current assets			
Property, plant and equipment	1 281 476	1 281 476	-
Investment property	151 965	151 965	-
Goodwill	8 670	8 670	-
Intangible assets	45 896	45 896	-
Right-of-use assets	282 468	282 468	-
Shares in affiliates	225	225	-
Financial assets	3 033	3 033	-
Derivative financial instruments	-	-	-
Deferred tax assets	18 456	18 456	-
Long-term receivables	26 789	1 916	24 873
Other assets	-	24 873	(24 873)
Total fixed assets	1 818 978	1 818 978	-
Current assets	2 546 541	2 546 541	-
Current assets other than assets held for sale	2 357 108	2 357 108	-
Inventory	1 044 010	1 044 010	-
Trade receivables and other receivables	1 022 810	964 344	58 466
Short-term financial assets	154 587	154 587	-
Derivative financial instruments	4 481	4 481	-
Current tax assets	3 493	3 493	-
Other assets	-	58 466	(58 466)
Cash and cash equivalents	127 727	127 727	-
Assets classified as held for sale	189 433	188 370	1 063
Assets classified as discontinued operations	-	1 063	(1 063)
Total assets	4 365 519	4 365 519	-


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LIABILITIES AND EQUITY	As at 30.09.2021	As at 30.09.2021	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	(2 022)	(2 022)	-
Capital reserve on translating employee payables	(1 847)	(1 847)	-
Revaluation reserve and gain on disposal of financial assets	43 653	43 653	-
Exchange differences on translating foreign entities	(48 488)	(48 488)	-
Retained earnings	1 603 459	1 603 459	-
Total equity	1 721 343	1 721 343	-
Equity of non-controlling shareholders	24 007	24 007	-
Total equity	1 745 350	1 745 350	-
Liabilities and long-term provisions			
Bank loans, borrowings	128 840	128 840	-
Lease liabilities	195 598	43 766	151 832
Liabilities associated with right-of-use assets	-	84 409	(84 409)
Payables on perpetual usufruct of investment land	-	67 423	(67 423)
Deferred tax provision	80 984	80 984	-
Employee benefit provisions	24 385	24 385	-
Other provisions	53 807	53 807	-
Other long term equity and liabilities	50 775	50 775	-
Liabilities and long-term provisions - total	534 389	534 389	-
Short-term liabilities	2 085 780	2 085 780	-
Bank loans, borrowings	785 557	785 557	-
Lease liabilities	72 909	53 279	19 630
Liabilities associated with right-of-use assets	-	19 389	(19 389)
Payables on perpetual usufruct of investment land	-	241	(241)
Trade payables and other liabilities	820 246	820 246	-
Derivative financial instruments	14 595	14 595	-
Current tax liabilities	43 270	43 270	-
Employee benefit provisions	37 179	37 179	-
Other provisions	155 244	155 244	-
Other liabilities and equity	47 116	47 116	-
Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale	1 976 116	1 976 116	-
Liabilities directly associated with assets classified as held for sale	-	93 461	(93 461)
Liabilities directly associated with assets classified as discontinued operations	109 664	16 203	93 461
Total liabilities and provisions	2 620 169	2 620 169	-
Total equity and liabilities	4 365 519	4 365 519	-
Consolidated statement of cash flows - restated			


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(amounts expressed in PLN '000 unless specified otherwise)

	01.01.2021 - 30.09.2021	01.01.2021 - 30.09.2021	
	<i>restated</i>	<i>published</i>	
Cash flows from operating activities			
Profit before taxation	147 583	147 583	-
Adjustments for (+/-)	(174 351)	(174 351)	-
Amortisation/depreciation	127 285	127 285	-
Profit/loss on financial activity (including interest on financial liabilities)	8 995	8 995	-
Profit / loss on investment activities	(32 290)	(32 290)	-
Change in receivables	(319 315)	(319 315)	-
Change in inventories	(99 131)	(99 131)	-
Change in liabilities	195 547	195 547	-
Change in employee benefits	6 944	-	6 944
Change in provisions and accruals as well as prepayments	-	10 191	(10 191)
Movement in provisions	3 247	-	3 247
Other items	10 921	10 921	-
Income tax paid	(76 554)	(76 554)	-
Net cash from operating activities	(26 768)	(26 768)	-
Cash flows from investment activities			
Proceeds from disposal of fixed assets	11 627	11 627	-
Proceeds from disposal of shares	167 020	167 020	-
Proceeds from repayment of loans granted	2 311	2 311	-
Other proceeds from investment activities	4 660	4 660	-
Expenses on acquisition of fixed assets	(88 950)	(88 950)	-
Loans granted	(33 721)	(33 721)	-
Net cash from investing activities	62 947	62 947	-
Cash flows from financial activities			
Incomes on credit and loan facilities	223 976	-	223 976
Incomes on credit and loan facilities	-	220 782	(220 782)
Loans received	-	3 194	(3 194)
Dividends paid	(3 915)	(3 915)	-
Repayment of loans and borrowings	(222 750)	-	(222 750)
Loans repaid	-	(216 529)	216 529
Repayment of borrowings	-	(6 221)	6 221
Interest paid on loans, borrowings and leasing	(24 232)	(24 232)	-
Payment of liabilities under finance lease agreements	(51 919)	(51 919)	-
Proceeds from grants and other proceeds	-	12 183	(12 183)
Other financial inflows/outflows	12 183	-	12 183
Net cash from financing activities	(66 657)	(66 657)	-
Net change in cash and cash equivalents (before impact of foreign exchange rates)	(30 478)	(30 478)	-
Translation reserve	3 503	3 503	-
Cash opening balance	185 211	185 211	-
Cash of units sold/acquired	(30 509)	(30 509)	-
Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)	(57 484)	(57 484)	-
Closing balance of cash	127 727	127 727	-

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THE FOLLOWING COMPANIES WERE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022:

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. Boryszew S.A. 99.99%	Automotive
Maflow India Private Limited	India	100.00	Maflow Polska Sp. z o.o. 0.01%	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

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(amounts expressed in PLN '000 unless specified otherwise)

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
Boryszew Deutschland GmbH	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
AKT 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
Maflow Plastic Poland Sp. z o.o. (formerly 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 in share capital (%)	share in voting rights (%)	Core activity
Elana Ukraina Sp. z o.o.	Ukraine	90	90	dormant company
Brasco Inc	the US	100	100	dormant company
Hutnik Sp. z o.o. – in liquidation,	Konin	94	94	dormant company
Brick factory Wostoczna - Sp. z o.o.	Belarus	30	30	trade, production of secondary raw materials

Changes in the Group structure

No significant changes in the group structure during three quarters of 2022 occurred.

**Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q3 '2022 INCLUDING FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT

ACHIEVED PROFIT/LOSS

A. OVERALL MACROECONOMIC SITUATION

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

Structure of revenues by segments					Geographical structure of revenues				
	3Q 2022		3Q 2021			3Q 2022		3Q 2021	
Chemical products	235 004	4.5%	208 522	4.5%	Poland	2 118 202	40.4%	1 552 568	33.3%
Automotive	1 215 504	23.2%	1 226 863	26.3%	Germany	1 025 911	19.6%	992 425	21.3%
Metals	3 361 794	64.1%	3 115 901	66.9%	Other EU countries	1 647 794	31.4%	1 626 579	34.9%
Other *	430 468	8.2%	105 294	2.3%	Other	450 863	8.6%	485 008	10.4%
TOTAL	5 242 770	100%	4 656 580	100.0%	TOTAL	5 242 770	100%	4 656 580	100.0%

* this item also includes consolidation exclusions between segments

Key determinants:

Market sentiment - PMI and GDP:

Since more than 95,1% of revenues at Boryszew Capital Group is generated in Europe, then the overall economic situation within the European Union (including in Germany) is critical for Group's performance.

In EU countries as well as in Poland itself, the general macroeconomic sentiment in the first three quarters of 2022 was less optimistic than in the period of the previous year.

The reason for this is primarily the ongoing armed conflict in Ukraine. Russian aggression against Ukraine led to increased business uncertainty, disrupted supply chains and intensified inflationary pressures around the world, also resulting in slower growth in Polish industry. Another quarter saw a decline in production and a weakening of new order inflows.

The rapid rise in prices has significantly weakened demand, putting a strain on the budgets of both domestic and overseas customers. This was especially evident for export orders, which saw the strongest regression since May 2020.

The average values of the PMI index, which determines the level of activity in industry in the Euro zone, Poland and Germany were at a significantly lower level then in the same period of the previous year.

PMI	3Q 2022	3Q 2021
EU	53.6	60.8
Poland	48.1	55.2
Germany	53.3	63.1

In Poland PMI was at a level significantly lower than in the corresponding period of the previous year - below the 50-point "crisis" level, i.e. 48.1 points (with the reading of 55.2 points in Q3 '2021).

The September 2022 the industrial PMI suffered a significant slump almost approaching the level seen at the start of the pandemic, falling to 43.0 points and signalling a decline in orders, production and employment.

The factors affecting the industrial PMI in the first half of 2022 - the armed conflict in Ukraine, the disruption of supply chains as a result of the pandemic (as well as a renewed increase in sanitary restrictions in China) - also worsened the situation in Q3 '2022.

The effect of the above situation includes rising prices of energy utilities, exchange rate volatility and rapidly rising inflation, the rate of which is at similar levels to 1997.

In conclusion, the period of 2022 ending in September proved to be the most turbulent since the pandemic outbreak. Not only due to the war, but also galloping inflation, further policy tightening by central banks and simultaneous signs of economic slowdown. All these factors mean that we can expect increased volatility in the next three months as well, and market sentiment suggests that this trend will continue in future periods.



(amounts expressed in PLN '000 unless specified otherwise)

Forecast of GDP growth for Poland	2022	2023
NBP	4.7%	1.4%
World Bank	4.0%	1.6%
European Commission	5.2%	1.5%

In its July forecast, the European Commission expects Poland's GDP to grow by 5.2% (vs. 3.7% growth in the May 2022 forecast). This is mainly due to Russia's invasion of Ukraine and rising inflation. Higher economic uncertainty and higher inflation are expected to reduce households' propensity to spend. At the same time, the European Commission predicts that the negative effect may be partially neutralised by the inflow of refugees from Ukraine, which will stimulate consumption. By comparison the EU economy as a whole is expected to grow by 2.7% this year and by 1.5% next year.

The NBP forecasts GDP growth of 4.7% in 2022 (4.4% in the forecast for the first six months of 2022) and growth of 1.4% in 2023 (3.0% in the forecast for the first six months of 2022).

Market sentiments - Sales of cars:

Another important parameter with an impact on the dynamics and results of the Group is the sale of cars (the Automotive segment accounts for over 23.2% of Group's turnover).

According to ACEA data, the passenger car market in Europe fell 9.7% year-on-year.

After 9 months of 2022 the main customer of the Automotive segment, Volkswagen Group, recorded a 14.7% drop in car sales on the European market (compared to the same period last year).

The war prevented Ukrainian wiring harness factories from operating, and without new supplies of wires, downtime began at many automotive plants in Germany, the Czech Republic, and Poland. The industry immediately began building new supply chains and reorganising production.

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

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

Since nearly 64.1% of Boryszew Capital Group's sales is in the metals industry segment, Group's performance is exposed to fluctuations in average prices of metals quoted on the London Metal Exchange (LME). The hedge policy for metal price and exchange rates, followed by the Group, has a significant effect on risk reduction. However, the level of income and working capital still remain sensitive to the volatility of these commodity prices.

The situation on the market of the basic products of this Segment - aluminium wire rod and aluminium alloys - is very good. Wire rod is used in production of wires, cables and wires. In particular the segment of overhead conductors and wires records a continuous increase in demand of several percent. Boryszew S.A. NPA Skawina Branch is the only manufacturer of the above mentioned products in Poland.

Starting in mid-2020, prices for steel and steel products began to rise rapidly, due to rising iron ore and steel scrap prices. In 2022, with the outbreak of war, steel shipments from Ukraine, Belarus were curtailed, and from Russia completely banned due to sanctions, and this in total was some 25% of Polish steel imports in 2021. Over the past two months of this year steel prices have fallen by about 30%, yet they are still on average 20% higher than before the outbreak of war in Ukraine.

High fuel and electricity prices are likely to put the brakes on further reductions in steel prices. In addition, global steel production is falling, both year-on-year and month-on-month.

In the period under review, the average prices of the four basic metals lost the upward momentum of previous periods nevertheless they still have an upward trend with the exception of copper, whose price slightly dropped by 1.4% compared to the same period last year. The largest increase could be seen in the average prices of zinc (26.1%) and aluminium (18.7%) while lead is at levels similar to those in 2021.

Metal prices expressed in PLN increased by 45.9% (zinc), 37.4% (aluminium), 15.9% (lead) and 14.2% (copper) respectively, which was due to changes in the USD to PLN exchange rate.

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

However, such rapid changes in the market and high prices in the spring intensified inflationary tensions, which began in the second half of last year. At the end of the first half of this year a reduction in demand was evident in anticipation of market price reductions, which took effect in the third quarter. More significant reductions in market prices are not possible, primarily because of persistently high energy and gas prices, hence the market is looking for a consensus.

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Market sentiments - significant currency pairs

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

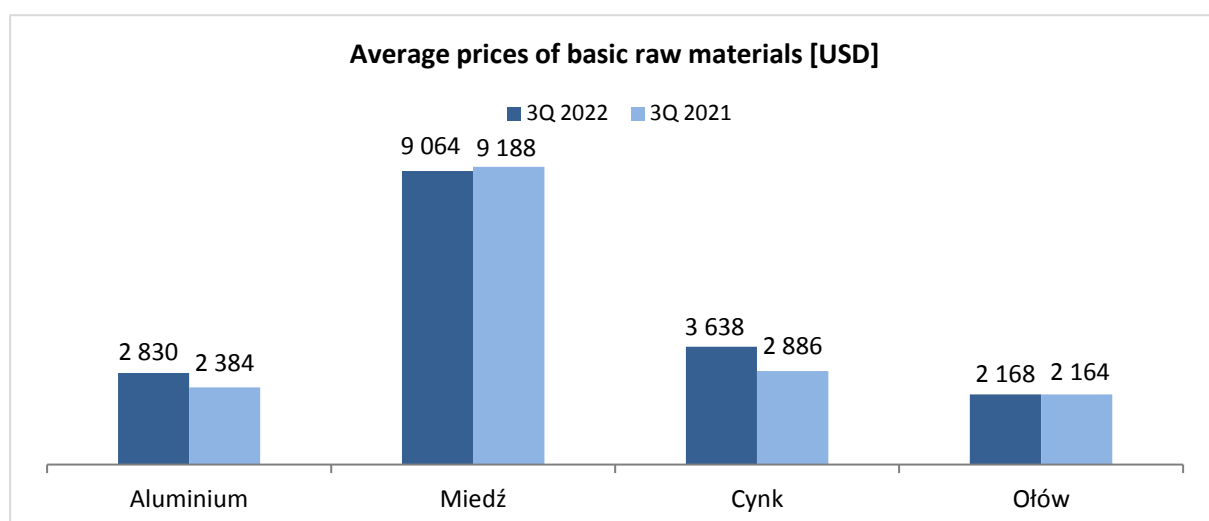
The level of US dollar rates has an impact on revenues of the Group, as it is linked to metal rates, which are the major component of product price.

In the period under review the dollar strengthened against PLN by about 15.7%, had an impact on quotations of basic metals expressed in PLN, and the average quotation of the euro were higher by 2.7% against PLN.

The EUR exchange rate level is of importance to the Group due to the predominance of processing margins which are denominated in this currency.

In Q3 '2022 the EUR/USD exchange rate stood at 1.06, or some 11.2% lower than in the corresponding period of the previous year.

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



	3Q 2022	3Q 2021	% change
Aluminium [USD]	2 830	2 384	18.7%
Copper [USD]	9 064	9 188	(1.4)%
Zinc [USD]	3 638	2 886	26.1%
Lead [USD]	2 168	2 164	0.2%

EUR/PLN	4.67	4.55	2.7%
USD/PLN	4.40	3.80	15.7%
EUR/USD	1.06	1.20	(11.2)%

	3Q 2022	3Q 2021	% change
Aluminium [PLN]	12 463	9 071	37.4%
Copper [PLN]	39 911	34 960	14.2%
Zinc [PLN]	16 021	10 981	45.9%
Lead [PLN]	9 545	8 234	15.9%

Source: Daily listings of LME, NBP

Revenues from sales / Demand for Group's products

The revenues of Boryszew Capital Group after three quarters of 2022 amounted to PLN 5 242.8 million, which was an increase of 12.6% against its revenues for the same period last year.

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

in PLN million	3Q 2022	3Q 2021	difference
Revenues from sale, including:	5 242.8	4 656.6	586.2
Automotive Segment	1 215.5	1 226.9	(11.4)
Metals Segment	3 361.8	3 115.9	245.9
Chemicals segment	235.0	208.5	26.5
Other *	430.5	105.3	325.2

* including consolidation adjustments

in thousand tonnes	3Q 2022	3Q 2021	difference
Volume of sales, including:	322.5	381.9	381.9
Metals Segment	295.3	346.7	(51.5)
Chemicals segment	27.2	35.2	(7.9)

Revenue growth was seen in almost all companies in the Metals Segment (except for Hutmen, which ceased operations at the end of 2021 and ZM Silesia). This came from an increase in prices (expressed in PLN) of most of the products offered (linked to metal prices on the LME).

The first three quarters of 2022 saw a decrease in the sales volume of the Metal Segment compared to the previous year (51.5 thousand tonnes), mainly due to Hutmen and Alchemia group companies (a decrease of 31.0 thousand tonnes in total). The negative effect was partially neutralised by increased sales volume at NPA Branch (in total by 4.0 thousand tonnes).

The slight decline in revenues in the Automotive Segment was related to the ongoing hostilities in Ukrainian territory. 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 both Groups in first three quarters of 2022. The situation with the availability of semiconductors as well as electrical and technical components improved in the third quarter of this year.

The Chemicals segment reported slightly higher revenues compared to the same period of the previous year, with lower sales volumes in all companies in the segment. This is mainly due to increased sales value of plasticizers, staple fibre, elball and specialty manufacturing. The decrease in volumes in the Chemicals Segment was recorded in all production facilities and amounted to 22.6% (7.9 thousand tonnes) - Elana Pet sales in the previous year also contributed to the decline.

The increase of sales revenues in other companies is mainly due to the increase of prices of utilities (gas and electricity) which was converted into higher revenues in Boryszew S.A. Energy branch and Elana Energetyka.

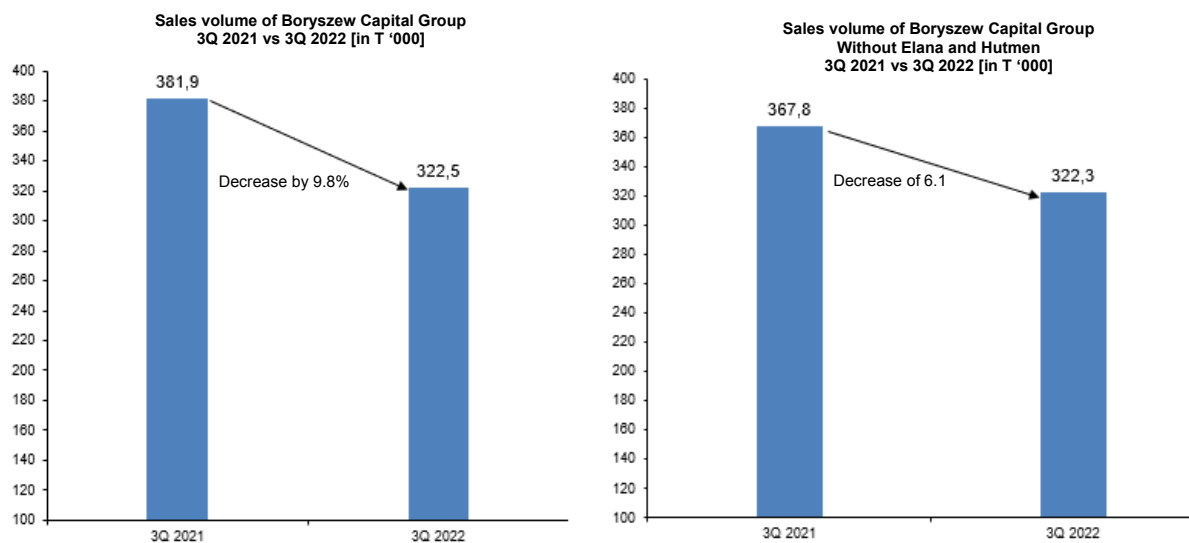


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The comparison of the total sales volumes of the Capital Group in the discussed periods is presented in the following charts:

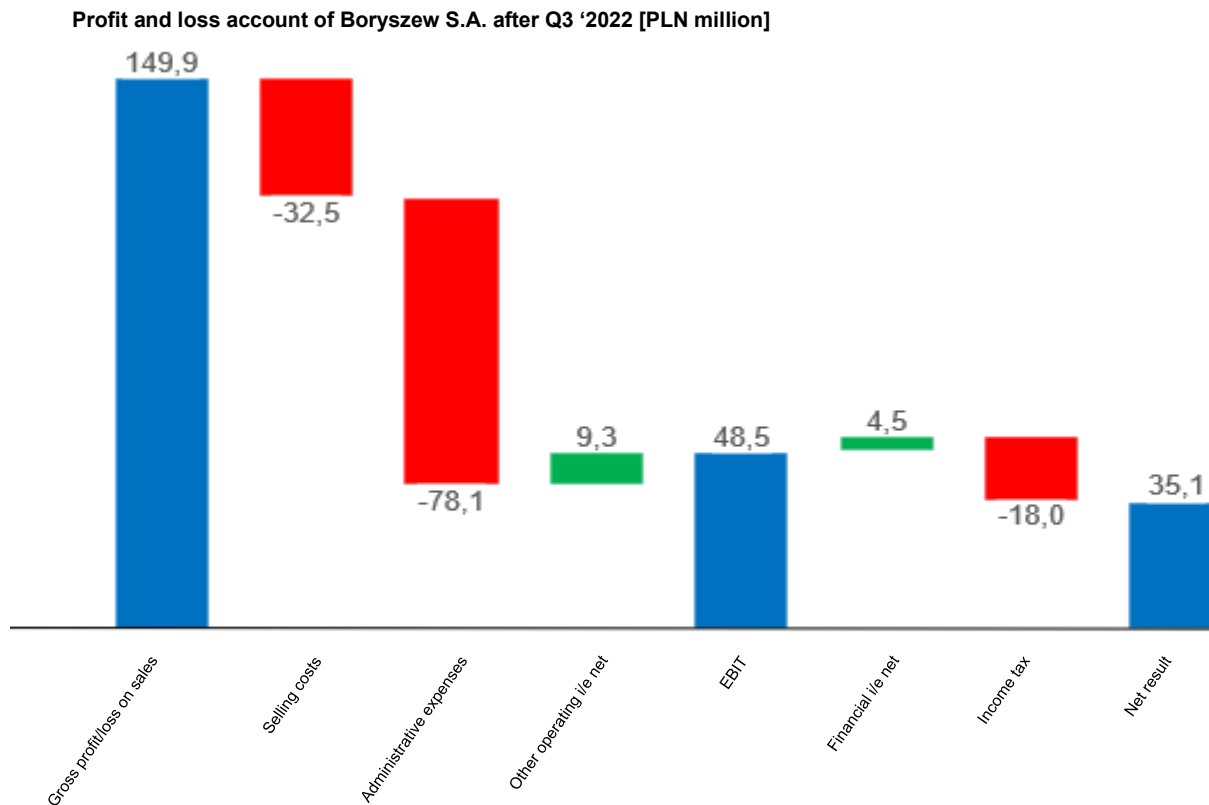


The decline in volumes is mainly due to lower sales volumes of Alchemia CG as a result of slowing demand for steel products and ZM Silesia as a result of the decline in demand.

B. ACHIEVED FINANCIAL RESULTS

Separate figures:

The graph below compiles components of the profit and loss account of Boryszew S.A. after 3 quarters of 2022.



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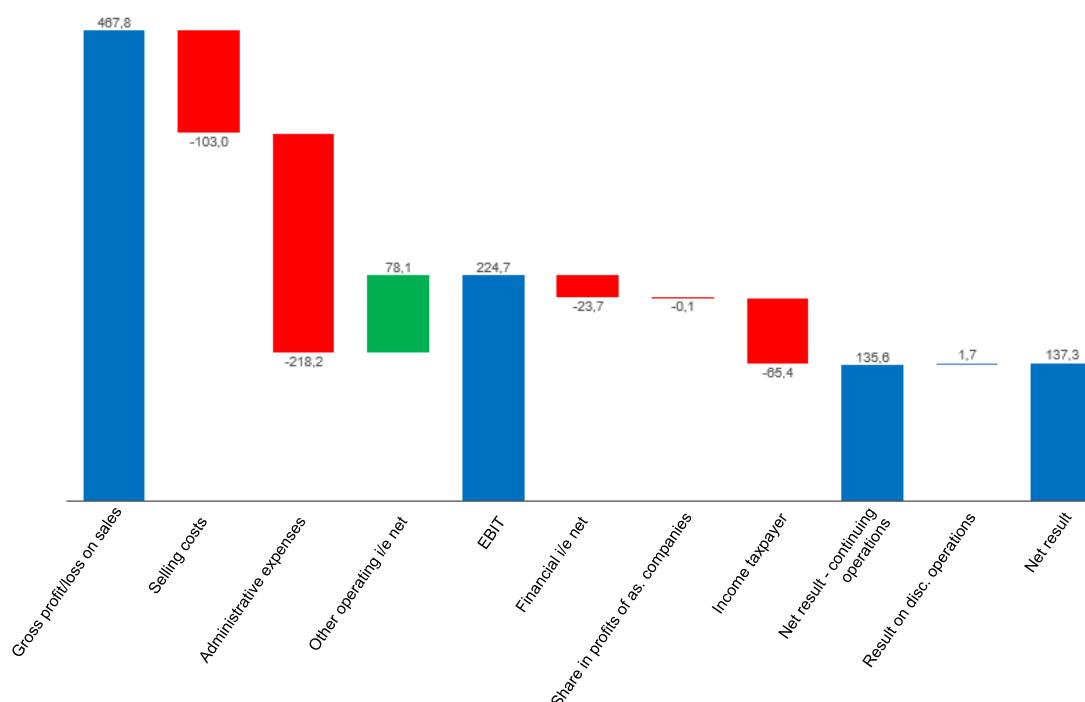
The gross result on sales after three quarters of 2022 amounted to PLN 149.9 million and was slightly lower by PLN 0.7 million when compared to the result in the corresponding period of the previous year. Average gross margin on sales decreased from 11.6% at the end of Q3 '2021 to 6.8% today. Costs of sales were lower by PLN 7.8 million, or by 19.3% against the same period of the previous year. General and administrative expenses were by PLN 14.0 million or 21.9% higher than in Q3 '2021.

The balance of financial income/costs amounted to PLN 9.3 million and was lower by PLN 40.3 million against the corresponding period of 2021. The decrease in revenue compared to the same period last year was mainly due to recognition of a provision for tax risk in the ERG Division in the amount of PLN 22.2 million.

Net financial income/expenses amounted to PLN 4.5 million and was higher by PLN 60.8 million against the corresponding period of the previous year, mainly due to the write-down of loans for the liquidated ICOS Group in 2021.

Consolidates figures:

The graph below compiles components of the profit and loss account after 3 quarters of 2022.



The gross result on sales after three quarters of 2022 amounted to PLN 467.8 million and was lower by PLN 18.4 million when compared to the result in the corresponding period of the previous year. The decline in gross profit is a result of deteriorating results in the automotive and chemical segments. Average gross margin on sales decreased from 10.4% at the end of Q3 '2021 to 8.9% today.

Costs of sales were lower by PLN 24.1 million, or by 19.0% against the same period of the previous year. General and administrative expenses were up by PLN 2.3 million, or 1.0%, compared to Q3 '2021.

The balance of operating income/expenses amounted to PLN 78.1 million and it was PLN 77.2 million higher compared to the same period of 2021, mainly due to the sale of fixed assets.

The result on financial operations amounted to minus PLN 23.7 million and was up by PLN 27.1 million compared to the same period of the previous year, mainly due to higher foreign exchange differences and interest on loans.

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OPERATING RESULTS BY SEGMENTS**Separate figures:**

After three quarters of 2022 EBITDA on continuing operations of Boryszew S.A. amounted to PLN 91.3 million compared to PLN 129.9 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

in PLN million	3Q 2022	3Q 2021	difference
EBITDA, including:	91.3	129.9	(38.6)
Automotive Segment	54.0	55.5	(1.4)
Metals Segment	36.6	16.3	20.3
Chemicals segment	(12.6)	15.0	(27.6)
Other *	13.3	43.1	(29.8)

* including consolidation adjustments

The decrease in profit was due to lower results in almost all Business Segments (except the Metals Segment). In the Automotive Segment, the decline in results is due to, among other things, the current political situation in Eastern Europe, which has impacted the suspension of business by customers, shortage of semiconductors and electrical wiring harnesses resulting in lower orders from OEMs as well as increased costs of energy and raw materials.

For the Metals Segment, the increase is due to higher sales volumes and increased margins on aluminium products. The deterioration in results in the non-segmented entities (Other) was associated with lower dividends, royalty income compared to the same period in 2021.

In the Chemicals Segment, a provision for tax risk is responsible for the deterioration in EBITDA.

Consolidates figures:

After three quarters of 2022, EBITDA on continuing operations amounted to PLN 356.6 million compared to PLN 290.4 million in the corresponding period of the previous year. Importantly the increase in EBITDA was seen despite the absence of the impact of Elana Pet and F&T Polska due to their sale in the third and fourth quarter of 2021 respectively.

In relevant operating segments, the EBITDA result was as follows:

in PLN million	3Q 2022	3Q 2021	difference
EBITDA, including:	356.6	290.4	66.2
Automotive Segment	13.2	55.1	(42.0)
Metals Segment	351.5	209.8	141.8
Chemicals segment	(12.7)	16.8	(29.5)
Other *	4.6	8.7	(4.0)

in PLN million	3Q 2022	3Q 2021	difference
EBITDA (excluding non-recurring events), including:	319.6	290.4	29.2
Automotive Segment	13.2	55.1	(42.0)
Metals Segment	292.0	209.8	82.2
Chemicals segment	9.8	16.8	(7.0)
Other *	4.6	8.7	(4.0)

* including consolidation adjustments



1. Metals Segment

Almost all of the segment's companies (except Hutmen and ZM Silesia) are responsible for EBITDA in the Metals Segment that was higher than last year, indicating an improvement in the market after the previous year. This is the result of higher margins. Importantly, Hutmen ceased operations at the end of 2021.

2. Automotive Segment

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

3. Chemical products segment

The decrease of EBITDA results of the Segment is mainly attributable to Boryszew S.A. ERG branch and Boryszew S.A. Elana branch. Lower results of Boryszew S.A. ERG branch due to the increase in gas, electricity and sales costs and a provision for tax risk. In contrast, lower results at Boryszew S.A. Elana branch are mainly due to rising electricity costs and cost of sales.

4. Other

Results of companies attributable to Other are at a lower level compared to the same period of the previous year mainly as a result of lower margin of Boryszew S.A. Energy branch and lower dividends received.

NET PROFIT/LOSS

Separate figures

Net result of Boryszew S.A. for the first three quarters of 2022 amounted to PLN 35.1 million and is higher than in the same period of the previous year by PLN 21.3 million (the result of 2021 was burdened by impairment losses on the loan granted to ICOS Group).

Consolidates figures:

Net result on continuing operations amounted to PLN 135.6 million and was higher by PLN 45.9 million than the result after three quarters of the previous year.

The total net result including continued and discontinued operations amounted to PLN 137.3 million and was higher than the result after the first three quarters of the previous year by PLN 45.8 million, while the net result attributable to shareholders of the parent company amounted to PLN 131.4 million - higher than last year's result by PLN 46.7 million.



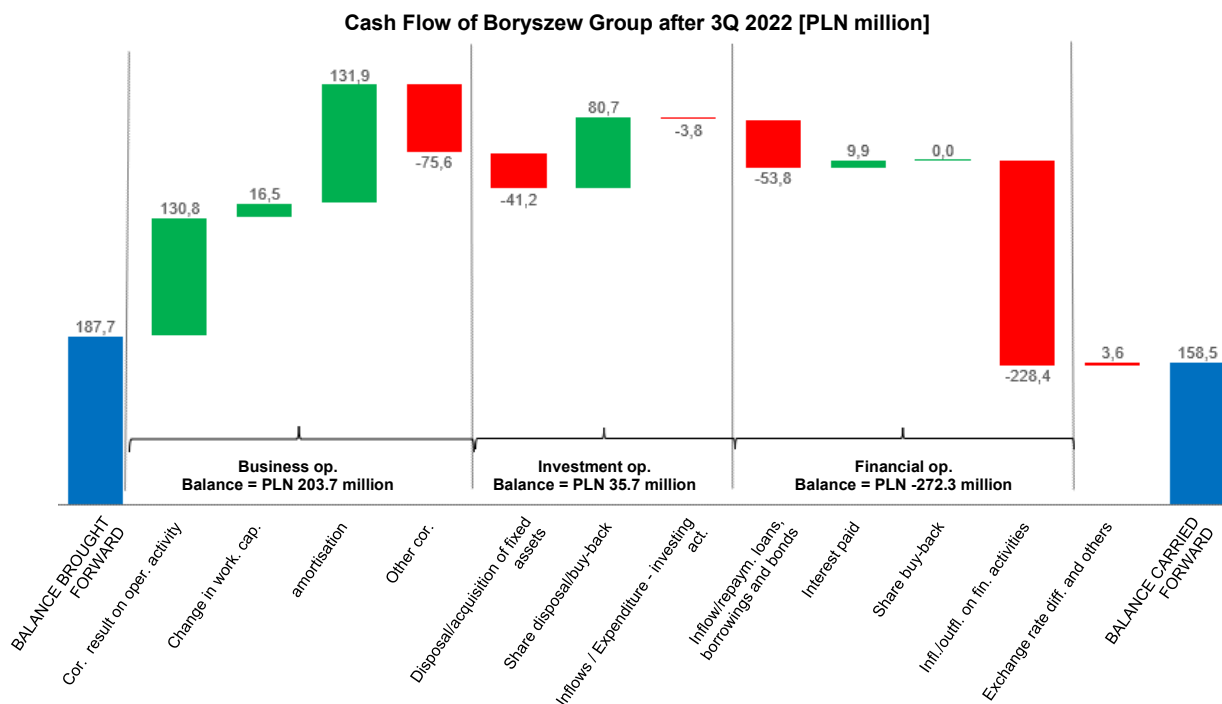
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C. CASH FLOW

Cash flows after 3 quarters of 2022 are presented in the chart below:



After the first three quarters of 2022 Boryszew Capital Group reported positive cash flows from operating activities, owing to measures to optimise working capital.

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

The negative balance from financing activities was mainly due to repayment of loans and payment of dividends.

After Q3 '2022, Boryszew Capital Group's net debt amounted to PLN 703.9 million and was higher by PLN 38.9 million compared to the end of 2021.

The net debt*/EBITDA ratio after Q3 '2022 was 1.7 and is at a slightly lower level compared to the end of 2021 (1.8), where:

*net debt = interest-bearing liabilities** - cash and cash equivalents.

**interest-bearing liabilities = non-current liabilities + current liabilities (resulting from loans and borrowings + issue of debt securities + leasing).

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

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

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

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

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

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

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

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

Boryszew Capital Group operates in three industry segments.

OPERATING SEGMENTS

Automotive	Boryszew S.A. Oddział Maflow w Tychach, Maflow Spain Automotive S.L.U., Maflow France Automotive S.A.S., Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Maflow Automotive Mexico S.DE R.L.DE C.V.,, MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., Theysohn Kunststoff GmbH in liquidation under self-administration, Theysohn Formenbau GmbH in liquidation under self-administration, Boryszew Kunststofftechnik Deutschland GmbH, AKT Plastikarska Technologie Cechy spol. s.r.o., Boryszew Formenbau Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, Boryszew Plastik Rus, Maflow Plastic Poland Sp. z o.o. (formerly Boryszew Tensho Poland Sp. z o.o.), 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.

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REVENUES FROM SALE BY DESTINATION MARKET

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Continuing operations		
Domestic sales	2 118 202	1 552 568
Sales to EU member states *)	2 673 705	2 619 004
Sales to other European countries	191 455	206 977
Export outside Europe	259 408	278 031
Total (revenues from continuing operations)	5 242 770	4 656 580

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Germany	38%	38%
The Czech Republic	20%	16%
Italy	6%	10%
Slovakia	4%	4%
Spain	4%	5%
The Netherlands	4%	3%



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REVENUES AND RESULTS BY OPERATING SEGMENTS IN Q3 OF 2022 (data regarding continuing operations)

Continuing operations 01.01.2022 - 30.09.2022	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	235 004	1 215 504	3 361 794	775 689	5 587 991	(345 221)	5 242 770
Segment costs of sales	205 803	1 151 123	3 000 207	757 999	5 115 132	(340 170)	4 774 962
Result on sales within segment	29 201	64 381	361 587	17 690	472 859	(5 051)	467 808
General, administrative and sales expenses	28 204	141 174	135 877	19 307	324 562	(3 320)	321 242
Other operating profit/loss	(17 255)	16 721	76 339	32 147	107 952	(29 833)	78 119
Segment profit/loss	(16 258)	(60 072)	302 049	30 530	256 249	(31 564)	224 685
Amortisation/depreciation	3 537	73 243	49 490	7 118	133 388	(1 442)	131 946
EBITDA	(12 721)	13 171	351 539	37 648	389 637	(33 006)	356 631
Segment assets	476 785	1 620 241	2 763 486	2 405 083	7 265 595	(2 968 352)	4 297 243
Segment liabilities	185 012	2 154 594	1 194 841	1 041 672	4 576 119	(2 002 300)	2 573 819

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



6. 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.

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 the proposal 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 of Boryszew Capital 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.

When recommending profit distributions, the Management Board of the Company 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.

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

NON-EQUITY SECURITIES

The Group issued no non-equity securities in Q3 '2022 and up to the date of the report.

REDEMPTION OF BONDS ISSUED BY BORYSZEW S.A.

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

1. 20 registered bonds, P-series, with nominal value of PLN 1 000 000 each and total nominal value of PLN 20 000 000, acquired on 31 October 2018 by Hutmen Spółka z o.o. with registered office in Wrocław, with the redemption date of 31 March 2022.
2. 8 registered bonds, A34-series, with nominal value of PLN 1 000 000 each and total nominal value of PLN 8 000 000, acquired on 31 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 the third quarter of 2022 and until the date of publication of the report, the Company issued no equity securities.



CAPITAL INVESTMENTS

For summary of consolidated and unconsolidated shares refer to point 2 of the report. The Issuer has no other material equity investments.

REAL PROPERTY

In the third quarter of 2022 the Company acquired or sold no significant real estate.

In Q3 '2022 Eastside- Bis Spółka z o.o. a subsidiary, sold real estate located in Toruń, total surface area of app. 9,4 ha for a total amount of PLN 16.5 million.

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

LOANS GRANTED

For information on loans granted by other Group entities refer to point 19 of the report.

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

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

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

IMPACT OF WAR IN UKRAINE ON SITUATION OF BORYSZEW CAPITAL GROUP

Following the invasion of Ukraine by the Russian Federation on 24 February 2022 and the sanctions against the Russian Federation and Belarus by the EU and the U.S., Boryszew Group identified key risks of operating activities related to the war in Ukraine:

- availability constraints as well as the cost of energy carriers,
- higher inflation,
- volatility in the market for raw materials and materials,
- logistical disruptions affecting the supply of raw materials and components for production.

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 three quarters 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.



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

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

- availability and cost of key energy carriers and gas, particularly in the energy-intensive metal processing industry and in chemistry,
- the duration and scale of the armed conflict in Ukraine,
- global economic situation, especially in the key sectors (motorization and construction) as well as in the main sales markets (the European Union, including Germany).
- monetary policy of the National Bank of Poland, which has an impact on inflation and rules of granting financing by the banking sector,
- availability of feedstock,
- demand for new cars, especially for products of the VW Group, which is the most important customer of the Boryszew Capital Group,
- supply chain disruptions,
- 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.
- implementation of investment plans set forth in the strategy.

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 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 as well as 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.

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

Contingent liabilities

Contingent items	As at 30.09.2022	As at 31.12.2021
Sureties for the repayment of loans and other liabilities by associated companies	121 639	85 831
Liability for tax risks on proceedings in Silesia S.A.	78 304	78 304
Total	199 943	164 135

Contingent items	As at 30.09.2022	As at 31.12.2021	change
Contingent liabilities	121 639	85 831	35 808
resulting from granted guarantees, sureties and other liabilities	121 639	85 831	35 808
- guarantees and sureties associated with performance of contracts	121 639	85 831	35 808
- guarantees and sureties in favour of financial institutions	-	-	-

Increases / decreases in the period of 9 months ended on 30.09.2022, including: 35 808

Additions

- Increase due to valuation of sureties 6 589
- Increase in surety amount 29 219

Reductions

- Reduction due to valuation of sureties -
- Decrease in the amount of existing sureties due to expiration, reduction -

The increase in value is due to a guarantee issued in July 2022 in favour of BMW AG to secure the obligations of Maflow Components (Dalian) Co. Ltd.

Contingent items	As at 30.09.2022	As at 31.12.2021	change
Contingent assets/ CO2 emission rights	28 314	45 006	(16 692)



(amounts expressed in PLN '000 unless specified otherwise)

The decrease in contingent assets in the 9-month period of 2022 is due to remeasurement as of the reporting date, disposal of emission rights held, redemption of emission for 2021 and allocation of allowances for 2022.

The market value of CO2 emission rights held as of 30.09.2022 is PLN 28.3 million [87 131 units x EUR 66.73 (average quotations for CO2 emission futures contracts) x 4.8698 (average exchange rate of the National Bank of Poland as of 30.09.2022)]. The fair value of EUA units received free of charge (on the reporting date) as of the date of acquisition is PLN 33.2 million.

11. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA**Financial assets per balance sheet on 30.09.2022**

	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		9 070	9 148
Trade receivables, factoring	695 896	68 372			764 268
Derivative financial instruments		763	6 552		7 315
Loans granted	64 559				64 559
Bonds	22 353				22 353
Other debtors	92 528				92 528
Cash and cash equivalents	158 494				158 494
Total	1 033 830	69 213	6 552	9 070	1 118 665

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

**Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

Financial liabilities on 30.09.2022

	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	786 369			786 369
Bonds	-			-
Derivative financial instruments		900	20 011	20 911
Lease liabilities	76 032			76 032
Liabilities to SMA and due to right-of-use assets	118 987			118 987
Trade and other liabilities	876 909			876 909
Total	1 858 297	900	20 011	1 879 208

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		Fair value hierarchy
	As at 30.09.2022	As at 31.12.2021	
Financial assets			
Listed shares	8 967	86 433	Level 1
Derivative financial instruments	7 315	12 434	Level 2
Financial obligations			
Derivative financial instruments	20 911	2 915	Level 2

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

	Fair value as at		Fair value hierarchy
	As at 30.09.2022	As at 31.12.2021	
Financial assets			
Shares and stock	181	98	Level 3
Bonds	22 353	33 749	Level 3
Borrowings	64 559	47 260	Level 3
Trade and other receivables	856 796	743 617	Level 3
Cash and cash equivalents	158 494	187 724	Level 1
Financial obligations			
Borrowings and loans	786 369	759 059	Level 2
Trade and other liabilities	876 909	750 247	Level 3
Lease liabilities	76 032	93 721	Level 2
Liabilities to SMA and due to right-of-use assets	118 987	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 - 30.09.2022	01.01.2021 - 30.09.2021
Creation of value impairment write-offs for accounts receivable	(1 621)	(8 169)
Reversal of write-downs on accounts receivable (-)	1 685	2 924
Reversal of revaluation write-offs on loans granted	-	11
Reversal of impairment write-off on bonds	519	39
Tangible fixed assets impairment write-offs	(58)	(15 239)
Reversal of tangible fixed assets impairment write-offs	396	773
Valuation of shares to fair value	(226)	-
Valuation to fair value of investment properties	1 890	5 257
Provisions for tax risks in ERG branch	(30 313)	-
Reversal of provisions for liquidation of Hutmen Sp. z o.o.	46 257	-
Creation of provisions	(4 573)	(10 342)
Reversal of provisions	4 821	2 270
Total impact on profit/loss	18 777	(22 535)

**Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

Transactions with affiliated entities

	Associates	Personally related entities
in the period 01.01.2022 - 30.09.2022		
Revenues from sales (of products, services, goods)	733	9 156
Interest income	-	3 648
Purchase of goods and services	7 883	3 199
as at 30.09.2022		
Trade receivables	122	3 546
Loans granted	-	62 754
Bonds purchased	-	22 260
Trade liabilities	902	44

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

12. ORGANISATION OF THE CAPITAL GROUP**BORYSZEW S.A.**

Boryszew S.A. is the Parent entity of Boryszew Capital Group. The Group features both domestic and 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.

In Q3 '2022 Boryszew S.A. carries out its activity through the following units:

- Maflow Branch in Tychy – manufacturer of tubes for the automotive industry, including mainly air-conditioning tubes, power steering systems and various rubber components. The Branch's assets, constituting the largest productive assets of Maflow Group, were purchased on 10 August 2010.
- Elana Branch in Torun - manufacturer of polyester fibre and plastics for a wide range of applications. The main products include staples and elballs. 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.

On 1 October 2022, the business of Boryszew S.A. at the Nylonbor Branch was transferred to Nylonbor Spółka z o.o., based in Sochaczew.

In addition, the Management Board of Boryszew S.A., acting upon the authorisation granted by the General Meeting of Shareholders, continued 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.

STRUCTURE OF BORYSZEW GROUP

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

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

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

The following companies were sold to third-party investors in 2021: Elana PET Spółka z o.o., based in Toruń and FLT Polska Sp. z o.o., based in Warsaw, together with FLT's holdings in subsidiaries, i.e.: FLT-Wälzlager GmbH, FLT & Metals s.r.l., FLT Bearings Ltd, FLT France SAS, FLT (Wuxi) Trading Co., FLT USA LLC.



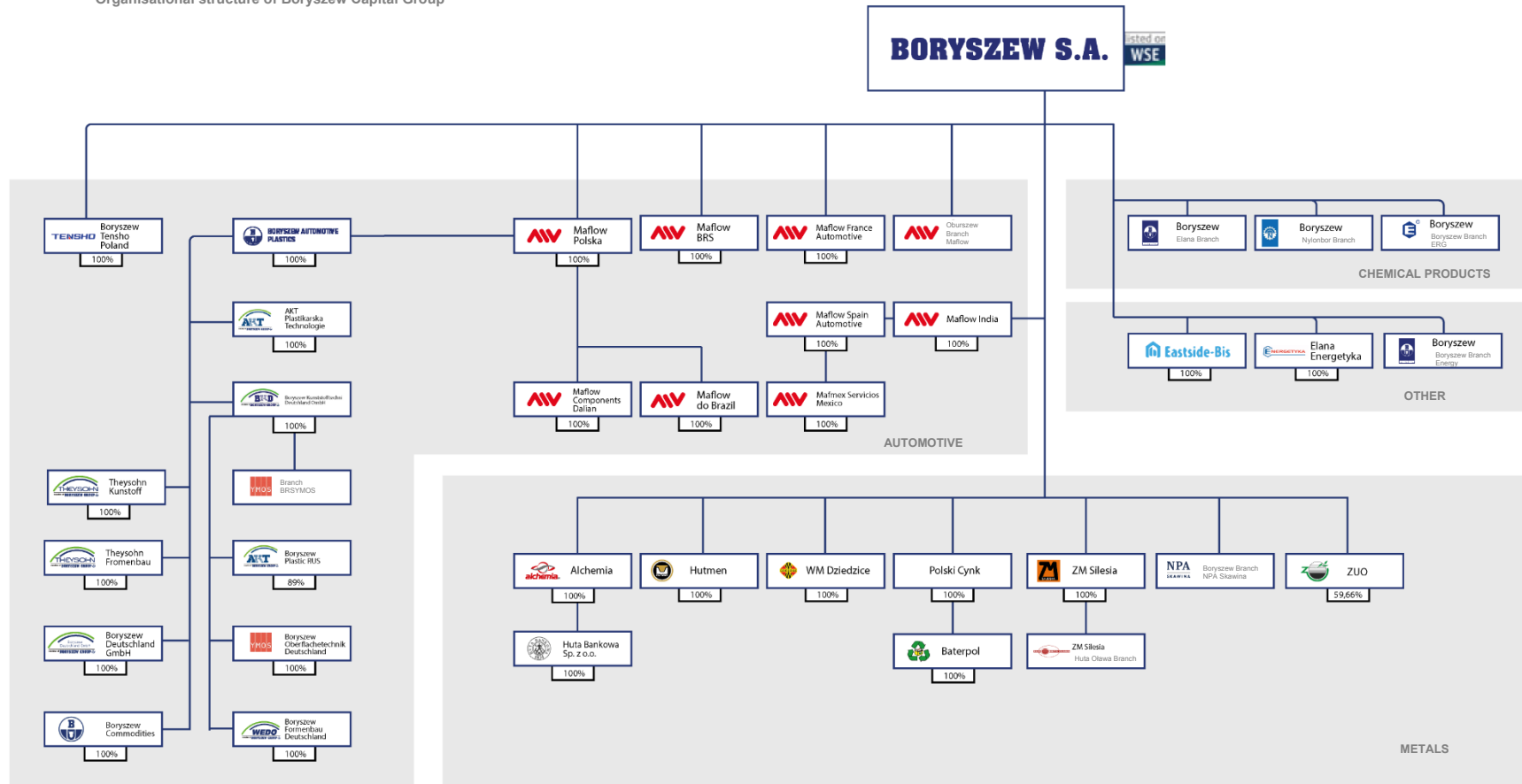
Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

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

Organisational structure of Boryszew Capital Group





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

ICOS Group - opening of bankruptcy proceedings

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

Hutmen Spółka z o.o. - conclusion of a 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 point 1 by transferring all assets of the Acquired Company 1, Acquired Company 2, Acquired Company 3 and Acquired Company 4 to the Acquiring Company by universal succession, without increasing the share capital of the Acquiring Company.

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

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 31 December 2021 the total value of assets that will be ultimately sold, i.e. shares in Nylonbor and the value of assets of Nylonbor Branch that will be contributed in kind to Nylonbor, in the books of Boryszew S.A. amounts to ca PLN 18 million.

On 28 October 2022, Boryszew S.A. signed an Annex to the Agreement with ITWL, under which the conclusion of the share sale agreement will take place by 31 December 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.

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 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.

Nylonbor Spółka z o.o.

On 30 September 2022 Boryszew S.A. signed an agreement to transfer, effective as of 1 October 2022, an organised part of Boryszew S.A. i.e. Nylonbor Branch, to Nylonbor Spółka z o.o. in exchange for shares in the increased share capital of Nylonbor Spółka z o.o. The value of the in-kind contribution was set at PLN 19.5 million. Boryszew S.A. owns 100% of the share capital of Nylonbor Spółka z o.o.

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

Maflow Plastics Poland Spółka z o.o. (formerly: Boryszew Tensho Poland Spółka z o.o.)

On 4 July 2022, the Extraordinary Meeting of Shareholders of Boryszew Tensho Poland Sp. z o.o., by Resolution No. 2, decided to amend the Company's Articles of Association, including the change of the Company's name. On 6 October 2022, the change of the company's name from Boryszew Tensho Poland Spółka z o.o. to Maflow Plastics Poland Spółka z o.o. was registered in the District Court in Toruń, 7th Commercial Division of the National Court 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.

14. 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

The Management Board of Boryszew S.A. published no forecasts of the financial result for 2022.

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.

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

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 30.09.2022 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.

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

In the period between the submission for publication of the previous report for the first six months of 2022 until publication of the report for 3 quarters on 10 November 2022, no changes occurred to the ownership structure of significant blocks of shares of Boryszew S.A.

Stock incentive program for the Management Board of Boryszew S.A.

On 27 May 2022, the Ordinary General Meeting of Boryszew S.A. decided to adopt a stock incentive program dedicated to the Company's Management Board (the "Incentive Program").

The Incentive Scheme will cover fiscal years 2022-2025, namely the aforementioned fiscal years will be evaluated in terms of the criteria and objectives of the Incentive Scheme.

Under the Incentive Scheme, rights to purchase a total of up to 4 000 000 (four million) own shares may be granted, however the President of the Management Board of the Company holding their position on the date of adoption of the Resolution, will be granted the right to acquire a total of 2 000 000 (two million) shares, as follows:

- acquisition of up to 50% (fifty percent) of the Own Shares under the Entitlements granted to a Eligible Person is related to the achievement of Market Objective I and may take place only following the achievement of Market Objective I;
- acquisition of up to 50% (fifty percent) of the Own Shares under the Entitlements granted to a Eligible Person is related to the achievement of Market Objective II and may take place only following the achievement of Market Objective II;

The criterion for the acquisition of shares is the achievement of the market target which is:

Market objective I - Company's share price calculated as the average of the closing prices on the Warsaw Stock Exchange over consecutive 7 (seven) trading days shall, by 31 December 2023, reach PLN 10.00;

Market objective II - Company's share price calculated as the average of the closing prices on the Warsaw Stock Exchange over consecutive 7 (seven) trading days shall, by 31 December 2025, reach PLN 20.00;



On the date of publication of the report, an agreement on participation in the program was concluded with Mr Wojciech Kowalczyk - President of the Management Board of Boryszew S.A. As per the agreement, M. Kowalczyk will be entitled to acquire 2 000 000 shares of Boryszew S.A. after fulfilling the conditions described above, i.e. Market Objective I and Market Objective II.

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

From the date of submission of the report for H1 '2022 to the date of publication of the report for Q3 '2022, the managing and supervising persons made no changes in the ownership of shares or options for shares of Boryszew S.A.

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

Management Board of Boryszew S.A.	On the publication date of the previous interim report	Change in holding acquisition / (disposal)	On the publication date of the report
Wojciech Kowalczyk	10 000	-	10 000

Supervisory Board of Boryszew S.A.	On the publication date of the previous interim report	Change in holding acquisition / (disposal)	On the publication date of the report
Małgorzata Iwanejko	30 000	-	30 000

Other managing persons and persons supervising Boryszew S. A. do not hold any shares of the Company or any rights to them, and since the day of submitting the previous interim report no changes have occurred in this respect.

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

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

Tax proceedings in the Capital Group companies

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

Proceedings completed at first instance

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 received a notice from the Head of the 2nd Fiscal Office in Katowice on the freezing of ZM SILESIA's bank accounts as a security of claims associated with the execution of the Decision On 7 May 2021, the Company's attorney filed a complaint against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 requesting that the decision be revoked in its entirety, claiming that the tax liabilities for the period between January and November 2012 had become time-barred and requesting that the Court suspend the execution of the decision appealed against. On 6 August 2021 the Company received a decision of the Provincial Administrative Court in Gliwice of 26 July 2021 on suspending the execution of the decision of the Head of the Fiscal Administration Chamber on determining VAT liability for 2012. On 8 September 2021, the Provincial Administrative Court notified on the scheduled hearing in the case on the complaint of ZM SILESIA SA against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021.

On 27 October 2021 the Provincial Administrative Court issued a judgment revoking in its entirety the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021. The reason why the Provincial Administrative Court revoked the decision challenged by ZM SILESIA was, primarily, the deficiencies of the tax authority involving the lack of a proper justification of the circumstances and legal grounds for a possible suspension of the statute of limitations for tax liabilities for 2012. Given the crucial importance of the issue of the statute of limitations for the possibility and admissibility of proceedings concerning the assessment of tax liabilities, the court found that the examination and resolution of the remaining disputed issues was premature. The judgment is not final. The parties have the right to file a cassation complaint with the Supreme Administrative Court. Until the judgment of the Provincial Administrative Court becomes final, the repealed tax decision will not be enforceable.

On 28 March 2022 ZM SILESIA S.A. received a decision of 25 March 2022 from the Director of the Fiscal Administration Chamber in Katowice, which revoked in its entirety the decision of the Head of the Customs and Tax Office in Opole of 28 February 2018 determining the outstanding VAT liability for relevant months of 2012 and referred the case for reconsideration by this body.

The Head of the Fiscal Administration Chamber in Katowice, being bound by the assessments and recommendations of the Provincial Administrative Court in Gliwice in the final judgment of 27 October 2021 (case file I SA/GI 791/21), pointed out that it was necessary to re-examine and justify the position of the first instance authority with respect to the tax liability statute of limitations and the circumstances which could possibly extend the statute of limitations, as the previous position of the first instance authority in this respect turned out to be incorrect or incomplete. On 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 5 December 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 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. By the decision of the Head of the Małopolska Customs and Fiscal Office in Krakow, another new deadline was set for the completion of the case, that is 30 November 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.
- 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 September 2022 of PLN 2.1 million. The audit was conducted by the First Silesian Tax Office in Sosnowiec. Following the aforementioned tax inspection, on 20 March 2019, the Head of the First Tax Office in Sosnowiec initiated VAT proceedings for the period December 2013 to December 2015. By the date of this report, the Company has not received a decision of the first instance authority concerning the aforementioned tax proceedings. Estimated date of case completion - 31 December 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 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. Estimated date of case completion - 30 December 2022.

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. The expected date of completion of the audit - December 2022.

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

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

The 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 30.09.2022 is PLN 182 635 thousand (high risk).

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

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

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



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

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

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

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

Eastside - Bis Spółka z o.o. based in Warsaw

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

By 20 October 2022, an individual affiliated with the Issuer has partially repaid the loan in the amount of PLN 900 000.00.

Loan repayment to a related party

On 6 October 2022 an individual affiliated with the Issuer fully repaid a cash loan in the amount of PLN 10 000 000.00, with repayment date of 31 December 2022, granted under the Agreement of 14 April 2022.

Skotan S.A., based in Chorzow

Redemption of bonds

In Q3 '2022, Skotan S.A. made an early redemption of bonds:

- 1) subscribed by Boryszew S.A., total nominal value of PLN 9.1 million,
- 2) subscribed by Laboratorium Badań Batory Sp. z o.o., nominal value of PLN 1.0 million.

Unibax Sp. z o.o., based in Toruń

Redemption of bonds

In Q3 '2022, Unibax Sp. z o.o. redeemed bonds subscribed by Alchemia S.A., nominal value of PLN 2 000 000.00.

Repayment of the loan granted to Skotan S.A.

On 18 August 2022, Skotan S.A. made an early repayment of the loan in the amount of PLN 0.5 million granted by Boryszew S.A. on 10 February 2022.

TRANSACTION AFTER THE BALANCE SHEET DATE

Eastside - Bis Spółka z o.o. based in Warsaw

Loan granted to a related party

On 26 October 2022, Eastside - Bis Spółka z o.o. granted a cash loan to RKK Investments Spółka z o.o. in the amount of PLN 9 000 000.00, with repayment due by 31 December 2023. The interest on the above mentioned loan was determined on the arm's length basis. WIBOR 3M + margin

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

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

21. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF LOAN OR BORROWING SURETIES OR GUARANTEES – JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS MATERIAL**SURETIES GRANTED BY BORYSZEW S.A. AS AT 30.09.2022 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 30.09.2022

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	24 349	indefinite validity
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	24 349	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	14 503	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	29 219	contract period + 15 years
Mafmex Components (Dalian) Co. Ltd	BMW AG performance bond	29 219	contract period + 15 years
Total		121 639	

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.

22. 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.

23. OTHER IMPORTANT EVENTS

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

24. DECLARATIONS OF THE MANAGEMENT BOARD

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

- to the best of its knowledge, the consolidated financial statements of the Company and Boryszew Capital Group and the comparative data for Q3 '2022 were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result of Boryszew S.A. and Boryszew Capital Group.
- the report on activity of Boryszew Capital Group for Q3 '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 September 2022




Boryszew S.A.

Abbreviated mid-year report for the period between 1 January to 30 September 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 - 30.09.2022	01.01.2021 - 30.09.2021	01.07.2022- 30.09.2022	01.07.2021- 30.09.2021
Revenues from sales	2 203 248	<i>restated</i> 1 295 828	784 888	<i>restated</i> 459 350
Prime cost of sale	2 053 398	1 145 314	727 028	415 492
Gross profit on sales	149 850	150 514	57 860	43 858
Selling costs	32 522	40 284	9 956	13 197
Administrative expenses	78 144	64 098	24 717	19 865
Other operating revenue	43 852	72 853	21 047	41 827
Other operating expenses	34 509	23 237	2 583	3 347
Operating income	48 527	95 748	41 651	49 276
Financial revenues	90 156	66 010	45 448	50 696
Financial expenses	85 657	122 342	41 051	96 399
Financial profit/loss	4 499	(56 332)	4 397	(45 703)
Profit before taxation	53 026	39 416	46 048	3 573
Income tax	17 950	25 673	5 296	15 478
Net profit	35 076	13 743	40 752	(11 905)
Earnings / Diluted earnings per share				
Weighted average number of shares	205 205 000	205 205 000	205 205 000	205 205 000
Earnings / Diluted earnings per share (PLN)	0.17	0.07	0.20	(0.06)

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021	01.07.2022- 30.09.2022	01.07.2021- 30.09.2021
Net profit	35 076	13 743	40 752	(11 905)
Earnings recognised in equity				
Earnings recognised in equity, to be transferred to profit and loss account	(5 243)	3 199	108	(1 027)
Hedge accounting (pre-tax)	(6 473)	3 949	133	(1 268)
Income tax	1 230	(750)	(25)	241
Earnings recognised in equity, not to be transferred to income statement	1 713	11 861	(349)	(7 397)
Gains/losses on valuation and disposal of equity instruments (before tax)	1 933	14 643	(431)	(9 132)
Income tax	(367)	(2 782)	82	1 735
Employee benefit capital reserve (before tax)	181	-	-	-
Income tax	(34)	-	-	-
Total earnings recognised in equity	(3 530)	15 060	(241)	(8 424)
Total comprehensive income	31 546	28 803	40 511	(20 329)

**Boryszew S.A.**

Abbreviated mid-year report for the period between 1 January to 30 September 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 30.09.2022	As at 31.12.2021	As at 30.09.2021
		<i>restated</i>	<i>restated</i>
Non-current assets			
Property, plant and equipment	261 114	257 847	265 205
Investment property	19 906	21 619	17 243
Goodwill	-	-	-
Intangible assets	29 622	35 223	34 574
Right-of-use assets	129 109	117 891	106 784
Shares in subsidiaries and associates	810 636	803 978	862 997
Financial assets	174 994	41 328	111 496
Long-term receivables	141 434	121 761	120 663
Deferred tax assets	-	-	-
Total fixed assets	1 566 815	1 399 647	1 518 962
Current assets	1 125 957	1 113 815	1 199 734
Current assets other than assets held for sale			
Inventory	313 071	242 154	268 157
Trade receivables and other receivables	467 192	415 183	378 455
Short-term financial assets	295 510	399 578	506 685
Derivative financial instruments	-	-	1 353
Current tax assets	3 879	-	-
Cash and cash equivalents	46 305	56 900	45 084
Total current assets	1 125 957	1 113 815	1 199 734
Total assets	2 692 772	2 513 462	2 718 696


Boryszew S.A.

Abbreviated mid-year report for the period between 1 January to 30 September 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 30.09.2022	As at 31.12.2021	As at 30.09.2021
Equity		<i>restated</i>	<i>restated</i>
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	(7 913)	(2 670)	(2 906)
Capital reserve on translating employee payables	(61)	(208)	(426)
Revaluation reserve and gain on disposal of financial assets	24 762	43 699	43 653
Capital from revaluation of other assets	-	-	-
Retained earnings	1 014 858	1 148 068	1 407 838
Total equity	1 210 082	1 367 325	1 626 595
Liabilities and long-term provisions			
Bank loans, borrowings	85 966	8 275	13 508
Bonds	-	-	-
Lease liabilities	59 305	67 337	65 429
Deferred tax provision	20 166	15 213	11 023
Derivative financial instruments	-	-	-
Employee benefit provisions	2 671	2 754	2 812
Other provisions	13 923	23 413	14 026
Other long term equity and liabilities	19 660	18 489	17 562
Liabilities and long-term provisions - total	201 691	135 481	124 360
Short-term liabilities			
Bank loans, borrowings	634 867	477 083	523 863
Bonds	-	28 000	28 000
Lease liabilities	39 180	20 123	19 148
Trade payables and other liabilities	542 745	436 143	349 316
Liabilities under agreements with customers			
Derivative financial instruments	9 046	300	5 324
Current tax liabilities	-	22 906	19 025
Employee benefit provisions	9 071	8 722	6 932
Other provisions	34 110	3 378	2 994
Other liabilities and equity	11 980	14 001	13 139
Liabilities and short-term provisions - total	1 280 999	1 010 656	967 741
Total liabilities and provisions	1 482 690	1 146 137	1 092 101
Total equity and liabilities	2 692 772	2 513 462	2 718 696

**Boryszew S.A.**

Abbreviated mid-year report for the period between 1 January to 30 September 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

CASH FLOW STATEMENT

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
		<i>restated</i>
Cash flows from operating activities		
Profit before taxation	53 026	39 416
Adjustments for	6 898	(27 767)
Amortisation/depreciation	42 747	34 122
Profit/loss on financial activity (including interest on financial liabilities)	9 670	87 041
Dividends received	(8 209)	(54 733)
Profit / loss on investment activities	(40 473)	(47 711)
Change in receivables	153 105	(55 926)
Change in inventories	(70 917)	(59 857)
Change in liabilities	(76 342)	114 473
Movement in provisions	33 023	2 718
Other items	3 170	(1 125)
Income tax paid	(38 876)	(46 769)
Net cash from operating activities	59 924	11 649
Cash flows from investment activities		
Proceeds from disposal of fixed assets	1 583	1 866
Proceeds from disposal of shares	80 812	127 957
Proceeds from disposal of shares/dividends	6 325	16 076
Proceeds from redemption of bonds by issuers	8 499	-
Proceeds from repayment of loans granted	16 482	31 542
Other proceeds from investment activities	196	33
Expenses on acquisition of fixed assets	(24 194)	(26 872)
Acquisition of shares and stocks	(905)	(580)
Long term borrowings granted	(102 254)	(165 015)
Expenditure on bonds	-	(940)
Net cash from investing activities	(13 456)	(15 933)
Cash flows from financial activities		
Incomes on credit and loan facilities	120 093	156 267
Loans received	429 600	112 518
Other inflows	3 386	13 663
Dividends paid	(188 789)	-
Loans repaid	(101 616)	(137 364)
Repayment of borrowings	(254 069)	(62 042)
Redemption of bonds	(28 000)	(36 000)
Interest paid on loans, borrowings and leasing	(20 798)	(9 803)
Payment of liabilities under finance lease agreements	(16 870)	(20 765)
Other financial outflows		
Net cash from financing activities	(57 063)	16 474
Net change in cash	(10 595)	12 190
Cash opening balance	56 900	32 894
Cash closing balance	46 305	45 084
<i>Restricted cash</i>	<i>12 453</i>	<i>11 043</i>



(amounts expressed in PLN '000 unless specified otherwise)

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				(5 243)				(5 243)
Valuation of employee benefits					147			147
Valuation of financial assets and disposal through comprehensive income in 2022.						1 566		1 566
Disposal of financial assets through comprehensive income/distribution of result 2021						(20 503)	20 503	-
Profit/loss for 3 quarters 2022							35 076	35 076
Total income for 3 quarters of 2022	-	-	-	(5 243)	147	(18 937)	55 579	31 546
Dividends paid							(188 789)	(188 789)
Balance on 30.09.2022	248 906	112 346	(182 816)	(7 913)	(61)	24 762	1 014 858	1 210 082

	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

**Boryszew S.A.**

Abbreviated mid-year report for the period between 1 January to 30 September 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	Gains on investments in equity instruments	Retained earnings	Total equity
Balance on 01.01.2021	248 906	112 346	(182 816)	(6 105)	(426)	31 792	1 394 095	1 597 792
Valuation of hedge instruments				3 199				3 199
Measurement of financial assets						(8 644)		(8 644)
Disposal of financial assets						20 505		20 505
Profit/loss for 3 quarters 2021							13 743	13 743
Total income for 3 quarters of 2021	-	-	-	3 199	-	11 861	13 743	28 803
Balance on 30.09.2021	248 906	112 346	(182 816)	(2 906)	(426)	43 653	1 407 838	1 626 595

**Boryszew S.A.**

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(amounts expressed in PLN '000 unless specified otherwise)

ADDITIONAL INFORMATION**TO ABBREVIATED MID-YEAR FINANCIAL STATEMENTS OF BORYSZEW S.A. FOR THE FIRST THREE QUARTERS OF 2022****1. Statement by the Management Board on compliance of accounting principles**

The Management Board for Boryszew S.A.: Piotr Lisiecki, Łukasz Bubacz, Mikołaj Budzanowski represent that to the best of their knowledge the consolidated financial statements for Q3 '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 Q3 '2022 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Dz. Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

	average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01 – 30.09.2021	4.5585	4.6329
01.01 – 31.12.2021	4.5622	4.5994
01.01 – 30.09.2022	4.6880	4.8698

ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these mid-year separate financial statements for the period ended on 30 September 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 consolidated financial statements.



(amounts expressed in PLN '000 unless specified otherwise)

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

The following standards and interpretations have been issued by the International Accounting Standards Committee or the International Financial Reporting Interpretations Committee, but have not yet come into effect or have not yet been approved by the European Union:

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

RESTATEMENT OF FINANCIAL DATA

In December 2021 a change was made in the layout 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 taking into account the features of a separate report, are presented below.


Boryszew S.A.

Abbreviated mid-year report for the period between 1 January to 30 September 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME - restatement

	01.01.2021 - 30.09.2021	01.01.2021 - 30.09.2021	Impact on profit/loss
	<i>restated</i>	<i>published</i>	
Revenues from sales	1 295 828	1 295 828	-
Prime cost of sale	1 145 314	1 145 314	-
Gross profit on sales	150 514	150 514	-
Selling costs	40 284	40 284	-
Administrative expenses	64 098	64 098	-
Other operating revenue	72 853	70 193	2 660
Other operating expenses	23 237	15 166	(8 071)
Profit/loss on impairment of trade and other receivables	-	(5 411)	5 411
Operating income	95 748	95 748	-
Financial revenues	66 010	65 999	11
Financial expenses	122 342	122 342	-
Profit/loss on impairment of financial assets	-	11	(11)
Financial profit/loss	(56 332)	(56 332)	-
Profit before taxation	39 416	39 416	-
Income tax	25 673	25 673	-
Net profit	13 743	13 743	-

	01.01.2021 - 30.09.2021	01.01.2021 - 30.09.2021	change
	<i>restated</i>	<i>published</i>	
Net profit	13 743	13 743	-
Earnings recognised in equity			
<i>Earnings recognised in equity, to be transferred to profit and loss account</i>			
before tax	3 949	-	-
after tax	-	3 199	-
Gross hedge accounting	3 949	3 949	-
Income tax expense (-provision/+asset)		(750)	750
Income tax expense (-provision/+asset)	(750)		(750)
<i>Earnings recognised in equity, not to be transferred to income statement</i>			
before tax	14 643	-	-
after tax		11 861	-
Gross gains/losses on valuation and disposal of equity instruments	14 643	-	14 643
Gains/losses on valuation of equity instruments	-	(10 672)	10 672
Income tax	-	2 028	(2 028)
Gains/losses on disposal of equity instruments	-	25 315	(25 315)
Income tax	-	(4 810)	4 810
Income tax	(2 782)	-	(2 782)
Total earnings recognised in equity	15 060	15 060	-
Total comprehensive income	28 803	28 803	-

**Boryszew S.A.**

Abbreviated mid-year report for the period between 1 January to 30 September 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

SEPARATE STATEMENT OF FINANCIAL POSITION - restatement

ASSETS	As at 31.12.2021	As at 31.12.2021	change
	<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	-


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Abbreviated mid-year report for the period between 1 January to 30 September 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 31.12.2021	As at 31.12.2021	change
	<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	-
Liabilities under lease of fixed assets	-	29 755	(29 755)
Lease liabilities	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
Liabilities under lease of fixed assets	-	10 831	(10 831)
Lease liabilities	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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(amounts expressed in PLN '000 unless specified otherwise)

ASSETS	As at 30.09.2021	As at 30.09.2021	change
	<i>restated</i>	<i>published</i>	
Non-current assets			
Property, plant and equipment	265 205	265 205	-
Investment property	17 243	17 243	-
Intangible assets	34 574	34 574	-
Right-of-use assets	106 784	106 784	-
Shares in subsidiaries and associates	862 997	862 997	-
Financial assets	111 496	111 496	-
Long-term receivables	120 663	110 997	9 666
Other assets	-	9 666	(9 666)
Total fixed assets	1 518 962	1 518 962	-
Current assets	1 199 734	1 199 734	-
Current assets other than assets held for sale			
Inventory	268 157	268 157	-
Trade receivables and other receivables	378 455	350 878	27 577
Short-term financial assets	506 685	506 685	-
Derivative financial instruments	1 353	1 353	-
Other assets		27 577	(27 577)
Cash and cash equivalents	45 084	45 084	-
Total current assets	1 199 734	1 199 734	-
Total assets	2 718 696	2 718 696	-


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LIABILITIES AND EQUITY	As at 30.09.2021	As at 30.09.2021	change
	<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	(2 906)	(2 906)	-
Gains on investments in financial instruments	-	43 653	(43 653)
Capital reserve on translating employee payables	(426)	(426)	-
Revaluation reserve and gain on disposal of financial assets	43 653	-	43 653
Retained earnings	1 407 838	1 407 838	-
Total equity	1 626 595	1 626 595	-
Liabilities and long-term provisions			
Bank loans, borrowings	13 508	13 508	-
Lease liabilities	65 429	23 505	41 924
Liabilities related to right-of-use assets - other assets	-	22 133	(22 133)
Payables on perpetual usufruct of investment land	-	19 791	(19 791)
Deferred tax provision	11 023	11 023	-
Employee benefit provisions	2 812	2 812	-
Other provisions	14 026	14 026	-
Other long term equity and liabilities	17 562	17 562	-
Liabilities and long-term provisions - total	124 360	124 360	-
Short-term liabilities			
Bank loans, borrowings	523 863	551 863	(28 000)
Bonds	28 000	-	28 000
Lease liabilities	19 148	9 862	9 286
Liabilities related to right-of-use assets - other assets	-	9 286	(9 286)
Trade payables and other liabilities	349 316	349 316	-
Derivative financial instruments	5 324	5 324	-
Current tax liabilities	19 025	19 025	-
Employee benefit provisions	6 932	6 932	-
Other provisions	2 994	2 994	-
Other liabilities and equity	13 139	13 139	-
Liabilities and short-term provisions - total	967 741	967 741	-
Total liabilities and provisions	1 092 101	1 092 101	-
Total equity and liabilities	2 718 696	2 718 696	-

STATEMENT OF CASH FLOWS- restated


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	01.01.2021 - 30.09.2021	01.01.2021 - 30.09.2021	change
	<i>restated</i>	<i>published</i>	
Cash flows from operating activities			
Profit before taxation	39 416	39 416	-
Adjustments for (+/-)	(27 767)	(27 767)	-
Amortisation/depreciation	34 122	34 122	-
Profit/loss on financial activity (including interest on financial liabilities)	87 041	87 041	-
Dividend	(54 733)	(54 733)	-
Profit / loss on investment activities	(47 711)	(47 711)	-
Change in receivables	(55 926)	(55 926)	-
Change in inventories	(59 857)	(59 857)	-
Change in liabilities	114 473	114 473	-
Change in provisions and accruals as well as prepayments	-	2 718	(2 718)
Movement in provisions	2 718	-	2 718
Other items	(1 125)	(1 125)	-
Income tax paid	(46 769)	(46 769)	-
Net cash from operating activities	11 649	11 649	-
Cash flows from investment activities			
Proceeds from disposal of fixed assets	1 866	1 866	-
Proceeds from disposal of shares	127 957	127 957	-
Proceeds from disposal of shares/dividends	16 076	16 076	-
Proceeds from repayment of loans granted	31 542	31 542	-
Other proceeds from investment activities	33	33	-
Expenses on acquisition of fixed assets	(26 872)	(26 872)	-
Acquisition of shares and stocks in capital group entities	(580)	(580)	-
Long term borrowings granted	(165 015)	(165 015)	-
Expenditure on bonds	(940)	(940)	-
Net cash from investing activities	(15 933)	(15 933)	-
Cash flows from financial activities			
Incomes on credit and loan facilities	156 267	156 267	-
Loans received	112 518	112 518	-
Other inflows	13 663	13 663	-
Loans repaid	(137 364)	(137 364)	-
Repayment of borrowings	(62 042)	(62 042)	-
Redemption of bonds	(36 000)	(36 000)	-
Interest paid on loans, borrowings and leasing	(9 803)	(8 254)	(1 549)
Payment of liabilities under finance lease agreements	(20 765)	(22 314)	1 549
Net cash from financing activities	16 474	16 474	-
Net change in cash	12 190	12 190	-
Cash opening balance	32 894	32 894	-
Cash closing balance	45 084	45 084	-

3. Off-balance-sheet liabilities


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	As at 30.09.2022	As at 31.12.2021
Sureties for the repayment of loans and other liabilities by associated companies	338 518	223 329
Total	338 518	223 329

Contingent items	As at 30.09.2022	As at 31.12.2021	change
Contingent liabilities	338 518	223 329	115 189
resulting from granted guarantees, sureties and other liabilities	338 518	223 329	115 189
- guarantees and sureties associated with performance of contracts	136 249	66 691	69 558
- guarantees and sureties in favour of financial institutions	202 269	156 638	45 631

Increases / decreases in the period of 9 months ended on 30.09.2022, including: **115 189**

Additions

- Increase due to valuation of sureties 8 861
- Increase in surety amount 137 187

Reductions

- Reduction due to valuation of sureties -
- Decrease in the amount of existing sureties due to expiration, reduction (30 859)

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 20.9 million), the increase of factoring limit exposure in Coface by ZM Silesia (PLN 19 million), the guarantee issued in July 2022 in favour of BMW AG to secure liabilities of Maflow Components (Dalian) (PLN 29.2 million), sureties granted to BNP Paribas S.A. to secure overdraft facility of Maflow Boryszew Sp. z o.o. as well as non-revolving loans for investments taken by Maflow Boryszew Sp. z o.o. and Mafmex S. DE R.L. DE C.V. (PLN 64.9 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 30.09.2022.

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 Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	13 004	31.12.2028
Boryszew Plastic Rus LLC	Guarantee granted to Volvo Group Trucks Operations	24 349	indefinite validity
Boryszew Plastic Rus LLC	Guarantee granted to Alfa Bank	1 120	31.12.2024
Boryszew Plastic Rus LLC	Payment guarantee granted to Engel Austria GmbH	5 564	25.08.2023
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	7 129	30.10.2022
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	343	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	667	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	341	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	341	15.12.2024
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	631	15.02.2025
Boryszew Tensho Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	479	15.02.2025
Boryszew Tensho Poland Sp. z o.o.	Guarantee granted to PKO Leasing S.A.	2 924	10.10.2022
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	1 197	31.08.2023
1. Boryszew Tensho Poland Sp. z o.o. 2. Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Borealis AG	4 870	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.	9 740	31.12.2022
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	24 349	01.12.2026
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	24 349	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	14 503	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	29 219	contract period + 15 years
Mafmex S. de R.L. de C.V.	Guarantee granted to BNP Paribas S.A.	20 691	30.06.2031
ZM Silesia S.A.	Surety granted to PKO BP S.A.	9 800	31.08.2026
ZM Silesia S.A.	Endorsement for Coface Poland Factoring Sp. z o.o.	48 662	indefinite validity
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	20 937	18.01.2025
Maflow Components (Dalian) Co. Ltd	BMW AG performance bond	29 219	contract period + 15 years
Maflow Boryszew Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	22 176	30.06.2031
Maflow Boryszew Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	21 914	28.06.2026
Total guarantees and sureties granted by Boryszew S.A.		338 518	



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Status of current warranties and guarantees 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 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 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	

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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.

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 the proposal 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 of Boryszew Capital 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.

When recommending profit distributions, the Management Board of the Company 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.

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

NON-EQUITY SECURITIES

The Company issued no non-equity securities in Q3 '2022 and up to the date of the report.

REDEMPTION OF BONDS ISSUED BY BORYSZEW S.A.

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

EQUITY SECURITIES

In the third quarter of 2022 and until the date of publication of the report, the Company issued no equity securities.

EQUITY SECURITIES

In the third quarter of 2022 and until the date of publication of the report, the Company issued no equity securities.



(amounts expressed in PLN '000 unless specified otherwise)

6. Operating segments

01.01.2022 - 30.09.2022	Chemical products	Automotive	Metals	Other	Total	exclusions between segments	Total
Revenues from sales	234 806	557 963	677 497	735 369	2 205 635	(2 387)	2 203 248
Segment costs of sales	205 941	486 938	638 103	724 670	2 055 652	(2 254)	2 053 398
Result on sales within segment	28 865	71 025	39 394	10 699	149 983	(133)	149 850
General, administrative and sales expenses	27 720	52 214	16 167	14 633	110 734	(68)	110 666
Other operating profit/loss	(17 273)	8 391	2 385	15 790	9 293	50	9 343
Segment profit/loss	(16 128)	27 202	25 612	11 856	48 542	(15)	48 527
Amortisation/depreciation	3 522	26 845	10 957	1 423	42 747	-	42 747
EBITDA *)	(12 606)	54 047	36 569	13 279	91 289	(15)	91 274
Segment assets	475 779	774 226	296 617	1 828 862	3 375 484	(682 712)	2 692 772
Segment liabilities	184 799	727 614	267 619	985 370	2 165 402	(682 712)	1 482 690

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

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



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REVENUES FROM SALE BY DESTINATION MARKET	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Continuing operations		
Domestic sales	1 275 703	559 993
Sales to EU countries	780 392	609 691
Sales to other European countries	82 881	68 693
Export outside Europe	64 272	57 451
Total (revenues from continuing operations)	2 203 248	1 295 828

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Germany	28%	26%
The Czech Republic	21%	13%
Sweden	9%	13%
The Netherlands	7%	5%
Belgium	5%	3%
Spain	5%	8%
Slovakia	5%	5%

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

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

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

The Metal segment is barely exposed to any seasonality.

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

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

8. Financial instruments, fair value, estimated data

Financial assets per balance sheet on 30.09.2022

	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	-	-	8 966	-	8 966
Bonds	1 217	-	-	-	1 217
Trade receivables, factoring	386 326	41 623	-	-	427 949
Derivative financial instruments	-	-	-	-	-
Loans granted	460 218	-	-	-	460 218
Other debtors	-	127 791	-	-	127 791
Cash and cash equivalents	46 305	-	-	-	46 305
Total	894 066	169 414	8 966	-	1 072 446

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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	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 on 30.09.2022

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	720 833	-	720 833
Liabilities on bonds	-	-	-
Derivative financial instruments	-	9 046	9 046
Lease liabilities	45 867	-	45 867
Liabilities to SMA and due to right-of-use assets	52 618	-	52 618
Trade and other liabilities	494 321	-	494 321
Total	1 313 639	9 046	1 322 685

Financial liabilities per balance sheet on 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 due to right-of-use assets	46 874	-	46 874
Trade and other liabilities (excluding towards state budget and employees)	391 304	-	391 304
Total	992 122	300	992 422


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

	Fair value as at		Fair value hierarchy
	As at 30.09.2022	As at 31.12.2021	
Financial assets			
Listed shares	8 966	86 433	Level 1
Derivative financial instruments	-	-	Level 2
Financial obligations			
Derivative financial instruments	9 046	300	Level 2

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

	Fair value as at		Fair value hierarchy
	As at 30.09.2022	As at 31.12.2021	
Financial assets			
Bonds	1 217	14 916	Level 3
Borrowings	460 218	339 537	Level 3
Trade and other receivables	555 740	478 307	Level 3
Cash and cash equivalents	46 305	56 900	Level 1
Financial obligations			
Borrowings and loans	720 833	485 358	Level 2
Liabilities on bonds	-	28 000	Level 2
Trade and other liabilities	494 321	393 416	Level 3
Lease liabilities	45 867	40 586	Level 2
Liabilities to SMA and due to right-of-use assets	50 696	44 942	Level 2
Liabilities to SMA - investment property	1 922	1 932	Level 2

	01.01.2022 - 30.09.2022	01.01.2021 - 30.09.2021
Impact of write-offs on assets and provisions on profit/loss		
Creation of value impairment write-offs for accounts receivable	(5 500)	(1 651)
Reversal of write-downs on accounts receivable (-)	9 933	2 660
Revaluation write-offs of loan receivables	(6 230)	-
Reversal of revaluation write-offs on loans granted	5	11
Creation of value impairment write-offs on other receivables	(115)	(6 420)
Reversal of value impairment write-offs on other receivables	-	-
Tangible fixed assets impairment write-offs	-	-
Reversal, release of revaluation write-offs on fixed assets	67	-
Valuation of shares to fair value	-	(89 293)
Provisions for tax risks ERG Branch	(30 313)	-
Reversal of provisions	7 579	769
Total impact on profit/loss	(24 574)	(93 924)

**Boryszew S.A.**

Abbreviated mid-year report for the period between 1 January to 30 September 2022 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

9. Transactions with affiliated entities

	Subsidiaries	Personally related entities
in the period 01.01.2022 - 30.09.2022		
Revenues from sales (of products, services, goods)	398 102	8 985
Interest income	23 314	2 582
Dividends received and due	7 930	-
Purchases (of materials, goods, services)	84 782	182
Interest expense	7 498	-
as at 30.09.2022		
Trade receivables	202 913	3 530
Bonds purchased	1 217	-
Loans granted	425 582	34 636
Other receivables (advances, deposits)	116 673	-
Lease liabilities	11 055	-
Trade liabilities	83 603	-
Loans received	310 935	-
Other liabilities (advances, deposits)	11	-

	Subsidiaries	Personally related entities
in the period 01.01.2021 - 30.09.2021		
Revenues from sales (of products, services, goods)	214 785	248
Interest income	15 900	91
Dividends received and due	53 096	-
Purchases (of materials, goods, services)	71 555	738
Interest expense	973	90
balance on 30.09.2021		
Trade receivables	136 204	64
Bonds purchased	6 148	1 674
Loans granted	511 745	-
Other debtors	110 997	360
Lease liabilities	12 895	-
Trade payables and deposits	56 850	-
Loans received	73 456	-
Issued bonds	28 000	-
Other liabilities (advances, deposits)	65	-

**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 September 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., the Company's Management Board reviewed the Company's involvement in the conflict countries. The description of indirect impact on Boryszew S.A. as a parent company of Boryszew Capital Group is described in note 6 of the abbreviated consolidated financial statement



Boryszew Capital Group

Abbreviated mid-year consolidated financial report for the period between 1 January and 30 September 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 OF THE PARENT ON 9 NOVEMBER 2022.

SIGNATURES:

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

Łukasz Bubacz – Member of the Management Board -----

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

Radosław Szorc – Chief Financial Officer -----

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

Translation from the original Polish version.

In the event of differences resulting from the translation, reference should be made to the official Polish version.