



# **CONSOLIDATED MID-YEAR REPORT OF BORYSZEW CAPITAL GROUP**

**for the period between 1 January and 30 June  
2023**

**Report publication date  
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**SELECTED FINANCIAL DATA**

	in PLN '000		in EUR '000	
	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
<b>data regarding abbreviated consolidated financial statements</b>				
Revenue from continuing operations	3 204 586	3 536 233	694 686	761 676
Operating profit	128 027	184 051	27 754	39 643
Net profit on continuing operations	114 307	112 880	24 779	24 313
Net profit on continuing and discontinued operations	126 661	112 495	27 457	24 231
Net profit attributable to the parent	121 647	108 560	26 370	23 383
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)	0.60	0.54	0.13	0.12
Net cash flow from operating activities	247 315	257 810	53 613	55 530
Net cash flow from investment activities	20 928	93 666	4 537	20 175
Net cash flow from financial activities	(249 775)	(337 340)	(54 146)	(72 660)
	<b>Balance on 30.06.2023</b>	<b>Balance on 31.12.2022</b>	<b>Balance on 30.06.2023</b>	<b>Balance on 31.12.2022</b>
Total assets	3 985 798	3 985 674	895 625	849 842
Total liabilities and provisions	2 326 179	2 296 613	522 702	489 693
Assets of continuing operations	3 985 798	3 984 421	895 625	849 575
Liabilities of continuing operations	2 326 179	2 284 728	522 702	487 159
Equity	1 659 619	1 689 061	372 923	360 149
Equity attributable to the parent company	1 629 304	1 659 618	366 111	353 871

	in PLN '000		in EUR '000	
	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
<b>data regarding separate abbreviated financial statements</b>				
Revenues from sales	972 876	1 418 360	210 899	305 503
Operating profit	104 326	6 876	22 616	1 481
Net profit	74 857	(5 676)	16 227	(1 223)
Weighted average number of shares	205 205 000	205 205 000	205 205 000	205 205 000
Profit per ordinary share in PLN/EUR	0.36	(0.03)	0.08	(0.01)
Net cash flow from operating activities	71 854	57 985	15 576	12 489
Net cash flow from investment activities	72 260	8 988	15 664	1 936
Net cash flow from financial activities	(136 839)	(72 202)	(29 664)	(15 552)
	<b>Balance on 30.06.2023</b>	<b>Balance on 31.12.2022</b>	<b>Balance on 30.06.2023</b>	<b>Balance on 31.12.2022</b>
Total assets	2 288 670	2 532 701	514 273	540 033
Total liabilities and provisions	991 482	1 327 667	222 790	283 091
Equity	1 297 188	1 205 034	291 483	256 942

**ABBREVIATED MID-YEAR CONSOLIDATED  
FINANCIAL STATEMENTS**

**Boryszew Capital Group  
for the period between 1 January and 30 June 2023**





(amounts expressed in PLN '000 unless specified otherwise)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022	01.04.2023 -30.06.2023	01.04.2022 -30.06.2022
<b>Continuing operations</b>				
Revenues from sales	3 204 586	3 536 233	1 523 084	1 833 607
Prime cost of sale	2 896 122	3 193 175	1 352 998	1 627 575
<b>Gross profit on sales</b>	<b>308 464</b>	<b>343 058</b>	<b>170 086</b>	<b>206 032</b>
Selling costs	67 988	70 764	32 861	39 241
General and administrative costs	146 582	151 309	76 148	82 713
Other operating revenue	152 672	196 939	112 542	163 196
Other operating expenses	118 539	133 873	103 222	119 490
<b>Operating income</b>	<b>128 027</b>	<b>184 051</b>	<b>70 397</b>	<b>127 784</b>
Financial revenues	85 901	47 882	68 298	38 647
Financial expenses	66 706	68 176	47 962	47 234
Share in profit of affiliates	(754)	23	(482)	5
<b>Profit before taxation</b>	<b>146 468</b>	<b>163 780</b>	<b>90 251</b>	<b>119 202</b>
Income tax	32 161	50 900	11 602	40 428
<b>Net profit on continuing operations</b>	<b>114 307</b>	<b>112 880</b>	<b>78 649</b>	<b>78 774</b>
<b>Net profit/loss on discontinued operations</b>	<b>12 354</b>	<b>(385)</b>	<b>-</b>	<b>(131)</b>
<b>Net profit on continuing and discontinued operations</b>	<b>126 661</b>	<b>112 495</b>	<b>78 649</b>	<b>78 643</b>
<b>including attributable to:</b>				
<i>to shareholders of the parent</i>	121 647	108 560	75 600	76 654
<i>non-controlling interests</i>	5 014	3 935	3 049	1 989
<b>Earnings / Diluted earnings per share</b>	<b>121 647</b>	<b>108 560</b>	<b>75 600</b>	<b>76 654</b>
Weighted average number of shares	202 000 000	202 000 000	202 000 000	202 000 000
Earnings / Diluted earnings per share (PLN)	0.60	0.54	0.37	0.38
Net profit (loss) per share (in PLN, 100/PLN per share)	0.60	0.54	0.37	0.38
Earnings per share on continuing operations	0.60	0.54	0.37	0.38
Earnings per share on discontinued operations	-	-	-	-
Net profit (loss) diluted per share (in PLN, 100/PLN per share)	0.60	0.54	0.37	0.38
Diluted on continuing operations	0.60	0.54	0.37	0.38
Diluted on discontinued operations	-	-	-	-



(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – continued**

	01.01.2023 -	01.01.2022	01.04.2023	01.04.2022
	30.06.2023	- 30.06.2022	-30.06.2023	-30.06.2022
<b>Net profit</b>	<b>126 661</b>	<b>112 495</b>	<b>78 649</b>	<b>78 643</b>
<b>Earnings recognised in equity</b>				
<b>Earnings recognised in equity, to be transferred to income statement</b>	<b>(678)</b>	<b>8 590</b>	<b>(15 894)</b>	<b>(3 548)</b>
Hedge accounting (pre-tax)	(2 278)	(31 598)	(14 246)	(45 249)
Income tax	433	6 004	2 707	8 598
Foreign exchange differences on recalculation of foreign controlled entities	1 167	34 184	(4 355)	33 103
<b>Earnings recognised in equity, not to be transferred to income statement</b>	<b>(1 355)</b>	<b>2 005</b>	<b>(190)</b>	<b>(1 796)</b>
Gains/losses on valuation and disposal of equity instruments (before tax)	(1 241)	2 364	199	(2 329)
Income tax	236	(449)	(38)	443
Employee benefit capital reserve (before tax)	(432)	111	(433)	111
Income tax	82	(21)	82	(21)
<b>Total earnings recognised in equity</b>	<b>(2 033)</b>	<b>10 595</b>	<b>(16 084)</b>	<b>(5 344)</b>
<i>to shareholders of the parent</i>	<i>(2 033)</i>	<i>10 595</i>	<i>(16 084)</i>	<i>(5 344)</i>
<i>non-controlling interests</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Total comprehensive income, including attributable:</b>	<b>124 628</b>	<b>123 090</b>	<b>62 565</b>	<b>73 299</b>
<i>to shareholders of the parent</i>	<i>119 614</i>	<i>119 155</i>	<i>59 516</i>	<i>71 310</i>
<i>non-controlling interests</i>	<i>5 014</i>	<i>3 935</i>	<i>3 049</i>	<i>1 989</i>



(amounts expressed in PLN '000 unless specified otherwise)

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

	01.01.2023	01.01.2022	01.04.2023	01.04.2022
	-	-	-	-
	30.06.2023	30.06.2022	-30.06.2023	-30.06.2022
Revenues from sales	-	4	-	2
Prime cost of sale	-	4	-	2
<b>Gross profit (loss) from sales</b>	-	-	-	-
Selling costs	-	-	-	-
General and administrative costs	-	-	-	-
Other operating revenue	-	70	-	70
Other operating expenses	-	498	-	212
<b>Profit (loss) from operating activity</b>	-	<b>(428)</b>	-	<b>(142)</b>
Financial income - exclusion from consolidation, liquidation of HMN Szopienice S.A. in liquidation	12 354	43	-	11
Financial expenses	-	-	-	-
<b>Financial profit/loss</b>	<b>12 354</b>	<b>43</b>	-	<b>11</b>
<b>Profit (loss) before income tax</b>	<b>12 354</b>	<b>(385)</b>	-	<b>(131)</b>
Income tax	-	-	-	-
<i>current tax</i>	-	-	-	-
<i>deferred tax</i>	-	-	-	-
<b>Net profit (loss) on discontinued operations</b>	<b>12 354</b>	<b>(385)</b>	-	<b>(131)</b>
in the parent company	12 354	946	-	620
<i>non-controlling interests</i>	-	(1 331)	-	(751)



(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED BALANCE SHEET**

<b>ASSETS</b>	<b>Balance on 30.06.2023</b>	<b>Balance on 31.12.2022</b>	<b>Balance on 30.06.2022</b>
<b>Non-current assets</b>			
Tangible fixed assets	1 384 654	1 366 664	1 339 552
Investment property	114 032	123 259	138 331
Goodwill	6 418	6 418	6 418
Intangible assets	39 927	43 168	42 913
Right-of-use assets	288 120	297 676	299 582
Shares in affiliates	30 336	-	237
Financial assets	100	16 017	197
Derivative financial instruments	1 210	1 276	-
Long-term receivables	52 851	47 432	46 188
Deferred tax assets	18 978	9 147	17 425
<b>Total fixed assets</b>	<b>1 936 626</b>	<b>1 911 057</b>	<b>1 890 843</b>
<b>Current assets</b>	<b>2 049 172</b>	<b>2 074 617</b>	<b>2 336 005</b>
<b>Current assets other than assets held for sale</b>	<b>2 049 172</b>	<b>2 073 364</b>	<b>2 334 119</b>
Inventory	988 721	1 034 891	1 091 762
Trade receivables and other receivables	813 936	756 089	931 868
Short-term financial assets	16 408	93 562	91 540
Derivative financial instruments	42 891	21 620	10 988
Current tax assets	6 046	2 788	7 424
Cash and cash equivalents	181 170	164 414	200 537
<b>Assets classified as held for sale</b>	<b>-</b>	<b>1 253</b>	<b>1 886</b>
<b>Assets classified as discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>3 985 798</b>	<b>3 985 674</b>	<b>4 226 848</b>



**Boryszew Capital Group**

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 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>Balance on 30.06.2023</b>	<b>Balance on 31.12.2022</b>	<b>Balance on 30.06.2022</b>
<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	12 624	14 469	(18 272)
Capital reserve on translating employee payables	(387)	(37)	(222)
Revaluation reserve and gain on disposal of financial assets	3 433	27 991	25 111
Exchange differences on translating foreign entities	(39 964)	(41 131)	(14 506)
Retained earnings	1 527 010	1 531 738	1 533 673
<b>Total equity</b>	<b>1 629 304</b>	<b>1 659 618</b>	<b>1 652 372</b>
<b>Equity of non-controlling shareholders</b>	<b>30 315</b>	<b>29 443</b>	<b>30 434</b>
<b>Total equity</b>	<b>1 659 619</b>	<b>1 689 061</b>	<b>1 682 806</b>
<b>Liabilities and long-term provisions</b>			
Bank loans, borrowings	192 772	182 574	114 334
Lease and right-of-use liabilities	229 375	220 613	213 161
Deferred tax provision	79 687	72 406	70 425
Employee benefit provisions	15 603	15 225	22 104
Other provisions	51 560	51 377	45 465
Other liabilities	75	75	-
Other liabilities and equity	66 725	66 596	63 472
<b>Liabilities and long-term provisions - total</b>	<b>635 797</b>	<b>608 866</b>	<b>528 961</b>
<b>Short-term liabilities</b>	<b>1 690 382</b>	<b>1 687 747</b>	<b>2 015 081</b>
Bank loans, borrowings	481 126	560 960	571 673
Lease and right-of-use liabilities	27 930	37 962	45 038
Trade payables and other liabilities	892 854	790 195	1 025 471
Derivative financial instruments	10 266	7 594	31 680
Current tax liabilities	9 909	34 364	39 103
Employee benefit provisions	51 079	40 702	45 497
Other provisions	181 437	174 013	204 221
Other liabilities and equity	35 781	30 072	36 579
<b>Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale</b>	<b>1 690 382</b>	<b>1 675 862</b>	<b>1 999 262</b>
<b>Liabilities directly associated with assets classified as discontinued operations</b>	<b>-</b>	<b>11 885</b>	<b>15 819</b>
<b>Total liabilities and provisions</b>	<b>2 326 179</b>	<b>2 296 613</b>	<b>2 544 042</b>
<b>Total equity and liabilities</b>	<b>3 985 798</b>	<b>3 985 674</b>	<b>4 226 848</b>

**CONSOLIDATED CASH FLOW STATEMENT**

	01.01.2023 30.06.2023	01.01.2022 30.06.2022
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>146 468</b>	<b>163 780</b>
<b>Adjustments for (+/-)</b>	<b>100 847</b>	<b>94 030</b>
Amortisation/depreciation	78 359	87 746
Profit/loss on financial activity (including interest on financial liabilities)	20 825	28 163
Profit / loss on investment activities	(46 109)	(114 892)
Change in receivables	(66 088)	67 549
Change in inventories	(35 274)	(80 416)
Change in liabilities	196 633	118 185
Provision for employee benefits	10 755	6 141
Changes in provisions	28 658	30 738
Other items	(38 329)	24 088
Income tax paid	(48 583)	(73 272)
<b>Net cash from operating activities</b>	<b>247 315</b>	<b>257 810</b>
<b>Cash flows from investment activities</b>		
Profit on fixed assets disposal	49 244	116 087
Proceeds from disposal of shares and stocks	12 191	80 812
Proceeds from redemption of bonds by issuers	15 924	1 000
Proceeds from repayment of loans granted	45 650	9 937
Expenses on acquisition of fixed assets	(92 532)	(103 326)
Acquisition of shares and stocks	(18 031)	(693)
Loans granted	(1 000)	(10 700)
Expenditure on bonds	-	-
Other investment inflows/outflows	9 482	549
<b>Net cash from investing activities</b>	<b>20 928</b>	<b>93 666</b>
<b>Cash flows from financial activities</b>		
Incomes on credit and loan facilities	157 230	102 955
Dividends paid	(152 432)	(186 399)
Repayment of credit and loan facilities	(215 830)	(202 085)
Interest paid on loans, borrowings and leasing	(24 745)	(26 595)
Payment of liabilities under finance lease agreements	(17 509)	(30 264)
Other financial inflows/outflows	3 511	5 048
<b>Net cash from financing activities</b>	<b>(249 775)</b>	<b>(337 340)</b>
<b>Net change in cash and cash equivalents (before impact of foreign exchange rates)</b>	<b>18 468</b>	<b>14 136</b>
Translation reserve	(1 712)	(1 323)
Cash opening balance	164 414	187 724
<b>Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)</b>	<b>16 756</b>	<b>12 813</b>
<b>Cash closing balance</b>	<b>181 170</b>	<b>200 537</b>
<i>Restricted cash</i>	22 372	25 713

**Boryszew Capital Group**

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2023, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

**CONSOLIDATED STATEMENT ON CHANGES IN EQUITY**

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Revaluation reserve	Exchange differences on recalculation of overseas controlled entities	Retained earnings	Capital of the controlling entity	Equity of non-controlling interest	Total equity
<b>As at 01.01.2023</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				(1 845)					(1 845)		(1 845)
Valuation of employee benefits					(350)				(350)		(350)
Profit and valuation of financial assets and disposal through comprehensive income in H1 2023						(1 005)			(1 005)		(1 005)
Currency translation differences (subsidiaries)							1 167		1 167		1 167
Profit/loss for the first six months of 2023								121 647	121 647	5 014	126 661
<b>Total revenue for the first six months of 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 845)</b>	<b>(350)</b>	<b>(1 005)</b>	<b>1 167</b>	<b>121 647</b>	<b>119 614</b>	<b>5 014</b>	<b>124 628</b>
Dividends paid and declared								(149 928)	(149 928)	(4 003)	(153 931)
Transfer to reserve capital of profit on disposal of equity instruments						(23 553)		23 553	-		-
Change in CG structure and others				-					-	(139)	(139)
<b>Balance on 30.06.2023</b>	<b>248 906</b>	<b>114 435</b>	<b>(236 753)</b>	<b>12 624</b>	<b>(387)</b>	<b>3 433</b>	<b>(39 964)</b>	<b>1 527 010</b>	<b>1 629 304</b>	<b>30 315</b>	<b>1 659 619</b>


**Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

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

	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>Balance on 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>Balance on 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

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



**ADDITIONAL INFORMATION**

to abbreviated mid-year consolidated financial statements drafted as at 30 June 2023

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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 8 600 people.

### SUPERVISORY BOARD OF BORYSZEW S.A.

As of January 1, 2023, the Supervisory Board of Boryszew S.A. functioned in the composition:

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 the first half of 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 abbreviated consolidated financial statements for H1 '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.

The data presented for the six months ended 30 June 2023 and the comparable period were reviewed by the auditor. Data for the 3-month period from 1 April to 30 June 2023 and for the corresponding period in 2022 were not subject to such a review. The data presented for the 3-month period from 1 April to 30 June 2023 and the corresponding period in 2022 have been compiled as the difference between the data for the 6-month period ended 30 June 2023 and the data for the 3-month period ended 31 March 2023, data determined similarly for the comparable period.

The report for the first quarter of 2023 containing the data used for the calculation described above was made public on 19 May 2023.

	Average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01- 30.06.2022	4.6427	4.6806
01.01 - 31.12.2022	4.6883	4.6899
01.01 - 30.06.2023	4.6130	4.4503

### ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these mid-year abbreviated consolidated financial statements for the period of 6 months ended on 30 June 2023 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2022.

#### Basis of preparation of the consolidated financial statements

These abbreviated mid-year consolidated financial statements have been drafted in accordance with the historical cost principle, except for financial assets measured at fair value through profit or loss or other comprehensive income, assets measured at amortised cost, and financial liabilities measured at fair value through profit or loss. The abbreviated mid-year consolidated financial statements do not cover all information and disclosures to that are required in case of annual financial statements and must therefore be verified in conjunction with the financial statements of Boryszew S.A. for the year ended 31 December 2022, made public on 18 April 2023.

These abbreviated mid-year consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern for a period of at least 12 months from 30 June 2023. As of the date of approving these abbreviated mid-year consolidated financial statements for publication no circumstances have been identified that could indicate that the continuation of Group's operations is endangered.

In the first half of 2023, the Group recognised the settlement of forward transactions concluded to hedge foreign exchange risk, the settled transactions relate to the hedging of net foreign exchange exposure. The level of hedging was determined using a forecast of net foreign currency exposure based on the budgets of individual Group Companies. Exposure to foreign currency risk was determined based on forecast sales revenues in EUR as well as costs and outflows related to sales in EUR. The instruments (forward transactions) concluded by the Group Companies are of a hedging nature for currency risk, transactions settled in 2023 were presented as sales revenue. The change in valuation of these forward transactions treated as hedging instruments is recognised in financial income/expenses until settled.



Standards, interpretations and amendments to standards or interpretations effective as of 1 January 2023:

- **IFRS 17 Insurance**  
IFRS 17 defines a new approach to the recognition, measurement, presentation and disclosure of insurance contracts. The main objective of IFRS 17 is to guarantee transparency and comparability of insurers' financial statements. To this end, the entity will disclose a range of quantitative and qualitative information to enable users of financial statements to assess the impact of insurance contracts on the entity's financial position, financial performance and cash flows. IFRS 17 introduces a number of significant changes to the existing requirements of IFRS 4. They cover, among other things: the levels of aggregation on which calculations are made, the method of valuation of insurance liabilities, recognition of profit or loss over time, recognition of reinsurance, separation of the investment component, the presentation of individual items of the balance sheet and profit and loss account of reporting entities, including separate presentation of insurance income, costs of insurance services, and financial income or expenses.
- **Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors**  
The amendments to IAS 8 include a definition of accounting estimates, which should help distinguish accounting policies from accounting estimates.
- **Amendments to IAS 12**  
Changes in deferred taxes for leasing transactions and liquidation obligations.
- **Amendment to IAS 1**  
Expansion and revision of accounting policy disclosures.

The above standards and amendments have no material impact on these financial statements.

New standards and interpretations and amendments to standards or interpretations that are not yet effective and have not been earlier applied:

- **Amendment to IAS 1**  
The amendment relates to a change in the presentation of liabilities, in particular clarifies the criteria for classifying liabilities as long-term.
- **Amendment to IFRS 16**  
The amendment relates to the calculation of lease liability in sale and leaseback transactions.
- **Amendment to IFRS 7 and IAS 7**  
The amendment clarifies the features of supplier financing agreements (reverse factoring) and the disclosures required in financial statements when entering into such agreements.

The above amendments are effective as of 1 January 2024 and as of the date of approval of these financial statements have not been approved by the EU, the Group is in the process of assessing the impact of these standards.

## **RESTATEMENT OF COMPARABLE DATA AND CORRECTION OF ERRORS OF PREVIOUS YEARS**

The Group has not restated the comparative data in these Mid-year Consolidated Financial Statements except for the changes described below.

The Group adjusted the presentation of comparable data for the period from 1 January to 30 June 2022 in terms of:

- presentation of impairment losses on assets, which were previously presented as the excess of the recognition and release of these provisions. In the current report other operating income is attributed to the release of write-offs and other operating expenses to the recognition of write-offs. The adjustment has no effect on the financial result.





**Boryszew Capital Group**

**Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 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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- presentation of write-offs on financial assets, which were previously presented as the excess of the recognition and release of these provisions. In the current report, financial income is attributed to the release of write-offs and financial expenses to the recognition of write-offs. The adjustment has no effect on the financial result.

The changes were aimed at standardising the format of the interim report to the uniform ESEF format specified by the European Securities and Markets Authority (ESMA) for annual financial statements.

These Mid-year Consolidated Financial Statements include no correction of prior years' errors.


**Boryszew Capital Group**

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 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 30 JUNE 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 Oberflächetechnik 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 Plastičkářská 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


**Boraszew Capital Group**

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2023, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
Maflow Plastics Poland Sp. z o.o. (formerly Boraszew Tensho Poland Sp. z o.o.)	Ostaszewo	100.00	Boraszew S.A.	Automotive
Boraszew Holding Sp. z o.o.	Warsaw	100.00	Boraszew S.A.	Metals
Boraszew Assets Sp. o.o. (formerly: SPV Lakme Investment Sp. z o.o.)	Warsaw	100.00	Boraszew S.A.	Unallocated
Walcownia Metali Dziedzice S.A.	Czechowice-Dziedzice	100.00	Boraszew S.A.	Metals
ZM SILESIA S.A.	Katowice	100.00	Boraszew S.A.	Metals
Baterpol S.A.	Katowice	100.00	Polski Cynk Sp. z o.o.	Metals
Alchemia S.A.	Warsaw	100.00	Boraszew 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	Boraszew S.A.	Metals
Boraszew Property Sp. z o.o. (formerly: Eastside Capital Investments Sp. z o.o.)	Warsaw	100.00	Boraszew 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
Boraszew Nieruchomości Sp. z o.o. (formerly: 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	Boraszew S.A.	Metals
RAPZ Sp. z o.o. (**)	Dąbrowa Górnicza	42.67	Huta Bankowa Sp. z o.o.	Metals
"onesano" S.A. (***)	Chorzów	42.50	Boraszew 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; Boraszew S.A. - 239 398 865.86 B series shares - without voting rights.

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

(\*\*\*) "onesano S.A., in which the parent company holds a 42.50% equity interest, is valued in these consolidated financial statements using the equity method.

**COMPANIES THAT WERE 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



## 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 22 June 2023 the company was deleted from the register of entrepreneurs maintained by the National Court Register (the decision is final).

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
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Exclusion of liabilities and adjustments related to discontinued operations	(146 405)
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<b>Difference recognised as result from liquidation of the Company in discontinued operations</b>	<b>12 354</b>
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In these consolidated statements, as at 30 June 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.

## 3. 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).

**4. 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, Theysohn Formenbau GmbH w likwidacji, Boryszew Kunststofftechnik Deutschland GmbH, AKT Plastičářská 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 w likwidacji, 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.

Other companies not assigned to segments are: Boryszew S.A. - Head Office, Boryszew S.A. Boryszew Energy Branch, Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside Bis Spółka z o.o.), Boryszew Assets Sp. z o.o. (formerly: SPV Lakme Investment Sp. z o.o.), Boryszew Property Sp. z o.o. (formerly: Eastside Capital Investments Sp. z o.o.), Elana Energetyka Sp. z o.o., "onesano" S.A.

**REVENUES FROM SALE BY DESTINATION MARKET**

Sales revenues by geographical areas	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
<b>Continuing operations</b>		
Domestic sales	1 108 749	1 434 078
Sales to EU member states *)	1 822 851	1 818 259
Sales to other European countries	113 468	128 653
Export outside Europe	153 307	155 243
Hedging instruments settled in the period	6 211	-
<b>Total (revenues from continuing operations)</b>	<b>3 204 586</b>	<b>3 536 233</b>

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

Share of EU member states in intra-Community sales:	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
Germany	36%	39%
The Czech Republic	19%	19%
Italy	6%	6%
Slovakia	6%	5%



(amounts expressed in PLN '000 unless specified otherwise)

**REVENUES AND RESULTS BY OPERATING SEGMENTS IN THE FIRST SIX MONTHS OF 2023**

*(data regarding continuing operations)*

<b>Continuing operations 01.01.2023 - 30.06.2023</b>	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	123 928	936 159	1 967 992	398 237	3 426 316	(221 730)	3 204 586
Segment costs of sales	105 340	854 139	1 765 561	385 853	3 110 893	(214 771)	2 896 122
<b>Result on sales within segment</b>	<b>18 588</b>	<b>82 020</b>	<b>202 431</b>	<b>12 384</b>	<b>315 423</b>	<b>(6 959)</b>	<b>308 464</b>
General, administrative and sales expenses	19 401	91 552	91 854	14 022	216 829	(2 259)	214 570
Other operating profit/loss	2 880	(1 198)	21 585	118 621	141 888	(107 755)	34 133
<b>Segment profit/loss</b>	<b>2 067</b>	<b>(10 730)</b>	<b>132 162</b>	<b>116 983</b>	<b>240 482</b>	<b>(112 455)</b>	<b>128 027</b>
Amortisation/depreciation	2 716	41 316	31 501	5 822	81 355	(2 996)	78 359
EBITDA *)	4 783	30 586	163 663	122 805	321 837	(115 451)	206 386
Segment assets	198 047	1 604 389	2 397 837	1 902 823	6 103 096	(2 117 298)	3 985 798
Segment liabilities	122 895	2 153 533	768 866	305 785	3 351 079	(1 024 900)	2 326 179

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

\*) EBITDA = operating profit less depreciation expense



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

### Distribution of profit for 2022

The Ordinary General Meeting of Boryszew S.A. held on 22 May 2023 decided to distribute the net profit for the financial year 2022 in the amount of PLN 14 828 086.50 and the profit on disposal of financial assets through comprehensive income in the amount of PLN 23 553 385.88 in such a way that it allocated the aforementioned profit in its entirety for distribution to shareholders, i.e. for the payment of dividend to shareholders.

### Dividends paid

The Ordinary General Meeting of Boryszew S.A. held on 22 May 2023 passed a resolution to pay a dividend to shareholders 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 in the amount of PLN 38 381 472.38, and from the reserve capital of the Company in the amount of PLN 113 470 227.62 which, according to the provisions of art. 348 § 1 of the Commercial Companies Code may be assigned for distribution among shareholders.

The dividend date was scheduled for 29 May 2023, the date of payment was set for 5 June 2023.

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

Part of the dividend paid by Boryszew S. A. remained in the Group, the value of the dividend paid outside the Group amounts to PLN 149 930 thousand. The dividend was paid in accordance with the resolution of the Ordinary General Meeting of Boryszew S.A.

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

### NON-EQUITY SECURITIES

In H1 '2023 and until the date of publication of the report, the Group issued no non-equity securities.

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

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

On 30 June 2023 Boryszew Capital Group had receivables under bonds issued by entities outside the Capital Group.

#### Unibax Sp. z o.o., based in Toruń

##### Redemption of bonds subscribed by Alchemia S.A.

On 5 June 2023, Unibax Sp. z o.o. redeemed bonds subscribed by Alchemia S.A., nominal value of PLN 10 800 000.00.

##### Redemption of bonds subscribed by Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside Bis Spółka z o.o.)

On 5 June 2023, Unibax Sp. z o.o. redeemed bonds subscribed by Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside Bis Spółka z o.o.), total nominal value of PLN 5 123 500.

On 30 June 2023, Boryszew Capital Group had receivables under bonds issued by entities outside the Capital Group

### EQUITY SECURITIES

In H1 '2023 and until the report publication date, the Company issued no equity securities.



## **CAPITAL INVESTMENTS**

In H1 2023 Boryszew S.A. acquired a total of 15 000 000 shares of "onesano" S.A., representing approximately 22.77% of the share capital and carrying 15 000 000 votes at the General Meeting, which accounts for approximately 22.77% 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 28 000 000 shares of "onesano" S.A., representing approximately 42.50% of the share capital and carrying 28 000 000 votes at the General Meeting, which accounts for approximately 42.50% of the total number of votes at the General Meeting of "onesano" S.A.

As a result of the transaction of acquisition of shares of onesano S.A., Boryszew S.A. gained significant influence in onesano S.A. on 27 January 2023, and as of that date presents the company as an affiliate consolidated under the equity method.

On 30 June 2023, Boryszew S.A. holds 28 000 000 shares of onesano S.A., accounting for 42.50% of the Company's share capital.

## **REAL PROPERTY**

### **Boryszew Nieruchomości Spółka z o.o. (formerly: Eastside – Bis Spółka z o.o.)**

On 13 June 2023, the Company concluded a final sale agreement with an individual with personal ties to the Issuer for the sale of an office property located in Warsaw at Foksal 6, for a net amount of PLN 72.1 million.

The Purchaser paid part of the sales price of PLN 35 million on 13 June 2023. The remainder of the price will be paid by 15 June 2024.

Payment of the sale price was secured by the Purchaser's submission to execution under Article 777 § 1(4) of the Code of civil procedure.

The transfer of ownership of the Property was completed on the date of the Agreement. In the agreement, the Company undertook to obtain, until 31 May 2024, the consent of the mortgagor to remove the contractual mortgage from the land and mortgage register maintained for the Property.

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

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

## **LOANS GRANTED, REPAID**

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.

### **Repayment of loans granted by Boryszew S.A.**

On 5 June 2023, Unibax Spółka z o.o. repaid loan in the amount of PLN 10 400 000 (with repayment due by 31 December 2023).

On 14 June 2023, Unipartner Spółka z o.o. repaid loan in the amount of PLN 22 500 000 (with repayment due by 31 December 2023).

### **Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside – Bis Spółka z o.o.)**

#### **Repayment of loans to related parties**

##### **Repayment of the loan by Unibax Spółka o.o.**

On 5 June 2023, Unibax Spółka z o.o. repaid in full a cash loan in the amount of PLN 400 000, granted based on the agreement of 2 December 2022, by Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside- Bis Spółka z o.o.), with repayment due by 31 December 2023

##### **Repayment of loan by RKK Investments Spółka z o.o.**

On 6 June 2023, RKK Investments Spółka z o.o. repaid in full a cash loan in the amount of PLN 9 000 000, granted based on the agreement of 26 October 2022, by Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside- Bis Spółka z o.o.), with repayment due by 31 December 2023.





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

### **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, as of 30 June 2023, no additional write-off that could affect the current period's results were recognised.

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 H1 2023 and Q2 2023 should include:

- invasion on Ukrainian territory,
- economic downturn
- decline in prices of steel products
- significant drop in electricity and natural gas prices,
- exchange rate volatility and rising inflation,

## **8. 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,
- duration and scale of the armed conflict in Ukraine,
- global economic situation, especially in the key sectors (motorization and construction) as well as in the main sales markets (the European Union, including Germany).
- monetary policy of the National Bank of Poland, which has an impact on inflation and rules of granting financing by the banking sector,
- availability of feedstock,
- demand for new cars, especially for products of the VW Group, which is the most important customer of the Boryszew Capital Group,
- supply chain disruptions,
- legislation in energy prices (in the European Union and in Poland),
- costs of adapting production processes to the environmental requirements of the European Union (particularly the non-ferrous metals industry),
- the level of metal quotations and currencies determining the amount of working capital and effectiveness of export and domestic sales.
- higher economic protectionism in international trade, resulting in restrictions to access markets,
- costs of raw materials, including in particular scrap prices and the amount of the metal premium,
- PLN exchange rate against foreign currencies; due to the significant share of export sales, which in effect affects the level of margins earned in PLN,



- prices of crude oil and, as a consequence, prices of organic chemicals derivatives - plastics and components for the production of plastic parts for cars in injection moulding technology,
- volatility of tax law regulations and stricter attitude of fiscal authorities during tax audits.
- a change in consumer sentiment that could curb household demand for durable goods,
- Poland's receipt of funds from the National Recovery Plan.

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

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

Any forecasts should be treated as one of many possible scenarios, not as predictions presented with full conviction.

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

### Contingent liabilities

	Balance on 30.06.2023	Balance on 31.12.2022	change
Sureties for the repayment of loans and other liabilities by associated companies	108 152	114 906	(6 754)
Liability for tax risks on proceedings at ZM SILESIA S.A.	26 110	87 787	(61 677)
<b>Total</b>	<b>134 262</b>	<b>202 693</b>	<b>(68 431)</b>

	Balance on 30.06.2023	Balance on 31.12.2022	change
<b>Contingent liabilities</b>	<b>108 152</b>	<b>114 906</b>	<b>(6 754)</b>
<b>resulting from granted guarantees, sureties and other liabilities</b>	<b>108 152</b>	<b>114 906</b>	<b>(6 754)</b>
- guarantees and sureties associated with performance of contracts	108 152	114 906	(6 754)
- guarantees and sureties in favour of financial institutions	-	-	-

**Increases / decreases in the period of 6 months ended on 30.06.2023, including:**

#### Additions

- Increase due to valuation of sureties
- Increase in surety amount

#### Reductions

- Reduction due to valuation of sureties
- Reduction in the amount of existing sureties due to expiry, reductions



(amounts expressed in PLN '000 unless specified otherwise)

	Balance on 30.06.2023	Balance on 31.12.2022	change
<b>Contingent assets/ CO2 emission rights</b>	<b>33 236</b>	<b>34 220</b>	<b>(984)</b>

The decrease in contingent assets as of 30.06.2023 compared to the end of 2022 is a result of the redemption of a portion of CO2 emission rights for 2022, the sale of rights, the receipt of less than the amount redeemed of emission rights for 2023, and is a result of the change in valuation at the reporting date due to the difference in price per unit and the exchange rate of the EURO.

The market value of CO2 emission rights held as of 30.06.2023 is PLN 33 236 million [83 380 units x EUR 89.57 (average quotations for CO2 emission futures contracts) x 4.4503 (average exchange rate of the National Bank of Poland on 30.06.2023)]. The fair value of EUA units received free of charge (on the reporting date) on the date of acquisition is PLN 33 232 million.

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

### Financial assets per balance sheet on 30.06.2023

	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		23	101
Trade receivables, factoring	530 347	36 448			566 795
Derivative financial instruments		167	43 934		44 101
Loans granted	16 407				16 407
Bonds	-				-
Other debtors	101 578				101 578
Cash and cash equivalents	181 170				181 170
<b>Total</b>	<b>829 502</b>	<b>36 693</b>	<b>43 934</b>	<b>23</b>	<b>910 152</b>

### 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>

**Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

**Financial liabilities on 30.06.2023**

	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	673 898			673 898
Bonds	-			-
Derivative financial instruments		-	10 266	10 266
Lease liabilities	63 346			63 346
Right-of-use liabilities	136 682			136 682
Trade and other liabilities	757 584			757 584
<b>Total</b>	<b>1 631 510</b>	<b>-</b>	<b>10 266</b>	<b>1 641 776</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
Right-of-use liabilities	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>

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

	Fair value as at		Hierarchy of fair value
	Balance on 30.06.2023	Balance on 31.12.2022	
<b>Financial assets</b>			
Listed shares (*)	23	26 003	Level 1
Derivative financial instruments	44 101	21 620	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	10 266	7 594	Level 2

(\*) the decrease is a result of a change in the classification of shares held in "onesano" S.A., on 30.06.2023 these shares are presented as shares of an affiliate and are not measured at fair value.

**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
	Balance on 30.06.2023	Balance on 31.12.2022	
<b>Financial assets</b>			
Shares and stock	78	78	Level 3
Bonds	-	21 346	Level 3
Borrowings	16 407	62 152	Level 3
Trade and other receivables	668 373	647 123	Level 3
Cash and cash equivalents	181 170	164 414	Level 1
<b>Financial obligations</b>			
Borrowings and loans	673 898	743 534	Level 2
Trade and other liabilities	757 584	676 620	Level 3
Lease liabilities	63 346	73 481	Level 2
Right-of-use liabilities	136 682	128 048	Level 2
Right-of-use liabilities - investment properties	57 277	57 046	Level 2

Impact of write-offs on assets and provisions on profit/loss	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
Creation of value impairment write-offs for accounts receivable	(2 900)	(1 399)
Reversal of write-downs on accounts receivable (-)	758	5 760
Tangible fixed assets impairment write-offs	(757)	(9)
Reversal of tangible fixed assets impairment write-offs	223	67
Valuation of shares to fair value	-	(226)
Valuation to fair value of investment properties	1 675	224
Provisions for tax risks in ERG branch	(2 455)	(30 313)
Reversal of provisions for liquidation of Hutmen Sp. z o.o.	-	45 621
Creation of provisions	(7 225)	(4 717)
Reversal of provisions	1 260	3 053
<b>Total impact on profit/loss</b>	<b>(9 421)</b>	<b>18 061</b>

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(amounts expressed in PLN '000 unless specified otherwise)

**Transactions with affiliated entities**

	Associates	Personally related entities
<b>in the period 01.01.2023 - 30.06.2023</b>		
Revenues from sales (of products, services, goods)	472	78 201
Interest income	-	3 065
Purchase of goods and services	5 111	2 479
<b>as at 30.06.2023</b>		
Trade receivables	27	38 080
Loans granted	-	16 407
Trade liabilities	955	507
Other liabilities (advances, deposits)	-	8

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

**11. 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 the first half of 2023 Boryszew S.A. conducted operations based on:

- Maflow Branch in Tychy – manufacturer of tubes for the automotive industry, including mainly air-conditioning tubes, power steering systems and various rubber components. The Branch's assets, constituting the largest productive assets of Maflow Group, were purchased on 10 August 2010.



## **Boryszew Capital Group**

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(amounts expressed in PLN '000 unless specified otherwise)

- 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).



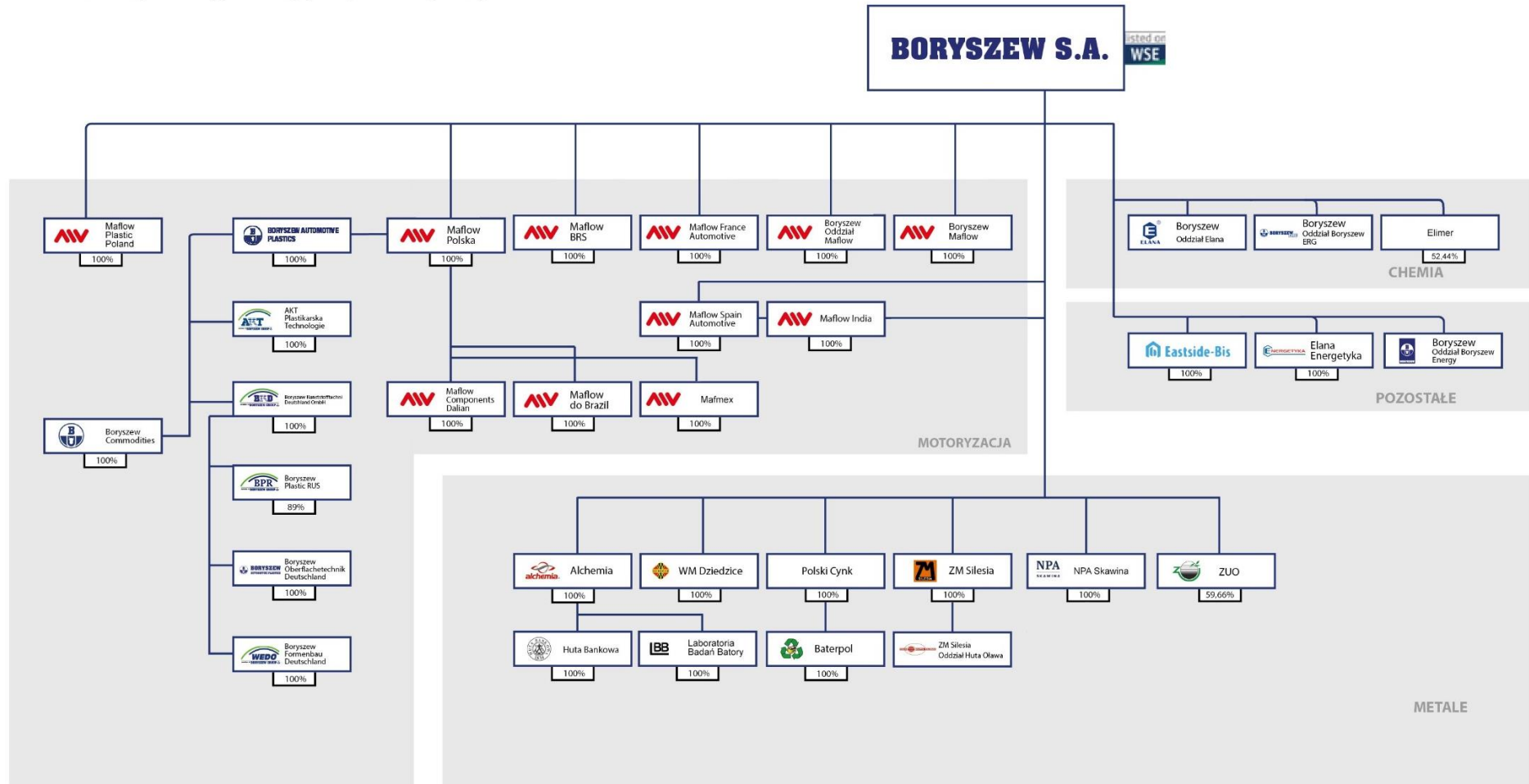
# Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

## SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW CAPITAL GROUP (ON 30 JUNE 2023)

### Struktura organizacyjna Grupy Kapitałowej Boryszew





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

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. and a diversified group of customers.

The main assumptions of Boryszew Group Strategy include:

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

Given the global economic slowdown as of the date of publication of this report, the Group recognises the potential possibility of a delay in implementation of its strategic goals in terms of the assumed optimisation of the asset base, which may affect the achievement of the goals set out in the Strategy for the current year, nevertheless, the Parent Company's Management Board believes that this should have no impact on the achievement of goals in the perspective to 2026.

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

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 30.06.2023 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.



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

In the period since the submission of the report for Q1 2023 on 19 May 2023 until publication of the report for H1 2023, no changes occurred to the ownership structure of significant blocks of shares of Boryszew S.A.

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

From the date of submission of the report for Q1 2023 to the date of publication of the report for H1 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.

#### **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 covers fiscal years 2022-2025, namely the aforementioned fiscal years will be evaluated in terms of the criteria and objectives of the Incentive Scheme. Under the Incentive Scheme, rights to purchase a total of up to 4 000 000 (four million) own shares may be granted, however the President of the Management Board of the Company holding their position on the date of adoption of the Resolution, will be granted the right to acquire a total of 2 000 000 (two million) shares, as follows:

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

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

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

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

As of the date of publication of the report, no participation agreements in the program were concluded.



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

Borszew S.A. and Borszew 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 except for the ones mentioned below.

### 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/GL 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 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. On 15 June 2023, the Director of the Fiscal Administration Chamber in Warsaw sent the Company's appeals again to the Director of the Fiscal Administration Chamber in Katowice for handling according to jurisdiction. By the decision of the Director of the Fiscal Administration Chamber in Katowice, another new deadline was set for the completion of the case, 10 November 2023.

- On 24 September 2020 ZM SILESIA S.A. received the decision of the Head of the Małopolska Customs and Fiscal 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 to 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 Director 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 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 Director of the Fiscal Administration Chamber in Katowice.

On 20 June 2023 the Provincial Administrative Court in Gliwice issued a judgment revoking in its entirety the decision of the Director of the Fiscal Administration Chamber in Katowice of 26 October 2022 and the preceding decision of the Head of the Małopolska Customs and Fiscal Office in Kraków of 24 September 2020 on the tax on goods and services for the period between January 2013 and December 2014, and also discontinued the tax proceedings in entirety, finding that the statute of limitations had expired for all tax liabilities covered by the proceedings concerned.



The court questioned the correctness and effectiveness of the tax authorities' efforts to possibly suspend or interrupt the course of the disputed tax liabilities. The court pointed out, among other things, that the initiation, just before the expiry of the statute of limitations for the earliest tax obligations, of criminal tax proceedings, in which no one was charged, and which ultimately ended in dismissal due to the lack of a criminal act, was instrumental and aimed only at suspending the course of tax obligations, and not at realistically achieving the goals of criminal tax proceedings.

Since the statute of limitations on tax liabilities automatically renders further tax proceedings groundless, the Court decided to discontinue the proceedings, since it would be pointless for the tax authorities to review the case again.

On 10 July 2023, the Company received a ruling from the Provincial Administrative Court in Gliwice of 20 June 2023, along with a substantiation. The ruling is not final.

- 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 concerned 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 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, 29 September 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. The anticipated completion date of the proceedings: 30 October 2023.
- 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. The anticipated completion date of the proceedings: 9 October 2023.
- 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 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) The case is still pending. In a decision of 13 April 2023, the Director of the Fiscal Administration Chamber in Katowice set a deadline of 13 October 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.
- Boraszew 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 Boraszew 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 Boraszew 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 Boraszew 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. The anticipated completion date of the proceedings - 4 September 2023.

The company recognised a provision for tax risk with interest for the aforementioned procedure, in the total amount of app. PLN 32.8 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 Group's prudent approach to accounting issues, while as a matter of principle the Group 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 Boraszew S.A. Capital Group

- On 22 October 2020 the President of the Office of Competition and Consumer Protection initiated proceedings against Boraszew S.A. due to the company's excessive delays in meeting its cash obligations in the period June-August 2020. On 20 July 2023, the Company received a notice of completion of the evidence hearing in the case, along with the preliminary position of the President of the office, but not yet being a decision on the merits of the case. On 3 August 2023, the Company, as per Art. 10(1) of the Code of administrative procedure, commented on the collected evidence and materials, also presenting its position in the case.
- 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. The investigation is being conducted by Politia Finanziara.

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

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

The Group recognised provisions for tax risks following pending proceedings, taking into consideration the probability of an unfavourable outcome of the proceedings.



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

In the case of an unfavourable scenario of the pending court proceedings in tax matters, as described above, the Subsidiary will likely go bankrupt, and then the outflow of resources from the Group will be up to the value of Subsidiary's net assets lost as a result of bankruptcy and the equivalent of the sureties granted to the Subsidiary. The balance of provisions for all tax risks in the consolidated financial statement of Boryszew S.A. on the balance sheet date ended on 30 June 2023 is PLN 179 681 thousand (high risk). Furthermore, the Group recognises contingent liabilities in the amount of PLN 26 110 thousand (medium or low risk).

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

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

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

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

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

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

#### **Repayment of loans granted by Boryszew S.A.**

On 5 June 2023, Unibax Spółka z o.o. repaid loan in the amount of PLN 10 400 000 (with repayment due by 31 December 2023).

On 14 June 2023, Unipartner Spółka z o.o. repaid loan in the amount of PLN 22 500 000 (with repayment due by 31 December 2023).

#### **Unibax Sp. z o.o., based in Toruń**

##### **Redemption of bonds subscribed by Alchemia S.A.**

On 5 June 2023, Unibax Sp. z o.o. redeemed bonds subscribed by Alchemia S.A., nominal value of PLN 10 800 000.00.

##### **Redemption of bonds subscribed by Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside Bis Spółka z o.o.)**

On 5 June 2023, Unibax Sp. z o.o. redeemed bonds subscribed by Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside Bis Spółka z o.o.), total nominal value of PLN 5 123 500.

On 30 June 2023, Boryszew Group companies hold no bonds issued by Unibax Spółka z o.o.

#### **Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside – Bis Spółka z o.o.)**

##### **Repayment of loans to related parties**

##### **Repayment of the loan by Unibax Spółka o.o.**

On 5 June 2023, Unibax Spółka z o.o. repaid in full a cash loan in the amount of PLN 400 000, granted based on the agreement of 2 December 2022, by Boryszew Nieruchomości Spółka z o.o. (formerly: Eastside- Bis Spółka z o.o.), with repayment due by 31 December 2023



**Repayment of loan by RKK Investments Spółka z o.o.**

On 6 June 2023, RKK Investments Spółka z o.o. repaid in full a cash loan in the amount of PLN 9 000 000, granted based on the agreement of 26 October 2022, by Boryszew Nieruchomości Spółka z o.o. (formerly: Eastside- Bis Spółka z o.o.), with repayment due by 31 December 2023.

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

As at 30 June 2023 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

**19. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF LOAN OR BORROWING SURETIES OR GUARANTEES – JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS MATERIAL****SURETIES GRANTED BY BORYSZEW S.A. AS AT 30.06.2023 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 30.06.2023**

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	22 252	indefinite validity
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	22 252	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	10 244	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	26 702	contract period + 15 years
Maflow Components (Dalian) Co. Ltd	BMW AG performance bond	26 702	contract period + 15 years
<b>Total</b>		<b>108 152</b>	



(amounts expressed in PLN '000 unless specified otherwise)

#### Guarantees and sureties as at 31.12.2022

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 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

Sureties and guarantees are granted by Boryszew Capital Group Companies on arm's length basis.

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

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

#### 21. ADDITIONAL INFORMATION

At the end of June 2023, impairment tests were performed on cash-generating units ("CGUs") as a result of the rationale analysis:

1. Boryszew Automotive Plastics Group
2. ZM Silesia Katowice branch
3. ZM Silesia Oława branch
4. Maflow Spain Automotive S.L.U
5. MAFMEX S.DE R.L.DE C. V



The recoverable value of assets was determined using the discounted net cash flow method based on budgets approved by the Management Board. The parameters for the tests and their results are presented below:

Name of entity	Projection period	Residual value	Actual / nominal cash flow	Growth rate after the forecast period	WACC for the forecast period	WACC for the RV period	Result of the test	Sensitivity analysis 1 bps increase of WACC Growth rate in the residual period + 1% p.p.	Sensitivity analysis EBITDA down 5%
Boryszew Automotive Plastics Group	5 years	Yes	Nominal	2.00%	6.92%	5.71%	No write-off necessary	No write-off necessary	No write-off necessary
ZM Silesia Katowice branch	5 years	Yes	Nominal	2.50%	14.23%	12.40%	No write-off necessary	No write-off necessary	No write-off necessary
ZM Silesia Olawa branch	5 years	Yes	Nominal	2.50%	14.23%	12.40%	No write-off necessary	No write-off necessary	No write-off necessary
Maflow Spain Automotive S.L.U	5 years	Yes	Nominal	2.00%	10.17%	9.68%	No write-off necessary	No write-off necessary	Write-off of PLN (492) thousand
MAFMEX S.DE R.L.DE C. V	5 years	Yes	Nominal	3.00%	17.20%	14.38%	No write-off necessary	No write-off necessary	No write-off necessary

As a result of the test, on 30 June 2023, the recoverable value of the tested fixed assets is higher than their carrying value, therefore impairment charges were no longer necessary.

In addition, despite the failure to meet the assumed budget for the first half of 2023, tests were waived for:

1. CGU Boryszew S.A. ERG branch failure to meet the plan, which is temporary and mainly due to cheap imported product from the Far East. New products and distribution channels are being implemented. In addition, the Board commissioned a plan to optimise the branch.
2. CGU Boryszew S.A. Maflow failure to meet the budget is mainly due to the delay of the launch of the integrated production line for the production of components for electric cars. In addition, tests conducted at the end of 2022 showed no indication for asset write-offs.
3. Maflow do Brasil Ltda's failure to meet the budget is due to overestimation of labour and material costs, which will be offset by expected customer price increases. The situation is temporary, and forecasts include increases and optimisations that will positively affect business.

## 20. OTHER IMPORTANT EVENTS

### BORYSZEW S.A.

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

In H1 2023 Boryszew S.A. acquired a total of 15 000 000 shares of "onesano" S.A., representing approximately 22.77% of the share capital and carrying 15 000 000 votes at the General Meeting, which accounts for approximately 22.77% 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 28 000 000 shares of "onesano" S.A., representing approximately 42.50% of the share capital and carrying 28 000 000 votes at the General Meeting, which accounts for approximately 42.50% of the total number of votes at the General Meeting of "onesano" S.A.

As a result of the transaction of acquisition of shares of onesano S.A., the Parent Company gained significant influence in onesano S.A. on 27 January 2023, and as of that date presents the company as an affiliate consolidated under the equity method.

On 30 June 2023, Boryszew S.A. holds 28 000 000 shares of onesano S.A., accounting for 42.50% of the Company's share capital.



value of shareholding on 30.06.2023 at purchase price	31 090
share of net assets determined by value on the date of significant influence, share on 30.06.2023.	9 090
<b>Potential Goodwill on acquisition considering the book value as the value of the net assets acquired</b>	<b>22 000</b>
<b>Group's share of the result of onesano S.A. between the date of significant influence and 30 June 2023.</b>	<b>(803)</b>

The value of the block of shares held, calculated according to the stock price (Warsaw Stock Exchange) on the balance sheet date, is PLN 36 120 thousand.

In accordance with the Group's accounting policy, the Group recognises shares in affiliates in this report at cost. For the purposes of this settlement, the Company adopted the principle in accordance with its accounting policy of setting the purchase price as the initial value. In accordance with this principle, shares held in an affiliate are presented in the consolidated statement of financial position at a value equal to the purchase price of all holdings up to the date of significant influence as well as those acquired after that date.

Prior to significant influence, the shares in "onesano" S.A. were measured at fair value and the effects of the measurement were recognised through other comprehensive income. On the date of the significant impact, the Group reversed the valuation earlier recognised by comprehensive income in the amount of PLN 2 858 thousand and the related deferred tax in the amount of PLN (543) thousand, in order to bring the value of the shares in the associate to the initial value corresponding to the cost at purchase price.

In this report, the Group presents the acquired shares at cost together with its share of the result for the period of significant influence. Due to the ongoing process of assessing the value of the Company 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 fair value of the acquired assets of the Company will be recognised in the annual report for 2023 at the latest.

#### **Conclusion of significant agreements of Maflow Group**

On 15 March 15, 2023, Boryszew S.A. 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.

On 30 May 2023, the Company's Supervisory Board approved Maflow Group's capital expenditure of approximately €20 million. The planned investments are related to an agreement with one of the leading manufacturers in the automotive industry for the supply by Boryszew Group companies of hoses for the air conditioning system for the plants of the aforementioned customer, for installation in cars (mainly electric cars), years 2025-2034. The estimated value of deliveries during this period amounts to around €280 million. Following the conclusion of the agreement, plans are made to expand the production facilities of the Boryszew Group with locations in China and Mexico.

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

#### **Recognition of write-offs on fixed assets of a subsidiary company**

On 24 March 2023 the Management Board of Boryszew S.A. decided to make a write-off on tangible assets, intangible assets and deferred tax assets of its indirect subsidiary Boryszew Plastic Rus Sp. z o.o., based in Nizhny Novgorod (Russia), in the amount of PLN 52.7 million.

The above event was of an accounting nature and recognition of the write-off did not affect Company's liquidity. The value of the write-off will be charged to the consolidated financial results presented in the Issuer's 2022 financial statements.

The creation of the aforementioned write-off is a consequence of the suspension of production by that subsidiary caused by the decisions of automotive concerns to suspend production in Russia. This situation makes it impossible to prepare business forecasts for the aforementioned subsidiary. The Company announced the suspension of production at the Russian-located plant in current report No. 5/2022 of 3 March 2022 and in recent interim reports.



## Boryszew Capital Group

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2023, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

### BORYSZEW S.A. MAFLOW BRANCH

The Management Board of Boryszew S.A., acting upon the authorisation granted by the General Meeting of Shareholders, initiated measures associated with the contribution of Maflow branch as an in-kind contribution to the SPV. The spin-off of Maflow branch is planned for 2024.

### BORYSZEW CAPITAL GROUP

#### Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside Bis Spółka z o.o.)

On 19 June 2023 the company signed a preliminary agreement with Boryszew S.A. for the acquisition of real estate at M. Skłodowska-Curie street No. 73 in Toruń, for a net price of PLN 50 000 000.00. The transfer agreement will be signed by 31 December 2025.

#### Events after the balance sheet date

##### Change of company names of Group companies

On 10 July 2023 extraordinary general meeting of:

- 1) SPV Lakme Investment Spółka z o.o. with registered office in Warsaw passed a resolution on changing the company's name to **Boryszew Assets Spółka z o.o.**  
On 3 August 2023, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, having reviewed the application of SPV Lakme Investment Spółka z o.o., made an entry in the Register of Entrepreneurs of a change in the name under which the company operates to: Boryszew Assets Sp. z o.o.
- 2) Boryszew Holding Spółka z o.o. with registered office in Warsaw passed a resolution on changing the company's name to **Boryszew Inwestycje Sp. z o.o.**,
- 3) Eastside Bis Spółka z o.o. with registered office in Warsaw passed a resolution on changing the company's name to **Boryszew Nieruchomości Sp. z o.o.**  
On 19 July 2023, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, having reviewed the application of Eastside Bis Spółka z o.o., made an entry in the Register of Entrepreneurs of a change in the name under which the company operates to: Boryszew Nieruchomości Sp. z o.o.,
- 4) Elana Energetyka Spółka z o.o. with registered office in Toruń passed a resolution on changing the company's name to **Boryszew Green (Energy & Gas) sp. z o.o.**,
- 5) Eastside Capital Investments Sp. z o.o. with registered office in Warsaw passed a resolution on changing the company's name to **Boryszew Property sp. z o.o.**  
On 27 July 2023, the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, having reviewed the application of Eastside Capital Investments Spółka z o.o., made an entry in the Register of Entrepreneurs of a change in the name under which the company operates to: Boryszew Property Sp. z o.o.

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

**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).**



## 21. DECLARATIONS OF THE MANAGEMENT BOARD

The Management Board for Boryszew S.A.: Wojciech Kowalczyk, Łukasz Bubacz, Mikołaj Budzanowski, declare that:

- to the best of their knowledge, the consolidated financial statements of the Boryszew Capital Group for H1 '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 Capital Group.
- the report on activity of Boryszew Capital Group for H1 '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 30 June 2023**





Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2023, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

## STATEMENT OF COMPREHENSIVE INCOME

	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022	01.04.2023 -30.06.2023	01.04.2022 -30.06.2022
Revenues from sales	972 876	1 418 360	445 901	740 999
Prime cost of sale	887 798	1 326 370	405 092	689 280
<b>Gross profit on sales</b>	<b>85 078</b>	<b>91 990</b>	<b>40 809</b>	<b>51 719</b>
Selling costs	9 789	22 566	4 878	12 343
General and administrative costs	56 330	53 427	28 944	27 548
Other operating revenue	95 260	22 805	88 451	10 791
Other operating expenses	9 893	31 926	5 735	29 317
<b>Operating income</b>	<b>104 326</b>	<b>6 876</b>	<b>89 703</b>	<b>(6 698)</b>
Financial revenues	61 392	44 708	39 784	20 549
Financial expenses	86 388	44 606	61 462	25 397
<b>Financial profit/loss</b>	<b>(24 996)</b>	<b>102</b>	<b>(21 678)</b>	<b>(4 848)</b>
<b>Profit before taxation</b>	<b>79 330</b>	<b>6 978</b>	<b>68 025</b>	<b>(11 546)</b>
Income tax	4 473	12 654	(239)	7 429
<b>Net profit</b>	<b>74 857</b>	<b>(5 676)</b>	<b>68 264</b>	<b>(18 975)</b>
<b>Earnings / Diluted earnings per share</b>				
Weighted average number of shares	205 205 000	205 205 000	205 205 000	205 205 000
Earnings / Diluted earnings per share (PLN)	0.36	(0.03)	0.33	(0.09)

	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022	01.04.2023 -30.06.2023	01.04.2022 -30.06.2022
<b>Net profit</b>	<b>74 857</b>	<b>(5 676)</b>	<b>68 264</b>	<b>(18 975)</b>
<b>Earnings recognised in equity</b>				
<b>Earnings recognised in equity, to be transferred to income statement</b>	<b>(3 982)</b>	<b>(5 351)</b>	<b>(4 029)</b>	<b>(12 878)</b>
Hedge accounting (pre-tax)	(4 916)	(6 606)	(4 974)	(15 899)
Income tax	934	1 255	945	3 021
<b>Earnings recognised in equity, not to be transferred to income statement</b>	<b>(1 343)</b>	<b>2 062</b>	<b>(177)</b>	<b>(1 739)</b>
Gains/losses on valuation and disposal of equity instruments (before tax)	(1 241)	2 364	199	(2 329)
Income tax	236	(449)	(38)	443
Employee benefit capital reserve (before tax)	(417)	181	(417)	181
Income tax	79	(34)	79	(34)
<b>Total earnings recognised in equity</b>	<b>(5 325)</b>	<b>(3 289)</b>	<b>(4 206)</b>	<b>(14 617)</b>
<b>Total comprehensive income</b>	<b>69 532</b>	<b>(8 965)</b>	<b>64 058</b>	<b>(33 592)</b>





Boryszew S.A.

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(amounts expressed in PLN '000 unless specified otherwise)

## STATEMENT OF FINANCIAL POSITION

ASSETS	Balance on 30.06.2023	Balance on 31.12.2022	Balance on 30.06.2022
<b>Non-current assets</b>			
Tangible fixed assets	166 866	250 821	250 987
Investment property	21 702	19 780	22 950
Goodwill	-	-	-
Intangible assets	15 789	32 227	31 491
Right-of-use assets	93 648	125 281	130 752
Shares in subsidiaries and associates	875 557	810 578	810 425
Financial assets	150 239	143 152	148 882
Long-term receivables	133 265	135 626	136 855
<b>Total fixed assets</b>	<b>1 457 066</b>	<b>1 517 465</b>	<b>1 532 342</b>
<b>Current assets</b>	<b>831 604</b>	<b>1 015 236</b>	<b>993 494</b>
<b>Current assets other than assets held for sale</b>			
Inventory	206 362	298 055	291 270
Trade receivables and other receivables	308 332	339 217	359 485
Short-term financial assets	276 723	343 824	290 657
Derivative financial instruments	9 872	8 022	-
Current tax assets	3 210	-	411
Cash and cash equivalents	27 105	26 118	51 671
<b>Total current assets</b>	<b>831 604</b>	<b>1 015 236</b>	<b>993 494</b>
<b>Total assets</b>	<b>2 288 670</b>	<b>2 532 701</b>	<b>2 525 836</b>



**Boryszew S.A.**

**Abbreviated mid-year financial statements for the period between 1 January and 30 June 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>Balance on 30.06.2023</b>	<b>Balance on 31.12.2022</b>	<b>Balance on 30.06.2022</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	(51)	3 931	(8 021)
Capital reserve on translating employee payables	(271)	67	(61)
Revaluation reserve and gain on disposal of financial assets	3 433	27 991	25 111
Retained earnings	1 115 641	994 609	974 106
<b>Total equity</b>	<b>1 297 188</b>	<b>1 205 034</b>	<b>1 169 571</b>
<b>Liabilities and long-term provisions</b>			
Bank loans, borrowings	17 603	18 391	3 806
Lease and right-of-use liabilities	58 853	70 107	77 107
Deferred tax provision	5 603	9 766	15 675
Employee benefit provisions	2 812	2 576	2 670
Other provisions	29 720	14 050	21 486
TRADE PAYABLES AND OTHER LIABILITIES	-	2 396	20 657
Other long-term liabilities	6 997	17 894	-
<b>Liabilities and long-term provisions - total</b>	<b>121 588</b>	<b>135 180</b>	<b>141 401</b>
<b>Short-term liabilities</b>			
Bank loans, borrowings	432 726	686 261	688 992
Lease and right-of-use liabilities	19 259	24 851	21 444
Trade payables and other liabilities	365 480	422 933	437 848
Derivative financial instruments	-	5 793	4 654
Current tax liabilities	-	329	-
Employee benefit provisions	16 226	12 297	11 608
Other provisions	34 218	32 113	35 371
Other liabilities and equity	1 985	7 910	14 947
<b>Liabilities and short-term provisions - total</b>	<b>869 894</b>	<b>1 192 487</b>	<b>1 214 864</b>
<b>Total liabilities and provisions</b>	<b>991 482</b>	<b>1 327 667</b>	<b>1 356 265</b>
<b>Total equity and liabilities</b>	<b>2 288 670</b>	<b>2 532 701</b>	<b>2 525 836</b>

**CASH FLOW STATEMENT**

	01.01.2023 - 30.06.2023	01.01.2022 - 30.06.2022
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	<b>79 330</b>	<b>6 978</b>
<b>Adjustments for (+/-)</b>	<b>(7 476)</b>	<b>51 007</b>
Amortisation/depreciation	21 263	28 546
Profit/loss on financial activity (including interest on financial liabilities)	5 020	5 626
Dividends received	(77 353)	(279)
Profit / loss on investment activities	(26 671)	(23 217)
Change in receivables	18 077	183 155
Change in inventories	11 705	(49 116)
Change in liabilities	55 789	(97 236)
Changes in provisions	2 835	39 444
Other items	(10 320)	(1 264)
Income tax paid	(7 821)	(34 652)
<b>Net cash from operating activities</b>	<b>71 854</b>	<b>57 985</b>
<b>Cash flows from investment activities</b>		
Proceeds from disposal of fixed assets	100	1 583
Proceeds from disposal of shares	12 191	80 812
Proceeds from dividend	74 104	196
Proceeds from repayment of loans granted	63 295	15 962
Other proceeds from investment activities	2 945	20
Expenses on acquisition of fixed assets	(8 043)	(13 152)
Acquisition of shares and stocks	(18 031)	(693)
Long term borrowings granted	(54 301)	(75 740)
<b>Net cash from investing activities</b>	<b>72 260</b>	<b>8 988</b>
<b>Cash flows from financial activities</b>		
Incomes on credit and loan facilities	100 371	55 007
Loans received	170 000	385 500
Other inflows	153	3 440
Dividends paid	(151 851)	(188 789)
Loans repaid	(105 996)	(65 452)
Repayment of borrowings	(125 159)	(210 389)
Redemption of bonds	-	(28 000)
Interest paid on loans, borrowings and leasing	(12 500)	(12 189)
Payment of liabilities under finance lease agreements	(11 825)	(11 330)
Other financial outflows	(32)	-
<b>Net cash from financing activities</b>	<b>(136 839)</b>	<b>(72 202)</b>
<b>Net change in cash</b>	<b>7 275</b>	<b>(5 229)</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>27 105</b>	<b>51 671</b>
<i>Restricted cash</i>	<i>12 300</i>	<i>14 678</i>



**Boryszew S.A.**

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## 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				(3 982)				(3 982)
Valuation of employee benefits					(338)			(338)
Valuation of financial assets and disposal through comprehensive income						(1 005)		(1 005)
Profit/loss for the first half of 2023							74 857	74 857
<b>Total revenue for the first six months of 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 982)</b>	<b>(338)</b>	<b>(1 005)</b>	<b>74 857</b>	<b>69 532</b>
Merger with subsidiary, merger equity				-			174 473	174 473
Transfer to reserve capital of profit on disposal of equity instruments						(23 553)	23 553	-
Dividends paid							(151 851)	(151 851)
Other								-
<b>Balance on 30.06.2023</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(51)</b>	<b>(271)</b>	<b>3 433</b>	<b>1 115 641</b>	<b>1 297 188</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>Balance on 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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(amounts expressed in PLN '000 unless specified otherwise)

**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	Revaluation of other assets	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>-</b>	<b>1 148 068</b>	<b>1 367 325</b>
Valuation of hedge instruments				(5 351)					(5 351)
Valuation of employee benefits					147				147
Valuation of financial assets and disposal through comprehensive income in 2022.						1 915			1 915
Disposal of financial assets through comprehensive income/distribution of result 2021						(20 503)		20 503	-
Profit/loss for the first half of 2022								(5 676)	(5 676)
<b>Total revenue for the first six months of 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 351)</b>	<b>147</b>	<b>(18 588)</b>	<b>-</b>	<b>14 827</b>	<b>(8 965)</b>
Share buy-back (merger with a subsidiary)									-
Capital subsidies/branch results									-
Change in CG structure/branch funds									-
Dividends paid								(188 789)	(188 789)
Merger with a subsidiary								-	-
<b>Balance on 30.06.2022</b>	<b>248 906</b>	<b>112 346</b>	<b>(182 816)</b>	<b>(8 021)</b>	<b>(61)</b>	<b>25 111</b>	<b>-</b>	<b>974 106</b>	<b>1 169 571</b>



(amounts expressed in PLN '000 unless specified otherwise)

## **ADDITIONAL INFORMATION TO ABBREVIATED MID-YEAR FINANCIAL STATEMENTS OF BORYSZEW S.A. FOR H1 2023**

The data presented for the six months ended 30 June 2023 and the comparable period were reviewed by the auditor. Data for the 3-month period from 1 April to 30 June 2023 and for the corresponding period in 2022 were not subject to such a review. The data presented for the 3-month period from 1 April to 30 June 2023 and the corresponding period in 2022 have been compiled as the difference between the data for the 6-month period ended 30 June 2023 and the data for the 3-month period ended 31 March 2023, data determined similarly for the comparable period.

The report for the first quarter of 2023 containing the data used for the calculation described above was made public on 19 May 2023.

As of 30 June 2023, an analysis of the rationale for the impairment of financial assets held in the form of stocks and shares was conducted. As a result of the analysis, companies for which the tests for impairment of the assets held by Boryszew S.A. were carried out were selected. The tests performed did not indicate a need for impairment charges, the parameters adopted for the tests are described in Note 21 to these abbreviated consolidated financial statements.

A rational change in the key assumptions used in the tests would not result in the need for impairment losses on shares.

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

The Management Board for Boryszew S.A.: Wojciech Kowalczyk, Łukasz Bubacz, Mikołaj Budzanowski, declare that:

- to the best of their knowledge the financial statements of Boryszew S.A. for H1 2023 and the comparable 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 Boryszew S.A.
- the report on activity of the Company and Boryszew Capital Group for H1 2023 contains a true view of development, accomplishments and situation of Boryszew Capital Group, including a description of fundamental risks and threats.

### **2. Accounting principles applied**

The information contained in the financial statements for H1 '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".

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.

	<b>average EUR exchange rate in the period</b>	<b>EURO exchange rate as at the last day of period</b>
01.01- 30.06.2022	4.6427	4.6806
01.01 - 31.12.2022	4.6883	4.6899
01.01 - 30.06.2023	4.6130	4.4503



(amounts expressed in PLN '000 unless specified otherwise)

## **ACCOUNTING PRINCIPLES**

Accounting principles (policy) of applied when drafting these mid-year separate financial statements for the period of 6 months ended on 30 June 2023 are consistent with those applied when drafting annual separate financial statements for the financial year ended on 31 December 2022.

Basis for the preparation of the financial statements

These abbreviated mid-year financial statements have been drafted in accordance with the historical cost principle, except for financial assets measured at fair value through profit or loss or other comprehensive income, assets measured at amortised cost, and financial liabilities measured at fair value through profit or loss. The abbreviated mid-year financial statements do not cover all information and disclosures to that are required in case of annual financial statements and must therefore be verified in conjunction with the financial statements of Boryszew S.A. for the year ended 31 December 2022, made public on 18 April 2023.

These financial statements have been prepared on the assumption that the Company will continue as a going concern for a period of at least 12 months from 30 June 2023. As of the date of approving these financial statements for publication no circumstances have been identified that could indicate that the continuation of Company's operations is endangered.

As of 1 January 2023, Nowoczesne Produkty Aluminiowe Skawina Branch was contributed to the Subsidiary, as a result, the comparable data including the Branch's data significantly differs from the current period. As a result, it is not possible to compare data between the current year and the comparable year.

In the first half of 2023, the Company recognised the settlement of forward transactions concluded to hedge foreign exchange risk, the settled transactions relate to the hedging of net foreign exchange exposure. The level of hedging was determined using a forecast of net foreign currency exposure based on the budget of the Company. Exposure to foreign currency risk was determined based on forecast sales revenues in EUR as well as costs and outflows related to sales in EUR. The instruments concluded are of a hedging nature for currency risk, the transactions settled in 2023 are presented as sales revenue, the valuation of these transactions is recognised in financial income/expenses until they are settled.

Standards, interpretations and amendments to standards or interpretations effective as of 1 January 2023:

- **IFRS 17 Insurance**

IFRS 17 defines a new approach to the recognition, measurement, presentation and disclosure of insurance contracts. The main objective of IFRS 17 is to guarantee transparency and comparability of insurers' financial statements. To this end, the entity will disclose a range of quantitative and qualitative information to enable users of financial statements to assess the impact of insurance contracts on the entity's financial position, financial performance and cash flows. IFRS 17 introduces a number of significant changes to the existing requirements of IFRS 4. They cover, among other things: the levels of aggregation on which calculations are made, the method of valuation of insurance liabilities, recognition of profit or loss over time, recognition of reinsurance, separation of the investment component, the presentation of individual items of the balance sheet and profit and loss account of reporting entities, including separate presentation of insurance income, costs of insurance services, and financial income or expenses.

- **Amendments to IAS 8 Accounting policies, changes in accounting estimates and errors**

The amendments to IAS 8 include a definition of accounting estimates, which should help distinguish accounting policies from accounting estimates.

- **Amendments to IAS 12**

Changes in deferred taxes for leasing transactions and liquidation obligations.

- **Amendment to IAS 1**

Expansion and revision of accounting policy disclosures.

The above standards and amendments have no impact on these financial statements.



(amounts expressed in PLN '000 unless specified otherwise)

New standards and interpretations and amendments to standards or interpretations that are not yet effective and have not been earlier applied:

- **Amendment to IAS 1**  
The amendment relates to a change in the presentation of liabilities, in particular clarifies the criteria for classifying liabilities as long-term.
- **Amendment to IFRS 16**  
The amendment relates to the calculation of lease liability in sale and leaseback transactions.
- **Amendment to IFRS 7 and IAS 7**  
The amendment clarifies the features of supplier financing agreements (reverse factoring) and the disclosures required in financial statements when entering into such agreements.

The above amendments are effective as of 1 January 2024 and as of the date of approval of these financial statements have not been approved by the EU, the Company is in the process of assessing their impact on the financial statements.

### **RESTATEMENT OF COMPARABLE DATA AND CORRECTION OF ERRORS OF PREVIOUS YEARS**

The Company has not restated the comparative figures in this Mid-year Consolidated Financial Statements, except as described below.

The Company adjusted the presentation of comparable data for the period from 1 January to 30 June 2022 in terms of:

- presentation of impairment losses on assets, which were previously presented as the excess of the recognition and release of these provisions. In the current report other operating income is attributed to the release of write-offs and other operating expenses to the recognition of write-offs. The adjustment has no effect on the financial result.
- presentation of write-offs on financial assets, which were previously presented as the excess of the recognition and release of these provisions. In the current report, financial income is attributed to the release of write-offs and financial expenses to the recognition of write-offs. The adjustment has no effect on the financial result.

The presentation changes were aimed at standardising the format of the interim report to the uniform ESEF format specified by the European Securities and Markets Authority (ESMA) for annual financial statements.

These mid-year financial statements include no correction of prior years' errors.

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

<b>Contingent items</b>	<b>Balance on 30.06.2023</b>	<b>Balance on 31.12.2022</b>	<b>change</b>
Sureties for the repayment of loans and other liabilities by associated companies	482 763	378 831	103 932
<b>Total</b>	<b>482 763</b>	<b>378 831</b>	<b>103 932</b>



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Contingent items	Balance on 30.06.2023	Balance on 31.12.2022	change
<b>Contingent liabilities</b>	<b>482 763</b>	<b>378 831</b>	<b>103 932</b>
<b>resulting from granted guarantees, sureties and other liabilities</b>	<b>482 763</b>	<b>378 831</b>	<b>103 932</b>
- guarantees and sureties associated with performance of contracts	180 951	130 758	50 193
- guarantees and sureties in favour of financial institutions	301 812	248 073	53 739
<b>Increases / decreases in the period of 6 months ended on 30.06.2023, including:</b>			<b>103 932</b>
<b>Additions</b>			
- Increase due to valuation of sureties			-
- Increase in surety amount			141 632
<b>Reductions</b>			
- Reduction due to valuation of sureties			(10 788)
- Decrease in the amount of existing sureties due to expiration, reduction			(26 912)

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 79.9 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 14.8 million), 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 6.0 million), the granting of a guarantee in favour of HSBC Continental Europe (Spółka Akcyjna) Branch in Poland in order to secure the factoring of Maflow Plastics Sp. z o.o. (PLN 7.6 million) and the granting of a surety in favour of Huta Cynku "Miasteczko Śląskie" S.A. in order to secure trade liabilities of ZM Silesia S.A.

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. (PLN 5.5 million).

**Status of current warranties and guarantees as at 30.06.2023.**

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 Oberflächentechnik Deutschland GmbH	Guarantee granted to Bank Gospodarstwa Krajowego	7 923	31.12.2028
Boryszew Oberflächentechnik Deutschland GmbH	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee Line at HSBC)	1 848	31.12.2023
Boryszew Plastic RUS Sp. z o.o.	Guarantee granted to Volvo Group Trucks Operations	22 252	indefinite validity
Boryszew Plastic RUS Sp. z o.o.	Payment guarantee granted to Engel Austria GmbH	2 542	25.08.2023
Maflow Plastics Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	5 603	31.01.2026
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	209	15.12.2024
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	429	15.12.2024
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	208	15.12.2024
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	208	15.12.2024
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	398	15.02.2025
Maflow Plastics Poland Sp. z o.o.	Endorsement of lease agreement for mLeasing Sp. z o.o.	302	15.02.2025
Maflow Plastics Poland Sp. z o.o.	Guarantee granted to HSBC Continental Europe (Spółka Akcyjna) Branch in Poland	7 632	31.12.2033


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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
1. Maflow Plastics Poland Sp. z o.o. 2. Boryszew Kunststofftechnik Deutschland GmbH 3. AKT Plastikářská Technologie Czech Republic Spol. S.R.O.	Guarantee granted to Borealis AG	4 450	31.12.2023
1. Maflow Plastics Poland Sp. z o.o. 2. Boryszew Kunststofftechnik Deutschland GmbH 3. AKT Plastikářská Technologie Czech Republic Spol. S.R.O.	Guarantee granted to Basell Sales & Marketing Company B.V.	8 901	31.12.2023
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Elix Polymers S.L.	1 691	31.12.2023
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee Line at HSBC)	4 107	31.12.2023
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	19 051	01.12.2026
Mafmex S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	22 252	term of the agreement
Mafmex S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	10 244	01.01.2030
Mafmex S. de R.L. de C.V.	BMW AG performance bond	26 702	contract performance period + 15 years
Mafmex S. de R.L. de C.V.	Guarantee granted to BNP Paribas S.A.	49 939	30.06.2031
Mafmex S. de R.L. de C.V.	Guarantee granted to HSBC Mexico SA	20 533	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.	25 183	indefinite validity
ZM Silesia S.A.	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	58	indefinite validity
ZM Silesia S.A.	Surety granted to Bank Millennium S.A.	1 400	28.05.2027
ZM Silesia S.A.	Surety granted to Huta Cynku	10 000	31.03.2025
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	16 950	18.01.2025
Maflow Components (Dalian) Co. Ltd.	BMW AG performance bond	26 702	contract period + 15 years
Maflow Boryszew Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	59 374	30.06.2031
Maflow Boryszew Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	21 139	28.06.2026
NPA Sp. z o.o.	Guarantee granted to Glencore International AG	10 267	31.08.2023
NPA Sp. z o.o.	Guarantee granted to Mechem SA	10 267	28.02.2024
NPA Sp. z o.o.	Guarantee granted to Trafigura PTE. LTD	8 901	28.02.2024
NPA Sp. z o.o.	Endorsement for Coface Poland Factoring Sp. z o.o.	12 984	indefinite validity
NPA Sp. z o.o.	Promissory note surety to Sopockie Towarzystwo Ubezpieczeń Ergo Hestia S.A.	12 367	20.09.2024
NPA Sp. z o.o.	Surety granted to PKO BP S.A.	10 452	31.08.2025
NPA Sp. z o.o.	Surety granted to mBank S.A.	12 834	indefinite validity
NPA Sp. z o.o.	Promissory note surety Credit Agricole Bank Polska S.A.	1 834	indefinite validity
Alchemia S.A.	Endorsement for Coface Poland Factoring Sp. z o.o.	14 827	indefinite validity
<b>Total guarantees and sureties granted by Boryszew S.A.</b>		<b>482 763</b>	


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

Entity for which guarantee or surety 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	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, 3) AKT Plastikářská Technologie Czechy Spol. S.R.O.	Guarantee granted to Borealis AG for commercial liabilities	4 690	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. 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



(amounts expressed in PLN '000 unless specified otherwise)

Entity for which guarantee or surety was issued	The entity to which surety was granted or guarantee	Value of guarantee	Expiry date of guarantee
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 Ordinary General Meeting of Boryszew S.A. held on 22 May 2023 decided to distribute the net profit for the financial year 2022 in the amount of PLN 14 828 086.50 and the profit on disposal of financial assets through comprehensive income in the amount of PLN 23 553 385.88 in such a way that it allocated the aforementioned profit in its entirety for distribution to shareholders, i.e. for the payment of dividend to shareholders.

**Dividends paid**

The Ordinary General Meeting of Boryszew S.A. held on 22 May 2023 passed a resolution to pay a dividend to shareholders 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 in the amount of PLN 38 381 472.38, and from the reserve capital of the Company in the amount of PLN 113 470 227.62 which, according to the provisions of art. 348 § 1 of the Commercial Companies Code may be assigned for distribution among shareholders.

The dividend date was scheduled for 29 May 2023, the date of payment was set for 5 June 2023.

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

The dividend was paid in accordance with the resolution of the Ordinary General Meeting of Boryszew S.A.

**5. Information on the issue, redemption and repayment of bonds****NON-EQUITY SECURITIES**

In H1 '2023 and until the date of publication of the report, the Company issued no non-equity securities.

**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 H1 '2023 and until the report publication date, the Company issued no equity securities.



**Boryszew S.A.**

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## 6. Operating segments

01.01.2023 - 30.06.2023	Chemical products	Automotive	Metals (**)	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	123 529	477 511	-	373 197	974 237	(1 361)	972 876
Segment costs of sales	105 159	420 577	-	363 349	889 085	(1 287)	887 798
<b>Result on sales within segment</b>	<b>18 370</b>	<b>56 934</b>	<b>-</b>	<b>9 848</b>	<b>85 152</b>	<b>(74)</b>	<b>85 078</b>
General, administrative and sales expenses	19 091	36 002	-	11 100	66 193	(74)	66 119
Other operating profit/loss	2 874	4 068	-	78 425	85 367	-	85 367
<b>Segment profit/loss</b>	<b>2 153</b>	<b>25 000</b>	<b>-</b>	<b>77 173</b>	<b>104 326</b>	<b>-</b>	<b>104 326</b>
Amortisation/depreciation	2 706	17 756	-	801	21 263	-	21 263
EBITDA *)	4 859	42 756	-	77 974	125 589	-	125 589
Segment assets	196 930	799 686	-	1 415 655	2 412 271	(123 601)	2 288 670
Segment liabilities	122 525	675 144	-	317 414	1 115 083	(123 601)	991 482

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

\*) EBITDA = operating profit less depreciation expense

\*\*) transfer to a subsidiary

**Boryszew S.A.**

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(amounts expressed in PLN '000 unless specified otherwise)

<b>REVENUES FROM SALE BY DESTINATION MARKET</b>	<b>01.01.2023 - 30.06.2023</b>	<b>01.01.2022 - 30.06.2022</b>
<b>Continuing operations</b>		
Domestic sales	469 613	816 340
Sales to EU countries	404 917	508 362
Sales to other European countries	40 748	54 387
Export outside Europe	55 268	39 271
Hedging instruments settled in the period	2 330	-
<b>Total (revenues from continuing operations)</b>	<b>972 876</b>	<b>1 418 360</b>

<b>SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES</b>	<b>01.01.2023 - 30.06.2023</b>	<b>01.01.2022 - 30.06.2022</b>
Germany	33%	27%
The Czech Republic	10%	21%
France	9%	4%
Belgium	9%	5%
The Netherlands	8%	7%
Sweden	8%	10%
Slovakia	6%	5%
Italy	6%	4%
Spain	5%	5%

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

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

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

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.



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

### Financial assets per balance sheet on 30.06.2023

	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	-	-	22	-	22
Bonds	1 000	-	-	-	1 000
Trade receivables, factoring	223 225	19 733	-	-	242 958
Derivative financial instruments	-	-	-	9 872	9 872
Loans granted	425 940	-	-	-	425 940
Other debtors	-	134 056	-	-	134 056
Cash and cash equivalents	27 105	-	-	-	27 105
<b>Total</b>	<b>677 270</b>	<b>153 789</b>	<b>22</b>	<b>9 872</b>	<b>840 953</b>

### 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 30.06.2023

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	450 329	-	450 329
Lease liabilities	40 394	-	40 394
Right-of-use liabilities	37 718	-	37 718
Trade and other liabilities	326 216	-	326 216
<b>Total</b>	<b>854 657</b>	<b>-</b>	<b>854 657</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
Right-of-use liabilities	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
	Balance on 30.06.2023	Balance on 31.12.2022	
<b>Financial assets</b>			
Listed shares (*)	22	26 003	Level 1
Derivative financial instruments	9 872	8 022	Level 2
<b>Financial obligations</b>			
Derivative financial instruments	-	5 793	Level 2

(\*) the decrease is a result of a change in the classification of shares held in "onesano" S.A., on 30.06.2023 these shares are presented as shares of an affiliate and are not measured at fair value.

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

	Fair value as at		Fair value hierarchy
	Balance on 30.06.2023	Balance on 31.12.2022	
<b>Financial assets</b>			
Bonds	1 000	1 064	Level 3
Borrowings	425 940	459 909	Level 3
Trade and other receivables	377 014	421 705	Level 3
Cash and cash equivalents	27 105	26 118	Level 1
<b>Financial obligations</b>			
Borrowings and loans	450 329	704 652	Level 2
Liabilities on bonds	-	-	Level 2
Trade and other liabilities	326 216	385 158	Level 3
Lease liabilities	40 394	47 188	Level 2
Right-of-use liabilities	34 993	45 848	Level 2
Right-of-use liabilities - investment properties	2 725	1 922	Level 2



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

<b>Impact of write-offs on assets and provisions on profit/loss</b>	<b>01.01.2023 - 30.06.2023</b>	<b>01.01.2022 - 30.06.2022</b>
Creation of value impairment write-offs for accounts receivable	(2 529)	(800)
Reversal of write-downs on accounts receivable (-)	350	861
Revaluation write-offs of loan receivables	(24 482)	-
Reversal of revaluation write-offs on loans granted	-	5
Creation of value impairment write-offs on bonds	(2 749)	-
Reversal of value impairment write-offs on bonds	-	-
Creation of value impairment write-offs on other receivables	(329)	-
Reversal of value impairment write-offs on other receivables	-	8 263
Tangible fixed assets impairment write-offs	-	-
Reversal, release of revaluation write-offs on fixed assets	-	67
Provisions for tax risks in ERG branch	(2 455)	(30 313)
Creation of provisions	-	-
Reversal of provisions	22	-
<b>Total impact on profit/loss</b>	<b>(32 172)</b>	<b>(21 917)</b>

**9. Transactions with affiliated entities**

	<b>Subsidiaries</b>	<b>Personally related entities</b>
<b>in the period 01.01.2023 - 30.06.2023</b>		
Revenues from sales (of products, services, goods)	252 780	4 291
Interest income	25 665	1 335
Dividends received and due	77 353	-
Purchases (of materials, goods, services)	72 605	166
Interest expense	5 234	-
<b>as at 30.06.2023</b>		
Trade receivables	146 914	966
Bonds purchased	1 000	-
Loans granted	425 940	-
Other receivables (advances, deposits)	106 621	-
Lease liabilities	3 161	-
Trade liabilities	66 827	37
Loans received	138 460	-
Other liabilities (advances, deposits)	25 017	-

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

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

As at 30 June 2023 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements.

**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 7 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)

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

On 01 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.

**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)

**ACQUISITION OF SHARES OF "ONESANO" S.A.**

In H1 2023 Boryszew S.A. acquired a total of 15 000 000 shares of "onesano" S.A., representing approximately 22.77% of the share capital and carrying 15 000 000 votes at the General Meeting, which accounts for approximately 22.77% 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 28 000 000 shares of "onesano" S.A., representing approximately 42.50% of the share capital and carrying 28 000 000 votes at the General Meeting, which accounts for approximately 42.50% 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 a significant influence and presents the Company as an affiliate in Boryszew S.A.'s report starting from 27 January 2023.

In the consolidated financial statements of the Group, "onesano" S.A. is consolidated using the equity method.

On 30 June 2023, Boryszew S.A. holds 28 000 000 shares of onesano S.A., accounting for 42.50% of the Company's share capital.

value of shareholding on 30.06.2023 at purchase price	31 090
share of net assets determined by value on the date of significant influence, share on 30.06.2023.	9 090

The value of the block of shares held, calculated according to the stock price (Warsaw Stock Exchange) on the balance sheet date, is PLN 36 120 thousand.

In accordance with the Group's accounting policy, the Company recognises shares in affiliates in this report at cost. For the purposes of this settlement, the Company adopted the principle in accordance with its accounting policy

of setting the purchase price as the initial value. In accordance with this principle, shares held in an affiliate are presented at a value equal to the purchase price of all holdings up to the date of significant influence as well as those acquired after that date.

Prior to significant influence, the shares in "onesano" S.A. were measured at fair value and the effects of the measurement were recognised through other comprehensive income. On the date of the significant impact, the Company reversed the valuation earlier recognised by comprehensive income in the amount of PLN 2 858 thousand and the related deferred tax in the amount of PLN (543) thousand, in order to bring the value of the shares in the associate to the initial value corresponding to the cost at purchase price.



**Boryszew S.A.**

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

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## **SIGNIFICANT PROCEEDINGS BEFORE A COURT, ARBITRATION BODY OR PUBLIC ADMINISTRATION AUTHORITY**

- 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. On 20 July 2023, the Company received a notice of completion of the evidence hearing in the case, along with the preliminary position of the President of the office, but not yet being a decision on the merits of the case. On 3 August 2023, the Company, as per Art. 10(1) of the Code of administrative procedure, commented on the collected evidence and materials, also presenting its position in the case.

## **MANAGEMENT BOARD'S APPROVAL**

These abbreviated mid-year consolidated financial statement of Boryszew Group for the period of 6 months ended 30 June 2023 and abbreviated mid-year financial statement of Boryszew S.A. for the period of 6 months ended 30 June 2023 were approved for publication by the Management Board of Boryszew S.A. on 16 August 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 -----