



CONSOLIDATED QUARTERLY REPORT
BORYSZEW CAPITAL GROUP
for the period between 1 January and 30
September 2023

Report publication date
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SELECTED FINANCIAL DATA

| | in PLN '000 | | in EUR '000 | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
| data regarding abbreviated consolidated financial statements | | | | |
| Revenue from continuing operations | 4 483 944 | 5 242 770 | 979 605 | 1 118 338 |
| Operating profit | 166 766 | 224 685 | 36 433 | 47 928 |
| Net profit on continuing operations | 122 346 | 135 589 | 26 729 | 28 923 |
| Net profit on continuing and discontinued operations | 134 700 | 137 327 | 29 428 | 29 293 |
| Net profit attributable to the parent | 126 812 | 131 401 | 27 705 | 28 029 |
| 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) | 0.63 | 0.65 | 0.14 | 0.14 |
| Net cash flow from operating activities | 265 050 | 203 728 | 57 905 | 43 457 |
| Net cash flow from investment activities | (33 539) | 35 731 | (7 327) | 7 622 |
| Net cash flow from financial activities | (250 638) | (272 273) | (54 757) | (58 079) |
| | Balance on 30.09.2023 | Balance on 31.12.2022 | Balance on 30.09.2023 | Balance on 31.12.2022 |
| Total assets | 3 936 755 | 3 985 674 | 849 244 | 849 842 |
| Total liabilities and provisions | 2 284 356 | 2 296 613 | 492 785 | 489 693 |
| Assets of continuing operations | 3 936 755 | 3 984 421 | 849 244 | 849 575 |
| Liabilities of continuing operations | 2 284 356 | 2 284 728 | 492 785 | 487 159 |
| Equity | 1 652 399 | 1 689 061 | 356 458 | 360 149 |
| Equity attributable to the parent company | 1 619 210 | 1 659 618 | 349 299 | 353 871 |

| | in PLN '000 | | in EUR '000 | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
| data regarding separate abbreviated financial statements | | | | |
| Revenues from sales | 1 381 760 | 2 203 248 | 301 872 | 469 976 |
| Operating profit | 108 172 | 48 527 | 23 632 | 10 351 |
| Net profit | 87 292 | 35 076 | 19 071 | 7 482 |
| Weighted average number of shares | 205 205 000 | 205 205 000 | 205 205 000 | 205 205 000 |
| Profit per ordinary share in PLN/EUR | 0.43 | 0.17 | 0.09 | 0.04 |
| Net cash flow from operating activities | 93 355 | 59 924 | 20 395 | 12 782 |
| Net cash flow from investment activities | 60 717 | (13 456) | 13 265 | (2 870) |
| Net cash flow from financial activities | (147 555) | (57 063) | (32 236) | (12 172) |
| | Balance on 30.09.2023 | Balance on 31.12.2022 | Balance on 30.09.2023 | Balance on 31.12.2022 |
| Total assets | 2 313 208 | 2 532 701 | 499 009 | 540 033 |
| Total liabilities and provisions | 1 003 605 | 1 327 667 | 216 499 | 283 091 |
| Equity | 1 309 603 | 1 205 034 | 282 510 | 256 942 |



ABBREVIATED MID-YEAR CONSOLIDATED

FINANCIAL STATEMENTS

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



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 | 01.07.2023 -30.09.2023 | 01.07.2022 -30.09.2022 |
|--|----------------------------|----------------------------|---------------------------|---------------------------|
| Continuing operations | | | | |
| Revenues from sales | 4 483 944 | 5 242 770 | 1 279 358 | 1 706 537 |
| Prime cost of sale | 4 098 104 | 4 774 962 | 1 201 982 | 1 581 787 |
| Gross profit on sales | 385 840 | 467 808 | 77 376 | 124 750 |
| Selling costs | 96 250 | 103 040 | 28 262 | 32 276 |
| General and administrative costs | 220 916 | 218 202 | 74 334 | 66 893 |
| Other operating revenue | 228 749 | 232 584 | 76 077 | 35 645 |
| Other operating expenses | 130 657 | 154 465 | 12 118 | 20 592 |
| Operating income | 166 766 | 224 685 | 38 739 | 40 634 |
| Financial revenues | 48 782 | 79 323 | (37 119) | 31 441 |
| Financial expenses | 69 451 | 102 981 | 2 745 | 34 805 |
| Share in profit of affiliates | (1 605) | (74) | (851) | (97) |
| Profit before taxation | 144 492 | 200 953 | (1 976) | 37 173 |
| Income tax | 22 146 | 65 364 | (10 015) | 14 464 |
| Net profit on continuing operations | 122 346 | 135 589 | 8 039 | 22 709 |
| Net profit/loss on discontinued operations - liquidation of a company | 12 354 | 1 738 | - | 2 123 |
| Net profit on continuing and discontinued operations | 134 700 | 137 327 | 8 039 | 24 832 |
| including attributable to: | | | | |
| <i>to shareholders of the parent</i> | 126 812 | 131 401 | 5 165 | 22 841 |
| <i>non-controlling interests</i> | 7 888 | 5 926 | 2 874 | 1 991 |
| Earnings / Diluted earnings per share | 126 812 | 131 401 | 5 165 | 22 841 |
| Weighted average number of shares | 202 000 000 | 202 000 000 | 202 000 000 | 202 000 000 |
| Earnings / Diluted earnings per share (PLN) | 0.63 | 0.65 | 0.03 | 0.11 |
| Net profit (loss) per share (in PLN, 100/PLN per share) | 0.63 | 0.65 | 0.03 | 0.11 |
| Earnings per share on continuing operations | 0.63 | 0.65 | 0.03 | 0.11 |
| Earnings per share on discontinued operations | - | - | - | - |
| Diluted net profit (loss) per share (PLN/share) | 0.63 | 0.65 | 0.03 | 0.11 |
| Diluted on continuing operations | 0.63 | 0.65 | 0.03 | 0.11 |
| Diluted on discontinued operations | - | - | - | - |



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - continued

| | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 | 01.07.2023 -30.09.2023 | 01.07.2022 -30.09.2022 |
|---|----------------------------|----------------------------|---------------------------|---------------------------|
| Net profit | 134 700 | 137 327 | 8 039 | 24 832 |
| Earnings recognised in equity | | | | |
| Earnings recognised in equity, to be transferred to income statement | (15 937) | 16 777 | (15 259) | 8 187 |
| Hedge accounting (pre-tax) | (14 984) | (20 907) | (12 706) | 10 691 |
| Income tax | 2 847 | 3 972 | 2 414 | (2 032) |
| Foreign exchange differences on recalculation of foreign controlled entities | (3 800) | 33 712 | (4 967) | (472) |
| Earnings recognised in equity, not to be transferred to income statement | (1 355) | 1 635 | - | (370) |
| Gains/losses on valuation and disposal of equity instruments (before tax) | (1 241) | 1 933 | - | (431) |
| Income tax | 236 | (367) | - | 82 |
| Profit/Loss on restatement of employee benefits (before taxes) | (432) | 85 | - | (26) |
| Income tax | 82 | (16) | - | 5 |
| Total earnings recognised in equity | (17 292) | 18 412 | (15 259) | 7 817 |
| <i>to shareholders of the parent</i> | <i>(17 292)</i> | <i>18 412</i> | <i>(15 259)</i> | <i>7 817</i> |
| <i>non-controlling interests</i> | <i>-</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| Total comprehensive income, including attributable: | 117 408 | 155 739 | (7 220) | 32 649 |
| <i>to shareholders of the parent</i> | <i>109 520</i> | <i>149 813</i> | <i>(10 094)</i> | <i>30 658</i> |
| <i>non-controlling interests</i> | <i>7 888</i> | <i>5 926</i> | <i>2 874</i> | <i>1 991</i> |



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Discontinued operations

| | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 | 01.07.2023 -30.09.2023 | 01.07.2022 -30.09.2022 |
|---|----------------------------|----------------------------|---------------------------|---------------------------|
| Revenues from sales | - | 6 | - | 2 |
| Prime cost of sale | - | 6 | - | 2 |
| Gross profit (loss) from sales | - | - | - | - |
| Selling costs | - | - | - | - |
| General and administrative costs | - | - | - | - |
| Other operating revenue | - | 2 556 | - | 2 486 |
| Other operating expenses | - | 710 | - | 212 |
| Profit (loss) from operating activity | - | 1 846 | - | 2 274 |
| Financial income - exclusion from consolidation, liquidation of HMN Szopienice S.A. in liquidation | 12 354 | 59 | - | 16 |
| Financial expenses | - | - | - | - |
| Financial profit/loss | 12 354 | 59 | - | 16 |
| Profit (loss) before income tax | 12 354 | 1 905 | - | 2 290 |
| Income tax | - | 167 | - | 167 |
| <i>current tax</i> | - | - | - | - |
| <i>deferred tax</i> | - | - | - | - |
| Net profit (loss) on discontinued operations | 12 354 | 1 738 | - | 2 123 |
| in the parent company | 12 354 | 3 118 | - | 2 172 |
| <i>non-controlling interests</i> | - | (1 380) | - | (49) |



CONSOLIDATED BALANCE SHEET

| ASSETS | Balance on 30.09.2023 | Balance on 31.12.2022 | Balance on 30.09.2022 |
|---|--------------------------|--------------------------|--------------------------|
| Non-current assets | | | |
| Tangible fixed assets | 1 405 383 | 1 366 664 | 1 379 482 |
| Investment property | 145 913 | 123 259 | 124 005 |
| Goodwill | 6 418 | 6 418 | 6 418 |
| Intangible assets | 38 836 | 43 168 | 40 573 |
| Right-of-use assets | 312 995 | 297 676 | 292 916 |
| Shares in affiliates | 29 485 | - | 140 |
| Financial assets | 100 | 16 017 | 274 |
| Derivative financial instruments | 1 261 | 1 276 | - |
| Long-term receivables | 52 967 | 47 432 | 46 592 |
| Deferred tax assets | 30 524 | 9 147 | 16 649 |
| Total fixed assets | 2 023 882 | 1 911 057 | 1 907 049 |
| Current assets | 1 912 873 | 2 074 617 | 2 391 453 |
| Current assets other than assets held for sale | 1 912 873 | 2 073 364 | 2 390 194 |
| Inventory | 947 818 | 1 034 891 | 1 119 800 |
| Trade receivables and other receivables | 781 426 | 756 089 | 1 002 361 |
| Short-term financial assets | 16 758 | 93 562 | 95 786 |
| Derivative financial instruments | 16 917 | 21 620 | 7 315 |
| Current tax assets | 6 045 | 2 788 | 6 438 |
| Cash and cash equivalents | 143 909 | 164 414 | 158 494 |
| Assets classified as held for sale | - | 1 253 | 1 259 |
| Assets classified as discontinued operations | - | - | - |
| Total assets | 3 936 755 | 3 985 674 | 4 298 502 |


Boryszew Capital Group

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

(amounts expressed in PLN '000 unless specified otherwise)

| LIABILITIES AND EQUITY | Balance on 30.09.2023 | Balance on 31.12.2022 | Balance on 30.09.2022 |
|--|--------------------------|--------------------------|--------------------------|
| Equity | | | |
| Share capital | 248 906 | 248 906 | 248 906 |
| Share premium | 114 435 | 114 435 | 114 435 |
| Own shares | (236 753) | (236 753) | (236 753) |
| Hedge accounting capital | 2 332 | 14 469 | (9 613) |
| Capital reserve on translating employee payables | (387) | (37) | (243) |
| Revaluation reserve and gain on disposal of financial assets | 3 433 | 27 991 | 24 762 |
| Exchange differences on translating foreign entities | (44 931) | (41 131) | (14 978) |
| Retained earnings | 1 532 175 | 1 531 738 | 1 556 514 |
| Total equity | 1 619 210 | 1 659 618 | 1 683 030 |
| Equity of non-controlling shareholders | 33 189 | 29 443 | 28 422 |
| Total equity | 1 652 399 | 1 689 061 | 1 711 452 |
| Liabilities and long-term provisions | | | |
| Bank loans, borrowings | 222 967 | 182 574 | 211 280 |
| Lease and right-of-use liabilities | 251 776 | 220 613 | 190 628 |
| Deferred tax provision | 71 870 | 72 406 | 76 986 |
| Employee benefit provisions | 15 739 | 15 225 | 22 515 |
| Other provisions | 54 793 | 51 377 | 46 074 |
| Other liabilities | 75 | 75 | 75 |
| Other liabilities and equity | 63 702 | 66 596 | 67 745 |
| Liabilities and long-term provisions - total | 680 922 | 608 866 | 615 303 |
| Short-term liabilities | 1 603 434 | 1 687 747 | 1 971 747 |
| Bank loans, borrowings | 477 339 | 560 960 | 575 089 |
| Lease and right-of-use liabilities | 32 389 | 37 962 | 61 438 |
| Trade payables and other liabilities | 802 967 | 790 195 | 997 954 |
| Derivative financial instruments | 13 201 | 7 594 | 20 911 |
| Current tax liabilities | 11 039 | 34 364 | 30 651 |
| Employee benefit provisions | 42 808 | 40 702 | 42 283 |
| Other provisions | 188 801 | 174 013 | 195 710 |
| Other liabilities and equity | 34 890 | 30 072 | 34 480 |
| Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale | 1 603 434 | 1 675 862 | 1 958 516 |
| Liabilities directly associated with assets classified as discontinued operations | - | 11 885 | 13 231 |
| Total liabilities and provisions | 2 284 356 | 2 296 613 | 2 587 050 |
| Total equity and liabilities | 3 936 755 | 3 985 674 | 4 298 502 |



CONSOLIDATED CASH FLOW STATEMENT

| | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
|--|----------------------------|----------------------------|
| Cash flows from operating activities | | |
| Profit before taxation | 144 492 | 200 953 |
| Adjustments for (+/-) | 120 558 | 2 775 |
| Amortisation/depreciation | 119 313 | 131 946 |
| Profit/loss on financial activity (including interest on financial liabilities) | 20 759 | 76 702 |
| Profit / loss on investment activities | (13 632) | (146 817) |
| Change in receivables | (31 819) | 11 326 |
| Change in inventories | 86 612 | (97 983) |
| Change in liabilities | 14 065 | 75 672 |
| Provision for employee benefits | 2 620 | 3 338 |
| Changes in provisions | 8 485 | 24 193 |
| Other items | (29 241) | 15 032 |
| Income tax paid | (56 604) | (90 634) |
| Net cash from operating activities | 265 050 | 203 728 |
| Cash flows from investment activities | | |
| Profit on fixed assets disposal | 57 449 | 126 452 |
| Proceeds from disposal of shares and stocks | 12 191 | 80 812 |
| Proceeds from redemption of bonds by issuers | 15 924 | 10 499 |
| Proceeds from repayment of loans granted | 45 650 | 10 508 |
| Expenses on acquisition of fixed assets | (155 037) | (167 647) |
| Acquisition of shares and stocks | (18 031) | (104) |
| Loans granted | (1 000) | (25 700) |
| Other investment inflows/outflows | 9 315 | 911 |
| Net cash from investing activities | (33 539) | 35 731 |
| Cash flows from financial activities | | |
| Incomes on credit and loan facilities | 115 714 | 206 620 |
| Dividends paid | (152 431) | (190 402) |
| Repayment of credit and loan facilities | (162 226) | (221 180) |
| Interest paid on loans, borrowings and leasing | (32 925) | (39 253) |
| Payment of liabilities under finance lease agreements | (22 063) | (37 951) |
| Other financial inflows/outflows | 3 293 | 9 893 |
| Net cash from financing activities | (250 638) | (272 273) |
| Net change in cash and cash equivalents (before impact of foreign exchange rates) | (19 127) | (32 814) |
| Translation reserve | (1 378) | 3 584 |
| Cash opening balance | 164 414 | 187 724 |
| Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates) | (20 505) | (29 230) |
| Cash closing balance | 143 909 | 158 494 |
| <i>Restricted cash</i> | <i>26 597</i> | <i>21 826</i> |



Boryszew Capital Group

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 September 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 |
|---|----------------|----------------|------------------|------------------|---|---------------------|---|-------------------|-----------------------------------|------------------------------------|------------------|
| As at 01.01.2023 | 248 906 | 114 435 | (236 753) | 14 469 | (37) | 27 991 | (41 131) | 1 531 738 | 1 659 618 | 29 443 | 1 689 061 |
| Valuation of hedge instruments | | | | (12 137) | | | | | (12 137) | | (12 137) |
| Valuation of employee benefits | | | | | (350) | | | | (350) | | (350) |
| Earnings and recognition of financial assets and disposal through comprehensive income for 3 quarters 2023. | | | | | | (1 005) | | | (1 005) | | (1 005) |
| Currency translation differences (subsidiaries) | | | | | | | (3 800) | | (3 800) | | (3 800) |
| Profit/loss for 3 quarters of 2023 | | | | | | | | 126 812 | 126 812 | 7 888 | 134 700 |
| Total income for 3 quarters of 2023 | - | - | - | (12 137) | (350) | (1 005) | (3 800) | 126 812 | 109 520 | 7 888 | 117 408 |
| 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) |
| Balance on 30.09.2023 | 248 906 | 114 435 | (236 753) | 2 332 | (387) | 3 433 | (44 931) | 1 532 175 | 1 619 210 | 33 189 | 1 652 399 |



Boryszew Capital Group

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 September 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 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 |
|--|----------------|----------------|------------------|------------------|---|----------------------------------|---|-------------------|-----------------------------------|------------------------------------|------------------|
| Balance on 01.01.2022 | 248 906 | 114 435 | (236 753) | 7 322 | (312) | 43 699 | (48 690) | 1 591 598 | 1 720 205 | 26 499 | 1 746 704 |
| 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 |
| Total comprehensive income for 2022 | | | | 7 147 | 275 | 4 797 | 7 559 | 106 626 | 126 404 | 6 947 | 133 351 |
| 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) |
| Balance on 31.12.2022 | 248 906 | 114 435 | (236 753) | 14 469 | (37) | 27 991 | (41 131) | 1 531 738 | 1 659 618 | 29 443 | 1 689 061 |

(*) 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 |
|---|----------------|----------------|------------------|------------------|---|---------------------|---|-------------------|-----------------------------------|------------------------------------|------------------|
| Balance on 01.01.2022 | 248 906 | 114 435 | (236 753) | 7 322 | (312) | 43 699 | (48 690) | 1 591 598 | 1 720 205 | 26 499 | 1 746 704 |
| Valuation of hedge instruments | - | - | - | (16 935) | - | - | - | - | (16 935) | - | (16 935) |
| Valuation of employee benefits | - | - | - | - | 69 | - | - | - | 69 | - | 69 |
| Measurement of financial assets | - | - | - | - | - | 1 566 | - | - | 1 566 | - | 1 566 |
| Disposal of financial assets through comprehensive income/distribution of result 2021 | - | - | - | - | - | (20 503) | - | 20 503 | - | - | - |
| Currency translation differences (subsidiaries) | - | - | - | - | - | - | 33 712 | - | 33 712 | - | 33 712 |
| Profit/loss for 3 quarters of 2022 | - | - | - | - | - | - | - | 131 401 | 131 401 | 5 926 | 137 327 |
| Comprehensive income for 3 quarters of 2022. | - | - | - | (16 935) | 69 | (18 937) | 33 712 | 151 904 | 149 813 | 5 926 | 155 739 |
| Dividend distribution | - | - | - | - | - | - | - | (186 399) | (186 399) | (4 003) | (190 402) |
| Change in CG structure and others | - | - | - | - | - | - | - | (589) | (589) | - | (589) |
| Balance on 30.09.2022 | 248 906 | 114 435 | (236 753) | (9 613) | (243) | 24 762 | (14 978) | 1 556 514 | 1 683 030 | 28 422 | 1 711 452 |



ADDITIONAL INFORMATION

To abbreviated mid-year consolidated financial statements drafted as at 30 September 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.

On 30 September 2023 and 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.

From 1 January 2023 and on the date of publication 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 3 quarters 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 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 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 3-month period between 1 July and 30 September 2023 and the corresponding period in 2022 have been compiled as the difference between the data for the 9-month period ended 30 September 2023 and the data for the 6-month period ended 30 June 2023, data determined similarly for the comparable period.

The report for the first half of 2023 containing the data used for the calculation described above was made public on 17 August 2023.

| | Average EUR exchange rate in the period | EURO exchange rate as at the last day of period |
|--------------------|---|---|
| 01.01 – 30.09.2022 | 4.6880 | 4.8698 |
| 01.01 – 31.12.2022 | 4.6883 | 4.6899 |
| 01.01 – 30.09.2023 | 4.5773 | 4.6356 |

ACCOUNTING PRINCIPLES

Accounting principles (policy) applied when drafting these mid-year abbreviated consolidated financial statements for the period of 9 months ended on 30 September 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 quarterly 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 quarterly 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.

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 in operating activity as other operating income. 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 comparative data in these Quarterly Consolidated Financial Statements.

The Group adjusted the presentation of comparable data for the period from 1 January to 30 September 2022 in terms of: inclusion of the gain on disposal of a subsidiary in financial income, which was presented separately in the comparable period. The change in presentation does not affect the financial result.

The changes are 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.

THE FOLLOWING COMPANIES WERE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 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 Sp. z o.o. | Skawina | 100.00 | Boryszew S.A. | Metals |
| Boryszew Green Energy & Gas Sp. z o.o. (formerly: 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 (3.4%), 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 (90.0%), Maflow Polska Sp. z o.o. (10.00%) | Automotive |
| Boryszew Automotive Plastics Sp. z o.o. | Tychy | 100.00 | Maflow Polska Sp. z o.o. | Automotive |
| Boryszew Components Poland Sp. z o.o. | Toruń | 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 bankruptcy under self-administration | Germany | 100.00 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| Theysohn Kunststoff GmbH in bankruptcy under self-administration | Germany | 100.00 | ICOS GmbH in bankruptcy under self-administration | Automotive |
| Theysohn Formenbau GmbH in bankruptcy under self-administration | Germany | 100.00 | ICOS GmbH in bankruptcy under self-administration | Automotive |
| Boryszew Formenbau Deutschland GmbH | Germany | 100.00 | Boryszew Kunststofftechnik Deutschland GmbH | Automotive |
| Boryszew Kunststofftechnik Deutschland GmbH | Germany | 100.00 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| Boryszew Oberflächentechnik GmbH | Germany | 100.00 | Boryszew Kunststofftechnik Deutschland GmbH | Automotive |
| Boryszew Deutschland GmbH in liquidation | Germany | 100.00 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| AKT Plastičářská Technologie Čechy, spol. S.r.o. | The Czech Republic | 100.00 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |

| Company name | Seat | share of the parent in share capital (%) | subsidiary of: | Business segment |
|---|--------------------------|--|--|------------------|
| Boryszew Plastic RUS Sp. z o.o. | Russia | 100.00 | Boryszew S.A. (10.9%), Boryszew Kunststofftechnik Deutschland GmbH (89.1%) | Automotive |
| Maflow Plastics Poland Sp. z o.o. | Ostaszewo | 100.00 | Boryszew S.A. | Automotive |
| Boryszew Inwestycje Sp. z o.o. (formerly: Boryszew Holding Sp. z o.o.) | Warsaw | 100.00 | Boryszew S.A. | Metals |
| Boryszew Assets Sp. o.o. (formerly: SPV Lakme Investment Sp. z o.o. | Warsaw | 100.00 | Boryszew S.A. | Unallocated |
| Walcownia Metali Dziedzice S.A. | Czechowice- Dziedzice | 100.00 | Boryszew S.A. | Metals |
| ZM SILESIA S.A. | Katowice | 100.00 | Boryszew S.A. | Metals |
| Baterpol S.A. | Katowice | 100.00 | Polski Cynk Sp. z o.o. | Metals |
| Alchemia S.A. | Warsaw | 100.00 | Boryszew S.A. | Metals |
| Huta Bankowa Sp. z o.o. | Dąbrowa Górnicza | 100.00 | Alchemia S.A. | Metals |
| Laboratoria Badań Batory Sp. z o.o. | Chorzów | 100.00 | Alchemia S.A. | Metals |
| Polski Cynk Sp. z o.o. | Katowice | 100.00 | Boryszew S.A. | Metals |
| Boryszew Property Sp. z o.o. (formerly: Eastside Capital Investments Sp. z o.o.) | Warsaw | 100.00 | Boryszew S.A. | Unallocated |
| Baterpol Recycler Sp. z o.o. | Oława | 100.00 | Polski Cynk Sp. z o.o. | Metals |
| Metal Zinc Sp. z o.o. | Katowice | 100.00 | ZM Silesia S.A. | Metals |
| Boryszew Nieruchomości Sp. z o.o. (formerly: Eastside BIS Sp. z o.o.) | Warsaw | 100.00 | Boryszew Property Sp. z o.o. | Unallocated |
| Zakład Utylizacji Odpadów Sp. z o.o., | Konin | 59.97 | Boryszew S.A. | Metals |
| RAPZ Sp. z o.o. (**) | Dąbrowa Górnicza | 42.67 | Huta Bankowa Sp. z o.o. | Metals |
| "onesano" S.A. (***) | Chorzów | 42.50 | Boryszew S.A. | Unallocated |

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

(**) 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 |

3. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q3 '2023 INCLUDING FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT

ACHIEVED PROFIT/LOSS

A. OVERALL MACROECONOMIC SITUATION

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

| Structure of revenues by segments | | | | | Geographical structure of revenues | | | | |
|-----------------------------------|--------------|-------------|--------------|--------------|------------------------------------|--------------|-------------|--------------|--------------|
| | 3Q 2023 | | 3Q 2022 | | | 3Q 2023 | | 3Q 2022 | |
| Chemical products | 182 728 | 4.1% | 235 004 | 4.5% | Poland | 1 560 | 34.8% | 2 118 | 40.4% |
| | | | | | | 525 | % | 202 | |
| Automotive | 1 326 | 29.6% | 1 215 | 23.2% | Germany | 902 757 | 20.0% | 1 025 | 19.6% |
| | 899 | % | 504 | | | | | 911 | |
| Metals | 2 714 | 60.5% | 3 361 | 64.1% | Other EU countries | 1 607 | 35.8% | 1 647 | 31.4% |
| | 322 | % | 794 | | | 037 | % | 794 | |
| Other * | 259 995 | 5.8% | 430 468 | 8.2% | Other * | 413 625 | 9.2% | 450 863 | 8.6% |
| TOTAL | 4 483 | 100% | 5 242 | 100.0 | TOTAL | 4 483 | 100% | 5 242 | 100.0 |
| | 944 | | 770 | % | | 944 | | 770 | % |

* this item includes consolidation exclusions between segments

Market sentiment - PMI and GDP:

Since more than 94,8% of revenues at Boryszew Capital Group is generated in Europe, then the overall economic situation within the European Union (including in Germany) is critical for Group's performance.

The economy recovered slightly in Q3 '2023 after two quarters of GDP decline.

Growth was boosted by consumption, rising in the face of falling inflation, and investment, supported by the absorption of EU funds. GDP growth is expected to accelerate in subsequent quarters. This will be driven by a further decline in inflation, the introduction of 800+ and wage growth, which in turn will be further fuelled by a strong increase in the minimum wage and a likely significant increase in public sector wages.

Inflation reached 8.2% in September, down sharply from a peak of 18.4% in February. Inflation continues its downward trend, but a return to the inflation target will be a long stretch and is estimated for the end of 2025. Added to this is Poland's dispute with the European Commission and the lack of NRP funds to stimulate investment demand.

A quick estimate of the Goods and Services Price Index for October 2023, published by the CSO on 31 October 2023, showed a 6.5% increase in prices compared to October 2022 and a 0.2% increase compared to September 2023. This is the lowest inflation reading in Poland in two years (source: CSO). Although experts point out that inflation will not fall as fast in the coming months, the clear downward trend will certainly have an impact on monetary policy and interest rates.

| PMI | 3Q 2023 | 3Q 2022 |
|---------|---------|---------|
| EU | 45.2 | 53.6 |
| Poland | 45.9 | 48.1 |
| Germany | 42.7 | 53.3 |

In Poland PMI was at a level lower than in the corresponding period of the previous year - however still below the 50-point "crisis" level, i.e. 45.9 points (with the reading of 48.1 points in Q3 2022). The manufacturing PMI index, which depicts industry sentiment, is still at a low level. The downturn has slowed somewhat, however.

The average values of the PMI index, which determines the level of activity in industry in the Euro zone and Germany were at a significantly lower level than in the same period of the previous year. Weak industrial performance is now evident in most European Union countries - the weakening in Poland is less than in the Euro zone.

Inflation continues to be an indicator of sentiment. As it declines to single-digit levels, public sentiment improves.

The latest results for October 2023 show some rebound, but first, it is weak, and second, this still is not a recovery.

| Forecast of GDP growth for Poland | 2023 | 2024 |
|-----------------------------------|------|------|
| NBP | 0.3% | 2.9% |
| World Bank | 0.7% | 2.6% |
| European Commission | 0.5% | 2.7% |

The European Commission, in its forecast (September 2023), expects that Poland will avoid recession with GDP growth of 0.5% in 2023. The NBP, in its latest forecast in November 2023, expects GDP growth of 0.3% in 2023. By comparison, the European Commission projects growth of 0.8% for the EU economy as a whole in 2023 (up from a expected 1.0% in May 2023).

Market sentiments - sales of cars:

Another important parameter with an impact on the dynamics and results of the Group is the sale of cars (the Automotive segment accounts for over 29.6% of Group's turnover).

According to ACEA, the passenger car market in Europe grew by 17.0% year-on-year.

The main customer of the Automotive Segment, Volkswagen Group, recorded a 21.7% increase in car sales in the European market after 9 months of 2023 (compared to the same period last year) strengthening its position as Europe's leading car manufacturer.

Accumulated inflation is significantly affecting the industry's performance due to the significant increase in labour costs and thus the increase in production costs.

The automotive market will see no return to the pre-pandemic situation, and the industry will face more changes in the next few years than in the past few decades. Some of the changes are already happening and the best example is the consolidation of the industry.

As a result, the market will be far less fragmented, and due to economies of scale, the costs of creating new, innovative products - mainly in the area of electromobility - will be lower.

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

Since nearly 60,5% of Boryszew Capital Group's sales is in the metals industry segment, Group's performance is exposed to fluctuations in average prices of metals quoted on the London Metal Exchange (LME). The hedge policy for metal price and exchange rates, followed by the Group, has a significant effect on risk reduction. However, the level of income and working capital still remain sensitive to the volatility of these commodity prices.

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

The slowdown in demand for steel products has continued since the second half of 2022 and the decline in demand is being felt now. These continuing trends resulted in some decline in purchase volumes and a break in price trends which is still being felt today. Many producers in the steel market continue to experience a reduction or lack of infrastructure or housing investment, which is important for the industry. In the case of the steel industry, such disruptions limiting proper planning may continue. Lower demand also occurring in China is creating downward pressure on prices for steel products and with higher manufacturing costs and energy-intensity issues of European producers, leading to downward pressure on margins.

During the period in question, the average prices of the four basic metals fell by: zinc 25.8%, aluminium 19.7%, copper 5.2% and lead 1.1%, respectively.

Metal prices expressed in PLN fell by: 28.0% zinc, 22.1% aluminium, 8.1% copper, and 4.1% lead, respectively, as a consequence of falling demand.

Weakening market demand may cause commodity prices in the following months of 2023 to maintain the slight downward trend.

Market sentiments - significant currency pairs

Due to the fact that transactions are mainly closed in foreign currencies, the impact of foreign exchange rates is of great importance. The level of US dollar and Euro rates has an impact on revenues of the Group, as it is linked to metal rates, which are the major component of product price. The factor stabilising the achieved results are transactions hedging the purchase prices of aluminium, zinc and copper, as well as, in part, the natural hedging, which is the quoting of products based on current quotations of raw materials.

The level of currency quotations is important for the Group, due to the predominance of processing margins which are denominated in this currency.

In the period under review PLN strengthened against USD by about 3.0%, which had an impact on quotations of basic metals expressed in PLN, and the average quotation of the euro were down by 1.9% against PLN.

In the first three quarters of 2023, the EUR/USD exchange rate was 1.07, or some 1.1% higher than in the same period last year.

The ongoing disinflation process may slow down in the coming months due to: the escalating conflict between Israel and Palestine and rising oil prices. Looking ahead to the fourth quarter of this year, this may continue to result in temporary waves of increased risk aversion, which will negatively affect the PLN exchange rate against EUR and USD in the short to medium term. Nevertheless, the prospect of an improvement in our country's economic situation in 2024, as well as a good chance for the release of NRP funds, should stabilise the zloty's quotations.

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

| | 3Q 2023 | 3Q 2022 | % change |
|-----------------|---------|---------|----------|
| Aluminium [USD] | 2 272 | 2 830 | (19.7)% |
| Copper [USD] | 8 588 | 9 064 | (5.2)% |
| Zinc [USD] | 2 699 | 3 638 | (25.8)% |
| Lead [USD] | 2 143 | 2 168 | (1.1)% |
| | 3Q 2023 | 3Q 2022 | % change |
| EUR/PLN | 4.59 | 4.67 | (1.9)% |
| USD/PLN | 4.27 | 4.40 | (3.0)% |
| EUR/USD | 1.07 | 1.06 | 1.1% |
| | 3Q 2023 | 3Q 2022 | % change |
| Aluminium [PLN] | 9 705 | 12 463 | (22.1)% |
| Copper [PLN] | 36 681 | 39 911 | (8.1)% |
| Zinc [PLN] | 11 529 | 16 021 | (28.0)% |
| Lead [PLN] | 9 154 | 9 545 | (4.1)% |

Source: Daily listings of LME, NBP



VOLUME OF SALES

The first three quarters of 2023 saw a decrease in the sales volume of the Metal Segment compared to the previous year (34.2 thousand tonnes), mainly due to Hutmen and Alchemia Group (a decrease of 27.3 thousand tonnes in total), due to the economic slowdown and strong competition from China.

The Chemicals Segment also recorded a slight decrease in volumes, amounting to 7.4% (2.0 thousand tons).

| in thousand tonnes | 3Q 2023 | 3Q 2022 | difference |
|------------------------------------|--------------|--------------|---------------|
| Volume of sales, including: | 286.3 | 322.5 | (36.2) |
| Metals Segment | 261.1 | 295.3 | (34.2) |
| Chemicals segment | 25.2 | 27.2 | (2.0) |

ACHIEVED FINANCIAL RESULTS

Boryszew Capital Group

Revenues from sales / Demand for Group's products

The revenues of Boryszew Capital Group after three quarters of 2023 amounted to PLN 4 483.9 million, which was a decrease of 14.5% against its revenues for the same period last year.

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

| in PLN million | 3Q 2023 | 3Q 2022 | difference |
|---------------------------------------|----------------|----------------|----------------|
| Revenues from sale, including: | 4 483.9 | 5 242.8 | (758.9) |
| Automotive Segment | 1 326.9 | 1 215.5 | 111.4 |
| Metals Segment | 2 714.3 | 3 361.8 | (647.5) |
| Chemicals segment | 182.7 | 235.0 | (52.3) |
| Other * | 260.0 | 430.5 | (170.5) |

* including consolidation adjustments

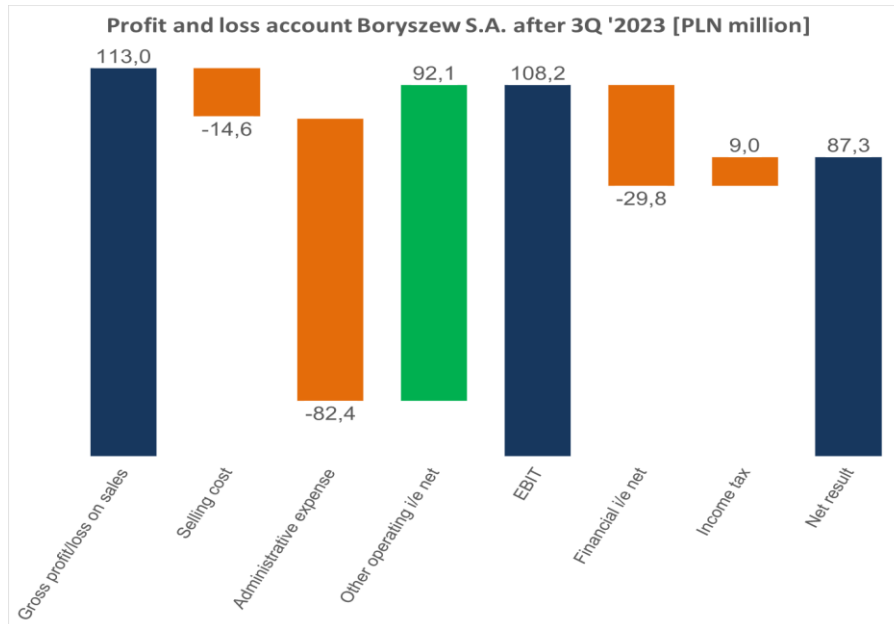
The Automotive Segment saw an increase in revenue, compared to the same period in 2022, mainly due to an increasing number of orders placed by customers. Currently, there are no longer sudden and dynamic declines in ordered quantities, contrary to the comparable period of the previous year. In addition, importantly, the availability of semiconductors and electrical harnesses improved at the end of 2022.

Revenues fell in almost all companies in the Metals Segment (with the exception of Baterpol). This is due to the decline in metal quotations and the economic slowdown, which has an impact on the demand for products of the segment companies, and consequently on the decrease in sales volumes in the period January-September 2023 compared to the same period of 2022.

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

Boryszew S.A.

The graph below compiles components of the profit and loss account of Boryszew S.A. after 3 quarters of 2023.



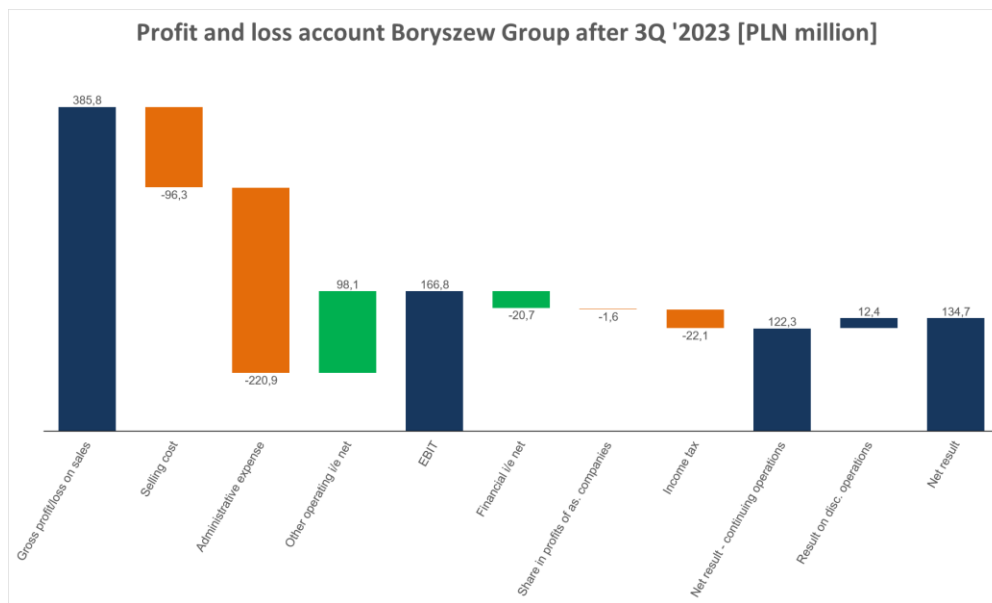
The gross result on sales after three quarters of 2023 amounted to PLN 113.0 million and was lower by PLN 36.8 million when compared to the result in the corresponding period of the previous year, due to the spin-off of NPA Skawina into a separate company. Average gross margin on sales went up from 6.8% in 2022 to 8.2% today. Costs of sales were lower by PLN 17.9 million, or by 55.0% against the same period of the previous year. General and administrative expenses were by PLN 4.2 million or 5.4% higher than in the first nine months of 2022.

The balance of operating income/expenses amounted to PLN 92.1 million and it was by PLN 82.8 million higher compared to the same period of 2022, mainly due to dividends received.

The balance of other financial income/costs amounted to minus PLN 29.8 million and was lower by PLN 34.3 million compared to the same period of the previous year.

Boryszew Capital Group

The graph below compiles components of the profit and loss account after 3 quarters of 2023.



The gross result on sales after 9 months 2023 amounted to PLN 385.8 million and was lower by PLN 82.0 million against the result for the corresponding period of the previous year. The decrease in gross profit came from decline in performance mainly in the automotive segment. Average gross margin on sales went up from 8.9% in 2022 to 8.6% today.

Costs of sales were lower by PLN 6.8 million, or by 6.6% against the same period of the previous year. General and administrative expenses were up by PLN 2.7 million, or 1.2%, compared to the same period of 2022.

The balance of operating income/expenses amounted to PLN 98.1 million and it was PLN 20.0 million higher as compared to the same period of 2022.

The result on financial operations amounted to minus PLN 20.7 million and was up by PLN 3.0 million compared to the same period of the previous year.

OPERATING RESULTS BY SEGMENTS

Boryszew S.A.

After the first nine months of 2023, EBITDA of Boryszew S.A. on continuing operations amounted to PLN 139.9 million compared to PLN 91.3 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

| in PLN million | 3Q 2023 | 3Q 2022 | difference |
|---------------------------|--------------|-------------|-------------|
| EBITDA, including: | 139.9 | 91.3 | 48.6 |
| Automotive Segment | 54.4 | 54.0 | 0.4 |
| Metals Segment | - | 36.6 | (36.6) |
| Chemicals segment | 9.2 | (12.6) | 21.8 |
| Other * | 76.3 | 13.3 | 63.0 |

* including consolidation adjustments

EBITDA increased year-on-year mainly due to dividends received (Other).

In the Automotive Segment, EBITDA result at a similar level as in the same period last year.

Better y/y result in the Chemicals Segment is mainly associated the provision for tax risk in 2022.



Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

Boryszew Capital Group

After the first nine months of 2023, EBITDA on continuing operations amounted to PLN 286.1 million compared to PLN 356.6 million in the corresponding period of the previous year.

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

| in PLN million | 3Q 2023 | 3Q 2022 | difference |
|---------------------------|--------------|--------------|---------------|
| EBITDA, including: | 286.1 | 356.6 | (70.5) |
| Automotive Segment | 65.6 | 13.2 | 52.4 |
| Metals Segment | 196.8 | 351.5 | (154.7) |
| Chemicals segment | 9.0 | (12.7) | 21.7 |
| Other * | 14.7 | 4.6 | 10.1 |

* including consolidation adjustments

| in PLN million | 3Q 2023 | 3Q 2022 | difference |
|--|--------------|--------------|---------------|
| EBITDA (excluding non-recurring events), including: | 286.1 | 319.5 | (33.4) |
| Automotive Segment | 65.6 | 13.2 | 52.4 |
| Metals Segment | 196.8 | 291.9 | (95.1) |
| Chemicals segment | 9.0 | 9.8 | (0.8) |
| Other * | 14.7 | 4.6 | 10.1 |

* including consolidation adjustments

1. Automotive Segment

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

2. Metals Segment

The EBITDA result in the Metals Segment, which was lower than last year, is mainly attributable to steel, due to weakening demand for steel products in Europe.

In 2022, high prices and demand for steel products meant a very good performance of steel companies, however the second half of 2022 saw a slowdown in demand. The decline in demand is much greater in 2023. Reduced investment and competition from China are having a negative impact on the steel market.

3. Chemicals segment

Boryszew S.A. Boryszew ERG Branch is the main contributor to the decline in EBITDA results of the Segment.

The lower results are mainly due to lower sales in the Chemistry segment (lower market demand), Automotive (warm winter). and competition from the Far East.

4. Other

Results of companies in the Others Segment are at a higher level compared to the same period of the previous year mainly as a result of property sales.

NET PROFIT/LOSS

Boryszew S.A.

Net result of Boryszew S.A. for 3 quarters of 2023 amounted to PLN 87.3 million and is higher than in the same period of the previous year by PLN 52.2 million.

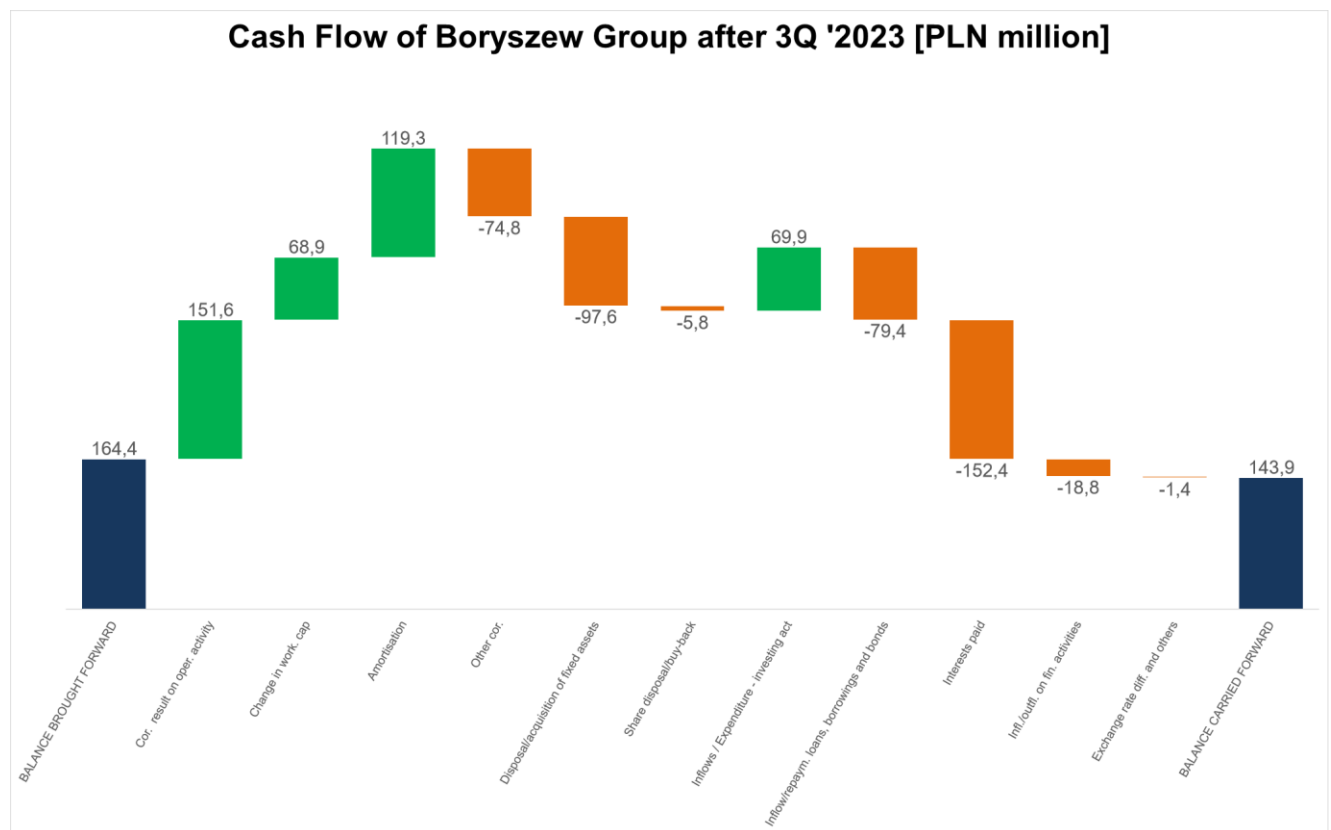
Boryszew Capital Group

Net result from continuing operations amounted to PLN 122.3 million which was a decline of PLN 13.2 million versus the same period of 2022.

The total net result including continued and discontinued operations amounted to PLN 134.7 million and was lower than the result after the same period 2022 by PLN 2.6 million, while the net result attributable to shareholders of the parent company amounted to PLN 126.8 million - lower than last year's result by PLN 4.6 million.

A. CASH FLOW

Cash flows for the January-September 2023 are presented in the chart below:



After the first three quarters of 2023, Boryszew Capital Group reported positive cash flows from operating activities PLN (265.1) million, owing to decrease in prices of main metals measures to optimise working capital.

The negative balance of flows from investing activities PLN (33.5) million is the result of ongoing development projects.

The negative balance from financing activities PLN (250.6) million was mainly due to the payment of dividends and repayment of loans.

After the first nine months of 2023 net debt of Boryszew Capital Group amounted to PLN 616.9 million and was higher by PLN 35.6 million compared to the end of 2022.

The net debt/EBITDA ratio in the first nine months of 2023 was 1.7 and is at the level of the end of 2022 (1.7) (where: - net debt = interest liabilities – cash and cash equivalents - loans granted; - interest liabilities = long-term liabilities + short-term liabilities (from loans, credits, leases))

The Management Board positively evaluates the achieved financial results for 9 months of 2023, in all significant elements. The current financial potential of the Boryszew Group as well as safe debt and liquidity ratios, in the opinion of the Management Board, indicate a strong ability to meet its obligations. The Management Board monitors

the debt and liquidity situation on an ongoing basis so that, in the event of a significant deterioration in these indicators, they can respond appropriately to the causes and consequences of the situation.

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

Boryszew Capital Group is exposed to the phenomenon of seasonality to a limited extent.

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

In the Metal Segment, seasonality affects the range of products sold for the construction sector, which include zinc-titanium roof sheets and zinc wire manufactured by ZM SILESIA S.A.

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

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

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

Boryszew Capital Group operates in three industry segments.

OPERATING SEGMENTS

Automotive Boryszew S.A. Oddział Maflow w Tychach, Maflow Spain Automotive S.L.U., Maflow France Automotive S.A.S. in liquidation, Maflow BRS s.r.l., Maflow Components Dalian Co. Ltd., Maflow do Brasil Ltda., Boryszew Automotive Mexico S.DE R.L.DE C.V., MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., ICOS GmbH in bankruptcy under self-administration, Theysohn Kunststoff GmbH in bankruptcy under self-administration, Theysohn Formenbau GmbH in bankruptcy under self-administration, Boryszew Kunststofftechnik Deutschland GmbH, AKT Plastikářská Technologie Čechy, spol. S.r.o., Boryszew Formenbau Deutschland GmbH, Boryszew Oberflächentechnik Deutschland GmbH, Boryszew Plastic Rus Sp. z o.o., Maflow Plastics Poland Sp. z o.o., 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 Inwestycje 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 Green Energy & Gas Sp. z o.o., Boryszew Inwestycje Sp. z o.o., Boryszew Nieruchomości Sp. z o.o., Boryszew Assets Sp. z o.o., Boryszew Property Sp. z o.o., "onesano" S.A.

REVENUES FROM SALE BY DESTINATION MARKET

| Sales revenues by geographical areas | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
|--|----------------------------|----------------------------|
| Continuing operations | | |
| Domestic sales | 1 560 525 | 2 118 202 |
| Sales to EU countries | 2 509 794 | 2 673 705 |
| Sales to other European countries | 179 863 | 191 455 |
| Export outside Europe | 233 762 | 259 408 |
| Total (revenues from continuing operations) | 4 483 944 | 5 242 770 |



Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES

| Share of EU member states in intra-Community sales: | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
|---|----------------------------|----------------------------|
| Germany | 36% | 38% |
| The Czech Republic | 19% | 20% |
| Italy | 6% | 6% |
| Slovakia | 5% | 4% |



Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

REVENUES AND RESULTS BY OPERATING SEGMENTS IN Q3 OF 2023
(data regarding continuing operations)

| Continuing operations 01.01.2023 - 30.09.2023 | Chemical products | Automotive | Metals | Other non-allocated | Total | exclusions between segments | Total |
|---|-------------------|----------------|----------------|---------------------|----------------|-----------------------------|----------------|
| Revenues from sales | 182 728 | 1 326 899 | 2 714 322 | 562 225 | 4 786 174 | (302 230) | 4 483 944 |
| Segment costs of sales | 154 628 | 1 219 995 | 2 474 205 | 543 663 | 4 392 491 | (294 387) | 4 098 104 |
| Result on sales within segment | 28 100 | 106 904 | 240 117 | 18 562 | 393 683 | (7 843) | 385 840 |
| General, administrative and sales expenses | 29 628 | 141 002 | 129 292 | 20 554 | 320 476 | (3 310) | 317 166 |
| Other operating profit/loss | 6 402 | 38 568 | 39 083 | 119 070 | 203 123 | (105 031) | 98 092 |
| Segment profit/loss | 4 874 | 4 470 | 149 908 | 117 078 | 276 330 | (109 564) | 166 766 |
| Amortisation/depreciation | 4 158 | 61 086 | 46 909 | 7 256 | 119 409 | (96) | 119 313 |
| EBITDA *) | 9 032 | 65 556 | 196 817 | 124 334 | 395 739 | (109 660) | 286 079 |
| Segment assets | 201 201 | 1 683 088 | 2 271 083 | 1 913 246 | 6 068 618 | (2 131 863) | 3 936 755 |
| Segment liabilities | 123 669 | 2 278 148 | 651 139 | 301 630 | 3 354 586 | (1 070 230) | 2 284 356 |

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

*) EBITDA = operating profit less depreciation expense



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

On 22 May 2023, the Ordinary General Meeting of Boryszew S.A. passed a resolution based on which it was decided to:

- 1) distribute the net profit for 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 the aforementioned profit was fully allocated for distribution to shareholders, i.e. for the payment of dividend to shareholders, and
- 2) allocate for distribution to shareholders the amount of PLN 113 470 227.62 from the supplementary capital, which, according to Art. 348 of the Commercial Companies Code, may be allocated for distribution.

Following the allocation of the aforementioned amounts for distribution to shareholders, the Ordinary General Meeting of Shareholders of Boryszew S. A. decided:

- to allocate a total of PLN 151 851 700.00 for distribution to shareholders, i.e. decided to pay dividends to shareholders in the amount of PLN 0.74 per share entitled to dividends,
- to set the dividend date as 29 May 2023 and the dividend payment date as 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.

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.

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

NON-EQUITY SECURITIES

The Group issued no non-equity securities in Q3 '2023 and up to the date of the report.

REDEMPTION OF BONDS ISSUED BY BORYSZEW S.A.

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

BONDS OF BORYSZEW S.A.

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

EQUITY SECURITIES

In the third quarter of 2023 and until the date of publication of the report, the Company issued no equity securities.

CAPITAL INVESTMENTS

In the third quarter of 2023 the Company made no significant capital investments.

For summary of consolidated and unconsolidated shares refer to point 2 of the report.

REAL PROPERTY

In the third quarter of 2023 the Company acquired or sold no significant real estate.

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

LOANS GRANTED, REPAID

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

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

IMPACT OF 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:

- increased inflation,
- 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 September 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 new risks exist 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 Q3 2023 should include:

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

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

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

- 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 and price of feed materials,
- 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,
- availability of employees on the labour market, especially in the Silesian agglomeration.
- implementation of investment plans set forth in the strategy.

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

Contingent liabilities

| | Balance on 30.09.2023 | Balance on 31.12.2022 | change |
|---|--------------------------|--------------------------|-----------------|
| Sureties for the repayment of loans and other liabilities by associated companies | 90 449 | 114 906 | (24 457) |
| Liability for tax risks on proceedings at ZM SILESIA S.A. | 29 569 | 87 787 | (58 218) |
| Total | 120 018 | 202 693 | (82 675) |

| | Balance on 30.09.2023 | Balance on 31.12.2022 | change |
|--|--------------------------|--------------------------|-----------------|
| Contingent liabilities | 90 449 | 114 906 | (24 457) |
| resulting from granted guarantees, sureties and other liabilities | 90 449 | 114 906 | (24 457) |
| - guarantees and sureties associated with performance of contracts | 90 449 | 114 906 | (24 457) |
| - guarantees and sureties in favour of financial institutions | - | - | - |

Increases / decreases in the period of 9 months ended on 30.09.2023, including: (24 457)

Additions

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

Reductions

- Reduction due to valuation of sureties (1 007)
- Decrease in the amount of existing sureties due to expiration, reduction (23 450)

The decrease in warranties granted is due to the release by Volvo Group Trucks Operations of the guarantee issued by Boryszew S.A. as security for the performance of the contract by Boryszew Plastic RUS LLC (23.5 million).

| | Balance on 30.09.2023 | Balance on 31.12.2022 | change |
|---|--------------------------|--------------------------|----------------|
| Contingent assets/ CO2 emission rights | 31 379 | 34 220 | (2 841) |

The decrease in contingent assets as of 30.09.2023 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 30.09.2023 is PLN 31 379 million [83 107 units x EUR 81.45 (average quotations for CO2 emission futures contracts) x 4.6356 (average exchange rate of the National Bank of

Poland on 29.09.2023)]. The fair value of EUA units received free of charge (on the reporting date) on the date of acquisition is PLN 33 122 million.

11. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA

Financial assets per balance sheet on 30.09.2023

| | 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 | 514 689 | 32 037 | | | 546 726 |
| Derivative financial instruments | | 14 | 18 164 | | 18 178 |
| Loans granted | 16 757 | | | | 16 757 |
| Bonds | - | | | | - |
| Other debtors | 106 063 | | | | 106 063 |
| Cash and cash equivalents | 143 909 | | | | 143 909 |
| Total | 781 418 | 32 129 | 18 164 | 23 | 831 734 |

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 |
| Total | 849 736 | 47 429 | 19 568 | 26 003 | 942 736 |

Financial liabilities on 30.09.2023

| | 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 | 700 306 | | | 700 306 |
| Bonds | - | | | - |
| Derivative financial instruments | | - | 13 201 | 13 201 |
| Lease liabilities | 60 531 | | | 60 531 |
| Right-of-use liabilities | 166 357 | | | 166 357 |
| Trade and other liabilities | 676 110 | | | 676 110 |
| Total | 1 603 304 | - | 13 201 | 1 616 505 |

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 |
| Total | 1 621 683 | 298 | 7 296 | 1 629 277 |

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 30.09.2023 | Balance on 31.12.2022 | |
| Financial assets | | | |
| Listed shares (*) | 23 | 26 003 | Level 1 |
| Derivative financial instruments | 18 178 | 21 620 | Level 2 |
| Financial obligations | | | |
| Derivative financial instruments | 13 201 | 7 594 | Level 2 |

(*) the decrease is a result of a change in the classification of shares held in "onesano" S.A., on 30.09.2023 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 30.09.2023 | Balance on 31.12.2022 | |
| Financial assets | | | |
| Shares and stock | 78 | 78 | Level 3 |
| Bonds | - | 21 346 | Level 3 |
| Borrowings | 16 757 | 62 152 | Level 3 |
| Trade and other receivables | 652 789 | 647 123 | Level 3 |
| Cash and cash equivalents | 143 909 | 164 414 | Level 1 |
| Financial obligations | | | |
| Borrowings and loans | 700 306 | 743 534 | Level 2 |
| Trade and other liabilities | 676 110 | 676 620 | Level 3 |
| Lease liabilities | 60 531 | 73 481 | Level 2 |
| Right-of-use liabilities | 166 357 | 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 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
|---|-------------------------|-------------------------|
| Creation of value impairment write-offs for accounts receivable | (2 771) | (1 621) |
| Reversal of write-downs on accounts receivable (-) | 1 083 | 1 685 |
| Revaluation write-offs of loan receivables | (3) | - |
| Reversal of revaluation write-offs on loans granted | - | - |
| Impairment write-off on bonds | - | - |
| Reversal of impairment write-off on bonds | - | 519 |
| Tangible fixed assets impairment write-offs | (789) | (58) |
| Reversal of tangible fixed assets impairment write-offs | 329 | 396 |
| Valuation of shares to fair value | - | (226) |
| Valuation to fair value of investment properties | 17 352 | 1 890 |
| Provisions for tax risks ERG Branch | (3 132) | (30 313) |
| Reversal of provisions for liquidation of Hutmen Sp. z o.o. | - | 45 621 |
| Creation of provisions | (9 210) | (4 573) |
| Reversal of provisions | 1 331 | 5 457 |
| Deferred tax provision | - | - |
| Total impact on profit/loss | 4 190 | 18 777 |



Transactions with affiliated entities

| | Associates | Personally related entities |
|--|------------|-----------------------------|
| in the period 01.01.2023 - 30.09.2023 | | |
| Revenues from sales (of products, services, goods) | 684 | 79 974 |
| Interest income | - | 3 414 |
| Purchase of goods and services | 7 209 | 3 934 |
| balance on 30.09.2023 | | |
| Trade receivables | 27 | 38 652 |
| Loans granted | - | 16 757 |
| Trade liabilities | 950 | 445 |

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

12. ORGANISATION OF THE CAPITAL GROUP

BORYSZEW S.A.

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

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

In Q3 '2023 Boryszew S.A. carries out its activity through the following units:

- Maflow Branch in Tychy – manufacturer of tubes for the automotive industry, including mainly air-conditioning tubes, power steering systems and various rubber components. The Branch's assets, constituting the largest productive assets of Maflow Group, were purchased on 10 August 2010.
- Elana Branch in Torun - manufacturer of polyester fibre and plastics for a wide range of applications. The main products include staples and 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 3rd parties.



Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

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).

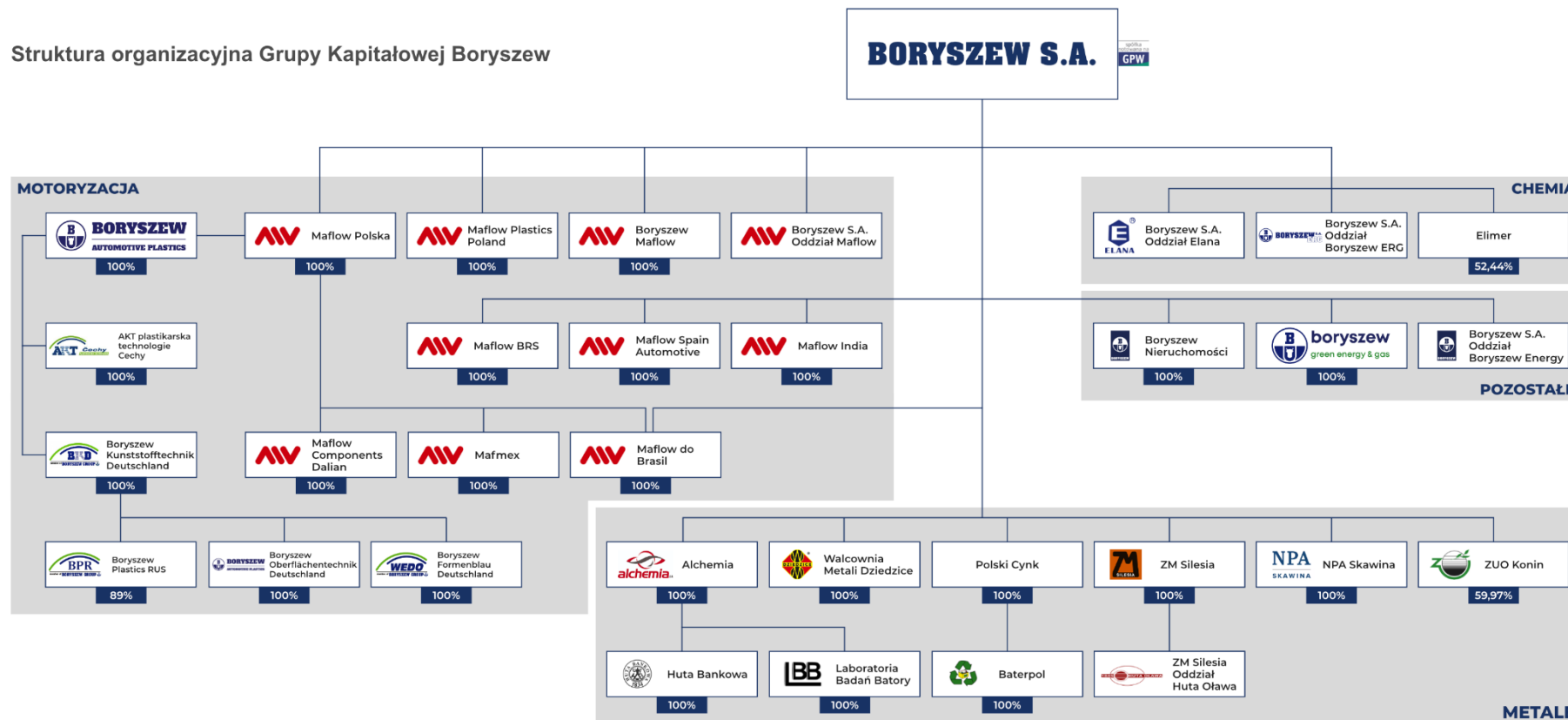
The following companies were sold to third-party investors in 2021: Elana PET Spółka z o.o., based in Toruń and FŁT Polska Spółka z o.o., based in Warsaw, together with FŁT's holdings in subsidiaries, i.e.: FLT-Wälzlager GmbH, FLT & Metals s.r.l., FLT Bearings Ltd, FLT France SAS, FLT (Wuxi) Trading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

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

Struktura organizacyjna Grupy Kapitałowej Boryszew



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

Boryszew S.A.

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

On 31 January 2023 the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Department of the National Court Register made an entry on the merger in the National Court Register – Register of Enterprises of Boryszew S.A. adopted a resolution on the merger of Boryszew S.A. (as the Acquiring Company) with Hutmen Spółka z o.o. (as the Acquired Company). 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 September 2023 the company was deleted from the register of entrepreneurs maintained by the National Court Register (the decision is final).

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

| | |
|--|---------|
| Exclusion of losses of discontinued operations of HMN Szopienice S.A. in liquidation | 158 759 |
|--|---------|

| | |
|---|-----------|
| Exclusion of liabilities and adjustments related to discontinued operations | (146 405) |
|---|-----------|

| | |
|---|---------------|
| Difference recognised as result from liquidation of the Company in discontinued operations | 12 354 |
|---|---------------|

In these consolidated statements, as at 30.09.2023, 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.

Change of company names of Group companies

On 10 July 2023 extraordinary general meeting of:

1. 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.,

2. 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.

3. 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.

4. 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.**,
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 Boryszew Holding 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 Inwestycje Sp. z o.o.
5. 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.**,
On 14 July 2023 the District Court in Toruń, 7th Commercial Division of the National Court Register, having reviewed the application of Elana – Energetyka 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 Green Energy & Gas Sp. z o.o.

Adoption of the merge plan for Boryszew Automotive Plastics Sp. z o.o. z Boryszew Commodities Sp. z o.o. Boryszew Components Sp. z o.o

On 7 September 2023 management boards of Boryszew Automotive Plastics Sp. z o.o., Boryszew Commodities Sp. z o.o. and Boryszew Components Poland Sp. z o.o. agreed to proceed with the merger process of Boryszew Automotive Plastics Sp. z o.o. (Acquiring Company) with Boryszew Commodities Sp. z o.o. (Acquired Company 1) and Boryszew Components Poland Sp. z o.o. (Acquired Company 2), involving the acquisition of the Acquired Company 1 and the Acquired Company 2 by the Acquiring Company.

The merger of the companies will be carried out under the provisions of CCC Art. 492 § 1(1) in conj. with CCC Art. 515 § 1 by transferring all assets of the Acquired Company 1 and Acquired Company 2 to the Acquiring Company, without granting the shareholders of Acquired Company 1 and Acquired Company 2 shares in the Acquiring Company.

Since the Acquiring Company is the sole shareholder of the Acquired Company 1 and the Acquired Company 2, the merger will be carried out under the simplified procedure in CCC Art. 516 § 5 and 6.

Reduction of share capital of Alchemia S.A.

On 29 March 2023 the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register Economic Department entered in the Register of Entrepreneurs a reduction in the amount of Alchemia S.A.'s share capital from PLN 225 485 000.00 to PLN 207 285 000.00, due to redemption of 14 000 000 own bearer shares of Alchemia S.A., with a nominal value of PLN 1.30 per share, based on Resolution No. 18 of the General Meeting of 6 June 2023 on redemption of own shares and reduction of share capital.

On the date of publication of the report the share capital of Alchemia S.A. is PLN 207 285 000.00, divided into 159 450 000 shares.

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

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

Forecasts of financial result

The Management Board of Boryszew S.A. published no forecasts of the financial result for 2023.

Implementation of Boryszew Group strategy for 2022 - 2026

According to the Boryszew Group Strategy for 2022 - 2026, adopted and published on 17 May 2022 we want to be a strong leader in the global automotive and metal sectors with an innovative product offer and a diversified group of customers.

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.



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- installation of 5MW RES by the end of 2023,
- potential entry into a new business segment.
- reduction of CO₂ emissions (per tonne of production) by 10% by 2026.

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

Given the global economic slowdown as of the date of this report, the Group sees a delay in the planned EBITDA growth for the current year due to the postponing the optimisation of the low-margin asset base. Nevertheless, the Parent Company's Management Board believes that this should have no impact on the achievement of goals in the perspective to 2026.

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

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 30.09.2023 and the date of submitting the report for publication:

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

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

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

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

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

Between the submission for publication of the report for the first six months of 2023 on 17 August 2023 and the publication of the report for 3 quarters on 16 November 2023, no changes occurred to the ownership structure of significant blocks of shares of Boryszew S.A.

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

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

The Incentive Scheme 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.

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

Between the date of submission of the report for H1 2023 and the date of publication of the report for 3 quarters of 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 | 20 000 |

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

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

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

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

Tax proceedings in the Capital Group companies

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

Proceedings completed at first instance

ZM SILESIA S.A.

- On 12 March 2018, ZM SILESIA S.A. received a decision of the Head of the Customs and Tax Office (Office) in Opole dated 28 February 2018, determining the outstanding VAT liability for 2012 in the amount of PLN 28.6 million plus interest on tax arrears in the amount of PLN 16.0 million. According to the position of the Office, ZM SILESIA S.A. failed to exercise due diligence in verifying the tax reliability of some of its suppliers, who, as it turned out, failed pay the due VAT to the state budget. As a result, ZM SILESIA S.A. should not have reduced its output tax by the input tax shown on invoices issued by dishonest contractors. Due to its different assessment of the facts from that of the inspection bodies, the company appealed against the decision of the Office. On 26 April 2021 the company received the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 determining overdue VAT liability of ZM SILESIA S.A. for 2012 in the amount of PLN 28.6 million, plus interest on outstanding tax liability. To secure tax liabilities for 2012, compulsory mortgages were established on part of the Company's land properties. On 29 April 2021 ZM SILESIA received a notice from the Head of the 2nd Fiscal Office in Katowice on the freezing of ZM SILESIA's bank accounts as a security of claims associated with the execution of the Decision On 7 May 2021, the Company's attorney filed a complaint against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021 requesting that the decision be revoked in its entirety, claiming that the tax liabilities for the period between January and November 2012 had become time-barred and requesting that the Court suspend the execution of the decision appealed against. On 6 August 2021 the Company received a decision of the Provincial Administrative Court in Gliwice of 26 July 2021 on suspending the execution of the decision of the Head of the Fiscal Administration Chamber on determining VAT liability for 2012. On 8 September 2021, the Provincial Administrative Court notified on the scheduled hearing in the case on the complaint of ZM SILESIA SA against the decision of the Head of the Fiscal Administration Chamber in Katowice of 19 April 2021.

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

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

The Head of the Fiscal Administration Chamber in Katowice, being bound by the assessments and recommendations of the Provincial Administrative Court in Gliwice in the final judgment of 27 October 2021 (case file I SA/GI 791/21), pointed out that it was necessary to re-examine and justify the position of the first instance authority with respect to the tax liability statute of limitations and the circumstances which could possibly extend the statute of limitations, as the previous position of the first instance authority in this respect turned out to be incorrect or incomplete. On 1 June 2022, the tax authority of the first instance - the Customs and Fiscal Office in Opole - reopened audit proceedings in the aforementioned case, which was completed with issuing a tax decision on 29 December 2022 for individual months of 2012 in the unchanged amount of PLN 29 million. On 16 January 2023, the Company's Attorney filed an appeal against the decision concerned with the Head of the Fiscal Administration Chamber in Katowice. On 2 February 2023, the Head of Customs and Fiscal Office in Opole issued a decision correcting their decision of 29 December 2022. On 17 February 2023, the Company's

Attorney filed an appeal against the decision to correct the decision. On 27 February 2023, the Head of Customs and Fiscal Office in Opole drafted a position paper on the Company's above appeals.

On 30 March 2023, the Director of the 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, 15 February 2024.

- 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 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, the parties have filed cassation complaints with the Supreme Administrative Court.

- On 19 April 2022, ZM SILESIA S.A. received a decision from the Head of the Małopolska Customs and Fiscal Office (Office) in Kraków of 6 April 2022 determining the outstanding VAT liability of ZM SILESIA S.A. (ZM SILESIA) for the first half of 2015 in the amount of PLN 34.9 million, plus interest due for outstanding tax liability.

As argued by the Office, ZM SILESIA should not have reduced its output tax by the input tax shown on invoices issued by some contractors who were alleged to have been involved in a chain of transactions with the aim of effecting tax evasion. At the same time, the Office stated that ZM SILESIA had not acted with the so-called 'good faith', which would nevertheless help them maintain the right to deduct input tax despite the occurrence of tax irregularities at earlier stages of the disputed supplies. The decision in question is non-final and not enforceable. Due to different assessment of the above circumstances, on 29 April 2022 the Company filed an appeal against the Decision of the Head of Małopolska Customs and Fiscal Office. To date, the appeal has not 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 December 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: 2 January 2024.
- 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 2014 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: 11 December 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. 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 27 September the Director of the Fiscal Administration Chamber in Katowice set a deadline of 13 December 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.
- On 3 August 2023, the Head of the Tax Office in Olawa forwarded a notice to Baterpol Recycler Sp. z o.o. that, due to the initiation of proceedings in a fiscal offence case, on 15 February 2023 the statute of limitations for VAT liabilities for the period between 01 October 2013 and 30 September 2016 was suspended.

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

- On 22 October 2020 the President of the Office of Competition and Consumer Protection initiated proceedings against Boryszew S.A. due to the company's excessive delays in meeting its cash obligations in the period June-August 2020. 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 25 August 2023, the Company received a decision imposing a fine for late payment of monetary dues in the amount of PLN 2 832 593.77. The Company's Attorney filed an appeal against the decision of the Office of Competition and Consumer Protection. The anticipated date of closing the case: 29 February 2024.



- Maflow 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 relevant 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 relevant subsidiary's net assets lost as a result of bankruptcy and the equivalent of the sureties granted to that 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 September 2023 is PLN 180 763 thousand (high risk). Furthermore, the Group recognises contingent liabilities in the amount of PLN 29 569 thousand (medium or low risk).

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

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

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

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

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

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

No other non-commercial transactions between related parties (outside Boryszew Group) occurred in Q3 2023.

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

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

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

SURETIES GRANTED BY BORYSZEW S.A. AS AT 30.09.2023 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 30.09.2023

| 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 |
|---|---|--------------------|----------------------------|
| Mafmex S. de R.L. de C.V. | Mafmex's performance bond for AB Volvo | 23 178 | term of the agreement |
| Mafmex S. de R.L. de C.V. | Mafmex's rent payment bond to Innova Dintel | 11 643 | 01.01.2030 |
| Mafmex S. de R.L. de C.V. | BMW AG performance bond | 27 814 | contract period + 15 years |
| Maflow Components (Dalian) Co. Ltd. | BMW AG performance bond | 27 814 | contract period + 15 years |
| Total | | 90 449 | |

Guarantees and sureties as at 31.12.2022

| Entity on whose behalf the surety or guarantee was issued | Entity for which guarantee or surety was issued | Value of guarantee | Expiry date of guarantee |
|---|--|--------------------|----------------------------|
| Boryszew Plastic RUS 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 |
| Total | | 114 906 | |

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.



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

Situation in Maflow/BAP Group

With regard to Maflow Group as well as Boryszew Automotive Plastics Group, the external factors, to a large extent influencing the activity and the possibility of development of both Groups include: the general situation on the automotive market and unfavourable macroeconomic conditions, in particular, high level of inflation and, consequently, high labour costs, rising costs of materials and raw materials and availability of employees.

As far as Maflow Group is concerned, a significant issue is the ongoing negotiations on compensation and adjustment of sales prices to the current macroeconomic situation, in particular, rising labour and material costs associated with high inflation.

The current situation of Maflow Group is also significantly affected by the postponed launch of production for a key customer in the electric car industry.

For Boryszew Automotive Plastics Group, restructuring processes are still underway, the difficult situation of the BAP Companies is compounded by increased costs of energy, raw materials and production materials, as well as constantly rising labour costs. The stabilisation of BAP Companies is also not facilitated by the lack of new project appointments.

Negotiations are currently underway with a key customer of BAP Group, with regard to adjusting sales prices to the current macroeconomic conditions, and on the subject of possible further restructuring measures to enable production activities to be carried out in an economically viable manner in the long term. Failure to reach an agreement resulting in failure to obtain the expected price terms will mean limitations on the self-financing capabilities of Boryszew Automotive Plastics Group.

Both Groups, in Q3 2023, introduced a number of measures to prevent existing difficulties, mainly due to the unfriendly macroeconomic situation.

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

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

23. ADDITIONAL INFORMATION

BORYSZEW S.A.

Acquisition of "onesano" S.A..

In three quarters of 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 September 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 30.09.2023 at purchase price | 31 090 |
| share of net assets determined by value on the date of significant influence, share on 30.09.2023. | 9 090 |
| Potential Goodwill on acquisition considering the book value as the value of the net assets acquired | 22 000 |
| Group's share of the result of onesano S.A. between the date of significant influence and 30 September 2023. | (1 605) |

The value of the block of shares held, calculated according to the stock price (Warsaw Stock Exchange) on the balance sheet date, is PLN 34 720 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 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 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.

Events after the balance sheet date

Boryszew Nieruchomości

On 20 October 2023, Boryszew Nieruchomości Sp. z o.o. signed an agreement with the National Fund for Environmental Protection and Water Management on a funding for an investment involving the construction of an installation for thermal transformation of municipal waste in Toruń.

Funding will be provided in the form of a loan (PLN 63 954 thousand) and a non-refundable grant (PLN 63 954 thousand)

Basic assumptions of the installation:

1. Total construction cost: PLN 166 million,
2. The capacity of the processing line in the new plant will be sufficient to process more than 23 000 tonnes of waste per year. The installation will be constructed as a combined heat and power plant, generating electricity and heat through the thermal conversion of high-calorie fraction of municipal waste (pre-RDF/RDF fuels). It will generate electricity and heat in high-efficiency cogeneration with a total capacity of more than 7 MW.
3. The planned (average annual) gross CHP electrical capacity will be 0.59 MWe, and CHP heat capacity will be 6.88 MWt. The surplus electricity will be sold to the local distribution network, while the heat will feed the public district heating networks: on the site of ELANA Industrial Park and the municipal district heating network of the city of Toruń.
4. The plant will be constructed based on proven grate furnace technology with a water (or steam) boiler featuring an efficient flue gas cleaning system, with the necessary infrastructure.
5. Commencement of the installation: 01.01.2027

As per the agreement, should a finale environmental decision on the planned subsidised investment be not submitted within 12 months of the date of signing the agreement, the agreement is terminated by mutual consent of the parties.

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

24. REPRESENTATIONS OF THE MANAGEMENT BOARD

The Management Board of Boryszew S.A., to the best of their knowledge, represents that the consolidated financial statements of Boryszew Capital Group and the comparative data for three quarters of 2023 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 as well as true picture of development and achievements and situation of Boryszew Capital Group, including description of basic risks and threats.



**ABBREVIATED MID-YEAR
FINANCIAL STATEMENTS**

Boryszew S.A.
**for the period between 1 January and 30 September
2023**


Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 September 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 - 30.09.2023 | 01.01.2022 - 30.09.2022 | 01.07.2023 - 30.09.2023 | 01.07.2022 - 30.09.2022 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Revenues from sales | 1 381 760 | 2 203 248 | 408 884 | 784 888 |
| Prime cost of sale | 1 268 713 | 2 053 398 | 380 915 | 727 028 |
| Gross profit on sales | 113 047 | 149 850 | 27 969 | 57 860 |
| Selling costs | 14 619 | 32 522 | 4 830 | 9 956 |
| General and administrative costs | 82 389 | 78 144 | 26 059 | 24 717 |
| Other operating revenue | 111 381 | 43 852 | 16 121 | 21 047 |
| Other operating expenses | 19 248 | 34 509 | 9 355 | 2 583 |
| Operating income | 108 172 | 48 527 | 3 846 | 41 651 |
| Financial revenues | 72 224 | 90 156 | 10 832 | 45 448 |
| Financial expenses | 102 071 | 85 657 | 15 683 | 41 051 |
| Financial profit/loss | (29 847) | 4 499 | (4 851) | 4 397 |
| Profit before taxation | 78 325 | 53 026 | (1 005) | 46 048 |
| Income tax | (8 967) | 17 950 | (13 440) | 5 296 |
| Net profit | 87 292 | 35 076 | 12 435 | 40 752 |
| Earnings / Diluted earnings per share | | | | |
| Weighted average number of shares | 205 205 000 | 205 205 000 | 205 205 000 | 205 205 000 |
| Earnings / Diluted earnings per share (PLN) | 0.43 | 0.17 | 0.06 | 0.20 |

| | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 | 01.07.2023 - 30.09.2023 | 01.07.2022 - 30.09.2022 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| Net profit | 87 292 | 35 076 | 12 435 | 40 752 |
| Earnings recognised in equity | | | | |
| Earnings recognised in equity, to be transferred to income statement | (4 002) | (5 243) | (20) | 108 |
| Hedge accounting (pre-tax) | (4 941) | (6 473) | (25) | 133 |
| Income tax | 939 | 1 230 | 5 | (25) |
| Earnings recognised in equity, not to be transferred to income statement | (1 343) | 1 713 | - | (349) |
| Gains/losses on valuation and disposal of equity instruments (before tax) | (1 241) | 1 933 | - | (431) |
| Income tax | 236 | (367) | - | 82 |
| Profit/Loss on restatement of employee benefits (before taxes) | (417) | 181 | - | - |
| Income tax | 79 | (34) | - | - |
| Total earnings recognised in equity | (5 345) | (3 530) | (20) | (241) |
| Total comprehensive income | 81 947 | 31 546 | 12 415 | 40 511 |



Boryszew S.A.

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

(amounts expressed in PLN '000 unless specified otherwise)

STATEMENT OF FINANCIAL POSITION

| ASSETS | Balance on 30.09.2023 | Balance on 31.12.2022 | Balance on 30.09.2022 |
|---|----------------------------------|----------------------------------|----------------------------------|
| Non-current assets | | | |
| Tangible fixed assets | 163 179 | 250 821 | 261 114 |
| Investment property | 21 702 | 19 780 | 19 906 |
| Goodwill | - | - | - |
| Intangible assets | 15 084 | 32 227 | 29 622 |
| Right-of-use assets | 89 351 | 125 281 | 129 109 |
| Shares in subsidiaries and associates | 875 557 | 810 578 | 810 636 |
| Financial assets | 159 595 | 143 152 | 174 994 |
| Long-term receivables | 137 148 | 135 626 | 141 434 |
| Deferred tax assets | 7 445 | - | - |
| Total fixed assets | 1 469 061 | 1 517 465 | 1 566 815 |
| Current assets | 844 147 | 1 015 236 | 1 125 957 |
| Current assets other than assets held for sale | | | |
| Inventory | 195 497 | 298 055 | 313 071 |
| Trade receivables and other receivables | 319 365 | 339 217 | 467 192 |
| Short-term financial assets | 295 130 | 343 824 | 295 510 |
| Derivative financial instruments | 4 203 | 8 022 | - |
| Current tax assets | 3 605 | - | 3 879 |
| Cash and cash equivalents | 26 347 | 26 118 | 46 305 |
| Total current assets | 844 147 | 1 015 236 | 1 125 957 |
| Total assets | 2 313 208 | 2 532 701 | 2 692 772 |


Boryszew S.A.

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

(amounts expressed in PLN '000 unless specified otherwise)

| LIABILITIES AND EQUITY | Balance on 30.09.2023 | Balance on 31.12.2022 | Balance on 30.09.2022 |
|--|--------------------------|--------------------------|--------------------------|
| Equity | | | |
| Share capital | 248 906 | 248 906 | 248 906 |
| Share premium | 112 346 | 112 346 | 112 346 |
| Own shares | (182 816) | (182 816) | (182 816) |
| Hedge accounting capital | (71) | 3 931 | (7 913) |
| Capital reserve on translating employee payables | (271) | 67 | (61) |
| Revaluation reserve and gain on disposal of financial assets | 3 433 | 27 991 | 24 762 |
| Retained earnings | 1 128 076 | 994 609 | 1 014 858 |
| Total equity | 1 309 603 | 1 205 034 | 1 210 082 |
| Liabilities and long-term provisions | | | |
| Bank loans, borrowings | 36 599 | 18 391 | 85 966 |
| Lease and right-of-use liabilities | 54 095 | 70 107 | 59 305 |
| Deferred tax provision | - | 9 766 | 20 166 |
| Derivative financial instruments | - | - | - |
| Employee benefit provisions | 2 765 | 2 576 | 2 671 |
| Other provisions | 32 553 | 14 050 | 13 923 |
| TRADE PAYABLES AND OTHER LIABILITIES | - | 2 396 | 19 660 |
| Other long-term liabilities | 6 276 | 17 894 | |
| Liabilities and long-term provisions - total | 132 288 | 135 180 | 201 691 |
| Short-term liabilities | | | |
| Bank loans, borrowings | 421 307 | 686 261 | 634 867 |
| Lease and right-of-use liabilities | 20 133 | 24 851 | 39 180 |
| Trade payables and other liabilities | 380 467 | 422 933 | 542 745 |
| Liabilities under agreements with customers | | | |
| Derivative financial instruments | - | 5 793 | 9 046 |
| Current tax liabilities | - | 329 | - |
| Employee benefit provisions | 11 254 | 12 297 | 9 071 |
| Other provisions | 36 300 | 32 113 | 34 110 |
| Other liabilities and equity | 1 856 | 7 910 | 11 980 |
| Liabilities and short-term provisions - total | 871 317 | 1 192 487 | 1 280 999 |
| Total liabilities and provisions | 1 003 605 | 1 327 667 | 1 482 690 |
| Total equity and liabilities | 2 313 208 | 2 532 701 | 2 692 772 |


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(amounts expressed in PLN '000 unless specified otherwise)

CASH FLOW STATEMENT

| | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
|---|----------------------------|----------------------------|
| Cash flows from operating activities | | |
| Profit before taxation | 78 325 | 53 026 |
| Adjustments for (+/-) | 15 030 | 6 898 |
| Amortisation/depreciation | 31 742 | 42 747 |
| Profit/loss on financial activity (including interest on financial liabilities) | 16 156 | 9 670 |
| Dividends received | (77 353) | (8 209) |
| Profit / loss on investment activities | (1 662) | (40 473) |
| Change in receivables | (39 224) | 153 105 |
| Change in inventories | 22 570 | (70 917) |
| Change in liabilities | 72 679 | (76 342) |
| Changes in provisions | (474) | 33 023 |
| Other items | (1 583) | 3 170 |
| Income tax paid | (7 821) | (38 876) |
| Net cash from operating activities | 93 355 | 59 924 |
| Cash flows from investment activities | | |
| Proceeds from disposal of fixed assets | 2 422 | 1 583 |
| Proceeds from disposal of shares | 12 191 | 80 812 |
| Proceeds from dividend | 75 104 | 6 325 |
| Proceeds from redemption of bonds by issuers | - | 8 499 |
| Proceeds from repayment of loans granted | 65 295 | 16 482 |
| Other proceeds from investment activities | 3 203 | 196 |
| Expenses on acquisition of fixed assets | (10 805) | (24 194) |
| Acquisition of shares and stocks | (18 031) | (905) |
| Long term borrowings granted | (68 662) | (102 254) |
| Net cash from investing activities | 60 717 | (13 456) |
| Cash flows from financial activities | | |
| Incomes on credit and loan facilities | 8 873 | 120 093 |
| Loans received | 172 228 | 429 600 |
| Other inflows | 999 | 3 386 |
| Dividends paid | (151 851) | (188 789) |
| Loans repaid | (13 938) | (101 616) |
| Repayment of borrowings | (127 068) | (254 069) |
| Redemption of bonds | - | (28 000) |
| Interest paid on loans, borrowings and leasing | (19 687) | (20 798) |
| Payment of liabilities under finance lease agreements | (17 061) | (16 870) |
| Other financial outflows | (50) | - |
| Net cash from financing activities | (147 555) | (57 063) |
| Net change in cash | 6 517 | (10 595) |
| Cash opening balance | 26 118 | 56 900 |
| Cash as a result of merger with a subsidiary and spin-off of a branch | (6 288) | - |
| Cash closing balance | 26 347 | 46 305 |
| <i>Restricted cash</i> | <i>11 569</i> | <i>12 453</i> |



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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 |
|--|----------------|----------------|------------------|------------------|---|--|-------------------|------------------|
| Balance on 01.01.2023 | 248 906 | 112 346 | (182 816) | 3 931 | 67 | 27 991 | 994 609 | 1 205 034 |
| Valuation of hedge instruments | | | | (4 002) | | | | (4 002) |
| Valuation of employee benefits | | | | | (338) | | | (338) |
| Recognition/disposal of financial assets through comprehensive income for 3 quarters 2023. | | | | | | (1 005) | | (1 005) |
| Profit/loss for 3 quarters 2023 | | | | | | | 87 292 | 87 292 |
| Total income for 3 quarters of 2023 | - | - | - | (4 002) | (338) | (1 005) | 87 292 | 81 947 |
| 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) |
| Balance on 30.09.2023 | 248 906 | 112 346 | (182 816) | (71) | (271) | 3 433 | 1 128 076 | 1 309 603 |

| | 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 |
|--|----------------|----------------|------------------|------------------|---|--|-------------------|------------------|
| Balance on 01.01.2022 | 248 906 | 112 346 | (182 816) | (2 670) | (208) | 43 699 | 1 148 068 | 1 367 325 |
| Valuation of hedge instruments | | | | 6 601 | | | | 6 601 |
| Valuation of employee benefits | | | | | 275 | | | 275 |
| Recognition 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 |
| Total comprehensive income for 2022 | - | - | - | 6 601 | 275 | 4 797 | 14 828 | 26 501 |
| Transfer to reserve capital of profit on disposal of equity instruments | | | | | | (20 505) | 20 505 | - |
| Dividends paid | | | | | | | (188 789) | (188 789) |
| Other | | | | | | | (3) | (3) |
| Balance on 31.12.2022 | 248 906 | 112 346 | (182 816) | 3 931 | 67 | 27 991 | 994 609 | 1 205 034 |



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STATEMENT OF CHANGES IN EQUITY CONT'D.

| | Share capital | Share premium | Own shares | Hedge accounting | Profit/Loss on restatement of employee benefits | Gains on investments in equity instruments | Retained earnings | Total equity |
|---|----------------|----------------|------------------|------------------|---|--|-------------------|------------------|
| Balance on 01.01.2022 | 248 906 | 112 346 | (182 816) | (2 670) | (208) | 43 699 | 1 148 068 | 1 367 325 |
| Valuation of hedge instruments | | | | (5 243) | | | | (5 243) |
| Valuation of employee benefits | | | | | 147 | | | 147 |
| Recognition of financial assets and disposal through comprehensive income in 2022. | | | | | | 1 566 | | 1 566 |
| Disposal of financial assets through comprehensive income/distribution of result 2021 | | | | | | (20 503) | 20 503 | - |
| Profit/loss for 3 quarters 2022 | | | | | | | 35 076 | 35 076 |
| Total income for 3 quarters of 2022 | - | - | - | (5 243) | 147 | (18 937) | 55 579 | 31 546 |
| Dividends paid | | | | | | | (188 789) | (188 789) |
| Balance on 30.09.2022 | 248 906 | 112 346 | (182 816) | (7 913) | (61) | 24 762 | 1 014 858 | 1 210 082 |



ADDITIONAL INFORMATION

TO ABBREVIATED MID-YEAR FINANCIAL STATEMENTS OF BORYSZEW S.A. FOR Q3 '2023

The data presented for the 3-month period between 1 July and 30 September 2023 and the corresponding period in 2022 have been compiled as the difference between the data for the 9-month period ended 30 September 2023 and the data for the 6-month period ended 30 June 2023, data determined similarly for the comparable period.

The report for the first half of 2023 containing the data used for the calculation described above was made public on 17 August 2023.

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

The Management Board for Boryszew S.A.: Piotr Lisiecki, Łukasz Bubacz, Mikołaj Budzanowski represent that to the best of their knowledge the consolidated financial statements for Q3 '2023 and comparative data covering separate financial statements of Boryszew S.A. have been compiled in accordance with the binding accounting principles and that the financial statements truly, reliably and clearly reflect the actual and financial condition as well as the financial result of Boryszew S.A.

2. Accounting principles applied

The information contained in the financial statements for 9 months of 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 and calculation methods applied by the Company have not changed in the period covered by these statements, and are presented in detail in the separate financial statements for 2022, published on 18 April 2023.

| | Average EUR exchange rate in the period | EURO exchange rate as at the last day of period |
|--------------------|---|---|
| 01.01 – 30.09.2022 | 4.6880 | 4.8698 |
| 01.01 – 31.12.2022 | 4.6883 | 4.6899 |
| 01.01 – 30.09.2023 | 4.5773 | 4.6356 |

ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these quarterly separate financial statements for the period of 9 months ended on 30 September 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 quarterly 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 quarterly 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.

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 (forward transactions) concluded by the Company are of a hedging nature for



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currency risk, transactions settled in 2023 were presented in operating activity as other operating income. The change in valuation of these forward transactions treated as hedging instruments is recognised in financial income/expenses until settled.

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.

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.

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 comparatives in this Quarterly Financial Report.



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3. Off-balance-sheet liabilities

| Contingent items | Balance on 30.09.2023 | Balance on 31.12.2022 | change |
|---|--------------------------|--------------------------|----------------|
| Sureties for the repayment of loans and other liabilities by associated companies | 508 784 | 378 831 | 129 953 |
| Total | 508 784 | 378 831 | 129 953 |

| Contingent items | Balance on 30.09.2023 | Balance on 31.12.2022 | change |
|--|--------------------------|--------------------------|----------------|
| Contingent liabilities | 508 784 | 378 831 | 129 953 |
| resulting from granted guarantees, sureties and other liabilities | 508 784 | 378 831 | 129 953 |
| - guarantees and sureties associated with performance of contracts | 156 277 | 130 758 | 25 519 |
| - guarantees and sureties in favour of financial institutions | 352 507 | 248 073 | 104 434 |

| | |
|--|-----------------|
| Increases / decreases in the period of 9 months ended on 30.09.2023, including: | 129 953 |
| Additions | 186 421 |
| - Increase due to valuation of sureties | - |
| - Increase in surety amount | 186 421 |
| Reductions | (56 468) |
| - Reduction due to valuation of sureties | (2 604) |
| - Decrease in the amount of existing sureties due to expiration, reduction | (53 864) |

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 (90.7 million), mobilisation of successive tranches of investment loans at BNP Paribas S.A. for Mafmex S. de R.L. de C.V. and Boryszew Maflow sp. z o.o. (40.4 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. (11.0 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 (6.7 million). and in favour of Glencore International AG to secure ZM Silesia S.A.'s trade liabilities (7.0 million), the granting of a guarantee in favour of HSBC Continental Europe (Spółka Akcyjna) Branch in Poland in order to secure factoring of Maflow Plastics Sp. z o.o. (5.4 million) and the granting of a surety in favour of Millennium S.A. in order to secure trade liabilities of ZM Silesia S.A. (13.0 million) the granting of a guarantee in order to secure factoring of ZM Silesia S.A. in favour of Huta Cynku "Miasteczko Śląskie" S. A. (10.0 million) and in favour of Glencore International AG (2.3 million).

The decrease in the amount of existing sureties is mainly due to expiry of the guarantee issued to BNP Paribas Polska S.A. to secure the financial obligations of Nylonbor Sp. z o.o. (5.5 million), expiry of the guarantee issued in favour of Volvo Group Trucks Operations to secure the commercial obligations of Boryszew Plastic RUS LLC (23.5 million), reduction of liabilities under a promissory note surety issued to Coface Poland Factoring Sp. z o.o. to secure the full factoring of ZM Silesia S.A. (8.3 million), reduction of liabilities under the guarantee issued to Intensa Bank to secure the loan of Maflow BRS s.r.l. (5 million), reduction of liabilities under the guarantee issued to Bank Gospodarstwa Krajowego to secure the loan of Boryszew Oberflächentechnik Deutschland (4.7 million).



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Status of current warranties and guarantees as at 30.09.2023.

| 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 | 6 877 | 31.12.2028 |
| Boryszew Oberflächentechnik Deutschland GmbH | Guarantee granted to Scholt Energy Control GmbH (under the Guarantee Line at HSBC) | 2 086 | 31.12.2023 |
| Boryszew Plastic RUS Sp. z o.o. | Payment guarantee granted to Engel Austria GmbH | 1 766 | 25.02.2024 |
| Maflow Plastics Poland Sp. z o.o. | Guarantee granted to HSBC Bank Polska S.A. | 5 837 | 31.01.2026 |
| Maflow Plastics Poland Sp. z o.o. | Endorsement of lease agreement for mLeasing Sp. z o.o. | 181 | 15.12.2024 |
| Maflow Plastics Poland Sp. z o.o. | Endorsement of lease agreement for mLeasing Sp. z o.o. | 352 | 15.12.2024 |
| Maflow Plastics Poland Sp. z o.o. | Endorsement of lease agreement for mLeasing Sp. z o.o. | 180 | 15.12.2024 |
| Maflow Plastics Poland Sp. z o.o. | Endorsement of lease agreement for mLeasing Sp. z o.o. | 180 | 15.12.2024 |
| Maflow Plastics Poland Sp. z o.o. | Endorsement of lease agreement for mLeasing Sp. z o.o. | 352 | 15.02.2025 |
| Maflow Plastics Poland Sp. z o.o. | Endorsement of lease agreement for mLeasing Sp. z o.o. | 268 | 15.02.2025 |
| Maflow Plastics Poland Sp. z o.o. | Guarantee granted to HSBC Continental Europe (Spółka Akcyjna) Branch in Poland | 5 390 | 31.12.2033 |
| 1) Maflow Plastics Poland Sp. z o.o. 2) Boryszew Kunststofftechnik Deutschland GmbH 3) AKT Plastikarska Technologie Czechy Spol. S.R.O. | Guarantee granted to Borealis AG | 4 636 | 31.12.2023 |
| 1) Maflow Plastics Poland Sp. z o.o. 2) Boryszew Kunststofftechnik Deutschland GmbH 3) AKT Plastikarska Technologie Czechy Spol. S.R.O. | Guarantee granted to Basell Sales & Marketing Company B.V. | 9 271 | 31.12.2023 |
| Boryszew Kunststofftechnik Deutschland GmbH | Guarantee granted to Elix Polymers S.L. | 1 762 | 31.12.2023 |
| Boryszew Kunststofftechnik Deutschland GmbH | Guarantee granted to Scholt Energy Control GmbH (under the Guarantee line at HSBC) | 4 636 | 31.12.2023 |
| Maflow BRS s.r.l. | Guarantee granted to Intesa Bank | 18 410 | 30.11.2026 |
| Mafmex S. de R.L. de C.V. | Mafmex's performance bond for AB Volvo | 23 178 | term of the agreement |
| Mafmex S. de R.L. de C.V. | Mafmex's rent payment bond to Innova Dintel | 11 643 | 01.01.2030 |
| Mafmex S. de R.L. de C.V. | BMW AG performance bond | 27 814 | contract period + 15 years |
| Mafmex S. de R.L. de C.V. | Guarantee granted to BNP Paribas S.A. | 59 238 | 30.06.2031 |
| Mafmex S. de R.L. de C.V. | Guarantee granted to HSBC Mexico SA | 21 849 | 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. | 22 673 | indefinite validity |
| ZM Silesia S.A. | Lease surety for Volkswagen Financial Services Polska Sp. z o.o. | 52 | indefinite validity |
| ZM Silesia S.A. | Surety granted to Bank Millennium S.A. | 13 000 | 28.05.2027 |
| ZM Silesia S.A. | Surety granted to Huta Cynku | 10 000 | 31.03.2025 |
| ZM Silesia S.A. | Guarantee granted to Glencore International AG | 2 318 | 30.04.2024 |
| ZM Silesia S.A. | (under the Guarantee Line at HSBC) | 6 953 | 30.04.2024 |
| Maflow Components (Dalian) Co. Ltd. | Guarantee granted to HSBC Bank (China) Company Limited | 18 048 | 18.01.2025 |



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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 |
|---|---|--------------------|----------------------------|
| Maflow Components (Dalian) Co. Ltd. | BMW AG performance bond | 27 814 | contract period + 15 years |
| Boryszew Maflow Sp. z o.o. | Guarantee granted to BNP Paribas S.A. | 68 527 | 30.06.2031 |
| Boryszew Maflow Sp. z o.o. | Guarantee granted to BNP Paribas S.A. | 22 019 | 28.06.2026 |
| NPA Sp. z o.o. | Guarantee granted to Glencore International AG | 10 924 | 16.02.2024 |
| NPA Sp. z o.o. | Guarantee granted to Mechem SA | 10 924 | 28.02.2024 |
| NPA Sp. z o.o. | Guarantee granted to Trafigura PTE. LTD | 9 271 | 28.02.2024 |
| NPA Sp. z o.o. | Endorsement for Coface Poland Factoring Sp. z o.o. | 12 222 | indefinite validity |
| NPA Sp. z o.o. | Surety granted to mBank S.A. | 28 000 | indefinite validity |
| NPA Sp. z o.o. | Endorsement Credit Agricole Bank Polska S.A. | 6 953 | indefinite validity |
| NPA Sp. z o.o. | Promissory note surety to Sopockie Towarzystwo Ubezpieczeń Ergo Hestia S.A. | 12 367 | 20.09.2024 |
| Alchemia S.A. | Endorsement for Coface Poland Factoring Sp. z o.o. | 11 013 | indefinite validity |
| Total guarantees and sureties granted by Boryszew S.A. | | 508 784 | |

Status of current warranties and guarantees as at 31.12.2022.

| Entity on whose behalf the surety or guarantee was issued | Entity for which guarantee or surety was issued | Value of guarantee | Expiry date of guarantee |
|---|---|--------------------|--------------------------|
| Boryszew Oberflächentechnik Deutschland GmbH | Guarantee granted to Bank Gospodarstwa Krajowego | 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 | Guarantee granted to Basell Sales & Marketing Company B.V. | 9 380 | 31.12.2022 |



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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 |
|---|--|--------------------|----------------------------|
| Spol. S.R.O. 4) Boryszew Plastic RUS Sp. z o.o. | | | |
| Boryszew Kunststofftechnik Deutschland GmbH | Guarantee granted to Elix Polymers S.L. | 1 782 | 31.12.2023 |
| Maflow BRS s.r.l. | Guarantee granted to Intesa Bank | 23 450 | 01.12.2026 |
| Mafmex S. de R.L. de C.V. | Mafmex's performance bond for AB Volvo | 23 450 | term of the agreement |
| | Mafmex's rent payment bond to Innova Dintel | 11 728 | 01.01.2030 |
| | BMW AG performance bond | 28 139 | contract period + 15 years |
| | Guarantee granted to BNP Paribas S.A. | 41 949 | 30.06.2031 |
| | Guarantee granted to HSBC Mexico SA | 22 009 | 22.11.2032 |
| ZM Silesia S.A. | Surety granted to PKO BP S.A. | 9 800 | 31.08.2026 |
| | Endorsement for Coface Poland Factoring Sp. z o.o. | 30 940 | indefinite validity |
| | Lease surety for Volkswagen Financial Services Polska Sp. z o.o. | 128 | indefinite validity |
| Maflow Components (Dalian) Co. Ltd. | Guarantee granted to HSBC Bank (China) Company Limited | 19 044 | 18.01.2025 |
| | BMW AG performance bond | 28 139 | contract period + 15 years |
| Maflow Boryszew Sp. z o.o. | Guarantee granted to BNP Paribas S.A. | 45 452 | 30.06.2031 |
| | Guarantee granted to BNP Paribas S.A. | 22 277 | 28.06.2026 |
| Nylonbor Sp. z o.o. | Endorsement granted to BNP Paribas S.A. | 5 500 | 01.07.2023 |
| Total guarantees and sureties granted by Boryszew SA | | 378 831 | |

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.



Boryszew S.A.

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(amounts expressed in PLN '000 unless specified otherwise)

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

NON-EQUITY SECURITIES

The Company issued no non-equity securities in Q3 '2023 and up to the date of the report.

REDEMPTION OF BONDS ISSUED BY BORYSZEW S.A.

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

EQUITY SECURITIES

In the third quarter of 2023 and until the date of publication of the report, the Company issued no equity securities.



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(amounts expressed in PLN '000 unless specified otherwise)

6. Operating segments

| 01.01.2023 - 30.09.2023 | Chemical products | Automotive | Metals (**) | Other non-allocated | Total | exclusions between segments | Total |
|--|-------------------|---------------|-------------|---------------------|----------------|-----------------------------|----------------|
| Revenues from sales | 182 017 | 675 571 | - | 525 974 | 1 383 562 | (1 802) | 1 381 760 |
| Segment costs of sales | 154 271 | 603 341 | - | 512 797 | 1 270 409 | (1 696) | 1 268 713 |
| Result on sales within segment | 27 746 | 72 230 | - | 13 177 | 113 153 | (106) | 113 047 |
| General, administrative and sales expenses | 29 173 | 51 811 | - | 16 139 | 97 123 | (115) | 97 008 |
| Other operating profit/loss | 6 443 | 7 582 | - | 78 117 | 92 142 | (9) | 92 133 |
| Segment profit/loss | 5 016 | 28 001 | - | 75 155 | 108 172 | - | 108 172 |
| Amortisation/depreciation | 4 143 | 26 416 | - | 1 183 | 31 742 | - | 31 742 |
| EBITDA *) | 9 159 | 54 417 | - | 76 338 | 139 914 | - | 139 914 |
| Segment assets | 200 267 | 813 007 | - | 1 414 481 | 2 427 755 | (114 547) | 2 313 208 |
| Segment liabilities | 123 426 | 693 280 | - | 301 446 | 1 118 152 | (114 547) | 1 003 605 |

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

*) EBITDA = operating profit less depreciation expense

***) transfer to a subsidiary

**Boryszew S.A.****Abbreviated mid-year financial statements for the period between 1 January and 30 September 2023, drafted in accordance with IAS 34 as adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

| REVENUES FROM SALE BY DESTINATION MARKET | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
|--|------------------------------------|------------------------------------|
| Continuing operations | | |
| Domestic sales | 674 974 | 1 275 703 |
| Sales to EU countries | 564 763 | 780 392 |
| Sales to other European countries | 62 258 | 82 881 |
| Export outside Europe | 79 765 | 64 272 |
| Total (revenues from continuing operations) | 1 381 760 | 2 203 248 |

| SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
|---|------------------------------------|------------------------------------|
| Germany | 33% | 28% |
| The Czech Republic | 10% | 21% |
| France | 9% | 4% |
| Belgium | 9% | 5% |
| The Netherlands | 8% | 7% |
| Sweden | 8% | 9% |
| Spain | 7% | 5% |
| Slovakia | 6% | 5% |
| Italy | 5% | 4% |

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). PVC 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 30.09.2023

| | 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 | 244 442 | 15 018 | - | - | 259 460 |
| Derivative financial instruments | - | - | - | 4 203 | 4 203 |
| Loans granted | 453 703 | - | - | - | 453 703 |
| Other debtors | - | 136 748 | - | - | 136 748 |
| Cash and cash equivalents | 26 347 | - | - | - | 26 347 |
| Total | 725 492 | 151 766 | 22 | 4 203 | 881 483 |

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 |
| Total | 750 735 | 158 061 | 26 003 | 8 022 | 942 821 |

Financial liabilities on 30.09.2023

| | Financial liabilities measured at amortised cost | Derivatives used for hedges | Carrying value |
|-----------------------------------|--|-----------------------------|----------------|
| Bank loans, factoring, borrowings | 457 906 | - | 457 906 |
| Lease liabilities | 38 924 | - | 38 924 |
| Right-of-use liabilities | 35 304 | - | 35 304 |
| Trade and other liabilities | 341 881 | - | 341 881 |
| Total | 874 015 | - | 874 015 |



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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 |
| Total | 1 184 768 | 5 793 | 1 190 561 |

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 30.09.2023 | Balance on 31.12.2022 | |
| Financial assets | | | |
| Listed shares (*) | 22 | 26 003 | Level 1 |
| Derivative financial instruments | 4 203 | 8 022 | Level 2 |
| Financial obligations | | | |
| 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 30.09.2023 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 | | Hierarchy of fair value |
|--|-----------------------|-----------------------|-------------------------|
| | Balance on 30.09.2023 | Balance on 31.12.2022 | |
| Financial assets | | | |
| Bonds | 1 000 | 1 064 | Level 3 |
| Borrowings | 453 703 | 459 909 | Level 3 |
| Trade and other receivables | 396 208 | 421 705 | Level 3 |
| Cash and cash equivalents | 26 347 | 26 118 | Level 1 |
| Financial obligations | | | |
| Borrowings and loans | 457 906 | 704 652 | Level 2 |
| Liabilities on bonds | - | - | Level 2 |
| Trade and other liabilities | 341 881 | 385 158 | Level 3 |
| Lease liabilities | 38 924 | 47 188 | Level 2 |
| Right-of-use liabilities | 32 579 | 45 848 | Level 2 |
| Right-of-use liabilities - investment properties | 2 725 | 1 922 | Level 2 |


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

| Impact of write-offs on assets and provisions on profit/loss | 01.01.2023 - 30.09.2023 | 01.01.2022 - 30.09.2022 |
|---|----------------------------|----------------------------|
| Creation of value impairment write-offs for accounts receivable | (2 781) | (5 500) |
| Reversal of write-downs on accounts receivable (-) | 1 991 | 9 933 |
| Revaluation write-offs of loan receivables | (39 013) | (6 230) |
| Reversal of revaluation write-offs on loans granted | - | 5 |
| Creation of value impairment write-offs on bonds | (4 014) | (3 940) |
| Reversal of value impairment write-offs on bonds | - | 519 |
| Creation of value impairment write-offs on other receivables | (493) | (115) |
| Reversal of value impairment write-offs on other receivables | - | - |
| Tangible fixed assets impairment write-offs | - | - |
| Reversal, release of revaluation write-offs on fixed assets | - | 67 |
| Provisions for tax risks in ERG branch | (3 132) | (30 313) |
| Creation of provisions | - | (51) |
| Reversal of provisions | 22 | 7 579 |
| Total impact on profit/loss | (47 420) | (28 046) |

9. Transactions with affiliated entities

| | Subsidiaries | Personally related entities |
|--|--------------|-----------------------------------|
| in the period 01.01.2023 - 30.09.2023 | | |
| Revenues from sales (of products, services, goods) | 348 530 | 6 283 |
| Interest income | 40 034 | 1 334 |
| Dividends received and due | 77 353 | - |
| Purchases (of materials, goods, services) | 100 865 | 477 |
| Interest expense | 8 002 | - |
| balance on 30.09.2023 | | |
| Trade receivables | 167 415 | 1 612 |
| Bonds purchased | 1 000 | - |
| Loans granted | 453 703 | - |
| Other receivables (advances, deposits) | 111 062 | - |
| Lease liabilities | 1 666 | - |
| Trade liabilities | 70 371 | - |
| Loans received | 137 061 | - |
| Other liabilities (advances, deposits) | 25 000 | - |



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

10. Additional information

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

As at 30 September 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 8 of the abbreviated consolidated financial statement

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

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

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

| Merger of Boryszew S.A. and Hutmen Sp. z o.o. | in PLN '000 |
|--|----------------|
| 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 |
| Net assets of Hutmen sp. z o.o. | 284 002 |
| 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

| Separation of NPA Skawina Branch to NPA Skawina Sp. z o.o. | in PLN '000 |
|---|---------------|
| 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) |
| Net assets | 80 307 |
| Total Assets | 260 316 |
| Liabilities | (180 009) |

ACQUISITION OF SHARES OF "onesano" S.A.

In three quarters of 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 September 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 30.09.2023 at purchase price | 31 090 |
| share of net assets determined by value on the date of significant influence, share on 30.09.2023. | 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 34 720 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.



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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 25 August 2023, the Company received a decision imposing a fine for late payment of monetary dues in the amount of PLN 2 832 593.77. The Company's Attorney filed an appeal against the decision of the Office of Competition and Consumer Protection. The anticipated date of closing the case: 29 February 2024.

MANAGEMENT BOARD'S APPROVAL

These abbreviated quarterly consolidated financial statement of Boryszew Group for the period of 9 months ended 30 September 2023 and abbreviated mid-year financial statement of Boryszew S.A. for the period of 9 months ended 30 September 2023 were approved for publication by the Management Board of Boryszew S.A. on 15 November 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 -----