



**CONSOLIDATED QUARTERLY REPORT OF  
BORYSZEW CAPITAL GROUP**  
for the period between 1 January and 31 March  
**2023**

Report publication date  
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**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**SELECTED FINANCIAL DATA**

	in PLN '000		in EUR '000	
	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
<b>data regarding abbreviated consolidated financial statements</b>				
Revenue from continuing operations	1 681 502	1 702 626	357 728	363 188
Operating profit	57 630	56 267	12 260	12 002
Net profit on continuing operations	35 658	34 106	7 586	7 275
Net profit on continuing and discontinued operations	48 012	33 852	10 214	7 221
Net profit attributable to the parent	46 047	31 906	9 796	6 806
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)	0.23	0.16	0.05	0.03
Net cash flow from operating activities	170 782	95 177	36 333	20 302
Net cash flow from investment activities	(56 326)	62 175	(11 983)	13 263
Net cash flow from financial activities	(62 930)	(118 689)	(13 388)	(25 318)
	<b>As at 31.03.2023</b>	<b>As at 31.12.2022</b>	<b>As at 31.03.2023</b>	<b>As at 31.12.2022</b>
Total assets	4 200 251	3 985 674	898 353	849 842
Total liabilities and provisions	2 449 266	2 296 613	523 851	489 693
Assets of continuing operations	4 200 251	3 984 421	898 353	849 575
Liabilities of continuing operations	2 449 266	2 284 728	523 851	487 159
Equity	1 750 985	1 689 061	374 502	360 149
Equity attributable to the parent company	1 719 716	1 659 618	367 814	353 871

	in PLN '000		in EUR '000	
	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
<b>data regarding separate abbreviated financial statements</b>				
Revenues from sales	526 975	677 361	112 110	145 757
Operating profit	14 623	13 574	3 111	2 921
Net profit	6 593	13 299	1 403	2 862
Weighted average number of shares	205 205 000	205 205 000	205 205 000	205 205 000
Profit per ordinary share in PLN/EUR	0.03	0.06	0.01	0.01
Net cash flow from operating activities	52 203	(9 494)	11 106	(2 043)
Net cash flow from investment activities	(33 785)	44 750	(7 188)	9 629
Net cash flow from financial activities	9 169	(40 895)	1 951	(8 800)
	<b>As at 31.03.2023</b>	<b>As at 31.12.2022</b>	<b>As at 31.03.2023</b>	<b>As at 31.12.2022</b>
Total assets	2 378 803	2 532 701	508 780	540 033
Total liabilities and provisions	997 925	1 327 667	213 437	283 091
Equity	1 380 878	1 205 034	295 343	256 942

**ABBREVIATED MID-YEAR CONSOLIDATED  
FINANCIAL STATEMENTS**

**Boryszew Capital Group  
for the period between 1 January and 31 March 2023**





(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
<b>Continuing operations</b>		
Revenues from sales	1 681 502	1 702 626
Prime cost of sale	1 543 124	1 565 600
<b>Gross profit on sales</b>	<b>138 378</b>	<b>137 026</b>
Selling costs	35 127	31 523
Administrative expenses	70 434	68 596
Other operating revenue	40 130	33 743
Other operating expenses	15 317	14 383
<b>Operating income</b>	<b>57 630</b>	<b>56 267</b>
Financial revenues	17 603	9 235
Financial expenses	18 744	20 942
Share in profit of affiliates	(272)	18
<b>Profit before taxation</b>	<b>56 217</b>	<b>44 578</b>
Income tax	20 559	10 472
<b>Net profit on continuing operations</b>	<b>35 658</b>	<b>34 106</b>
<b>Net profit/loss on discontinued operations - liquidation of a company</b>	<b>12 354</b>	<b>(254)</b>
<b>Net profit on continuing and discontinued operations including attributable to:</b>	<b>48 012</b>	<b>33 852</b>
<i>to shareholders of the parent</i>	46 047	31 906
<i>non-controlling interests</i>	1 965	1 946
<b>Earnings / Diluted earnings per share</b>	<b>46 047</b>	<b>31 906</b>
Weighted average number of shares	202 000 000	202 000 000
Earnings / Diluted earnings per share (PLN)	0.23	0.16
Net profit (loss) per share (in PLN, 100/PLN per share)	0.23	0.16
Earnings per share on continuing operations	0.23	0.16
Earnings per share on discontinued operations	-	-
Diluted net profit (loss) per share (PLN/share)	0.23	0.16
Diluted on continuing operations	0.23	0.16
Diluted on discontinued operations	-	-

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(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - continued**

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
<b>Net profit</b>	<b>48 012</b>	<b>33 852</b>
<b>Earnings recognised in equity</b>		
<b>Earnings recognised in equity, to be transferred to income statement</b>	<b>15 216</b>	<b>12 138</b>
Hedge accounting (pre-tax)	11 968	13 651
Income tax	(2 274)	(2 594)
Foreign exchange differences on recalculation of foreign controlled entities	5 522	1 081
<b>Earnings recognised in equity, not to be transferred to income statement</b>	<b>(1 166)</b>	<b>3 801</b>
Gains/losses on valuation and disposal of equity instruments (before tax)	(1 440)	4 693
Income tax	274	(892)
Gains/losses on disposal of equity instruments	-	-
<b>Employee benefit capital reserve (before tax)</b>	<b>1</b>	<b>-</b>
Income tax	-	-
<b>Total earnings recognised in equity</b>	<b>14 051</b>	<b>15 939</b>
<i>to shareholders of the parent</i>	<i>14 051</i>	<i>15 939</i>
<i>non-controlling interests</i>	<i>-</i>	<i>-</i>
<b>Total comprehensive income, including attributable:</b>	<b>62 063</b>	<b>49 791</b>
<i>to shareholders of the parent</i>	<i>60 098</i>	<i>47 845</i>
<i>non-controlling interests</i>	<i>1 965</i>	<i>1 946</i>

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(amounts expressed in PLN '000 unless specified otherwise)

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

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
Revenues from sales	-	2
Prime cost of sale	-	2
<b>Gross profit (loss) from sales</b>	-	-
Selling costs	-	-
General and administrative costs	-	-
Other operating revenue	-	-
Other operating expenses	-	286
<b>Profit (loss) from operating activity</b>	-	<b>(286)</b>
Financial income - exclusion from consolidation, liquidation of HMN Szopienice S.A. in liquidation	12 354	32
Financial expenses	-	-
<b>Financial profit/loss</b>	<b>12 354</b>	<b>32</b>
<b>Profit (loss) before income tax</b>	<b>12 354</b>	<b>(254)</b>
Income tax	-	-
<i>current tax</i>	-	-
<i>deferred tax</i>	-	-
<b>Net profit (loss) on discontinued operations</b>	<b>12 354</b>	<b>(254)</b>
in the parent company	12 354	326
<i>non-controlling interests</i>	-	(580)

**Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED BALANCE SHEET**

<b>ASSETS</b>	<b>As at 31.03.2023</b>	<b>As at 31.12.2022</b>	<b>As at 31.03.2022</b>
<b>Non-current assets</b>			
Tangible fixed assets	1 407 023	1 366 664	1 263 461
Investment property	113 107	123 259	140 408
Goodwill	6 418	6 418	6 418
Intangible assets	41 346	43 168	44 323
Right-of-use assets	299 807	297 676	306 985
Shares in affiliates	24 804	-	232
Financial assets	98	16 017	1 790
Derivative financial instruments	1 272	1 276	277
Long-term receivables	52 975	47 432	45 537
Deferred tax assets	12 041	9 147	26 896
<b>Total fixed assets</b>	<b>1 958 891</b>	<b>1 911 057</b>	<b>1 836 327</b>
<b>Current assets</b>	<b>2 241 360</b>	<b>2 074 617</b>	<b>2 448 170</b>
<b>Current assets other than assets held for sale</b>	<b>2 241 360</b>	<b>2 073 364</b>	<b>2 389 912</b>
Inventory	1 000 988	1 034 891	1 026 192
Trade receivables and other receivables	897 088	756 089	1 006 981
Short-term financial assets	94 745	93 562	92 511
Derivative financial instruments	28 347	21 620	30 543
Current tax assets	4 518	2 788	6 825
Cash and cash equivalents	215 674	164 414	226 860
<b>Assets classified as held for sale</b>	<b>-</b>	<b>1 253</b>	<b>58 258</b>
<b>Assets classified as discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>4 200 251</b>	<b>3 985 674</b>	<b>4 284 497</b>




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(amounts expressed in PLN '000 unless specified otherwise)

LIABILITIES AND EQUITY	As at 31.03.2023	As at 31.12.2022	As at 31.03.2022
<b>Equity</b>			
Share capital	248 906	248 906	248 906
Share premium	114 435	114 435	114 435
Own shares	(236 753)	(236 753)	(236 753)
Hedge accounting capital	24 163	14 469	18 379
Capital reserve on translating employee payables	(36)	(37)	(312)
Revaluation reserve and gain on disposal of financial assets	26 825	27 991	47 500
Exchange differences on translating foreign entities	(35 609)	(41 131)	(47 609)
Retained earnings	1 577 785	1 531 738	1 623 504
<b>Total equity</b>	<b>1 719 716</b>	<b>1 659 618</b>	<b>1 768 050</b>
<b>Equity of non-controlling shareholders</b>	<b>31 269</b>	<b>29 443</b>	<b>28 445</b>
<b>Total equity</b>	<b>1 750 985</b>	<b>1 689 061</b>	<b>1 796 495</b>
<b>Liabilities and long-term provisions</b>			
Bank loans, borrowings	165 073	182 574	110 541
Lease liabilities	227 562	220 613	221 878
Deferred tax provision	72 936	72 406	81 175
Employee benefit provisions	15 203	15 225	24 033
Other provisions	51 409	51 377	43 126
Other liabilities	78	75	30
Other liabilities and equity	64 656	66 596	56 297
<b>Liabilities and long-term provisions - total</b>	<b>596 917</b>	<b>608 866</b>	<b>537 080</b>
<b>Short-term liabilities</b>	<b>1 852 349</b>	<b>1 687 747</b>	<b>1 950 922</b>
Bank loans, borrowings	540 133	560 960	539 582
Lease liabilities	33 678	37 962	49 548
Trade payables and other liabilities	983 307	790 195	1 003 557
Derivative financial instruments	735	7 594	10 343
Current tax liabilities	40 967	34 364	60 131
Employee benefit provisions	48 124	40 702	42 609
Other provisions	175 834	174 013	170 021
Other liabilities and equity	29 571	30 072	34 795
<b>Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale</b>	<b>1 852 349</b>	<b>1 675 862</b>	<b>1 910 586</b>
<b>Liabilities directly associated with assets classified as discontinued operations</b>	<b>-</b>	<b>11 885</b>	<b>40 336</b>
<b>Total liabilities and provisions</b>	<b>2 449 266</b>	<b>2 296 613</b>	<b>2 488 002</b>
<b>Total equity and liabilities</b>	<b>4 200 251</b>	<b>3 985 674</b>	<b>4 284 497</b>



(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED CASH FLOW STATEMENT**

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>56 217</b>	<b>44 578</b>
<b>Adjustments for (+/-)</b>	<b>114 565</b>	<b>50 599</b>
Amortisation/depreciation	42 784	43 769
Profit/loss on financial activity (including interest on financial liabilities)	15 195	24 638
Profit / loss on investment activities	8 996	(16 792)
Change in receivables	(122 504)	(84 849)
Change in inventories	(44 605)	(30 599)
Change in liabilities	225 924	130 611
Provision for employee benefits	7 400	5 182
Changes in provisions	6 132	(13 666)
Other items	(6 774)	8 488
Income tax paid	(17 983)	(16 183)
<b>Net cash from operating activities</b>	<b>170 782</b>	<b>95 177</b>
<b>Cash flows from investment activities</b>		
Proceeds from disposal of fixed assets	13 310	6 243
Proceeds from disposal of shares and stocks	509	80 812
Proceeds from repayment of loans granted	1 747	-
Expenses on acquisition of fixed assets	(60 801)	(24 273)
Acquisition of shares and stocks	(12 019)	(103)
Loans granted	-	(700)
Other investment inflows/outflows	928	196
<b>Net cash from investing activities</b>	<b>(56 326)</b>	<b>62 175</b>
<b>Cash flows from financial activities</b>		
Incomes on credit and loan facilities	29 607	75 198
Repayment of credit and loan facilities	(69 775)	(175 496)
Interest paid on loans, borrowings and leasing	(13 190)	(8 854)
Payment of liabilities under finance lease agreements	(10 918)	(12 968)
Other financial inflows/outflows	1 346	3 431
<b>Net cash from financing activities</b>	<b>(62 930)</b>	<b>(118 689)</b>
<b>Net change in cash and cash equivalents (before impact of foreign exchange rates)</b>	<b>51 526</b>	<b>38 663</b>
Translation reserve	(266)	473
Cash opening balance	164 414	187 724
<b>Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)</b>	<b>51 260</b>	<b>39 136</b>
<b>Cash closing balance</b>	<b>215 674</b>	<b>226 860</b>
<i>Restricted cash</i>	<i>25 366</i>	<i>23 233</i>



(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED STATEMENT ON CHANGES IN EQUITY**

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
<b>As at 01.01.2023</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>14 469</b>	<b>(37)</b>	<b>27 991</b>	<b>(41 131)</b>	<b>1 531 738</b>	<b>1 659 618</b>	<b>29 443</b>	<b>1 689 061</b>
Valuation of hedge instruments				9 694					9 694		9 694
Valuation of employee benefits					1				1		1
Valuation of financial assets and disposal through comprehensive income						(1 166)			(1 166)		(1 166)
Currency translation differences (subsidiaries)							5 522		5 522		5 522
Profit/loss for Q1 '2023								46 047	46 047	1 965	48 012
<b>Total revenue for Q1 '2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 694</b>	<b>1</b>	<b>(1 166)</b>	<b>5 522</b>	<b>46 047</b>	<b>60 098</b>	<b>1 965</b>	<b>62 063</b>
Change in CG structure and others									-	(139)	(139)
<b>As at 31.03.2023</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>24 163</b>	<b>(36)</b>	<b>26 825</b>	<b>(35 609)</b>	<b>1 577 785</b>	<b>1 719 716</b>	<b>31 269</b>	<b>1 750 985</b>

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation and disposal reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
<b>As at 01.01.2022</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>7 322</b>	<b>(312)</b>	<b>43 699</b>	<b>(48 690)</b>	<b>1 591 598</b>	<b>1 720 205</b>	<b>26 499</b>	<b>1 746 704</b>
Other comprehensive income				7 147	275	4 797	7 559		19 778		19 778
Profit/loss for 2022								106 626	106 626	6 947	113 573
<b>Total comprehensive income for 2022</b>				<b>7 147</b>	<b>275</b>	<b>4 797</b>	<b>7 559</b>	<b>106 626</b>	<b>126 404</b>	<b>6 947</b>	<b>133 351</b>
Dividend distribution								(186 399)	(186 399)	(4 003)	(190 402)
Other changes (*)						(20 505)		20 502	(3)		(3)
Change of capital group structure								(589)	(589)		(589)
Changes in equity.				7 147	275	(15 708)	7 559	(59 860)	(60 587)	2 944	(57 643)
<b>As at 31.12.2022</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>14 469</b>	<b>(37)</b>	<b>27 991</b>	<b>(41 131)</b>	<b>1 531 738</b>	<b>1 659 618</b>	<b>29 443</b>	<b>1 689 061</b>

(\*) Transfer to reserve capital of profit on disposal of equity instruments

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**CONSOLIDATED STATEMENT ON CHANGES IN EQUITY cont'd.**

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



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## 1. INTRODUCTION

### COMPANY DETAILS

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

The company is registered with the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register under KRS number 0000063824.

The Company's REGON (Business ID) is 750010992 and NIP (tax ID) is 837 000 06 34.

The company is established for an indefinite period of time.

### HISTORY

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

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

In 1999 Boryszew S.A., offering a wide range of chemicals (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 non-ferrous metals, automotive and steel manufacturing companies combined with their restructuring, mergers and organic growth in sales of Group's companies contributed to a significant improvement in the Group's 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.

As at 1 January 2023, the composition of the Supervisory Board of Boryszew S.A. was as follows:

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.

On 20 March 2023, the Extraordinary General Meeting of Boryszew S.A., by its resolution no. 4, appointed Mr Wojciech Zymek to the composition of the Supervisory Board.

As of the date of submitting the report for publication, the Supervisory Board included the following persons:

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.
Mr Wojciech Zymek	–	Member of the Supervisory Board.

### MANAGEMENT BOARD OF BORYSZEW S.A.

In Q1 '2023 and till the publication day of the report the following persons were members of the Management Board of Boryszew S.A.:

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



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

The information contained in the financial statements for Q3 '2023 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Journal of Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

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

The accounting principles, other than described below and calculation methods applied by the Group have not changed in the period covered by these statements, and are presented in detail in the consolidated financial statements for 2022, published on 18 April 2023.

	<b>Average EUR exchange rate in the period</b>	<b>EURO exchange rate as at the last day of period</b>
01.01 - 31.03.2022	4.6472	4.6525
01.01 - 31.12.2022	4.6883	4.6899
01.01 - 31.03.2023	4.7005	4.6755

### **ACCOUNTING PRINCIPLES**

Accounting principles (policy) of applied when drafting these mid-year consolidated financial statements for the period of 3 months ended on 31 March 2023 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2022. No new standards and interpretations have been published since the date of publication of the Consolidated Financial Statements for the year ended on 31 December 2022.

### **RESTATEMENT OF FINANCIAL DATA**

The Group has not restated the comparative data in these quarterly Consolidated Financial Statements, nor has it adjusted the presentation of the comparative data.


**Boryszew Capital Group**

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**THE FOLLOWING COMPANIES WERE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2023:**

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
Elimer Sp. z o.o.	Sochaczew	52.44	Boryszew S.A.	Chemical products
NPA Skawina Spółka z o.o.	Skawina	100.00	Boryszew S.A.	Metals
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. in liquidation	France	100.00	Boryszew S.A.	Automotive
Maflow do Brasil Ltda	Brazil	100.00	Boryszew S.A. (79%) Maflow Polska Sp. z o.o. (21%).	Automotive
Maflow Components Dalian Co. Ltd.	China	100.00	Maflow Polska Sp. z o.o.	Automotive
Maflow India Private Limited	India	100.00	Boryszew S.A. 99.99% 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
Boryszew Deutschland GmbH in liquidation	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
AKT Plastičářská 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. (10.9%), Boryszew Kunststofftechnik Deutschland GmbH (89.1%)	Automotive





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Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
Maflow Plastics 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
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
"onesano" S.A. (****)	Chorzów	34.91	Boryszew S.A.	Unallocated

(\*) Maflow Spain Automotive S.L.-3.34%, 1 share worth 100 MXN 100 votes; Maflow Polska Sp. z o.o.- 96.66%, 1 share worth 2900 MXN 2900 votes; Boryszew S.A. - 239 398 865.86 B series shares - without voting rights.

(\*\*) Huta Metali Nieżelaznych Szopienice S.A. in liquidation was excluded from consolidation in Q1 2023.

(\*\*\*) RAPZ Sp. z o.o., in which the parent company holds 42.67% of shares, is valued in these consolidated financial statements using the equity method.

(\*\*\*\*) "onesano" S.A., in which the parent company holds a 34.91% equity interest, is valued in these consolidated financial statements using the equity method.

### COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Seat	share of the parent company in capital (%)	share in votes (%)	Core activity
Elana Ukraina Sp. z o.o.	Ukraine	90	90	dormant company
Brasco Inc	the US	100	100	dormant company
Hutnik Sp. z o.o. – in liquidation,	Konin	94	94	dormant company
Zavod po pererabotke vtorichnykh resursov "Vostochny" Sp. z o. o.	Belarus	30	30	trade, production of secondary raw materials



## Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

### Changes in the Group structure

#### Boryszew S.A.

##### Merger of Boryszew S.A. based in Warsaw and Hutmen Spółka z o.o. based in Wrocław

On 31 January 2023 the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department of the National Court Register made an entry on the merger in the National Court Register – Register of Enterprises of Boryszew S.A. adopted a resolution on the merger of Boryszew S.A. (as the Acquiring Company) with Hutmen Spółka z o.o. (as the Acquired Company). The merger took place with effect as of 1 January 2023.

#### Boryszew Capital Group

##### NPA Skawina Spółka z o.o.

On 1 January 2023, NPA Skawina Spółka z o.o., separated from Boryszew S.A. under the agreement on the transfer of the organised part of Boryszew S.A. enterprise in the form of the Nowoczesne Produkty Aluminiowe Skawina Branch to NPA Skawina Spółka z o.o., dated 30 December 2022, launched operations. Boryszew S.A. owns 100% of shares in NPA Skawina Spółka z o.o.

##### Huta Metali Nieżelaznych Szopienice S.A. – in liquidation

The General Meeting of Shareholders of HMN Szopienice S.A. in liquidation held on 13 February 2023 approved the closing balance sheet of the company's liquidation.

The liquidation of the company was completed in view of the sale of all the assets held by the company. On the date of completion of liquidation the company's unpaid liabilities amounted to PLN 155.8 million, of which PLN 133.5 million to related parties (primarily Boryszew S.A. - PLN 130 million).

On the date of publication of the report, the company had not been removed from the Register of Entrepreneurs of the National Court Register.

### 3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q1 '2023 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			
	1Q 2023		1Q 2022			1Q 2023		1Q 2022	
Chemical products	66 509	4.0%	76 517	4.5%	Poland	575 879	34.2%	687 695	40.4%
Automotive	472 549	28.1%	374 996	22.0%	Germany	347 098	20.6%	350 200	20.6%
Metals	1 044 179	62.1%	1 141 700	67.1%	Other EU countries	628 221	37.4%	529 432	31.1%
Other *	98 265	5.8%	109 413	6.4%	Other *	130 304	7.7%	135 299	7.9%
<b>TOTAL</b>	<b>1 681 502</b>	<b>100%</b>	<b>1 702 626</b>	<b>100.0%</b>	<b>TOTAL</b>	<b>1 681 502</b>	<b>100%</b>	<b>1 702 626</b>	<b>100.0%</b>

\* this item also includes consolidation exclusions between segments



(amounts expressed in PLN '000 unless specified otherwise)

Key determinants:

**Market sentiment - PMI and GDP:**

Since more than 92,3% 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.

Economic growth dynamics in the eurozone and Poland in the second half of 2022 has clearly decreased. In the European Union countries as well as in Poland itself, the general macroeconomic sentiment in Q1 2023, was less optimistic compared to the sentiment in the same 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 and intensified inflationary pressures around the world, also resulting in slower growth in Polish industry. Another quarter saw a decline in production as well as a weakening of new order inflows and a drop in employment levels.

Added to this is Poland's dispute with the European Commission and the lack of NRP funds to stimulate investment demand.

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 than in the same period of the previous year.

PMI	1Q 2023	1Q 2022
EU	47.8	57.4
Poland	48.1	54.0
Germany	46.1	57.4

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 54.0 points in Q1 2022).

High inflation, interest rates and a significant slowdown in economic growth weakened sales. The worsening macroeconomic situation means an increase in corporate insolvency. According to a report by Coface Poland, the total number of insolvencies of Polish companies in Q1 2023 was 1 252, accounting for 45% of all insolvencies in all of 2022. These figures reflect a difficult business environment.

On the other hand, forecasts for the coming year have improved. Improved sentiment was due to market and supply chain stabilisation and weakening inflation.

The latest PMI readings give hope that the industrial sector is heading toward stabilisation at least in the coming months.

Forecast of GDP growth for Poland	2023	2024
NBP	0.9%	2.1%
World Bank	0.7%	2.6%
European Commission	0.4%	2.5%

The European Commission, in its latest forecast (February 2023), expects that Poland will avoid recession with GDP growth of 0.4% in 2023.

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, who stimulate consumption. By comparison, the economy of the EU as a whole plans to grow by 0.8% in 2023. The NBP forecasts GDP growth of 0.9% in 2023.

**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 28.1% of Group's turnover).

According to ACEA, the passenger car market in Europe grew by 17.5% year-on-year.

The main customer of the Automotive Segment, Volkswagen Group, recorded a 24.4% increase in car sales in the European market after 3 months of 2023 (compared to the same period last year) strengthening its position as Europe's leading car manufacturer.



The disruption of supply chains that the European economy has faced since the beginning of the COVID-19 pandemic was supposed to be a temporary problem. Today, however, this is a situation that can be repeated, which could be observed right after the outbreak of war in Ukraine. Any uncertainty in Asia (China, Taiwan) could have disastrous consequences for automotive sector. The automotive segment in Europe has therefore begun to move toward significantly shortening supply chains and regionalising production. Low production costs are no longer a priority, replaced by the availability of products and raw materials for production or the stability of the region. The Polish economy can also benefit from this trend.

Decision-making processes of large companies take time, so it may not be until 2023 that we witness important decisions by key corporations to relocate production from other continents to Europe. Many of them may come to Poland, but it will also depend on the situation related to, for example, calculations on the availability and prices of energy resources.

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

Since nearly 62,1% 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 one 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. NPA Skawina 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 2023 steel prices have fallen by about 30%, yet they are still on average 20% higher than before the outbreak of war in Ukraine.

In the case of the steel industry, disruptions limiting proper planning may continue as a result of the continuing steel embargo from Russia and very limited supply from Ukraine, just to mention these two. This, on the one hand, limits supply from those directions, but falling steel prices in China and the greater availability of much cheaper ocean freight and containers are putting price pressure on the European market.

In Q1 2023, steel prices, less vigorously, but nevertheless increased. Some markets have shown signs of recovery, but forecasts for the entire 2023 are not optimistic. Stabilisation of the situation or price drops will not happen so quickly.

Rising 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. However, in the current situation no expert can predict its prices a month from now.

During the period in question, the average prices of the four basic metals fell by: aluminium (27.0%), zinc (16.8%), lead (8.3%) and copper (10.7%), respectively.

Metal prices expressed in PLN fell by 22.3% (aluminium), 11.5% (zinc), 5.0% (copper), and 2.5% (lead), respectively, as a consequence of 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.

#### ***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 6.4%, had an impact on quotations of basic metals expressed in PLN, and the average quotation of the euro were higher by 1.8% 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 Q1 2023, the EUR/USD exchange rate stood at 1.07, or some 4.3% 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):

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(amounts expressed in PLN '000 unless specified otherwise)

	1Q 2023	1Q 2022	% change
Aluminium [USD]	2 395	3 280	(27.0%)
Copper [USD]	8 927	9 997	(10.7%)
Zinc [USD]	3 124	3 754	(16.8%)
Lead [USD]	2 140	2 335	(8.3%)
EUR/PLN	4.71	4.63	1.8%
USD/PLN	4.39	4.13	6.4%
EUR/USD	1.07	1.12	(4.3%)
	1Q 2023	1Q 2022	% change
Aluminium [PLN]	10 510	13 534	(22.3%)
Copper [PLN]	39 171	41 247	(5.0%)
Zinc [PLN]	13 709	15 488	(11.5%)
Lead [PLN]	9 392	9 635	(2.5%)

Source: Daily listings of LME, NBP

**VOLUME OF SALES**

in thousand tonnes	1Q 2023	1Q 2022	difference
<b>Volume of sales, including:</b>	<b>108.3</b>	<b>121.0</b>	<b>(12.7)</b>
Metals Segment	99.6	111.4	(11.8)
Chemicals segment	8.7	9.6	(0.9)

Q1 2023 saw a decrease in the sales volume of the Metal Segment compared to the previous year (11.8 thousand tonnes), mainly due to Alchemia group companies (a decrease of 10.2 thousand tonnes in total). The Chemicals Segment also recorded a slight decrease, amounting to 9.4% (0.9 thousand tons).

**B. ACHIEVED FINANCIAL RESULTS****Revenues from sales / Demand for Group's products**

The revenues of Boryszew Capital Group after Q1 2023 amounted to PLN 1 681.5 million - a drop of 1.2% against its revenues for the same period last year.

The Group's sales revenues by segment are as follows:

in PLN million	1Q 2023	1Q 2022	difference
<b>Revenues from sale, including:</b>	<b>1 681.5</b>	<b>1 702.6</b>	<b>(21.1)</b>
Automotive Segment	472.5	375.0	97.5
Metals Segment	1 044.2	1 141.7	(97.5)
Chemicals segment	66.5	76.5	(10.0)
Other *	98.3	109.4	(11.1)

\* including consolidation adjustments

Revenues fell in almost all companies in the Metals Segment (with the exception of NPA Skawina and Baterpol). This is mainly due to the strongly felt downturn in the products produced by the segment company, which also meant a decline in sales volumes in Q1 2023 compared to Q1 2022.



## Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

The Automotive Segment saw an increase in revenue compared to the same period in 2022 mainly due to the increasing stabilisation of orders submitted by customers. As a rule, no sudden and dynamic declines were recorded in the quantities ordered, as was the case in the comparable period of the previous year. In addition, importantly, the availability of semiconductors as well as electrical and technical components improved in the end of 2022 continuing this trend in Q1 2023.

The Chemicals segment reported lower revenues compared to the same period last year, with lower sales volumes. This is mainly due to a drop in market prices and lower demand for the Company's products (much lower sales in the antifreeze fluid market as a result of the warm winter).

### Separate figures:

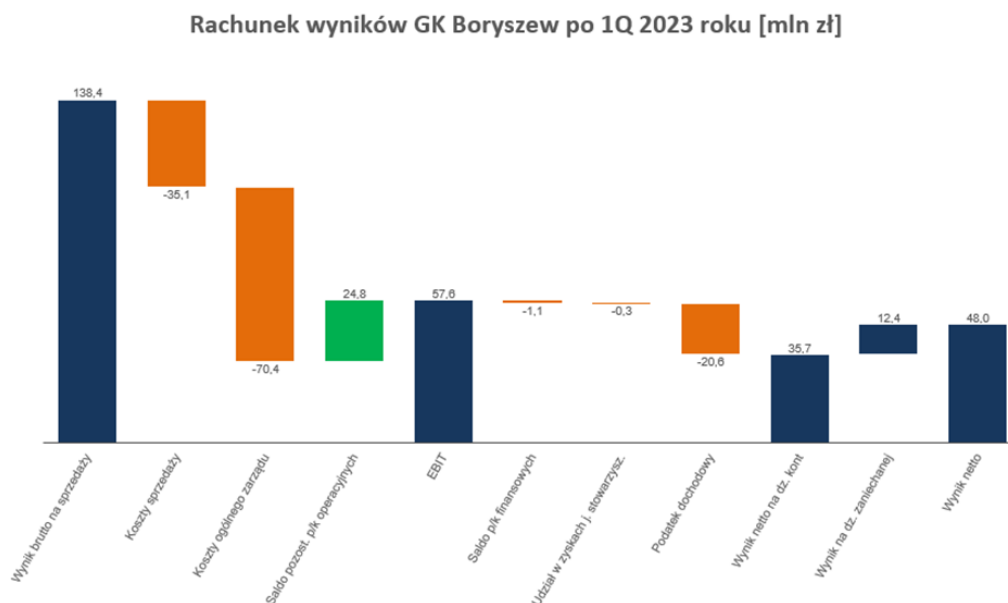
The chart below compiles components of the profit and loss account of Boryszew S.A. after the first quarter of 2023.

Gross profit on sales after the first quarter of 2023 amounted to PLN 44.3 million and was higher by PLN 4.0 million than the result in the corresponding period of the previous year. Average gross margin on sales rose from 5.9% after Q1 2022 to 8.4% today. Costs of sales were lower by PLN 5.3 million, or by 52.0% against the same period of the previous year. General and administrative expenses were by PLN 1.5 million or 5.8% higher than in Q3 '2022. The balance of financial income/costs amounted to PLN 2.7 million and was lower by PLN 6.8 million against the corresponding period of 2022.

The balance of other financial income/costs amounted to minus PLN 3.3 million and was lower by PLN 8.3 million compared to the same period of the previous year.

### Consolidates figures:

The graph below compiles components of the profit and loss account after Q1 '2023.



Gross profit on sales after the first quarter of 2023 amounted to PLN 138.4 million and was higher by PLN 1.4 million than the result in the corresponding period of the previous year. The increase in gross profit came from improved performance mainly in the automotive segment. Average gross margin on sales increased from 8.0% at the end of Q1 2022 to 8.2% today.

Costs of sales were higher by PLN 3.6 million, or by 11.4% against the same period of the previous year. General and administrative expenses were up by PLN 1.8 million, or 2.7%, compared to Q1 2022.

The balance of operating income/expenses amounted to PLN 24.8 million and it was PLN 5.5 million higher as compared to the same period of 2022.

The result on financial operations amounted to minus PLN 1.1 million and was up by PLN 10.6 million compared to the same period of the previous year, mainly due to the valuation of derivative financial instruments.



(amounts expressed in PLN '000 unless specified otherwise)

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

After Q1 '2023 EBITDA on continuing operations of Boryszew S.A. amounted to PLN 25.2 million compared to PLN 27.7 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

in PLN million	1Q 2023	1Q 2022	<i>difference</i>
<b>EBITDA, including:</b>	<b>25.2</b>	<b>27.7</b>	<b>(2.5)</b>
Automotive Segment	23.3	16.9	6.4
Metals Segment	0.0	8.1	(8.1)
Chemicals segment	2.1	3.7	(1.6)
Other *	(0.2)	(1.0)	0.8

\* including consolidation adjustments

EBITDA declined slightly compared to the same period last year.

The decrease in EBITDA is mainly due to the spin-off of the NPA Skawina Branch from Boryszew S.A. to the new Company.

The Automotive Segment saw an increase in EBITDA due to the prices of the main raw materials used by the Mafrow Branch and its suppliers in the production processes of direct manufacturing materials. These prices remained below their maximum values of last year (min. aluminium and steel, or granulates).

In the Chemicals Segment, Boryszew S.A. Boryszew ERG Branch is responsible for the decline in EBITDA. The lower results are mainly due to lower sales in the Chemistry department (lower market demand) and Automotive (warm winter).

Segment Others saw an increase.

**Consolidates figures:**

After Q1 2023, EBITDA on continuing operations amounted to PLN 100.4 million compared to PLN 100.0 million in the corresponding period of the previous year.

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

in PLN million	1Q 2023	1Q 2022	<i>difference</i>
<b>EBITDA, including:</b>	<b>100.4</b>	<b>100.0</b>	<b>0.4</b>
Automotive Segment	8.5	(1.7)	10.2
Metals Segment	88.7	99.0	(10.3)
Chemicals segment	2.2	3.7	(1.5)
Other *	1.0	(1.0)	2.0

\* including consolidation adjustments

**1. Metals Segment**

The EBITDA result in the Metals Segment, which was lower than last year, is mainly attributable to Huta Bankowa, which, due to the very aggressive pricing policies of other producers, very often maintained low selling prices despite high input and utility prices.

**2. Automotive Segment**

Higher EBITDA in the Automotive Segment is mainly the result of higher sales volumes and price indexation as a result of increases in production costs.





### 3. Chemical products segment

Boryszew S.A. Boryszew ERG Branch is the main contributor to the decline in EBITDA results of the Segment. Lower results are mainly due to lower sales in the Chemistry department (lower market demand) and Automotive (warm winter).

### 4. Other

Results of companies in the Others Segment are at a higher level compared to the same period of the previous year mainly as a result of higher margin on commercial transactions in Boryszew S.A. Energy Branch.

## NET PROFIT/LOSS

### Separate figures

Net result of Boryszew S.A. for Q1 2023 amounted to PLN 6.6 million and is lower than in the same period of the previous year by PLN 6.7 million.

### Consolidates figures:

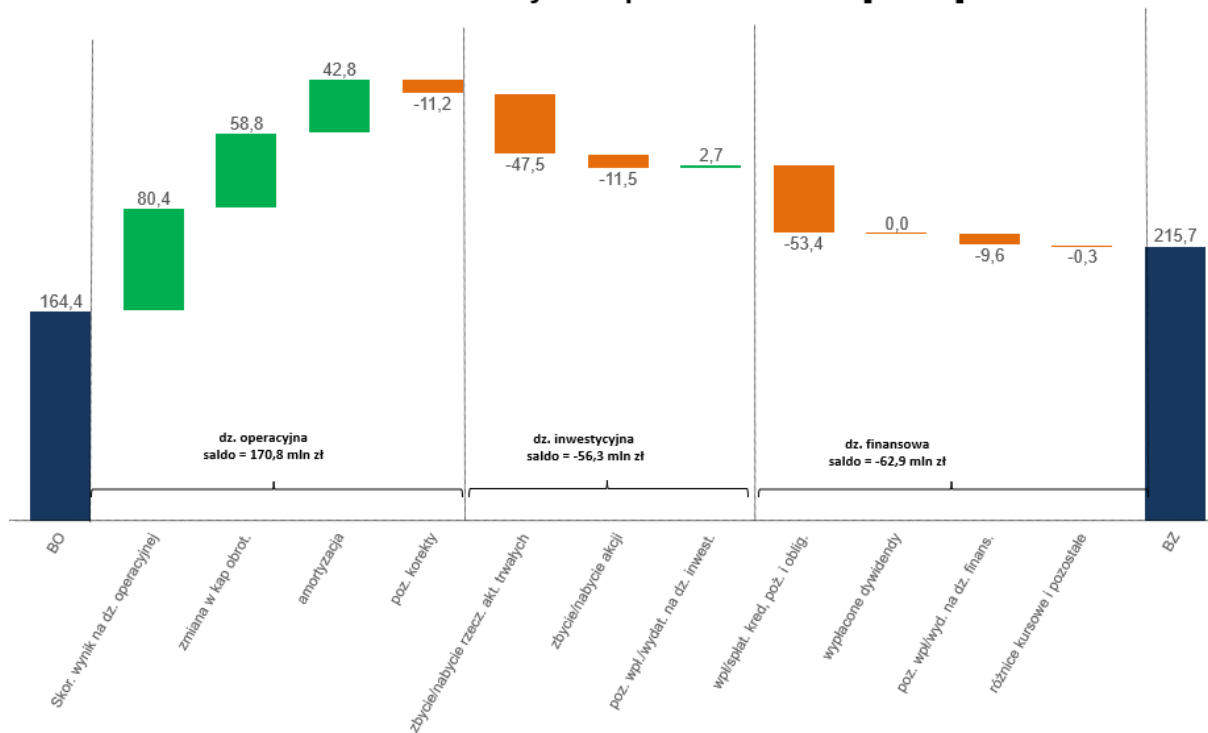
Net result on continuing operations amounted to PLN 35.7 million and was higher by PLN 1.6 million than the result after the first quarter of the previous year.

The total net result including continued and discontinued operations amounted to PLN (48.0) million and was higher than the result after Q1 of previous year by PLN 14.2 million, while the net result attributable to shareholders of the parent company amounted to PLN 46 million - higher than last year's result by PLN 13.6 million.

## C. CASH FLOW

Cash flows after the first quarter of 2023 are presented in the chart below:

**Cash Flow GK Boryszew po 1Q 2023 roku [mln zł]**







(amounts expressed in PLN '000 unless specified otherwise)

After Q1 2023 Boryszew Capital Group reported positive cash flows from operating activities, owing to measures to optimise working capital.

The negative balance of flows from investment activities was mainly due to the ongoing investment program.

The negative balance from financing activities came from the repayment of loans.

After Q1 2023, net debt of Boryszew Capital Group amounted to PLN 560.4 million and was lower by PLN 92.2 million compared to the end of 2022.

The net debt\*/EBITDA ratio after Q1 2023 was 1.4 and is at a lower level compared to the end of 2022 (1.7), where:

Net debt = interest liabilities – cash and cash equivalents - loans granted to Capital Group companies (Boryszew S.A. is provides funds to subsidiaries)

Interest-bearing liabilities = long-term liabilities + short-term liabilities (from loans, credits, leases)

#### **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 zinc-titanium roof 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. in liquidation, Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Boryszew 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 Plastikářská Technologie Čechy, spol. S.r.o., Boryszew Formenbau Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, Boryszew Plastic Rus Sp. z o.o. , Maflow Plastics Poland Sp. z o.o. (formerly Boryszew Tensho Poland Sp. z o.o.), ICOS GmbH in liquidation under self-administration, Boryszew Deutschland GmbH in liquidation, Boryszew Commodities Sp. z o.o., Boryszew HR Service Sp. z o.o., Boryszew Components Poland Sp. z o.o., Boryszew Maflow Sp. z o.o.
Metals	WM Dziedzice S.A., ZM Silesia S.A., Baterpol S.A., Polski Cynk Sp. z o.o., NPA Skawina Sp. z o.o., 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.
Chemical products	Boryszew S.A Oddział Elana, Boryszew S.A. Oddział Boryszew ERG, Elimer Sp. z o.o.

**Boryszew Capital Group****Abbreviated consolidated financial statements for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

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. in liquidation (excluded from consolidation in Q1 2023), Eastside Capital Investments Sp. z o.o., Elana Energetyka Sp. z o.o., "onesano" S.A.

**REVENUES FROM SALE BY DESTINATION MARKET**

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
<b>Continuing operations</b>		
Domestic sales	575 879	687 695
Sales to EU countries	975 319	879 632
Sales to other European countries	58 273	62 110
Export outside Europe	72 031	73 189
<b>Total (revenues from continuing operations)</b>	<b>1 681 502</b>	<b>1 702 626</b>

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

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
Germany	36%	40%
The Czech Republic	19%	19%
Italy	6%	7%
Slovakia	6%	4%
The Netherlands	4%	4%
Spain	4%	4%
Hungary	4%	2%
France	4%	3%



(amounts expressed in PLN '000 unless specified otherwise)

**REVENUES AND RESULTS BY OPERATING SEGMENTS IN QUARTER 1 OF 2023**  
(data regarding continuing operations)

Continuing operations 01.01.2023 - 31.03.2023	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	66 509	472 549	1 044 179	223 303	1 806 540	(125 038)	1 681 502
Segment costs of sales	57 854	443 948	946 601	217 980	1 666 383	(123 259)	1 543 124
<b>Result on sales within segment</b>	<b>8 655</b>	<b>28 601</b>	<b>97 578</b>	<b>5 323</b>	<b>140 157</b>	<b>(1 779)</b>	<b>138 378</b>
General, administrative and sales expenses	10 051	46 160	44 278	5 916	106 405	(844)	105 561
Other operating profit/loss	2 291	3 018	19 811	1 784	26 904	(2 091)	24 813
<b>Segment profit/loss</b>	<b>895</b>	<b>(14 541)</b>	<b>73 111</b>	<b>1 191</b>	<b>60 656</b>	<b>(3 026)</b>	<b>57 630</b>
Amortisation/depreciation	1 300	23 045	15 591	2 944	42 880	(96)	42 784
EBITDA *)	2 195	8 504	88 702	4 135	103 536	(3 122)	100 414
Segment assets	206 161	1 588 009	2 485 538	2 056 392	6 336 100	(2 135 849)	4 200 251
Segment liabilities	128 486	2 173 476	845 865	345 307	3 493 134	(1 043 868)	2 449 266

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

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



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

### **Distribution of profit for 2022**

The Management Board of the Company recommends that the net profit for 2022 of PLN 14 828 086.50 and the gain on disposal of financial assets through comprehensive income of PLN 23 553 385.88 be allocated to dividends.

### **Recommendation to pay dividend**

On 18 April 2023 the Management Board of the Company decided to submit to the nearest General Meeting of Boryszew S.A. a motion on dividend payment in the amount of PLN 0.74 per one share entitled to dividend, i.e. in total amount of PLN 151 851 700, from the Company's net profit for 2022, which, according to the provisions of art. 348 § 1 of the Commercial Companies Code may be assigned for distribution.

On 25 April 2023 the Management Board resolved to apply to the General Meeting of Shareholders, convened for 22 May 2023, to set the dividend date as 29 May 2023, and the dividend payment date as 5 June 2023.

In view of the foregoing, the Management Board applied for approvals from the financing banks under the terms of certain loan agreements to pay dividends. On 11 May 2023, it received a complete set of required approvals. At the same time, the Issuer advises that the final decision on the dividend payment will be made by the 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 Q1 2023 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.

On 31 March 2023 Boryszew Capital Group had receivables under bonds issued by entities outside the Capital Group.

Bonds issued by Unibax Spółka z o.o. in the total nominal amount of PLN 15 923 500. Bond redemption date was set at 15 June 2023.

### **EQUITY SECURITIES**

In Q1 '2023, until publication of the report the Company did not issue any equity securities.

### **CAPITAL INVESTMENTS**

In Q1 2023 Boryszew S.A. acquired a total of 10 000 000 shares of "onesano" S.A., representing approximately 15.18% of the share capital and carrying 10 000 000 votes at the General Meeting of the Company, which accounts for approximately 15.18% of the total number of votes at the General Meeting of "onesano" S.A.

On the date of publication of the report, Boryszew S.A. holds a total of 23 000 000 shares of "onesano" S.A., representing approximately 34.91% of the share capital and carrying 23 000 000 votes at the General Meeting of the Company, which accounts for approximately 34.91% of the total number of votes at the General Meeting of "onesano" S.A.

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

### **REAL PROPERTY**

On 31 March 2023, Eastside – Bis spółka z o.o. acquired an investment property located in Warsaw at Grzybowska street 61 for a net amount of PLN 5 000 000.00.



In Q1 2023 and until the date of publication of the report Boryszew S.A. sold or acquired no other significant real estate.

## **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 and therefore we will not report on it in future reports.

### **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:

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

In 2022, Boryszew Plastic RUS Sp. z o.o., based in Nizhny Novgorod (Russia), was covered by a write-off of fixed assets in the amount of PLN 52.7 million.

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 other risk exists of significant impact of the conflict on operating activity and going concern of the Company and Boryszew Group. No additional 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 Q1 2023 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,

## **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).

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

- 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.

Regarding Maflow Group, as well as Boryszew Automotive Plastics Group, previous disruptions caused by the pandemic and severed supply chains as a result of the war in Ukraine have been replaced by new ones. 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. Due to the ongoing war and sanctions imposed on Russia, Boryszew Plastic Rus Sp. z o.o. is in suspension for the time being.

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 on ongoing basis.

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

### Contingent liabilities

	As at 31.03.2023	As at 31.12.2022
Sureties for the repayment of loans and other liabilities by associated companies	113 572	114 906
Liability for tax risks on proceedings at ZM SILESIA S.A.	93 046	87 787
<b>Total</b>	<b>206 618</b>	<b>202 693</b>



(amounts expressed in PLN '000 unless specified otherwise)

	As at 31.03.2023	As at 31.12.2022	change
<b>Contingent liabilities</b>	<b>113 572</b>	<b>114 906</b>	<b>(1 334)</b>
<b>resulting from granted guarantees, sureties and other liabilities</b>	<b>113 572</b>	<b>114 906</b>	<b>(1 334)</b>
- guarantees and sureties associated with performance of contracts	113 572	114 906	(1 334)
- guarantees and sureties in favour of financial institutions	-	-	-
<b>Increases / decreases in the period of 3 months ended on 31.03.2023, including:</b>			<b>(1 334)</b>
<b>Additions</b>			
- Increase due to valuation of sureties			-
- Increase in surety amount			-
<b>Reductions</b>			
- Reduction due to valuation of sureties			(316)
- Decrease in the amount of existing sureties due to expiration, reduction			(1 018)

	As at 31.03.2023	As at 31.12.2022	change
<b>Contingent assets/ CO2 emission rights</b>	<b>39 421</b>	<b>34 220</b>	<b>5 201</b>

The increase in contingent assets as at 31.03.2023 compared to the end of 2022 is due to the change in valuation on the reporting date.

The market value of CO2 emission rights held as of 31.03.2023 is PLN 39.4 million [87 131 units x EUR 91.75 (average quotations for CO2 emission futures contracts) x 4.6755 (average exchange rate of the National Bank of Poland as of 31.03.2023)]. The fair value of EUA units received free of charge (on the reporting date) as of the date of acquisition is PLN 35.0 million.

## 11. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA

### Financial assets per balance sheet on 31.03.2023

	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Derivatives used for hedges	Financial assets at fair value through other comprehensive income	Carrying value
Shares and stock	-	78		11 503	11 581
Trade receivables, factoring	614 564	52 136			666 700
Derivative financial instruments		-	29 619		29 619
Loans granted	61 635				61 635
Bonds	21 627				21 627
Other debtors	68 335				68 335
Cash and cash equivalents	215 674				215 674
<b>Total</b>	<b>981 835</b>	<b>52 214</b>	<b>29 619</b>	<b>11 503</b>	<b>1 075 171</b>

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(amounts expressed in PLN '000 unless specified otherwise)

**Financial assets per balance sheet on 31.12.2022**

	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		26 003	26 081
Trade receivables, factoring	507 687	45 299			552 986
Derivative financial instruments		2 052	19 568		21 620
Loans granted	62 152				62 152
Bonds	21 346				21 346
Other debtors	94 137				94 137
Cash and cash equivalents	164 414				164 414
<b>Total</b>	<b>849 736</b>	<b>47 429</b>	<b>19 568</b>	<b>26 003</b>	<b>942 736</b>

**Financial liabilities on 31.03.2023**

	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	705 206			705 206	
Bonds	-			-	
Derivative financial instruments			14	721	735
Lease liabilities	70 878				70 878
Liabilities to SMA and due to right-of-use assets	133 138				133 138
Trade and other liabilities	856 173				856 173
<b>Total</b>	<b>1 765 395</b>	<b>14</b>	<b>721</b>	<b>1 766 130</b>	

**Financial liabilities on 31.12.2022**

	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	743 534			743 534	
Derivative financial instruments			298	7 296	7 594
Lease liabilities	73 481				73 481
Liabilities to SMA and due to right-of-use assets	128 048				128 048
Trade and other liabilities	676 620				676 620
<b>Total</b>	<b>1 621 683</b>	<b>298</b>	<b>7 296</b>	<b>1 629 277</b>	



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(amounts expressed in PLN '000 unless specified otherwise)

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

	Fair value as at		Hierarchy of fair value
	As at 31.03.2023	As at 31.12.2022	
<b>Financial assets</b>			
Listed shares	11 503	26 003	Level 1
Derivative financial instruments	29 619	21 620	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	735	7 594	Level 2

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

	Fair value as at		Hierarchy of fair value
	As at 31.03.2023	As at 31.12.2022	
<b>Financial assets</b>			
Shares and stock	78	78	Level 3
Bonds	21 627	21 346	Level 3
Borrowings	61 635	62 152	Level 3
Trade and other receivables	735 035	647 123	Level 3
Cash and cash equivalents	215 674	164 414	Level 1
<b>Financial obligations</b>			
Borrowings and loans	705 206	743 534	Level 2
Trade and other liabilities	856 173	676 620	Level 3
Lease liabilities	70 878	73 481	Level 2
Liabilities to SMA and due to right-of-use assets	133 138	128 048	Level 2
Liabilities to SMA - investment property	57 224	57 046	Level 2

<b>Impact of write-offs on assets and provisions on profit/loss</b>	<b>01.01.2023 - 31.03.2023</b>	<b>01.01.2022 - 31.03.2022</b>
Creation of value impairment write-offs for accounts receivable	(1 184)	(1 564)
Reversal of write-downs on accounts receivable (-)	429	474
Tangible fixed assets impairment write-offs	-	(5)
Reversal of tangible fixed assets impairment write-offs	998	1 501
Valuation of shares to fair value	-	-
Valuation to fair value of investment properties	(324)	74
Creation of provisions	(884)	(1 133)
Reversal of provisions	658	5 349
<b>Total impact on profit/loss</b>	<b>(307)</b>	<b>4 682</b>



(amounts expressed in PLN '000 unless specified otherwise)

**Transactions with affiliated entities**

	Associates	Personally related entities
<b>in the period 01.01.2023 - 31.03.2023</b>		
Revenues from sales (of products, services, goods)	284	2 728
Interest income	-	1 748
Purchase of goods and services	2 747	1 174
<b>as at 31.03.2023</b>		
Trade receivables	59	1 252
Loans granted	-	61 635
Bonds purchased	-	21 627
Trade liabilities	1 123	821

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

**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 Q1 2023 Boryszew S.A. carried out its operations 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 silicon spheres. Elana Branch was established by merger of Boryszew S.A. and Elana S.A., which took place on 28 January 2005.
- Boryszew ERG Branch in Sochaczew - manufacturer of chemical and construction products. Company's flagship product in "Borygo" coolant,



- 
- Boryszew Energy Branch in Toruń - involved in sales of energy utilities (electricity, gas) for the companies of Boryszew Capital Group and external customers.

## **STRUCTURE OF BORYSZEW GROUP**

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

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

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

The following companies were sold to third-party investors in 2021: Elana PET Spółka z o.o., based in Toruń and FŁT Polska Spółka z o.o., based in Warsaw, together with FŁT'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.

In 2022, Boryszew S.A. sold Nylonbor Spółka z o.o., based in Sochaczew, to a 3rd party investor.

On 1 January 2023, NPA Skawina Spółka z o.o. launched its operations (until December 31, 2022, operating in the structure of Boryszew S.A. Modern Aluminum Products Skawina Branch)



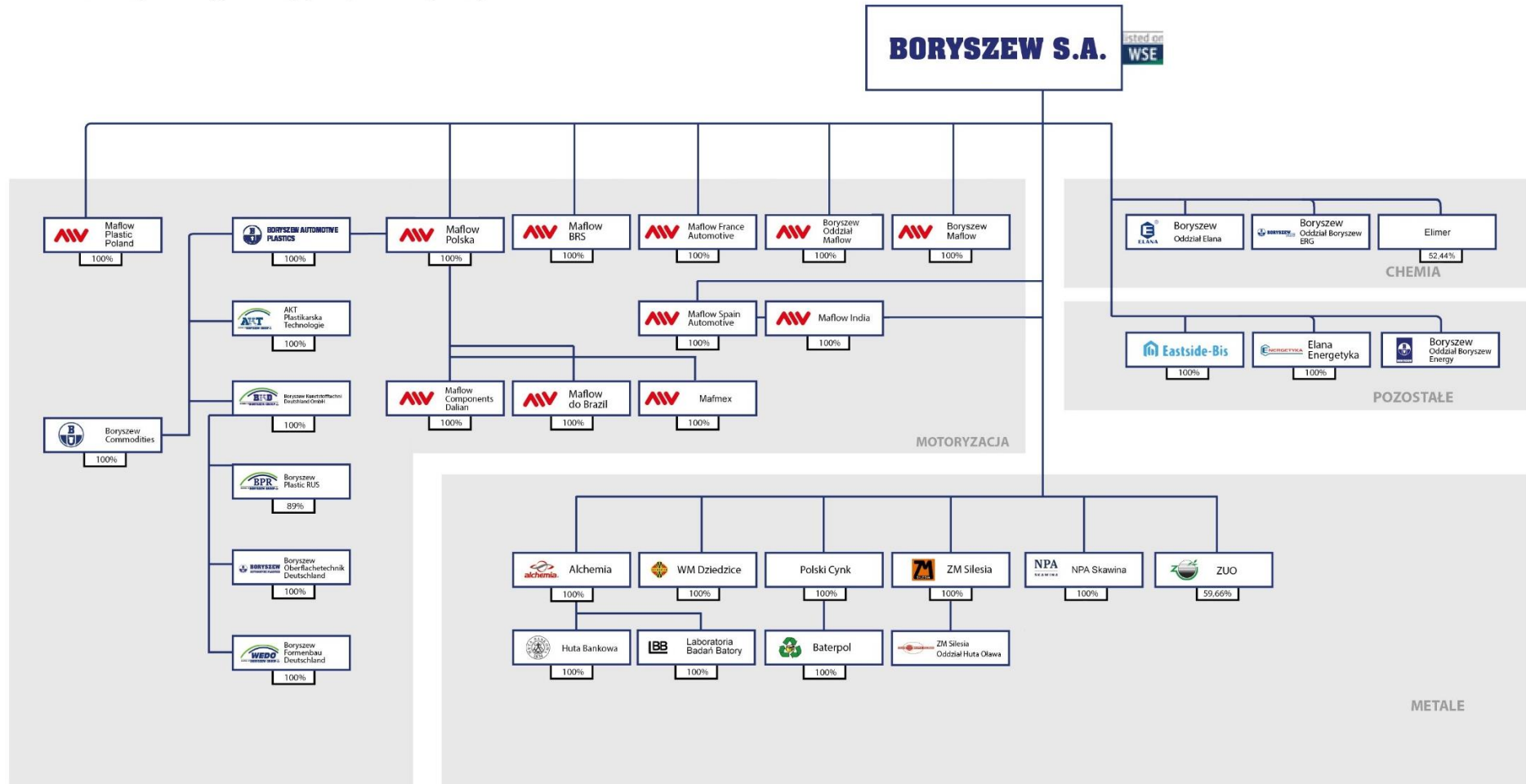
# Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

## SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW CAPITAL GROUP (ON 31 MARCH 2023)

### Struktura organizacyjna Grupy Kapitałowej Boryszew





### 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

#### Boryszew S.A.

##### Merger of Boryszew S.A. based in Warsaw and Hutmen Spółka z o.o. based in Wrocław

On 31 January 2023 the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department of the National Court Register made an entry on the merger in the National Court Register – Register of Enterprises of Boryszew S.A. adopted a resolution on the merger of Boryszew S.A. (as the Acquiring Company) with Hutmen Spółka z o.o. (as the Acquired Company). With effect as of 1 January 2023.

#### Boryszew Capital Group

##### NPA Skawina Spółka z o.o.

On 1 January 2023, NPA Skawina Spółka z o.o., separated from Boryszew S.A. under the agreement on the transfer of the organised part of Boryszew S.A. enterprise in the form of the Nowoczesne Produkty Aluminiowe Skawina Branch to NPA Skawina Spółka z o.o., dated 30 December 2022, launched operations. Boryszew S.A. owns 100% of shares in NPA Skawina Spółka z o.o.

##### Huta Metali Nieżelaznych Szopienice S.A. – in liquidation

The General Meeting of Shareholders of HMN Szopienice S.A. in liquidation held on 13 February 2023 approved the closing balance sheet of the company's liquidation.

The liquidation of the company was completed in view of the sale of all the assets held by the company. On the date of completion of liquidation the company's unpaid liabilities amounted to PLN 155.8 million, of which PLN 133.5 million to related parties (primarily Boryszew S.A. - PLN 130 million).

On the date of publication of the report, the company had not been removed from the Register of Entrepreneurs of the National Court Register.

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

Accumulated gains/(losses) (158 759) from prior years presented in consolidated retained earnings were excluded through the comprehensive income of discontinued operations in the current period. The exclusion was the result of the actual liquidation of the Company's activities and the transfer of documents that are the basis for deleting the Company from the National Register of Companies.

Exclusion of losses of discontinued operations of HMN Szopienice S.A. in liquidation	158 759
Exclusion of liabilities and adjustments related to discontinued operations	(146 405)
<b>Difference recognised as result from liquidation of the Company in discontinued operations</b>	<b>12 354</b>

On 31 March 2023, HMN SA in liquidation was excluded from consolidation and the effect is presented as result from discontinued operations in the amount of PLN 12 354 thousand.

### 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 2023.

**Implementation of Boryszew Group strategy for 2022 - 2026**

According to the Boryszew Group Strategy for 2022 - 2026, adopted and published on 17 May 2022 we want 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 CO<sub>2</sub> 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 31.03.2023 and the date of submitting the report for publication:

Shareholders	Number of shares	% of capital	Number of votes	% of votes
<b>Roman Krzysztof Karkosik (*)</b>	<b>156 832 020</b>	<b>65.35%</b>	<b>156 832 020</b>	<b>65.35%</b>
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>
<b>Unibax Spółka z o.o. (***)</b>	<b>36 879 055</b>	<b>15.37%</b>	<b>36 879 055</b>	<b>15.37%</b>
<b>Others</b>	<b>46 288 925</b>	<b>19.28%</b>	<b>46 288 925</b>	<b>19.28%</b>
<b>Total</b>	<b>240 000 000</b>	<b>100.00%</b>	<b>240 000 000</b>	<b>100.00%</b>

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

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

(\*\*\*) 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 submitting the report for 2022 to publication on 18 April 2023 and the publication of the report for Q1 2023 on 31 May 2023 no changes occurred in 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:

- a) 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;
- b) 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, no participation agreements in the program were concluded.

**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.**

Between the date of submission of the report for Q1 2022 and the date of publication of the report for Q1 2023, 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 16.0 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 was not final. The parties had 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, which was completed with issuing a tax decision on 29 December 2022 for individual months of 2012 in the unchanged amount of PLN 29 million. On 16 January 2023, the Company's Attorney filed an appeal against the decision concerned with the Head of the Fiscal Administration Chamber in Katowice. On 2 February 2023, the Head of Customs and Fiscal Office in Opole issued a decision correcting their decision of 29 December 2022. On 17 February 2023, the Company's Attorney filed an appeal against the decision to correct the decision. On 27 February 2023, the Head of Customs and Fiscal Office in Opole drafted a position paper on the Company's above appeals.

On 30 March 2023, the Director of the of the Fiscal Administration Chamber in Katowice declared a lack of jurisdiction to consider the appeals and forwarded them, according to jurisdiction, to the Director of the Fiscal Administration Chamber in Warsaw. By the time of publication of the report the reopened appeal proceedings had not been completed.





(amounts expressed in PLN '000 unless specified otherwise)

- 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, 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.  
In the judgment of 27 April 2022, the Provincial Administrative Court in Gliwice revoked 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, and granted the applicant company reimbursement of the costs of the proceedings. On 29 July 2022 the Company received a final ruling with a statement that the ruling of the Provincial Administrative Court in Gliwice became final as of 30 June 2022.  
On 9 November 2022 the Company again received a decision from the Director of the Head of Fiscal Administration Chamber in Katowice of 26 October 2022, upholding the appealed decision of the first-instance authority.  
On 28 November 2022 the Company's Attorney filed a complaint with the Provincial Administrative Court in Gliwice. On 10 January 2023, the Provincial Administrative Court in Gliwice issued a decision to suspend implementation of the contested decision of the Head of Fiscal Administration Chamber in Katowice. The hearing date before the Provincial Administrative Court in Gliwice was scheduled for 7 June 2023.  
On 12 August 2022 the Proxy of ZM SILESIA SA filed complaints to the Provincial Administrative Court in Warsaw, via the Director of the Fiscal Administration Chamber in Warsaw, against the decisions of the Director of the Fiscal Administration Chamber in Warsaw upholding the decisions of the Head of the First Mazovian Tax Office on crediting VAT refunds for September and October 2021 against VAT outstanding payments for January and February 2013. On 26 April 2023, the company received a ruling from the Provincial Administrative Court in Warsaw of 30 March 2023, which revoked the appealed decision of the Director of the Fiscal Administration Chamber in Warsaw and the preceding decision of the Head of the First Tax Office in Warsaw - regarding the crediting of the VAT refund for October 2021 against VAT outstanding payments for January and February 2013. On 28 April 2023, the company received a ruling from the Provincial Administrative Court in Warsaw of 30 March 2023, which revoked the appealed decision of the Director of the Fiscal Administration Chamber in Warsaw and the preceding decision of the Head of the First Tax Office in Warsaw - regarding the crediting of the VAT refund for September 2021 against VAT outstanding payments for January and February 2013.
- 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. To date, the appeal has not



(amounts expressed in PLN '000 unless specified otherwise)

been processed. 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, 31 May 2023.

#### **HUTMEN Spółka z o.o., (the company merged with Boryszew S.A. on 31 January 2023)**

- On 14 February 2018 Hutmen Sp. z o. o. (currently Boryszew S.A.) 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 8 March 2022, a hearing was held before the Supreme Administrative Court, which returned the case to the Provincial Administrative Court for re-examination.  
On 21 November 2022, the Provincial Administrative Court revoked the decision of the appeal body, the ruling is not yet final. The Director of the Fiscal Administration Chamber in Warsaw by the decision of 15 May 2023 repealed the decision of the 1st instance body in its entirety and referred the case for re-examination.
- On 3 April 2019, Hutmen Sp. z o. o. (currently Boryszew S.A.) 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 outstanding tax liability. 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 outstanding tax liability. 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 2 January 2023 the company received the decision of the Head of the Fiscal Administration Chamber in Wrocław of 27 December 2022, upholding the decision of the 1st instance body, determining overdue VAT liability of Hutmen for Oct-Dec 2015 in the amount of PLN 3.0 million, plus interest on outstanding tax liability. The company filed a complaint with the Provincial Administrative Court against the above decision.
- On 10 September 2018 Hutmen Sp. z o. o. (currently Boryszew S.A.) received a decision of the Tax Administration Chamber in Wrocław of 4 September 2018, upholding the decision of the 1st instance body, 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 filed a complaint against the decision of the Office to the Provincial Administrative Court in Wrocław. On 13 March 2019 the Provincial Administrative Court issued a decision in favour of Hutmen. The judgement 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 Fiscal Administration 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 by the 1st instance body. As of the date of publication of the report, no renewed decision was issued by the authority.
- On 28 December 2020 Hutmen Sp. z o. o. (currently Boryszew S.A.) received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków of 16 December 2020 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



(amounts expressed in PLN '000 unless specified otherwise)

the Fiscal Administration 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") securing future VAT liabilities for the period January 2015 - June 2015 in the total amount of PLN 11.7.

- On 22 October 2021 a security deposit in the amount of PLN 11.723 thousand was established on the account of the Fiscal Office following the decision of 14 October 2021 on Hutmen's assets the state budget liabilities associated with pending customs and fiscal proceedings. On 23 December 2021, the Head of the Małopolska Customs and Fiscal Office in Kraków again issued a decision on the validity of the tax liability, which was appealed by the company. On 2 January 2023 the company received the decision of the Head of the Fiscal Administration Chamber in Wrocław of 28 December 2022 determining overdue VAT liability of Hutmen for H1 '2015 in the amount of PLN 7.8 million, plus interest on outstanding tax liability. The company filed a complaint with the Provincial Administrative Court against the above decision.

#### **Baterpol S.A.**

On 3 October 2016, a VAT tax inspection by the Head of the First Silesian Tax Office in Sosnowiec began in Baterpol SA, based on Article 79 section 2 item 2 of the Act on freedom of economic activity. The inspection was concluded with a protocol (of 26 October 2018), on the basis of which the Company recognised a provision in the results for 2018. Following the aforementioned tax inspection, on 20 March 2019, the Head of the First Silesian Tax Office in Sosnowiec initiated VAT proceedings for the period December 2013 to December 2015. On 17 January 2023, the decision issued in the case of 4 January 2023, determining the amount of tax liability for the months of March to October 2014, December 2014, January to March 2015, May 2015 and June 2015, and determining the amount to be paid under Art. 108(1) of the VAT Act for the months of April to August 2014, October 2014, December 2014, January to March 2015 and June 2015, was delivered. The procedure involving the remaining issues was discontinued. The company made a payment of PLN 3.3 million to the tax authority, following the decision, at the same time releasing the provision for this purpose in full. The Company's attorney filed an appeal against the decision to the extent where it determines the Company's tax liabilities and the amount to be paid under VAT Act Art. 108(1) In a decision of 13 April 2023, the Director of the Fiscal Administration Chamber in Katowice set a deadline of 14 July 2023 for settling the case.

#### **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:**

- 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 challenged 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. Anticipated completion date - 3 July 2023.



(amounts expressed in PLN '000 unless specified otherwise)

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 - 22 September 2023.
- Mafrow BRS s.l.r. (Italy) is currently audited and the audit covers corporate tax for 2017. The audit was initiated in 2021. Amount subject to verification: EUR 2 468 517 of income re-estimation for 2017. The audit is at the stage of providing information and explanations to the office.

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. possible risk** (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 31 March 2023 is PLN 177 470 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.

No other non-commercial transactions between related parties (outside Boryszew Capital Group) occurred in Q1 2023.



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

As at 31 March 2023 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 31.03.2023 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 31.03.2023**

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 Sp. z o.o.	Guarantee granted to Volvo Group Trucks Operations	23 378	indefinite validity
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	23 378	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	10 710	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	28 053	contract period + 15 years
Maflow Components (Dalian) Co. Ltd	BMW AG performance bond	28 053	contract period + 15 years
<b>Total</b>		<b>113 572</b>	

**Guarantees and sureties as at 31.12.2022**

Entity for which guarantee or surety was issued	Subject of liability	Surety value in PLN '000	Expiry date of guarantee
Boryszew Plastic RUS Sp. z o.o.	Guarantee granted to Volvo Group Trucks Operations	23 450	indefinite validity
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	23 450	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	11 728	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	28 139	contract period + 15 years
Maflow Components (Dalian) Co. Ltd.	BMW AG performance bond	28 139	contract period + 15 years
<b>Total</b>		<b>114 906</b>	





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

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

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

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

#### **Acquisition of shares of "onesano" S.A.**

In Q1 2023 Boryszew S.A. acquired a total of 10 000 000 shares of "onesano" S.A., representing approximately 15.18% of the share capital and carrying 13 000 000 votes at the General Meeting, which accounts for approximately 15.18% of the total number of votes at the General Meeting of "onesano" S.A.

On the date of publication of the report, Boryszew S.A. holds a total of 23 000 000 shares of "onesano" S.A., representing approximately 34.91% of the share capital and carrying 23 000 000 votes at the General Meeting, which accounts for approximately 34.91% of the total number of votes at the General Meeting of "onesano" S.A.

As a result of the acquisition of shares of onesano S.A., Boryszew S.A. gained significant influence and as of that date presents the company as an affiliate consolidated under the equity method.

As at 31 March 2023, Boryszew owns 23 000 000 shares of onesano S.A., accounting for 34.91% of the Company's capital.

value of shareholding on 31.03.2023 at purchase price	25 078
share of net assets on the date of significant influence	7 466
<b>Potential Goodwill on acquisition considering the book value as the value of the net assets acquired</b>	<b>17 612</b>
<b>Share of the Group in Q1 2023 result as of the date of significant influence</b>	<b>(322)</b>

In this report the Company presents the acquired shares at cost due to the ongoing valuation process as of the date of significant influence. The transaction will be settled upon completion of such a valuation and the difference between the purchase price and the market value of the acquired assets of the Company will be recognised by the annual report for 2023.

### **Concluding a material agreement**

On 15 March 15, 2023, the Company signed an agreement (Letter of intent ) with one of the leading suppliers to the automotive industry.

The subject matter of the agreement is the supply by Maflow Group companies of rubber hoses for the air conditioning system to production facilities of the aforementioned customer, for installation in electric cars, in the years 2024 - 2034. The estimated value of deliveries during the period will be around €200 million.

Following the conclusion of the agreement, plans are made to expand the production facilities of the Maflow Group with locations in China, Italy and Poland. Anticipated expenditure related to this will be about €13 million.

The concluded agreement will enable further development of Maflow Group's competence in the production of specialist cables for the automotive industry, and its conclusion is in line with the Strategy of Boryszew Capital



## Boryszew Capital Group

Abbreviated consolidated financial statements for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Group for 2022 - 2026, which assumes the development of new sales markets and acquiring new end customers, etc.

Other provisions of the agreement do not deviate from the standard terms commonly used for this type of agreement.

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

## 24. DECLARATIONS OF THE MANAGEMENT BOARD

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

- to the best of its knowledge, the consolidated financial statements of the Company and Boryszew Capital Group for Q1 '2023 and the comparative data were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result of Boryszew S.A and Boryszew Capital Group.
- the report on activity of Boryszew Capital Group for Q1 '2023 contains a true view of development, accomplishments and situation of Boryszew Capital Group, including a description of fundamental risks and threats.





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

**Boryszew S.A.**  
**for the period between 1 January and 31 March 2023**



**STATEMENT OF COMPREHENSIVE INCOME**

	<b>01.01.2023 - 31.03.2023</b>	<b>01.01.2022 - 31.03.2022</b>
Revenues from sales	526 975	677 361
Prime cost of sale	482 706	637 090
<b>Gross profit on sales</b>	<b>44 269</b>	<b>40 271</b>
Selling costs	4 911	10 223
Administrative expenses	27 386	25 879
Other operating revenue	6 809	12 014
Other operating expenses	4 158	2 609
<b>Operating income</b>	<b>14 623</b>	<b>13 574</b>
Financial revenues	21 608	24 159
Financial expenses	24 926	19 209
<b>Financial profit/loss</b>	<b>(3 318)</b>	<b>4 950</b>
<b>Profit before taxation</b>	<b>11 305</b>	<b>18 524</b>
Income tax	4 712	5 225
<b>Net profit</b>	<b>6 593</b>	<b>13 299</b>
<b>Earnings / Diluted earnings per share</b>		
Weighted average number of shares	205 205 000	205 205 000
Earnings / Diluted earnings per share (PLN)	0.03	0.06

	<b>01.01.2023 - 31.03.2023</b>	<b>01.01.2022 - 31.03.2022</b>
<b>Net profit</b>	<b>6 593</b>	<b>13 299</b>
<b>Earnings recognised in equity</b>		
<b>Earnings recognised in equity, to be transferred to income statement</b>	<b>47</b>	<b>7 527</b>
Hedge accounting (pre-tax)	58	9 293
Income tax	(11)	(1 766)
<b>Earnings recognised in equity, not to be transferred to income statement</b>	<b>(1 166)</b>	<b>3 801</b>
Gains/losses on valuation and disposal of equity instruments (before tax)	(1 440)	4 693
Income tax	274	(892)
<b>Total earnings recognised in equity</b>	<b>(1 119)</b>	<b>11 328</b>
<b>Total comprehensive income</b>	<b>5 474</b>	<b>24 627</b>



**Boryszew S.A.**

**Interim abbreviated report for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

## STATEMENT OF FINANCIAL POSITION

ASSETS	As at 31.03.2023	As at 31.12.2022	As at 31.03.2022
<b>Non-current assets</b>			
Tangible fixed assets	162 940	250 821	249 525
Investment property	19 780	19 780	22 950
Goodwill	-	-	-
Intangible assets	16 415	32 227	33 207
Right-of-use assets	102 090	125 281	133 588
Shares in subsidiaries and associates	869 543	810 578	-
Financial assets	156 504	143 152	876 116
Long-term receivables	139 246	135 626	136 233
Deferred tax assets	-	-	-
<b>Total fixed assets</b>	<b>1 466 518</b>	<b>1 517 465</b>	<b>1 451 619</b>
<b>Current assets</b>	<b>912 285</b>	<b>1 015 236</b>	<b>1 096 811</b>
<b>Current assets other than assets held for sale</b>			
Inventory	209 429	298 055	275 451
Trade receivables and other receivables	315 271	339 217	426 455
Short-term financial assets	334 446	343 824	335 611
Derivative financial instruments	3 582	8 022	8 033
Current tax assets	2 140	-	-
Cash and cash equivalents	47 417	26 118	51 261
<b>Total current assets</b>	<b>912 285</b>	<b>1 015 236</b>	<b>1 096 811</b>
<b>Total assets</b>	<b>2 378 803</b>	<b>2 532 701</b>	<b>2 548 430</b>



**Boryszew S.A.**

**Interim abbreviated report for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

<b>LIABILITIES AND EQUITY</b>	<b>As at 31.03.2023</b>	<b>As at 31.12.2022</b>	<b>As at 31.03.2022</b>
<b>Equity</b>			
Share capital	248 906	248 906	248 906
Share premium	112 346	112 346	112 346
Own shares	(182 816)	(182 816)	(182 816)
Hedge accounting capital	(138)	3 931	4 857
Capital reserve on translating employee payables	80	67	(208)
Revaluation reserve and gain on disposal of financial assets	26 825	27 991	47 500
Retained earnings	1 175 675	994 609	1 161 367
<b>Total equity</b>	<b>1 380 878</b>	<b>1 205 034</b>	<b>1 391 952</b>
<b>Liabilities and long-term provisions</b>			
Bank loans, borrowings	11 867	18 391	16 267
Lease liabilities	62 322	70 107	79 347
Deferred tax provision	5 515	9 766	12 495
Employee benefit provisions	2 316	2 576	2 754
Other provisions	29 720	14 050	21 476
TRADE PAYABLES AND OTHER LIABILITIES	-	2 396	15 835
Other long-term liabilities	5 844	17 894	-
<b>Liabilities and long-term provisions - total</b>	<b>117 584</b>	<b>135 180</b>	<b>148 174</b>
<b>Short-term liabilities</b>			
Bank loans, borrowings	428 446	686 261	463 163
Lease liabilities	21 232	24 851	23 114
Trade payables and other liabilities	380 765	422 933	468 923
Derivative financial instruments	-	5 793	691
Current tax liabilities	-	329	24 393
Employee benefit provisions	14 573	12 297	10 805
Other provisions	31 911	32 113	4 333
Other liabilities and equity	3 414	7 910	12 882
<b>Liabilities and short-term provisions - total</b>	<b>880 341</b>	<b>1 192 487</b>	<b>1 008 304</b>
<b>Total liabilities and provisions</b>	<b>997 925</b>	<b>1 327 667</b>	<b>1 156 478</b>
<b>Total equity and liabilities</b>	<b>2 378 803</b>	<b>2 532 701</b>	<b>2 548 430</b>

**CASH FLOW STATEMENT**

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>11 305</b>	<b>18 524</b>
<b>Adjustments for (+/-)</b>	<b>40 898</b>	<b>(28 018)</b>
Amortisation/depreciation	10 663	14 205
Profit/loss on financial activity (including interest on financial liabilities)	1 876	2 783
Profit / loss on investment activities	(2 494)	(11 369)
Change in receivables	5 432	91 380
Change in inventories	8 638	(33 297)
Change in liabilities	28 097	(80 693)
Changes in provisions	(949)	(2 252)
Other items	(3 263)	339
Income tax paid	(7 102)	(9 114)
<b>Net cash from operating activities</b>	<b>52 203</b>	<b>(9 494)</b>
<b>Cash flows from investment activities</b>		
Proceeds from disposal of fixed assets	47	1 451
Proceeds from disposal of shares	509	80 812
Proceeds from repayment of loans granted	11 799	6 060
Other proceeds from investment activities	-	28
Expenses on acquisition of fixed assets	(4 918)	(6 380)
Acquisition of shares and stocks	(12 019)	(103)
Long term borrowings granted	(29 203)	(37 118)
Expenditure on bonds	-	-
<b>Net cash from investing activities</b>	<b>(33 785)</b>	<b>44 750</b>
<b>Cash flows from financial activities</b>		
Incomes on credit and loan facilities	2 585	53 941
Loans received	26 000	40 000
Other inflows	-	3 422
Loans repaid	(6 159)	(99 090)
Repayment of borrowings	(1 011)	(1 761)
Redemption of bonds	-	(28 000)
Interest paid on loans, borrowings and leasing	(6 183)	(3 701)
Payment of liabilities under finance lease agreements	(6 047)	(5 706)
Other financial outflows	(16)	-
<b>Net cash from financing activities</b>	<b>9 169</b>	<b>(40 895)</b>
<b>Net change in cash</b>	<b>27 587</b>	<b>(5 639)</b>
Cash opening balance	26 118	56 900
Cash as a result of merger with a subsidiary and spin-off of a branch	(6 288)	-
<b>Cash closing balance</b>	<b>47 417</b>	<b>51 261</b>
<i>Restricted cash</i>	<i>13 788</i>	<i>13 336</i>

**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
<b>Balance on 01.01.2023</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>3 931</b>	<b>67</b>	<b>27 991</b>	<b>994 609</b>	<b>1 205 034</b>
Valuation of hedge instruments				47				47
Valuation/disposal of financial assets through comprehensive income in Q1 2023.						(1 166)		(1 166)
Profit/loss for Q1 2023							6 593	6 593
<b>Total income for Q1 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47</b>	<b>-</b>	<b>(1 166)</b>	<b>6 593</b>	<b>5 474</b>
Merger with subsidiary, merger equity							174 473	174 473
Change in the structure of the Company, spin-off of a branch				(4 116)	13			(4 103)
<b>Balance on 03.31.2023</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(138)</b>	<b>80</b>	<b>26 825</b>	<b>1 175 675</b>	<b>1 380 878</b>

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
<b>Balance on 01.01.2022</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(2 670)</b>	<b>(208)</b>	<b>43 699</b>	<b>1 148 068</b>	<b>1 367 325</b>
Valuation of hedge instruments				6 601				6 601
Valuation of employee benefits					275			275
Valuation of financial assets and disposal through comprehensive income in 2022.						(18 756)		(18 756)
Profit on disposal of equity instruments						23 553		23 553
Profit/loss for 2022							14 828	14 828
<b>Total comprehensive income for 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 601</b>	<b>275</b>	<b>4 797</b>	<b>14 828</b>	<b>26 501</b>
Transfer to reserve capital of profit on disposal of equity instruments						(20 505)	20 505	-
Dividends paid							(188 789)	(188 789)
Other							(3)	(3)
<b>As at 12.31.2022</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>3 931</b>	<b>67</b>	<b>27 991</b>	<b>994 609</b>	<b>1 205 034</b>



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**STATEMENT OF CHANGES IN EQUITY CONT'D.**

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	Retained earnings	Total equity
<b>Balance on 01.01.2022</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(2 670)</b>	<b>(208)</b>	<b>43 699</b>	<b>1 148 068</b>	<b>1 367 325</b>
Valuation of hedge instruments				7 527				7 527
Measurement of financial assets						3 801		3 801
Profit/loss for Q1 '2022							13 299	13 299
<b>Total income for Q1 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 527</b>	<b>-</b>	<b>3 801</b>	<b>13 299</b>	<b>24 627</b>
<b>As at 31.03.2022</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>4 857</b>	<b>(208)</b>	<b>47 500</b>	<b>1 161 367</b>	<b>1 391 952</b>





(amounts expressed in PLN '000 unless specified otherwise)

## ADDITIONAL INFORMATION

### ABBREVIATED MID-YEAR FINANCIAL STATEMENTS OF BORYSZEW S.A. FOR THE FIRST QUARTER OF 2023

#### 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 Q1 2023 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 '2023 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Journal of Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

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

The accounting principles, other than described below and calculation methods applied by the Company have not changed in the period covered by these statements, and are presented in detail in the separate financial statements for 2022, published on 18 April 2023.

	average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01 - 31.03.2022	4.6472	4.6525
01.01 - 31.12.2022	4.6883	4.6899
01.01 - 31.03.2023	4.7005	4.6755

#### ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these Interim Separate Financial Statements for the period of 3 months ended on 31 March 2023 are consistent with those applied when drafting the annual separate financial statements for the financial year ended on 31 December 2022. No new standards and interpretations have been published since the date of publication of the Separate Financial Statements for the year ended on 31 December 2022.

#### RESTATEMENT OF FINANCIAL DATA

The Company has not restated the comparative data in these Interim Separate Financial Statements, nor has it adjusted the presentation of the comparative data.



(amounts expressed in PLN '000 unless specified otherwise)

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

Contingent items	As at 31.03.2023	As at 31.12.2022
Sureties for the repayment of loans and other liabilities by associated companies	487 406	378 831
<b>Total</b>	<b>487 406</b>	<b>378 831</b>

Contingent items	As at 31.03.2023	As at 31.12.2022	change
<b>Contingent liabilities</b>	<b>487 406</b>	<b>378 831</b>	<b>108 575</b>
<b>resulting from granted guarantees, sureties and other liabilities</b>	<b>487 406</b>	<b>378 831</b>	<b>108 575</b>
- guarantees and sureties associated with performance of contracts	166 420	130 758	35 662
- guarantees and sureties in favour of financial institutions	320 986	248 073	72 913

<b>Increases / decreases in the period of 3 months ended on 31.03.2023, including:</b>	<b>108 575</b>
<b>Additions</b>	
- Increase due to valuation of sureties	-
- Increase in surety amount	123 315
<b>Reductions</b>	
- Reduction due to valuation of sureties	(1 370)
- Decrease in the amount of existing sureties due to expiration, reduction	(13 370)

The increase in the value of granted sureties is mainly due to the transfer of the organised part of Boryszew S.A. enterprise in the form of Nowoczesne Produkty Aluminiowe Skawina Branch to NPA Skawina Spółka z o.o. and the surety of its current liabilities (PLN 99.1 million), the granting of a surety in favour of Coface Poland Factoring Sp. z o.o. in order to secure the factoring of Alchemia S.A. (PLN 12.0 million) and the granting of a guarantee under the guarantee line in HSBC Continental Europe (S.A.) Branch in Poland in favour of Scholt Energy Control GmbH in order to secure the commercial liabilities of Boryszew Kunststofftechnik Deutschland GmbH and Boryszew Oberflächentechnik Deutschland GmbH (PLN 6.2 million).

The decrease in the amount of existing sureties due to expiry and reduction is the result of repayment of guaranteed leases as well as the expiry of the guarantee issued to BNP Paribas Polska S.A. to secure the financial obligations of Nylonbor Sp. z o.o. (5.5 PLN million.).

**Status of current warranties and guarantees as at 31.03.2023.**

Entity on whose behalf the surety or guarantee was issued	The entity to which surety was granted or guarantee	Value of guarantee	Expiry date of guarantee
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	9 711	31.12.2028
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee line at HSBC)	1 932	31.12.2023
Boryszew Plastic RUS Sp. z o.o.	Guarantee granted to Volvo Group Trucks Operations	23 378	indefinite validity
Boryszew Plastic RUS Sp. z o.o.	Payment guarantee granted to Engel Austria GmbH	3 561	25.08.2023


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Entity on whose behalf the surety or guarantee was issued	The entity to which surety was granted or guarantee	Value of guarantee	Expiry date of guarantee
Maflow Plastics Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	6 845	31.01.2026
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	257	15.12.2024
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	498	15.12.2024
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	255	15.12.2024
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	255	15.12.2024
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	481	15.02.2025
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	365	15.02.2025
Maflow Plastics Poland Sp. z o.o.	Guarantee granted to PKO Leasing S.A.	423	23.04.2023
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	918	31.08.2023
1. Maflow Plastics Poland Sp. z o.o. 2. Boryszew Kunststofftechnik Deutschland GmbH 3. AKT Plastikarska Technologie Czechy Spol. S.R.O.	Guarantee granted to Borealis AG	4 676	31.12.2023
1. Maflow Plastics Poland Sp. z o.o. 2. Boryszew Kunststofftechnik Deutschland GmbH 3. AKT Plastikarska Technologie Czechy Spol. S.R.O.	Guarantee granted to Basell Sales & Marketing Company B.V.	9 351	31.12.2023
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Elix Polymers S.L.	1 777	31.12.2023
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee line at HSBC)	4 293	31.12.2023
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	23 378	01.12.2026
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	23 378	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	10 710	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	28 053	contract period + 15 years
Mafmex S. de R.L. de C.V.	Guarantee granted to BNP Paribas S.A.	43 201	30.06.2031
Mafmex S. de R.L. de C.V.	Guarantee granted to HSBC Mexico SA	21 467	22.11.2032
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.	28 078	indefinite validity
ZM Silesia S.A.	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	69	indefinite validity
ZM Silesia S.A.	Surety granted to Bank Millennium S.A.	381	28.05.2027


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Entity on whose behalf the surety or guarantee was issued	The entity to which surety was granted or guarantee	Value of guarantee	Expiry date of guarantee
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	18 744	18.01.2025
Maflow Components (Dalian) Co. Ltd	BMW AG performance bond	28 053	contract period + 15 years
Maflow Boryszew Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	49 788	30.06.2031
Maflow Boryszew Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	22 209	28.06.2026
NPA Sp. z o.o.	Guarantee granted to Glencore International AG	10 734	31.08.2023
NPA Sp. z o.o.	Guarantee granted to Mechem SA	10 734	28.02.2024
NPA Sp. z o.o.	Guarantee granted to Trafigura PTE. LTD	9 351	28.02.2024
NPA Sp. z o.o.	Endorsement for Coface Poland Factoring Sp. z o.o.	12 322	indefinite validity
NPA Sp. z o.o.	Surety granted to Bank Millennium S.A.	26 052	22.12.2027
NPA Sp. z o.o.	Surety granted to PKO BP S.A.	19 200	31.08.2025
NPA Sp. z o.o.	Surety granted to mBank S.A.	10 268	indefinite validity
NPA Sp. z o.o.	Endorsement Credit Agricole Bank Polska S.A.	451	indefinite validity
Alchemia S.A.	Endorsement for Coface Poland Factoring Sp. z o.o.	12 009	indefinite validity
<b>Total guarantees and sureties granted by Boryszew S.A.</b>		<b>487 406</b>	

**Status of current warranties and guarantees as at 31.12.2022.**

Entity for which guarantee or surety was issued	Subject of liability 2022	Surety value in PLN	Expiry date of guarantee
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	11 598	31.12.2028
Boryszew Plastic RUS Sp. z o.o.	Guarantee granted to Volvo Group Trucks Operations	23 450	indefinite validity
	Payment guarantee granted to Engel Austria	4 466	25.08.2023
Maflow Plastics Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	6 866	31.01.2026
	Endorsement of lease agreement for mLeasing	294	15.12.2024
	Endorsement of lease agreements for mLeasing	571	15.12.2024
	Endorsement of lease agreements for mLeasing	292	15.12.2024
	Endorsement of lease agreement for mLeasing	292	15.12.2024
	Endorsement of lease agreements for mLeasing	546	15.12.2024
	Endorsement of lease agreements for mLeasing	414	15.02.2025
	Guarantee granted to PKO Leasing Sp. z o.o.	1 264	23.04.2023
Theysohn Formenbau GmbH	Guarantee granted to akf Leasing GmbH	921	31.08.2023
1) Maflow Plastics Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH,	Guarantee granted to Borealis AG for commercial liabilities	4 690	31.12.2023

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Entity for which guarantee or surety was issued	Subject of liability 2022	Surety value in PLN	Expiry date of guarantee
3) AKT Plastikarska Technologie Czech Republic Spol. S.R.O.			
1) Maflow Plastics Poland Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) AKT Plastikarska Technologie Czech Republic Spol. S.R.O. 4) Boryszew Plastic RUS Sp. z o.o.	Guarantee granted to Basell Sales & Marketing Company B.V.	9 380	31.12.2022
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Elix Polymers S.L.	1 782	31.12.2023
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	23 450	01.12.2026
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	23 450	term of the agreement
	Mafmex's rent payment bond to Innova Dintel	11 728	01.01.2030
	BMW AG performance bond	28 139	contract period + 15 years
	Guarantee granted to BNP Paribas S.A.	41 949	30.06.2031
	Guarantee granted to HSBC Mexico SA	22 009	22.11.2032
ZM Silesia S.A.	Surety granted to PKO BP S.A.	9 800	31.08.2026
	Endorsement for Coface Poland Factoring Sp. z o.o.	30 940	indefinite validity
	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	128	indefinite validity
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	19 044	18.01.2025
	BMW AG performance bond	28 139	contract period + 15 years
Maflow Boryszew Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	45 452	30.06.2031
	Guarantee granted to BNP Paribas S.A.	22 277	28.06.2026
Nylonbor Sp. z o.o.	Endorsement granted to BNP Paribas S.A.	5 500	01.07.2023
<b>Total guarantees and sureties granted by Boryszew SA</b>		<b>378 831</b>	

**4. DIVIDEND PAID OR DECLARED IN THE PERIOD FROM THE BEGINNING OF THE YEAR****Distribution of profit for 2022**

The Management Board of the Company recommends that the net profit for 2022 of PLN 14 828 086.50 and the gain on disposal of financial assets through comprehensive income of PLN 23 553 385.88 be allocated to dividends.

**Recommendation to pay dividend**

On 18 April 2023 the Management Board of the Company decided to submit to the nearest General Meeting of Boryszew S.A. a motion on dividend payment in the amount of PLN 0.74 per one share entitled to dividend, i.e. in total amount of PLN 151 851 700, from the Company's net profit for 2022, which, according to the provisions of art. 348 § 1 of the Commercial Companies Code may be assigned for distribution.



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On 25 April 2023 the Management Board resolved to apply to the General Meeting of Shareholders to set the dividend date as 29 May 2023, and the dividend payment date as 5 June 2023.

In view of the foregoing, the Management Board applied for approvals from the financing banks under the terms of certain loan agreements to pay dividends. On 11 May 2023, it received a complete set of required approvals.

At the same time, the Issuer advises that the final decision on the dividend payment will be made by the 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 Q1 2023 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 Q1 '2023, until publication of the report the Company did not issue any equity securities.

### **EQUITY SECURITIES**

In Q1 '2023, until publication of the report the Company did not issue any equity securities.



## 6. Operating segments

01.01.2023 - 31.03.2023	Chemical products	Automotive	Metals (**)	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	66 344	251 142	-	210 141	527 627	(652)	526 975
Segment costs of sales	57 890	219 235	-	206 199	483 324	(618)	482 706
<b>Result on sales within segment</b>	<b>8 454</b>	<b>31 907</b>	<b>-</b>	<b>3 942</b>	<b>44 303</b>	<b>(34)</b>	<b>44 269</b>
General, administrative and sales expenses	9 909	17 779	-	4 643	32 331	(34)	32 297
Other operating profit/loss	2 286	277	-	88	2 651	-	2 651
<b>Segment profit/loss</b>	<b>831</b>	<b>14 405</b>	<b>-</b>	<b>(613)</b>	<b>14 623</b>	<b>-</b>	<b>14 623</b>
Amortisation/depreciation	1 295	8 914	-	454	10 663	-	10 663
EBITDA *)	2 126	23 319	-	(159)	25 286	-	25 286
Segment assets	205 089	783 810	-	1 525 631	2 514 530	(135 727)	2 378 803
Segment liabilities	128 311	675 526	-	329 815	1 133 652	(135 727)	997 925

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

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

\*\*) transfer to a subsidiary



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<b>REVENUES FROM SALE BY DESTINATION MARKET</b>	<b>01.01.2023 - 31.03.2023</b>	<b>01.01.2022 - 31.03.2022</b>
<b>Continuing operations</b>		
Domestic sales	265 013	395 772
Sales to EU countries	213 451	239 261
Sales to other European countries	19 938	23 158
Export outside Europe	28 573	19 170
<b>Total (revenues from continuing operations)</b>	<b>526 975</b>	<b>677 361</b>

<b>SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES</b>	<b>01.01.2023 - 31.03.2023</b>	<b>01.01.2022 - 31.03.2022</b>
Germany	34%	27%
France	9%	4%
The Czech Republic	9%	20%
The Netherlands	9%	6%
Belgium	9%	6%
Sweden	7%	10%

**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 31.03.2023**

	<b>Financial assets measured at amortised cost</b>	<b>Financial assets measured at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>Derivatives used for hedges</b>	<b>Carrying value</b>
Listed shares	-	-	11 502	-	11 502
Bonds	1 069	-	-	-	1 069
Trade receivables, factoring	214 506	31 028	-	-	245 534
Derivative financial instruments	-	-	-	3 582	3 582
Loans granted	478 379	-	-	-	478 379
Other debtors	-	142 943	-	-	142 943
Cash and cash equivalents	47 417	-	-	-	47 417
<b>Total</b>	<b>741 371</b>	<b>173 971</b>	<b>11 502</b>	<b>3 582</b>	<b>930 426</b>

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**Financial assets per balance sheet on 31.12.2022**

	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	-	-	26 003	-	26 003
Bonds	1 064	-	-	-	1 064
Trade receivables, factoring	263 644	29 539	-	-	293 183
Derivative financial instruments	-	-	-	8 022	8 022
Loans granted	459 909	-	-	-	459 909
Other debtors	-	128 522	-	-	128 522
Cash and cash equivalents	26 118	-	-	-	26 118
<b>Total</b>	<b>750 735</b>	<b>158 061</b>	<b>26 003</b>	<b>8 022</b>	<b>942 821</b>

**Financial liabilities on 31.03.2023**

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	440 313	-	440 313
Lease liabilities	43 714	-	43 714
Liabilities to SMA and due to right-of-use assets	39 840	-	39 840
Trade and other liabilities	340 514	-	340 514
<b>Total</b>	<b>864 381</b>	<b>-</b>	<b>864 381</b>

**Financial liabilities on 31.12. 2022**

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	704 652	-	704 652
Derivative financial instruments	-	5 793	5 793
Lease liabilities	47 188	-	47 188
Liabilities to SMA and due to right-of-use assets	47 770	-	47 770
Trade and other liabilities (excluding towards state budget and employees)	385 158	-	385 158
<b>Total</b>	<b>1 184 768</b>	<b>5 793</b>	<b>1 190 561</b>

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

	Fair value as at		Hierarchy of fair value
	As at 31.03.2023	As at 31.12.2022	
<b>Financial assets</b>			
Listed shares	11 502	26 003	Level 1
Derivative financial instruments	3 582	8 022	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	-	5 793	Level 2

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

	Fair value as at		Hierarchy of fair value
	As at 31.03.2023	As at 31.12.2022	
<b>Financial assets</b>			
Bonds	1 069	1 064	Level 3
Borrowings	478 379	459 909	Level 3
Trade and other receivables	388 477	421 705	Level 3
Cash and cash equivalents	47 417	26 118	Level 1
<b>Financial obligations</b>			
Borrowings and loans	440 313	704 652	Level 2
Liabilities on bonds	-	-	Level 2
Trade and other liabilities	340 514	385 128	Level 3
Lease liabilities	43 714	47 188	Level 2
Liabilities to SMA and due to right-of-use assets	37 168	45 848	Level 2
Liabilities to SMA - investment property	2 672	1 922	Level 2

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

	01.01.2023 - 31.03.2023	01.01.2022 - 31.03.2022
Creation of value impairment write-offs for accounts receivable	(1 551)	(81)
Reversal of write-downs on accounts receivable (-)	1 700	4 818
Revaluation write-offs of loan receivables	(8 973)	-
Reversal of revaluation write-offs on loans granted	-	-
Creation of value impairment write-offs on bonds	(1 366)	-
Reversal of value impairment write-offs on bonds	-	-
Creation of value impairment write-offs on other receivables	(167)	-
Reversal of value impairment write-offs on other receivables	-	-
Tangible fixed assets impairment write-offs	-	-
Reversal, release of revaluation write-offs on fixed assets	28	1 501
Creation of provisions	-	(500)
Reversal of provisions	-	-
<b>Total impact on profit/loss</b>	<b>(10 329)</b>	<b>5 738</b>

**9. Transactions with affiliated entities**

	Subsidiaries	Personally related entities
<b>in the period 01.01.2023 - 31.03.2023</b>		
Revenues from sales (of products, services, goods)	141 769	2 309
Interest income	12 071	752
Dividends received and due	-	-
Purchases (of materials, goods, services)	38 694	10
Interest expense	2 085	-
<b>as at 31.03.2023</b>		
Trade receivables	144 607	1 065
Bonds purchased	1 069	-
Loans granted	444 727	33 652
Other receivables (advances, deposits)	112 017	-
Lease liabilities	4 650	-
Trade liabilities	61 039	18
Loans received	118 290	-
Issued bonds	-	-
Other liabilities (advances, deposits)	131	-

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



## **Boryszew S.A.**

**Interim abbreviated report for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union**

(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 31 March 2023 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 and therefore we will not report on it in future reports.

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

Following the invasion of Ukraine by the Russian Federation on 24 February 2022 and the sanctions against the Russian Federation and Belarus by the EU and the U.S., the Company's Management Board reviewed the Company's involvement in the conflict countries. The description of indirect impact on Boryszew S.A. as a parent company of Boryszew Capital Group is described in note 8 of the abbreviated consolidated financial statement

#### **MERGER OF BORYSZEW S.A. BASED IN WARSAW AND HUTMEN SPÓŁKA Z O.O. BASED IN WROCŁAW**

On 31 January 2023 the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department of the National Court Register made an entry on the merger in the National Court Register – Register of Enterprises of Boryszew S.A. adopted a resolution on the merger of Boryszew S.A. (as the Acquiring Company) with Hutmen Spółka z o.o. (as the Acquired Company). With effect as of 1 January 2023.

##### **Settlement of the merger of Hutmen Sp. z o.o. and Boryszew S.A.**

<b>Merger of Boryszew S.A. and Hutmen Sp. z o.o.</b>	<b>in PLN '000</b>
Value of shares of Hutmen Sp. z o.o.	(109 531)
Net asset value of Hutmen Sp. z o.o.	284 002
Merger equity recognised after the merge, on 01.01.2023.	174 471
<b>Net assets of Hutmen sp. z o.o.</b>	<b>284 002</b>
Total Assets	306 978
Long-term liabilities	(22 175)
Short-term liabilities	(801)

#### **SPIN-OFF OF NPA SKAWINA BRANCH TO NPA SKAWINA SP. Z O.O.**

On 1 January 2023 Boryszew S.A. separated an organised part of the enterprise in the form of NPA Branch by making an in-kind contribution to NPA Skawina Sp. z o.o.

As a result of this transaction net assets in exchange for shares of NPA Skawina Sp. z o.o. were excluded from Boryszew S.A. report.

**Boryszew S.A.**

Interim abbreviated report for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

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**Impact of separation of NPA Skawina Branch from Boryszew S.A**

<b>Separation of NPA Skawina Branch to NPA Skawina Sp. z o.o.</b>	<b>in PLN '000</b>
Value of shares received in exchange for in-kind contribution of organised part of the enterprise	126 367
Book value of excluded net assets of NPA Skawina Branch	80 307
Difference in in-kind contribution	(46 060)
<b>Net assets</b>	<b>80 307</b>
Total Assets	260 316
Liabilities	(180 009)



**Boryszew Capital Group**

**Abbreviated consolidated financial statements for the period between 1 January and 31 March 2023 drafted in accordance with IAS 34 as adopted by the European Union**

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

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**THE FINANCIAL STATEMENTS WERE SIGNED BY THE MANAGEMENT BOARD ON 18 MAY 2023.**

**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 -----