



GRUPA BORYSZEW

CONSOLIDATED MID-YEAR REPORT OF BORYSZEW CAPITAL GROUP

for the period between 1 January and 30 June
2024

Report publication date
14 August 2024

**Boryszew Capital Group**

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

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SELECTED FINANCIAL DATA

	in PLN '000		in EUR '000	
	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
data regarding abbreviated consolidated financial statements				
Revenue from continuing operations	2 655 766	3 204 586	616 058	694 686
Operating profit	91 502	128 027	21 226	27 754
Net profit on continuing operations	49 869	114 307	11 568	24 779
Net profit on continuing and discontinued operations	49 869	126 661	11 568	27 457
Net profit attributable to the parent	45 370	121 647	10 524	26 370
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)	0.22	0.60	0.05	0.13
Net cash flow from operating activities	(53 708)	247 315	(12 459)	53 613
Net cash flow from investment activities	39 410	20 928	9 142	4 537
Net cash flow from financial activities	10 863	(249 775)	2 520	(54 146)
	Balance on 30.06.2024	Balance on 31.12.2023	Balance on 30.06.2024	Balance on 31.12.2023
Total assets	3 811 311	3 758 429	883 680	864 404
Total liabilities and provisions	2 239 198	2 101 572	519 174	483 342
Assets of continuing operations	3 796 921	3 753 082	880 343	863 174
Liabilities of continuing operations	2 237 621	2 101 572	518 808	483 342
Equity	1 572 113	1 656 857	364 506	381 062
Equity attributable to the parent company	1 538 479	1 623 720	356 707	373 441

	in PLN '000		in EUR '000	
	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
data regarding separate abbreviated financial statements				
Revenues from sales	866 051	972 876	200 898	210 899
Operating profit	144 397	104 326	33 496	22 616
Net profit	114 120	74 857	26 472	16 227
Weighted average number of shares	205 205 000	205 205 000	205 205 000	205 205 000
Profit per ordinary share in PLN/EUR	0.56	0.36	0.13	0.08
Net cash flow from operating activities	(6 137)	71 854	(1 424)	15 576
Net cash flow from investment activities	100 886	72 260	23 403	15 664
Net cash flow from financial activities	(103 075)	(136 839)	(23 910)	(29 664)
	Balance on 30.06.2024	Balance on 31.12.2023	Balance on 30.06.2024	Balance on 31.12.2023
Total assets	2 214 511	2 186 807	513 450	502 945
Total liabilities and provisions	979 610	975 759	227 130	224 416
Equity	1 234 901	1 211 048	286 321	278 530



ABBREVIATED MID-YEAR CONSOLIDATED FINANCIAL STATEMENTS

**Boryszew Capital Group
for the period between 1 January and 30 June 2024**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	01.04.2024 - 30.06.2024	01.04.2023 - 30.06.2023
Continuing operations				
Revenues from sales	2 655 766	3 204 586	1 306 422	1 523 084
Prime cost of sale	2 466 035	2 896 122	1 200 923	1 352 998
Gross profit on sales	189 731	308 464	105 499	170 086
Selling costs	52 024	67 988	27 230	32 861
General and administrative expenses	153 141	146 582	79 195	76 148
Other operating revenues	159 038	152 672	108 832	112 542
Other operating expenses	52 102	118 539	37 546	103 222
Operating income	91 502	128 027	70 360	70 397
Financial revenues	25 492	85 901	8 563	68 298
Financial expenses	49 504	66 706	25 269	47 962
Share in profit of affiliates	(1 332)	(754)	(676)	(482)
Profit before taxation	66 158	146 468	52 978	90 251
Income tax	16 289	32 161	11 763	11 602
Net profit on continuing operations	49 869	114 307	41 215	78 649
Net profit/loss on discontinued operations	-	12 354	-	-
Net profit on continuing and discontinued operations	49 869	126 661	41 215	78 649
including attributable to:				
<i>to shareholders of the parent</i>	<i>45 370</i>	<i>121 647</i>	<i>38 939</i>	<i>75 600</i>
<i>non-controlling interests</i>	<i>4 499</i>	<i>5 014</i>	<i>2 276</i>	<i>3 049</i>
Earnings / Diluted earnings per share	45 370	121 647	38 939	75 600
Weighted average number of shares	202 000 000	202 000 000	202 000 000	202 000 000
Earnings / Diluted earnings per share (PLN)	0.22	0.60	0.19	0.37
Net profit (loss) per share (in PLN, 100/PLN per share)	0.22	0.60	0.19	0.37
Earnings per share on continuing operations	0.22	0.60	0.19	0.37
Earnings per share on discontinued operations	-	-	-	-
Diluted net profit (loss) per share (PLN/share)	0.22	0.60	0.19	0.37
Diluted on continuing operations	0.22	0.60	0.19	0.37
Diluted on discontinued operations	-	-	-	-

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - continued

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	01.04.2024 - 30.06.2024	01.04.2023 - 30.06.2023
Net profit	49 869	126 661	41 215	78 649
Earnings recognised in equity				
Hedge accounting (before tax)	(13 516)	(2 278)	(6 339)	(14 246)
Measurement of financial assets recognised in income statement	-	-	-	-
Income tax	2 568	433	1 204	2 707
Foreign exchange differences on recalculation of foreign controlled entities	(30 518)	1 167	(17 914)	(4 355)
Earnings recognised in equity, to be transferred to income statement	(41 466)	(678)	(23 049)	(15 894)
Gains/losses on valuation and disposal of equity instruments (before tax)	-	(1 241)	-	199
Income tax	-	236	-	(38)
Employee benefit capital reserve (before tax)	5	(432)	5	(433)
Income tax	(1)	82	(1)	82
Earnings recognised in equity, not to be transferred to income statement	4	(1 355)	4	(190)
Total earnings recognised in equity	(41 462)	(2 033)	(23 045)	(16 084)
<i>to shareholders of the parent</i>	<i>(41 463)</i>	<i>(2 033)</i>	<i>(23 045)</i>	<i>(16 084)</i>
<i>non-controlling interests</i>	<i>1</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total comprehensive income, including attributable:	8 407	124 628	18 170	62 565
<i>to shareholders of the parent</i>	<i>3 907</i>	<i>119 614</i>	<i>15 893</i>	<i>59 516</i>
<i>non-controlling interests</i>	<i>4 500</i>	<i>5 014</i>	<i>2 277</i>	<i>3 049</i>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - Discontinued operations

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	01.04.2024 - 30.06.2024	01.04.2023 - 30.06.2023
Revenues from sales	-	-	-	-
Prime cost of sale	-	-	-	-
Gross profit (loss) from sales	-	-	-	-
Selling costs	-	-	-	-
General and administrative expenses	-	-	-	-
Other operating revenues	-	-	-	-
Other operating expenses	-	-	-	-
Profit (loss) from operating activity	-	-	-	-
Financial income liquidation of HMN Szopienice S.A. in liquidation	-	12 354	-	-
Financial expenses	-	-	-	-
Financial profit/loss	-	12 354	-	-
Profit (loss) before income tax	-	12 354	-	-
Income tax	-	-	-	-
current tax	-	-	-	-
deferred tax	-	-	-	-
Net profit (loss) on discontinued operations	-	12 354	-	-
in the parent company	-	12 354	-	-
non-controlling interests	-	-	-	-



Boryszew Capital Group

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(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED BALANCE SHEET

ASSETS	Balance on 30.06.2024	Balance on 31.12.2023	Balance on 30.06.2023
Non-current assets			
Tangible fixed assets	1 321 564	1 329 473	1 384 654
Investment property	152 648	178 622	114 032
Goodwill	6 418	6 418	6 418
Intangible assets	35 011	38 334	39 927
Right-of-use assets	275 568	294 272	288 120
Shares in affiliates	27 525	28 857	30 336
Financial assets	6 700	101	100
Derivative financial instruments	543	1 183	1 210
Long-term receivables	59 171	43 712	52 851
Deferred tax assets	40 909	45 066	18 978
Total fixed assets	1 926 057	1 966 038	1 936 626
Current assets	1 885 254	1 792 391	2 049 172
Current assets other than assets held for sale	1 870 864	1 787 044	2 049 172
Inventories	846 187	886 122	988 721
Trade receivables and other receivables	783 373	633 367	813 936
Short-term financial assets	12 856	17 064	16 408
Derivative financial instruments	8 086	22 927	42 891
Current tax receivables	5 117	8 305	6 046
Cash and cash equivalents	215 245	219 259	181 170
Assets classified as held for sale	14 390	5 347	-
Total assets	3 811 311	3 758 429	3 985 798


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LIABILITIES AND EQUITY	Balance on 30.06.2024	Balance on 31.12.2023	Balance on 30.06.2023
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	4 072	15 020	12 624
Capital reserve on translating employee payables	(791)	(794)	(387)
Revaluation reserve and gain on disposal of financial assets	-	3 433	3 433
Exchange differences on translating foreign entities	(78 464)	(47 946)	(39 964)
Retained earnings	1 487 074	1 527 419	1 527 010
Total equity	1 538 479	1 623 720	1 629 304
Equity of non-controlling shareholders	33 634	33 137	30 315
Total equity	1 572 113	1 656 857	1 659 619
Liabilities and long-term provisions			
Bank loans, borrowings	308 214	249 516	192 772
Lease and right-of-use liabilities	219 854	224 669	229 375
Deferred tax provision	70 268	76 579	79 687
Derivative financial instruments	309	-	-
Employee benefit provisions	16 965	17 128	15 603
Other provisions	48 620	48 379	51 560
Other liabilities	75	110	75
Other liabilities and equity	68 867	60 092	66 725
Liabilities and long-term provisions - total	733 172	676 473	635 797
Bank loans, borrowings	495 004	420 846	481 126
Lease and right-of-use liabilities	27 417	35 147	27 930
Trade payables and other liabilities	778 653	724 315	892 854
Derivative financial instruments	2 698	4 339	10 266
Tax liabilities	6 944	12 293	9 909
Employee benefit provisions	42 099	39 220	51 079
Other provisions	120 179	156 068	181 437
Other liabilities and equity	31 455	32 871	35 781
Short-term liabilities other than liabilities included in groups held for sale, classified as held for sale	1 504 449	1 425 099	1 690 382
Liabilities directly associated with assets classified as held for sale	1 577	-	-
Liabilities and short-term provisions - total	1 506 026	1 425 099	1 690 382
Total liabilities and provisions	2 239 198	2 101 572	2 326 179
Total equity and liabilities	3 811 311	3 758 429	3 985 798

CONSOLIDATED CASH FLOW STATEMENT

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Cash flows from operating activities		
Profit before taxation	66 158	146 468
Adjustments for (+/-)	(119 866)	100 847
Amortisation/depreciation	77 522	78 359
Profit/loss on financial activity (including interest on financial liabilities)	16 504	20 825
Profit / loss on investment activities	(54 446)	(46 109)
Change in receivables	(153 759)	(66 088)
Change in inventories	39 935	(35 274)
Change in liabilities	43 194	196 633
Provision for employee benefits	2 716	10 755
Change in provisions	(48 992)	28 658
Other items	(24 750)	(38 329)
Income tax paid	(17 790)	(48 583)
Net cash from operating activities	(53 708)	247 315
Cash flows from investment activities		
Profit on fixed assets disposal	102 833	49 244
Proceeds from disposal of shares and stocks	-	12 191
Proceeds from redemption of bonds by issuers	-	15 924
Proceeds from repayment of loans granted	4 100	45 650
Expenses on acquisition of fixed assets	(60 681)	(92 532)
Acquisition of shares and stocks	(6 599)	(18 031)
Loans granted	-	(1 000)
Other investment inflows/outflows	(243)	9 482
Net cash from investing activities	39 410	20 928
Cash flows from financial activities		
Incomes on credit and loan facilities	193 961	157 230
Dividends paid	(93 151)	(152 432)
Repayment of credit and loan facilities	(59 423)	(215 830)
Interest paid on loans, borrowings and leasing	(28 355)	(24 745)
Payments of liabilities under lease agreements	(15 981)	(17 509)
Other financial inflows/outflows	13 812	3 511
Net cash from financing activities	10 863	(249 775)
Net change in cash and cash equivalents (before impact of foreign exchange rates)	(3 435)	18 468
Translation reserve	(579)	(1 712)
Cash opening balance	219 259	164 414
Net increase/(decrease) in cash and cash equivalents (after impact of foreign exchange rates)	(4 014)	16 756
Cash closing balance	215 245	181 170
<i>including: restricted cash</i>	<i>69 037</i>	<i>22 372</i>

CONSOLIDATED STATEMENT ON CHANGES IN EQUITY

	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 01.01.2024	248 906	114 435	(236 753)	15 020	(794)	3 433	(47 946)	1 527 419	1 623 720	33 137	1 656 857
Valuation of hedge instruments				(10 948)					(10 948)		(10 948)
Valuation of employee benefits					3				3	1	4
Currency translation differences (subsidiaries)							(30 518)		(30 518)		(30 518)
Profit/loss for H1 '2024.								45 370	45 370	4 499	49 869
Total revenue for H1 '2024	-	-	-	(10 948)	3	-	(30 518)	45 370	3 907	4 500	8 407
Dividends paid and declared								(89 148)	(89 148)	(4 003)	(93 151)
Transfer to reserve capital of profit on disposal of equity instruments						(3 433)		3 433	-		-
Balance on 30.06.2024	248 906	114 435	(236 753)	4 072	(791)	-	(78 464)	1 487 074	1 538 479	33 634	1 572 113

	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 01.01.2023	248 906	114 435	(236 753)	14 469	(37)	27 991	(41 131)	1 531 738	1 659 618	29 443	1 689 061
Other comprehensive income				551	(757)	(1 005)	(6 815)		(8 026)	(11)	(8 037)
Profit/loss for 2023								122 055	122 055	7 848	129 903
Total comprehensive income for 2023				551	(757)	(1 005)	(6 815)	122 055	114 029	7 837	121 866
Dividends paid and declared								(149 927)	(149 927)	(4 003)	(153 930)
Other changes (*)						(23 553)		23 553			
Change of capital group structure										(140)	(140)
Changes in equity.				551	(757)	(24 558)	(6 815)	(4 319)	(35 898)	3 694	(32 204)
Balance on 31.12.2023	248 906	114 435	(236 753)	15 020	(794)	3 433	(47 946)	1 527 419	1 623 720	33 137	1 656 857

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



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(amounts expressed in PLN '000 unless specified otherwise)

	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 01.01.2023	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				(1 845)					(1 845)		(1 845)
Valuation of employee benefits					(350)				(350)		(350)
Profit and recognition of financial assets as well as disposal through comprehensive income in H1 '2023						(1 005)			(1 005)		(1 005)
Currency translation differences (subsidiaries)							1 167		1 167		1 167
Profit/loss for the first six months of 2023								121 647	121 647	5 014	126 661
Total revenue for the first six months of 2023	-	-	-	(1 845)	(350)	(1 005)	1 167	121 647	119 614	5 014	124 628
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 30.06.2023	248 906	114 435	(236 753)	12 624	(387)	3 433	(39 964)	1 527 010	1 629 304	30 315	1 659 619



ADDITIONAL INFORMATION

To abbreviated interim consolidated financial statements
drafted as at 30 June 2024

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1. INTRODUCTION

COMPANY DATA

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

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

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

The company is established for an indefinite period of time.

HISTORY

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

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

In 1999 Boryszew S.A., offering a wide range of chemicals (such as Borygo, a widely known coolant) gained a strategic investor, Mr Roman Krzysztof Karkosik.

The new shareholder initiated a dynamic growth of the company. Acquisitions of 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.

On 1 January 2024 the following persons were members of the the Supervisory Board of Boryszew S.A.:

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

On 20 May 2024 the Ordinary General Meeting of Shareholders of the Company appointed the Supervisory Board for a new three-year term of office in the following 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.
Mr Wojciech Zymek	– Member of the Supervisory Board.

The Supervisory Board of the new term of office appointed the Audit Committee whose members are:

Mr Jarosław Antosik	- Chairman of the Audit Committee,
Mr Wojciech Zymek	- Member of the Audit Committee,
Mr Mirosław Kutnik	- Member of the Audit Committee.

No changes in the Supervisory Board occurred by the date of publication of the report.

MANAGEMENT BOARD OF BORYSZEW S.A.

On 1 January 2024, 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,

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Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Mr Mikołaj Budzanowski – Member of the Management Board, Business Development Officer

On 13 May 2024, the Supervisory Board appointed the Company's Management Board in its current composition for a new, three-year term of office (joint term of office), starting on the date of the Ordinary General Meeting approving the financial statements of the Company for 2023.

The following persons were appointed to the Management Board of the new term of office:

Mr Wojciech Kowalczyk as the President of the Management Board of Boryszew S.A., General Director,

Mr Łukasz Bubacz as Member of the Management Board, Investment Director,

Mr Mikołaj Budzanowski as Member of the Management Board, Development Director,

On 24 June 2024 the Supervisory Board of the Company, decided to appoint Mr Adam Holewa as Member of the Management Board, Automotive Segment Director, effective as of the same date.

On 30 June 2024, 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

Mr Adam Holewa – Member of the Management Board, Automotive Segment Director

No changes in the Management Board occurred between 30 June 2024 and the date of publication of the financial statements.

2. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES

The information contained in the abbreviated consolidated financial statements for H1 '2024 has been prepared in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognising as equivalent information required under the laws of a non-member state (Journal of Laws 2018.757 of 20.04.2018) and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

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

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

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

The accounting principles 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 2023, published on 17 April 2024.

The data presented for the six months ended 30 June 2024 and the comparable period were reviewed by the auditor. Data for the 3-month period from 1 April to 30 June 2024 and for the corresponding period in 2023 were not subject to such a review. The data presented for the 3-month period from 1 April to 30 June 2024 and the corresponding period in 2023 have been compiled as the difference between the data for the 6-month period ended 30 June 2024 and the data for the 3-month period ended 31 March 2024, data determined similarly for the comparable period.

The report for the first quarter of 2024 containing the data used for the calculation described above was made public on 16 May 2024.

	Average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01 - 30.06.2023	4.6130	4.4503
01.01 - 31.12.2023	4.5284	4.3480
01.01 - 30.06.2024	4.3109	4.3130

ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these mid-year abbreviated consolidated financial statements for the period of 6 months ended on 30 June 2024 are consistent with those applied when drafting annual consolidated financial statements for the financial year ended on 31 December 2023.

Basis of preparation of the consolidated financial statements

These abbreviated mid-year consolidated financial statements have been drafted in accordance with the historical cost principle, except for financial assets measured at fair value through profit or loss or other comprehensive income, assets measured at amortised cost, and financial liabilities measured at fair value through profit or loss. The abbreviated mid-year consolidated financial statements do not cover all information and disclosures to that are required in case of annual financial statements and must therefore be verified in conjunction with the financial statements of Boryszew S.A. for the year ended 31 December 2023, made public on 17 April 2024.

These abbreviated mid-year consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern for a period of at least 12 months from 30 June 2024. As of the date of approving these abbreviated mid-year consolidated financial statements for publication no circumstances have been identified that could indicate that the continuation of Group's operations is endangered.

New IFRS, interpretations and amendments to IAS and IFRS:

- **Amendment to IAS 1 *Presentation of Financial Statements: Classification of liabilities as short- and long-term liabilities*** The amendment to IAS 1 was published on 23 January 2020, subsequently modified in July 2020 and finally adopted on 31 October 2022. The amendment is applicable to annual periods beginning on or after 1 January 2024.
The amendment redefines the criteria for current liabilities. The change may affect the presentation of liabilities and their reclassification between current and non-current liabilities.
- **Amendment to IFRS 16 *Leases Lease liability in sale and leaseback transactions***
The amendments require the seller-lessee to determine "lease payments" or "revised lease payments" in such a way that the seller-lessee recognises no gain or loss that relates to the right of use retained by the seller-lessee.
- **Amendments to IFRS 7 *Financial instruments: disclosures: Supplier finance arrangements* and IAS 7 *Statement of cash flows***
The changes are aimed at increasing transparency on supplier finance arrangements and their impact on liabilities, cash flow and liquidity risk exposure. The amendments supplement requirements already included in IFRS and require entities to disclose additional information related to their contracts, including their impact on liquidity risk. The amendments are effective for annual periods beginning on or after 1 January 2024.
The Group does not perceive any material impact of the amended standard on the disclosures reported or to be reported after the application of the amended standard on the information presented in these interim financial statements.
- **Amendments to IAS 21 *The effects of changes in foreign exchange rates: Lack of exchangeability***
The changes will require entities to use a consistent approach to assessing whether a currency can be exchanged for another currency and, when this is not possible, to determine the exchange rate to be used and the disclosures to be made. The amendments are effective for annual periods beginning on or after 1 January 2025.
The Group will apply the amended standard as of 1 January 2025 or later. The above change should not affect the financial data.
- **IFRS 18 "Presentation and disclosure in financial statements"**
The standard was published on 9 April 2024 and applies to annual reporting periods beginning on or after 1 January 2027. The standard has not yet been adopted by the European Union. IFRS 18 sets out presentation and disclosure requirements for financial statements to ensure that they provide relevant information to faithfully reflect an entity's assets, liabilities, equity, income and expenses. The standard will replace IAS 1 "Presentation of Financial Statements." The Group is in the process of reviewing the above standard
- **IFRS 19 "Subsidiaries without public accountability: disclosure of information"**
IFRS 19 is effective for annual periods beginning on or after 1 January 2027. The standard has not yet been adopted by the European Union. IFRS 19 introduces limited disclosure requirements in the financial statements of subsidiaries without public accountability and whose parent company prepares consolidated financial

statements that are publicly available and conform with IFRS. The standard has no material impact on the consolidated financial statement of the Group.

- **Amendment to IAS 12 *Income Taxes: International tax reform - model principles of Pillar II (global minimum tax)*** published on 23 May 2023.
The amendments give companies a temporary exemption from accounting for deferred taxes resulting from the Organisation for Economic Cooperation and Development's (OECD) international tax reform. Group companies applied the exemption immediately.
- **Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"** published on 30 May 2024.
The amendments clarify the rules for classifying financial assets taking into account environmental, social, corporate governance (ESG) and similar characteristics associated with the asset. The amendments also apply to the settlement of liabilities through electronic payment systems - they clarify the date on which a financial asset or liability is derecognized. The amendments are effective for annual periods beginning on or after 1 January 2026.
The Group will apply the amended standard as of 1 January 2026 or later. On the date of drafting of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.
- **Amendments to various standards resulting from the annual review of the International Financial Reporting Standards (Annual Improvements Volume 11)** Published on 18 July 2024.
On 18 July 2024, following the review of IFRS, minor amendments were introduced to the following standards:
 - IFRS 1 - on hedge accounting for first-time adopters;
 - IFRS 7 - on recognition of gain or loss on discontinued recognition of financial instruments, disclosure of deferred difference between fair value and transaction price, and introduction and disclosure of credit risk;
 - IFRS 9 - on the discontinuation of recognition of lease liabilities and clarification of the definition of "transaction price" in conjunction with IFRS 15;
 - IFRS 10 - on clarification of the term "de facto agent."
 - IAS 7 - on clarification of the term "cost method."They are mostly applicable for annual periods beginning 1 January 2026, with early application possible.
The Group will apply the amended standards as of 1 January 2026 or later. On the date of drafting of these financial statements, it is not possible to reliably estimate the full impact of application of the new standard.

RESTATEMENT OF COMPARABLE DATA AND CORRECTION OF ERRORS OF PREVIOUS YEARS

The Group has not restated the comparative data in these interim Consolidated Financial Statements.

THE FOLLOWING COMPANIES WERE INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2024:

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 SAS.	France	100.00	Boryszew S.A.	Automotive
Maflow do Brasil Ltda	Brazil	100.00	Boryszew S.A. (79%) Maflow Polska Sp. z o.o. (21%),	Automotive
Maflow Components Dalian Co. Ltd.	China	100.00	Maflow Polska Sp. z o.o.	Automotive
Maflow India Private Limited	India	100.00	Boryszew S.A. 99.99% Maflow Polska Sp. z o.o. 0.01%	Automotive
MAFMEX S.DE R.L.DE C. V (*)	Mexico	100.00	Maflow Spain Automotive S.L.U (3.34%), Maflow Polska Sp. z o.o. (96.66%) (*)	Automotive
Boryszew Automotive Mexico S.DE R.L.DE C. V	Mexico	100.00	Maflow Spain Automotive S.L.U (90.00%), Maflow Polska Sp. z o.o. (10.00%)	Automotive
Boryszew Automotive Plastics Sp. z o.o.	Tychy	100.00	Maflow Polska Sp. z o.o.	Automotive
Boryszew HR Service Sp. z o.o.	Toruń	100.00	Boryszew S.A.	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 in bankruptcy under self-administration	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 Deutschland GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	Automotive
Boryszew Deutschland GmbH in liquidation	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
AKT Plastičkářská Technologie Čechy, spol. s r.o.	Czech Republic	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Plastic RUS Sp. z o.o.	Russia	100.00	Boryszew S.A. (10.9%). Boryszew Kunststofftechnik Deutschland GmbH (89.1%)	Automotive
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

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
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
AGICORP-BOR Sp. z o.o. (****)	Oświęcim	25,00	Boryszew S.A.	Unallocated

(*) Maflow Spain Automotive S.L.U.-3.34%, 1 share worth MXN 100 votes; Maflow Polska Sp. z o.o.- 96.66%, 1 share worth 2 900 MXN 2 900 votes; Boryszew S.A. - 239 398 865.86 series B 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.

(****) AGICORP-BOR Sp. z o.o. has not commenced operations.

COMPANIES THAT WERE NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

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

For practical reasons they were excluded from the consolidation and the applied simplification is not material to the total consolidated financial statements and the assessment of the financial standing of the Group (pursuant to articles 29 and 30 of Framework for the Preparation and Presentation of Financial Statements).

Apart from the above-mentioned companies, the Issuer holds no other significant capital investments.

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

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

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

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

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

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

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

No specific seasonality is observed for other products of the Capital Group.

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

Boryszew Capital Group operates in three industry segments.

OPERATING SEGMENTS

Automotive	Boryszew S.A. Oddział Maflow w Tychach, Maflow Spain Automotive S.L.U., Maflow France Automotive S.A.S., 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 in bankruptcy under self-administration, Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration, Boryszew Plastic Rus Ltd., Maflow Plastics Poland Sp. z o.o., Boryszew Deutschland GmbH w likwidacji., Boryszew HR Service 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.,
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.



Boryszew Capital Group

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2024, 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

Sales revenues by geographical areas	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Continuing operations		
Domestic sales	1 031 847	1 108 749
Sales to EU countries	1 375 430	1 822 851
Sales to other European countries	93 241	113 468
Export outside Europe	155 248	153 307
Hedging instruments	-	6 211
Total (revenues from continuing operations)	2 655 766	3 204 586

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES

Share of EU member states in intra-Community sales:	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Germany	35%	36%
Czech Republic	20%	19%
Italy	8%	6%
Spain	6%	4%
France	5%	4%

REVENUES AND RESULTS BY OPERATING SEGMENTS IN THE FIRST SIX MONTHS OF 2024
(data regarding continuing operations)

Continuing operations 01.01.2024 - 30.06.2024	Chemical products	Automotive	Metals	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	80 810	837 262	1 457 760	388 357	2 764 189	(108 423)	2 655 766
Segment costs of sales	65 513	761 463	1 374 265	367 500	2 568 741	(102 706)	2 466 035
Result on sales within segment	15 297	75 799	83 495	20 857	195 448	(5 717)	189 731
General, administrative and sales expenses	15 622	89 725	86 586	16 259	208 192	(3 027)	205 165
Other operating profit/loss	2 712	9 211	61 175	169 114	242 212	(135 276)	106 936
Segment profit/loss	2 387	(4 715)	58 084	173 712	229 468	(137 966)	91 502
Amortisation/depreciation	2 867	42 161	31 575	2 990	79 593	(2 071)	77 522
EBITDA *)	5 254	37 446	89 659	176 702	309 061	(140 037)	169 024
Segment assets	134 720	1 565 999	2 269 055	1 867 858	5 837 632	(2 040 711)	3 796 921
Segment liabilities	101 949	2 242 792	726 231	247 388	3 318 360	(1 080 739)	2 237 621

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

*) EBITDA = operating profit less depreciation expense

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

On 20 May 2024 the Ordinary General Meeting of the Company passed a resolution to pay a dividend to shareholders (from supplementary capital, which, according to art. 348 § the commercial companies code may be allocated for distribution) in the amount of PLN 0.44 per share entitled to dividend, that is, in the total amount of PLN 90 290 200.00.

205 205 000 shares were entitled to the dividend. No treasury shares held by Boryszew S.A. were entitled to the dividend.

The dividend date was scheduled for: 27 May 2024.

The dividend payment date was: 4 June 2024.

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 89 148 thousand. The dividend was paid in accordance with the resolution of the Ordinary General Meeting of Boryszew S.A.

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

NON-EQUITY SECURITIES

In H1 '2024 and until the date of publication of the report, the Company issued no non-equity securities.

EQUITY SECURITIES

In H1 '2024 and until the report publication date, the Company issued no equity securities.

CAPITAL INVESTMENTS

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

LOANS GRANTED, REPAID

In H1 '2024 companies of the Group issued no new loans and made no repayments of previously issued loans.

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

IMPACT OF WAR IN UKRAINE ON SITUATION OF BORYSZEW CAPITAL GROUP

The invasion of the Russian Federation in Ukraine, which began on 24 February 2022, and the resulting sanctions introduced by the EU and the US against the Russian Federation and Belarus are assessed by Boryszew Capital Group as significant developments for the current macroeconomic situation in the country and the world.

Poland's location as a neighboring country to Ukraine additionally affects the current situation in the country also due to direct and close economic contacts, the nature of which has changed due to the ongoing war.

The conflict in Ukraine is affecting changes in the prices of raw materials, products and services; disrupting the supply chain and limiting the market for sales. A summary of the total impact of the war in Ukraine and its effects on the economy will only be possible over a longer time horizon, but after two years of conflict, it can be summarised that the violent behaviour of the markets after the outbreak of the conflict has been extinguished to some extent.

The situation in the energy market has been calmed down, supplies from the Russian Federation have been replaced by other alternatives (new suppliers and increasing our own power generation capacity, which correlates with the EU's Green Deal policy). However, the effects of the surge in energy prices are being borne so far, as can be clearly seen in the higher level of inflation, which has exceeded the inflation targets of the central banks of the various European countries.

Due to the sanctions imposed, trade with the Russian Federation almost froze.

Spending on the defense industry has increased, and further increases are expected in this sector, which could also be an opportunity for the industry in the long term.

Boryszew Capital Group identified the following key risks in the first half of 2024, resulting directly or indirectly from the current situation in Ukraine, which are also likely to be significant in the following year:

- high level of interest rates, which affects external financing prices,
- logistical disruption of the supply of raw materials and components for production,
- unfavourable changes in currency exchange rates,
- increase in the price of CO₂ emission rights,

- lower level of profitability of the investments made,
- uncertainty regarding the geopolitical situation,
- uncertainty about price changes.

In the first six months of 2024 no disruptions to the Group's operations occurred resulting from the war in Ukraine; the risks described above were mitigated by the proactive actions of Group companies and decisions of the Board of Directors. In addition, by active participation in Green Deal activities, the Group seeks to guide companies through the energy transition, which will allow for greater independence from the availability and price of energy resources, which, with an undoubtedly positive impact on the environment, will further decouple the Group from the negative impact of some of the risks described above.

At the same time, importantly, the Group's asset is its diversification, both in terms of geography (production plants are located on different continents), product range, customers and supply chain. With this structure, the Group has greater flexibility to the volatility of the global situation.

The Management Board believes that on the day of publication no risk exists of significant impact of the conflict on operating activity and going concern of Boryszew Capital Group. No adjustments have been made to reflect this in this report.

IMPACT OF OTHER FACTORS ON THE SITUATION OF BORYSZEW CAPITAL GROUP

Major one-off factors and unusual events having a significant impact on the results of H1 '2024 should include:

- continued downward trend in demand in Europe, including a slowdown in the German economy,
- influx of cheap products from Asia,
- continued high levels of inflation and interest rates,
- invasion on Ukrainian territory,
- lack of demand for steel products persisting from the second half of 2023,
- slower pace of car electrification and strong competition from China,
- supply chain disruptions caused by EU energy policy requirements and global armed conflicts
- cost of the energy transition.

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

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

- availability and cost of key energy carriers and gas, particularly in the energy-intensive metal processing industry and in chemistry,
- legislation in energy prices and the Green Deal (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),
- cost of the energy transition, update of Poland's Energy Policy,
- uncertainty in the face of geopolitical tensions,
- 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 affecting changes in interest rates,
- higher economic protectionism in international trade, resulting in restrictions to access markets,
- insufficient investment limiting growth potential,
- availability and 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,
- variability of tax laws,
- inconsistency and unpredictability of regulation,
- change in consumer sentiment that could curb household demand for durable goods,
- unfavorable demographic structure and low level of unemployment,
- Poland's receipt of funds from the National Recovery Plan,
- EU's initiation of excessive deficit procedure against Poland.

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

- the effect of obtaining new contracts in the Automotive Segment,
- implementation of the Group's new strategy,
- the effects of optimising production processes in all market segments,
- ongoing optimisation of Group's asset structure and production processes,

- increase in the efficiency of the Automotive Segment operations as a result of BAP Group restructuring,
- development of new business segments associated with energy transition,
- implementation of investments in upgrading production technologies and in fixed assets necessary for new contracts,
- adapting production processes to the requirements arising from the energy transition,
- availability of employees on the labour market, especially in the Silesian agglomeration.

According to updated estimates by different institutions presented in 2024, Poland's economic growth in 2024 will be lower than originally expected. Wage growth is expected to slow down, which will be related to the decline in inflation, among other factors. Private consumption growth, on the other hand, will increase.

Fixed capital expenditure of businesses in Poland in the first half of 2024 fell by 2% y/y, the second half of this year is expected to see some slight increase. In contrast, in 2025, the level of investment should be significantly higher (as a result of access to cheaper financing, which should lead to a drop in interest rates).

In the second half of 2024, as a result of the unfreezing of energy prices, the increase in fuel and food prices, one can see an increase in inflation: 4.2% y/y in July. Average annual inflation should decelerate, but will still be above the inflation target at the end of 2024. PLN is expected to strengthen against the euro and the dollar.

Any forecasts should be treated as one of many possible scenarios, not as predictions presented with full conviction. The Management Board of Boryszew keeps a close look at market trends in the industry and will make decisions on an ongoing basis related to operations on markets of interest to the Group and cooperation with key counterparties, which will be reported in relevant reports.

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

Contingent liabilities

	Balance on 30.06.2024	Balance on 31.12.2023	change
Sureties for the repayment of loans and other liabilities by associated companies	106 957	83 216	23 741
Liability for tax risks on proceedings in ZM SILESIA S.A. (change described in Note 17)	92 036	35 551	56 485
Potential liability under concluded contract	15 096	15 218	(122)
Total	214 098	133 985	80 104

	Balance on 30.06.2024	Balance on 31.12.2023	change
Contingent liabilities	106 957	83 216	23 741
resulting from granted guarantees, sureties and other liabilities	106 957	83 216	23 741
- guarantees and sureties associated with performance of contracts	85 340	83 216	2 124
- guarantees and sureties in favour of financial institutions	21 617	-	21 617
Increases / decreases in the period of 6 months ended on 30.06.2024, including:			23 741
Additions			24 336
- Increase due to valuation of sureties			-
- Increase in surety amount			24 336
Reductions			(595)
- Reduction due to valuation of sureties			(595)
- Decrease in the amount of existing sureties due to expiration, reduction			-

The increase in sureties is due to an increase in the guarantee issued to Mafmex S. de R.L. de C.V. for liabilities to Innova Dintel (2.72 million), granting of a guarantee to Investitionsbank des Landes Brandenburg for a grant awarded to Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration (21.62 million), while the decrease in sureties is due to exchange rate differences.

	Balance on 30.06.2024	Balance on 31.12.2023	change
Contingent assets/ CO2 emission rights	37 385	33 843	3 542

The increase in contingent assets as at 30.06.2024 compared to 2023 is due to the change in valuation on the reporting date, (no issue redemption for 2023 - redemption 09.2024) and the allocation of emission allowances for 2024.

The market value of CO2 emission rights held on 30.06.2024 is PLN 37.4 million [128 682 units x EUR 67.36 (average quotations for CO2 emission futures contracts) x 4.3130 (average exchange rate of the National Bank of Poland on 28.06.2024)]. The fair value of EUA units received free of charge (on the reporting date) as of the date of acquisition is PLN 46 million.

10. FINANCIAL INSTRUMENTS, FAIR VALUE AND ESTIMATED DATA

Financial assets per balance sheet on 30.06.2024

	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	-	79		6 622	6 701
Trade receivables, factoring	555 365	22 576			577 941
Derivative financial instruments		1 034	7 595		8 629
Loans granted	12 855				12 855
Other debtors	79 234				79 234
Cash and cash equivalents	215 245				215 245
Total	862 699	23 689	7 595	6 622	900 605

Financial assets per balance sheet on 31.12.2023

	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	-	79	-	23	102
Trade receivables, factoring	398 633	14 828	-	-	413 461
Derivative financial instruments	-	1 088	23 022	-	24 110
Loans granted	17 063	-	-	-	17 063
Other debtors	99 092	-	-	-	99 092
Cash and cash equivalents	219 259	-	-	-	219 259
Total	734 047	15 995	23 022	23	773 087

Financial liabilities on 30.06.2024

	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	803 218			803 218
Derivative financial instruments		-	2 698	2 698
Lease liabilities	46 994			46 994
Right-of-use liabilities	145 725			145 725
Trade and other liabilities	643 749			643 749
Total	1 639 686	-	2 698	1 642 384



Boryszew Capital Group

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Financial liabilities on 31.12.2023

	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	670 362			670 362
Derivative financial instruments		264	4 075	4 339
Lease liabilities	56 040			56 040
Right-of-use liabilities	149 224			149 224
Trade and other liabilities	612 846			612 846
Total	1 488 472	264	4 075	1 492 811

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

	Fair value as at		Fair value hierarchy
	Balance on 30.06.2024	Balance on 31.12.2023	
Financial assets			
Derivative financial instruments	8 629	24 110	Level 2
Financial obligations			
Derivative financial instruments	2 698	4 339	Level 2

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

	Fair value as at		Fair value hierarchy
	Balance on 30.06.2024	Balance on 31.12.2023	
Financial assets			
Shares and stock	6 701	102	Level 3
Borrowings	12 855	17 063	Level 3
Trade and other receivables	657 175	512 553	Level 3
Cash and cash equivalents	215 245	219 259	Level 1
Financial obligations			
Borrowings and loans	803 218	670 362	Level 2
Trade and other liabilities	643 749	612 846	Level 3
Lease liabilities	46 994	56 040	Level 2
Liabilities to SMA and due to right-of-use assets	145 725	149 224	Level 2
Liabilities to SMA - investment property	54 552	54 552	Level 2



Boryszew Capital Group

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

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

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Creation of value impairment write-offs for accounts receivable	(1 234)	(2 900)
Reversal of write-downs on accounts receivable (-)	1 969	758
Tangible fixed assets impairment write-offs	(7 766)	(757)
Reversal of tangible fixed assets impairment write-offs	163	223
Valuation to fair value of investment properties	34 163	1 675
Provisions for tax risks in ERG branch	-	(2 455)
Creation of provisions for restructuring costs	(14 649)	-
Creation of other provision	(1 156)	(7 225)
Release of provision for tax risks and fiscal claims	50 010	-
Reversal of unnecessary provisions	3 463	1 260
Total impact on profit/loss	64 963	(9 421)

Provision for employee benefits

Provision for employee benefits	Retirement severance pay	Disability severance pay	Death benefits	Long-service benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
Balance on 01.01.2024	9 863	1 095	823	8 201	22 192	14 174	56 348
Movement:	-	(5)	-	(386)	6 949	(3 842)	2 716
Inclusion of entities in consolidation	-	-	-	-	-	-	-
Excluding entities from consolidation	-	-	-	-	-	-	-
Interest expense	13	-	-	-	-	-	13
Current employment costs	(84)	(5)	-	-	7 454	3 542	10 907
Past employment costs	-	-	-	-	-	-	-
Benefits paid	(125)	-	-	(166)	(400)	(7 319)	(8 010)
	-	-	-	-	-	-	-
impact of exchange rate differences and other	191	-	-	(220)	(105)	(65)	(199)
Actuarial gains and losses - demographic changes	-	-	-	-	-	-	-
Actuarial gains and losses - financial changes	5	-	-	-	-	-	5
Balance on 30.06.2024	9 863	1 090	823	7 815	29 141	10 332	59 064
Change	-	(5)	-	(386)	6 949	(3 842)	2 716
change recognised in P&L (- cost, + decrease in cost)	(5)	(5)	-	(386)	6 949	(3 842)	2 711
Change included in equity (gain+/lose-)	5	-	-	-	-	-	5
long-term provisions	16 965						
short-term provisions	42 099						



Boryszew Capital Group

Abbreviated mid-year consolidated financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

Provision for employee benefits	Retirement severance pay	Disability severance pay	Death benefits	Long-service benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
Balance on 01.01.2023	7 773	906	743	8 429	22 214	15 862	55 927
Movement:	2 090	189	80	(228)	(22)	(1 688)	421
Inclusion of entities in consolidation	192	97	192	-	1 011	777	2 269
Excluding entities from consolidation	-	-	-	-	-	-	-
Interest expense	408	42	41	224	-	-	715
Current employment costs	879	121	45	349	5 980	10 597	17 971
Past employment costs	-	-	-	-	(1 146)	-	(1 146)
Benefits paid	(1 142)	(67)	(126)	(598)	(4 099)	(11 818)	(17 850)
	-	-	-	-	-	-	-
impact of exchange rate differences and other	(340)	(97)	(192)	(350)	(1 768)	(1 244)	(3 991)
Actuarial gains and losses - demographic changes	279	(25)	(75)	(31)	-	-	148
Actuarial gains and losses - financial changes	1 814	118	195	178	-	-	2 305
Balance on 31.12.2023	9 863	1 095	823	8 201	22 192	14 174	56 348

long-term provisions	17 128
short-term provisions	39 220

Other Reserves Status Change

01.01.2024 - 30.06.2024	Movement in the period						Balance on 30.06.2024
	Balance on 01.01.2024	creation of provision	provisions used during the year	reversal of unused provision	exchange differences on translation and other	Provisions of acquired/disposed entities	
Provisions for restructuring costs	9 158	14 649	-	-	(153)	-	23 654
Provisions for liquidation of fixed assets	5 222	384	-	-	-	-	5 606
Provisions for waste disposal and land reclamation	11 904	1 474	(487)	-	-	-	12 891
Provisions for non-execution of contracts	16 568	1 700	(1 973)	(880)	(160)	-	15 255
Provisions for court proceedings	4 741	-	(3)	-	(26)	-	4 712
Provisions for warranty repairs, complaints	8 380	1 247	(453)	(18)	(31)	-	9 125
Provision for tax risks and fiscal claims	146 187	910	-	(50 010)	(76)	-	97 011
Provisions for loss-making contracts (onerous contracts)	2 287	1 074	(2 824)	-	8	-	545
Total	204 447	21 438	(5 740)	(50 908)	(438)	-	168 799

long-term provisions	48 620
short-term provisions	120 179

01.01.2023 - 31.12.2023	Movement in the period						Balance on 31.12.2023
	Balance on 01.01.2023	creation of provision	provisions used during the year	reversal of unused provision	exchange differences on translation and other	Provisions of acquired/disposed entities	
Provisions for restructuring costs	1 879	8 122	-	-	(843)	-	9 158
Provisions for liquidation of fixed assets	4 817	436	-	(31)	-	-	5 222
Provisions for waste disposal and land reclamation	10 238	1 859	(193)	-	-	-	11 904
Provisions for non-execution of contracts	12 133	6 598	(1 598)	(268)	(558)	261	16 568
Provisions for court proceedings	1 639	3 383	(200)	(36)	(45)	-	4 741
Provisions for warranty repairs, complaints	8 367	2 603	(2 004)	(455)	(131)	-	8 380
Provision for tax risks and fiscal claims	177 237	5 478	(35 065)	(1 421)	(42)	-	146 187
Provisions for loss-making contracts (onerous contracts)	9 080	4 221	(2 311)	(8 026)	(677)	-	2 287
Total	225 390	32 700	(41 371)	(10 237)	(2 296)	261	204 447

long-term provisions	48 379
short-term provisions	156 068

Transactions with affiliated entities

	Associates	Personally related entities
in the period 01.01.2024 - 30.06.2024		
Revenues from sales (of products, services, goods)	550	3 531
Interest income	-	34
Purchase of goods and services	4 161	2 982
Investment outlays	-	250
balance on 30.06.2024		
Trade receivables	132	637
Trade liabilities	893	548
Other liabilities (advances, deposits)	-	315

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

11. ORGANISATION OF THE CAPITAL GROUP
BORYSZEW S.A.

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

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

During the first 6 months of 2024 Boryszew S.A. conducted its activity based on:

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

According to the adopted Business Strategy for Boryszew Group for 2024 - 2028, the low-margin activities of the Chemistry Segment will be gradually extinguished.

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.

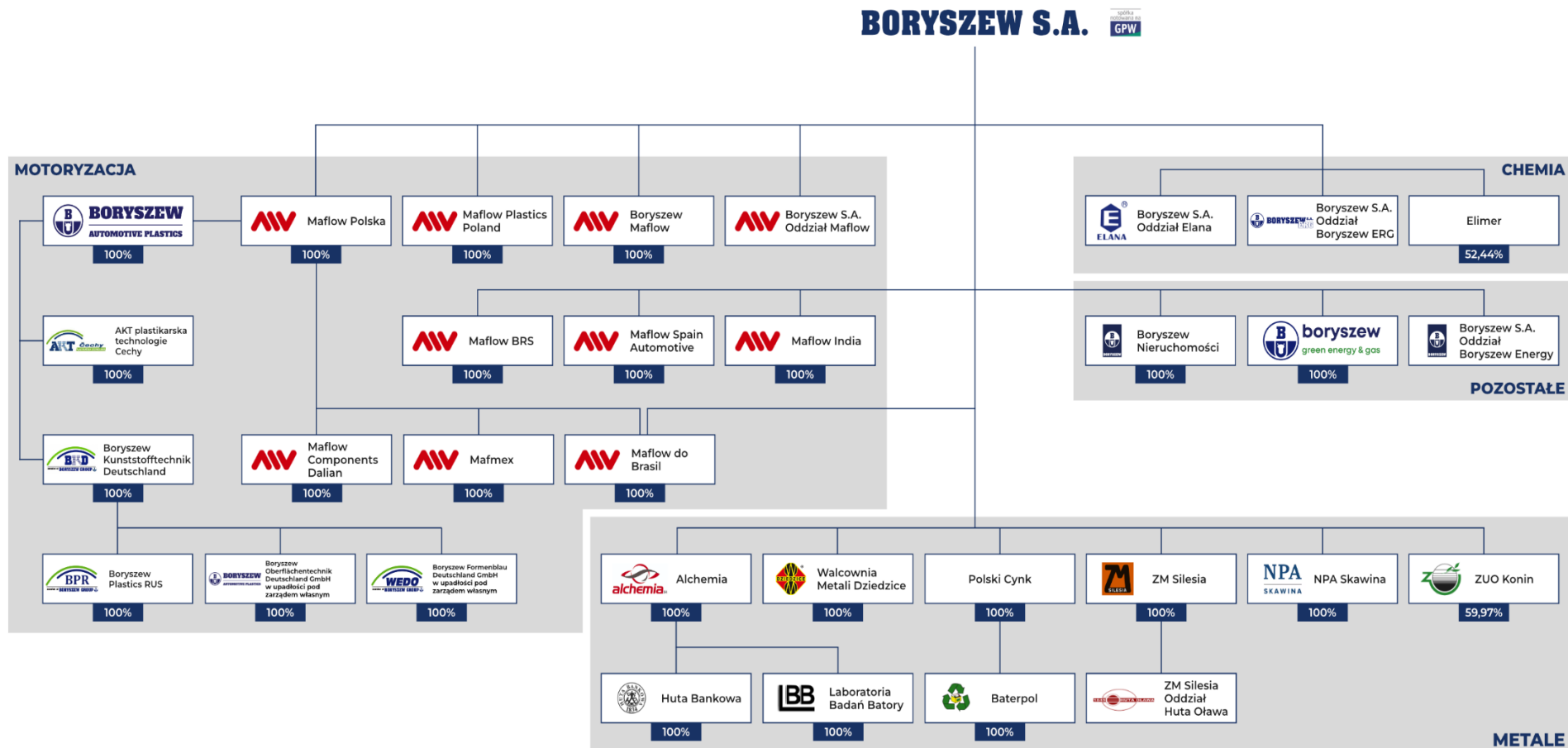
On 6 November 2020 Boryszew S.A. sold Impexmetal S.A. to a third party (Gränges AB).

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.: FŁT-Wälzlager GmbH, FŁT & Metals s.r.l., FŁT Bearings Ltd, FŁT France SAS, FŁT (Wuxi) Trading Co., FŁT 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 JUNE 2024)



12. 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 Automotive Plastics Group

Merger of Boryszew Automotive Plastics Sp. z o.o. with Boryszew Commodities Sp. z o.o. and Boryszew Components Sp. z o.o.

On 21 March 2024, the District Court of Katowice - Wschód in Katowice, 8th Commercial Division of the National Court Register, registered the merger 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).

Filing bankruptcy petitions with the courts

On 19 April 2024, Boryszew S.A. was notified that on the same day the Management Boards of indirect subsidiaries of Boryszew S.A.: Boryszew Oberflächentechnik Deutschland GmbH and Boryszew Formenbau Deutschland GmbH had decided to file for declaration of bankruptcy of these companies with relevant competent courts. According to the proposal, the application will seek insolvency under administration in accordance with German insolvency law.

Self-managed insolvency enables targeted and controlled restructuring, reduction of costs of winding down operations of unprofitable areas and satisfying creditors of these companies at an optimum level. Furthermore, self-managed insolvency will enable an efficient and transparent conduct of the process towards all stakeholders, which will shorten the time of the process and will have a major impact on maintaining the reputation and image of the Group.

On 22 April 2024 the Management Boards of indirect subsidiaries of Boryszew S.A.: Boryszew Oberflächentechnik Deutschland GmbH and Boryszew Formenbau Deutschland GmbH filed for declaration of bankruptcy of these companies with relevant competent courts.

The aforementioned decision results from the deteriorating situation in obtaining new orders from major customers as well as the lower-than-expected performance of current contracts, which caused major decrease of sales. An additional factor negatively affecting the situation of the aforementioned entities involves high fixed costs in particular for salaries, energy and raw materials. These circumstances, as per relevant assessment, prevent achieving the minimum satisfactory profitability of the business and self-financing of the business by the companies mentioned above in a reasonable time perspective.

On 2 July 2024, Boryszew S.A. received letters from the Neuruppin District Court of 1 July 2024, on the opening on the same date of bankruptcy proceedings against Boryszew Oberflächentechnik Deutschland GmbH (Germany) and Boryszew Formenbau Deutschland GmbH (Germany), under self-administration, in accordance with German bankruptcy law.

Start of the process of liquidation of Walcownia Rur Andrzej Branch in Zawadzkie

On 20 May 2024, the Management Board of Alchemia S.A. decided to start the process of liquidation of Alchemia Spółka Akcyjna branch Walcownia Rur Andrzej in Zawadzkie ("WRA").

The Management Board of Alchemia S.A. decided to initiate the liquidation process, considering, among other things, the anticipated inability of WRA to compete in the market, due to obsolete production technology, high cost of maintaining production activities of WRA and the anticipated steady increase in these costs, technologically and economically unjustified increase in expenditure on repairs and upgrading production technology, and the anticipated higher business benefits resulting from the liquidation of assets of the Branch versus those from maintaining production activities. Alchemia S.A. provisionally estimated the costs associated with WRA decommissioning processes at PLN 25 million.

Alchemia S.A.

On 30 June 2024 the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, having reviewed the application of Alchemia S.A., decided to delete Kuźnia Batory in Chorzów, a branch of Alchemia S.A., from the National Court Register.

Events after the balance sheet date

Boryszew Automotive Plastics Group

Registration of an increase in the share capital of Maflow Plastics Poland Sp. z o.o.

On 5 July 2024 the District Court in Toruń, 7th Commercial Division of the National Court Register made an entry in the Register of Entrepreneurs of an increase in the share capital of Maflow Plastics Poland Sp. z o.o. from PLN 85 000 000.00 to PLN 86 050 000.00, i.e. by the amount of PLN 1 050 000.00, through creation of 2 100 new shares with a value of PLN 500.00 each. On the publication date of the report the share capital of Maflow Plastics Poland

Sp. z o.o. amounts to PLN 86 050 000.00 and is divided into 172 100 shares. Boryszew S.A. is the sole shareholder of the company.

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

13. 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 2024.

Adoption and publication of the Strategy of Boryszew Capital Group for 2024 - 2028

According to the resolution of the Supervisory Board of Boryszew S.A. of 17 April 2024 on approval of: "Business Strategy for Boryszew Group for 2024–2028" (Strategy), the Company adopted for implementation on the same date an updated development strategy until 2028, assuming, among other things:

1. creation of new business segments in energy storage and circular economy, including but not limited to:
 - a. construction of 5 MW and 50 MW energy storage facilities,
 - b. construction of installation for thermal transformation of waste: municipal and hazardous in Toruń,
 - c. construction of additional facility for thermal transformation of hazardous waste in Konin;
2. continued development of the most profitable products by expanding into new markets and diversifying end customer sectors, including but not limited to:
 - a. in the Automotive Segment: construction of new production capacity (China),
 - b. in the Metals Segment: doubling the production capacity of aluminum conductors and introducing higher value-added products by 2025 (NPA Skawina Spółka z o.o.) plus expanding production capacity of brass alloy products (WM Dziedzice S.A.);
3. maintaining a high year-on-year EBITDA growth rate in 2024-2028 and reaching an EBITDA level of app. PLN 590 million in 2028;
4. ensuring the required liquidity in Boryszew Capital Group through optimisation of resources used;
5. decommissioning low-margin assets in the Chemicals and Metals Segments;
6. utilising 100% net green electricity as of 2030.

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

The table below presents Shareholders holding more than 5% of the share capital and of the total number of votes as at 30.06.2024 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.

On 30 June 2024 and the publication date of the Financial Statements Boryszew S.A. holds directly and indirectly through subsidiaries shares of Boryszew S.A.:

- Boryszew S.A. - 34 795 000 treasury shares, representing 34 795 000 votes at the General Meeting, which accounts for approximately 14.498 % share in the share capital and total number of votes at the General Meeting of Boryszew S.A.,
- Alchemia S.A. - 3 200 000 shares of Boryszew S.A., representing 3 200 000 votes at the General Meeting, which accounts for approximately 1.333 % share in the share capital and total number of votes at the General Meeting of Alchemia S.A.,
- Polski Cynk Sp. z o.o. - 5.000 shares of Boryszew S.A., representing 5 000 votes at the General Meeting, accounting for 0.002% of share capital and the total number of votes at the General Meeting of Boryszew S.A.

15. CHANGES IN THE OWNERSHIP STRUCTURE OF SIGNIFICANT BLOCKS OF SHARES IN THE COMPANY IN THE PERIOD SINCE THE PREVIOUS REPORT - SHARE OF VOTES AT THE COMPANY'S GENERAL MEETING

In the period since the submission of the report for Q1 2024 on 16 May 2024 until publication of the report for H1 2024, 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:

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

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

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

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

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

16. 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 the first quarter of 2024 and the date of publication of the report for the first half of 2024, the managing person changed the ownership of 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	20 000	10 000	30 000

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.

17. MATERIAL 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 is now final. 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 28.6 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 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. Ultimately, the existing competency dispute was resolved by the Head of the National Tax Administration. In a letter dated 20 December 2023, ZM SILESIA SA was advised that the Director of the Tax Administration Chamber in Warsaw is competent to hear the appeal.

In a decision of 25 June 2024, the Director of the Fiscal Administration Chamber in Warsaw, revoked in its entirety the decision of the Head of the Customs and Tax Office in Opole of 29 December 2022 (ref. 388000-CKK-1.4100. 10.202074) determining the outstanding VAT liability for relevant months of 2012 and discontinued the proceedings due to the statute of limitations on tax liabilities. The above decision finally ends the tax dispute.

- 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. 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 of the Act of 30 August 2021 - Law on proceedings before administrative courts.

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 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 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, which has not yet determined a hearing date.

- 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 help them maintain the right to deduct input tax despite the occurrence of tax irregularities at earlier stages of the disputed supplies. 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. In a decision of 27 December 2023, the Head of Małopolska Customs and Fiscal Office in Krakow upheld the decision, against which ZM SILESIA SA filed an appeal. Having disagreed with the above ruling, the Company filed a complaint of 26 January 2024 with the Provincial Administrative Court in Krakow. Given that the decision of the second instance authority was final on 31 January 2024, and on 21 February 2024, the Company received enforcement titles used in the enforcement of receivables together with notices of seizure of receivables from bank accounts, the Company immediately filed objections to the enforcement proceedings and motions to rescind enforcement actions. As of 12 February 2024 the first and 1 March 2024 the second, enforcement actions in the form of seizures of receivables from bank accounts were rescinded by the Head of the Second Tax Office in Katowice. On 26 June 2024 the Provincial Administrative Court in Krakow issued a judgment (I SA/Kr 216/24) revoking in its entirety the appealed decision of the Head of the Customs and Fiscal Office in Krakow of 27 December 2023 on the tax on goods and services for the period between January 2015 and June 2015. The court accepted the plea that the tax liability was time-barred. The judgment is not final. The parties have the right to file a cassation complaint with the Supreme Administrative Court. However, until the judgment becomes final, the repealed tax decision will not be enforceable and, consequently, will not be enforced.

Boryszew S.A. (before merger with Hutmen Spółka z o.o.)

- 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 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. As of the date of publication of the report, the tax proceedings had not been completed.
- 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 20 June 2024 the Provincial Administrative Court in Wrocław revoked the appealed decision and the preceding decision of the first instance authority. The ruling is not final. The parties have the right to file a cassation complaint with the Supreme Administrative Court.

- 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. Hutmen appealed against the decision of the Fiscal Administration Chamber. On 7 October 2021 the company received a decision of the Director of the Fiscal Administration Chamber in Wrocław repealing the appealed decision and transferring the case for reconsideration by the 1st instance body. As of the date of publication of the report, no renewed decision was issued by the authority.
- On 28 December 2020 Hutmen Sp. z o. o. (currently Boryszew S.A.) received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków of 16 December 2020 determining the outstanding VAT liability of company in the first half of 2015 in the amount of PLN 7.8 million plus interest on outstanding tax liability. As claimed by the Office, the company failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection bodies, Hutmen Sp. z o. o. appealed with 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 11.7 million 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. On 29 February 2024, the Provincial Administrative Court revoked the appealed decision and the preceding decision of the first instance authority. The ruling is not final.
On 6 May 2024 the Head of the Fiscal Administration Chamber in Wrocław filed a cassation complaint. On 7 June 2024, the Company filed a response to the cassation complaint. Until the date of publication of the report, the NSA had not scheduled a hearing date.

Boryszew S.A. Branch Boryszew ERG

On 12 April 2021 the Company received a notification from the Head of Mazovian Tax and Customs Office in Warsaw on the initiation of VAT settlements audit for the period December 2015 - March 2016.

On 3 August 2022, the Company received an Audit Result following the audit of tax books, in which the Head of Mazovian Tax and Customs Office in Warsaw stated that Boryszew ERG Branch had failed to exercise due diligence in documenting transactions, which was recognised by the Authority as irregularities in the settlement of the tax on goods and services. The Head of the Mazovian Customs and Fiscal Office in Warsaw questioned, in the Audit Result submitted to the Company, the right to apply 0% rate in intra-Community deliveries of goods to foreign entities and indicated that, given the facts, these deliveries should be taxed at 23% rate of the tax on goods and services in the period between December 2015 and March 2016 in the amount of PLN 9 817 220. According to the National Revenue Administration Boryszew S.A. also wrongfully deducted input VAT from invoices issued for the purchase of rapeseed oil, in the period December 2015 to March 2016, thereby overstating it by a total amount of PLN 12 435 798.

The total amount of the overdue the tax for the above transactions was PLN 22 253 018 plus interest due.

Despite the entitlement of Boryszew S.A. to correct the submitted declarations within 14 days of the date of delivery of the audit result, the Company challenged these findings in the tax proceedings.

On 29 August 2022, the Company received a notice that the customs and tax audit had been transformed into a tax procedure.

On 10 November 2023, the Company received a decision of the Head of the Mazovian Customs and Fiscal Office ("Office") in Warsaw, of 27 October 2023, determining the Company's outstanding VAT liability for the period December 2015 to March 2016 in the amount of PLN 23.03 million plus interest due for overdue tax. According to

the position of the Office, the Company 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 Company 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.

In addition, the Office questioned the Company's right to apply a 0% VAT rate to intra-Community supply of goods transactions, resulting in these transactions being subject to a 23% VAT.

For the tax risk arising from the aforementioned proceedings the Company recognised a provision in 2022 in the amount of PLN 30.3 million.

Given the different assessment of the above circumstances, the Company filed an appeal against the above decision of the Authority.

In order to stop further accrual of default interest, on 20 December 2023 the Company paid the principal amount of the liability, i.e. PLN 23.03 million, together with interest in the amount of PLN 18.96 million, to the account of the relevant tax office, resulting from the decision of the Head of the Mazovian Customs and Fiscal Office in Warsaw of 27 October 2023, while questioning the findings of the auditors.

As of the date of publication of the report, the Company had not received a decision from the appeals authority.

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 S.A. 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) On 29 November 2023 the higher-instance authority (Head of the Fiscal Administration Chamber in Katowice) issued a decision upholding the decision of the first-instance authority in the appealed part. A complaint was filed with the Provincial Administrative Court against the decision in January 2024. The case is still pending.

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.

Other pending VAT tax proceedings:

- 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 1 October 2013 and 30 September 2016 was suspended.

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

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

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

As estimated by the Management Board, the amount of this provision was recognised up to the possible outflow of resources from the Group, with the maximum being the net value of assets of 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 June 2024 is PLN 97 011 (high risk). Furthermore, the Group recognises contingent liabilities in the amount of PLN 92 036 (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.

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 2.8 million. 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: 30 August 2024.
- The Economic Crime Department of the Regional Police Headquarters in Krakow is conducting pre-trial proceedings for an act under PC Art. 286 and others, supervised by the Regional Prosecutor's Office in Krakow file ref. RP 1 Ds 9.2018 upon notification of Boryszew S.A. against Tacon Sp. z o.o. and Q 77 s.r.o. filed on 17 January 2018. The case is pending.
- Boryszew S.A. (cases concerning the former NPA Branch):
 - a lawsuit by SILKADA LTD, Cyprus for the payment of USD 0.33 million with incidental receivables and the amount of USD 1.34 million with incidental receivables (currently the amount of USD 1.46 million). The case concerns the collection of receivables under purchase agreements that the company then Nowoczesne Produkty Aluminiowe "Skawina" Sp. z o.o., whose legal successor is Boryszew S.A., concluded in 2009 with SH TRADE, s.r.o., Košice. It is essential to determine whether or not payment of receivables was satisfied, following transfers to the bank account of Komerční banka Bratislava, a.s. under the registered pledge of receivables. On 17 January 2024 the court of first instance dismissed the lawsuit. SILKADA LTD appealed timely the judgement of the Kosice City Court of 17 January this year. SILKADA LTD assigned the aforementioned receivables to OSP real, s.r.o.
 - lawsuit by Boryszew S.A. for payment of USD 1.46 million with incidental receivables from Komerční banka, a.s., for possible unjust enrichment, conducted in the Bratislava City Court, because it was the bank account of this bank that Nowoczesne Produkty Aluminiowe "Skawina" Sp. z o.o. made transfers to in 2010 and 2011. The proceedings relate to the payment of USD 1.46 million with incidental receivables, i.e. the amount paid in 2011, as with regard to the 2010 transfers, the plaintiff Nikola Jankovicsová (or SILKADA LTD) did not present any legal arguments challenging these transfers. Along with the lawsuit, the company requested a stay of these proceedings pending the conclusion of the aforementioned proceedings in the Košice II District Court (now Košice City Court). A hearing date of the case has not been determined.

Both cases involve claims associated with collaboration with SH Trade s.r.o, based in Slovakia.

18. 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 H1 '2024.

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

As at 30 June 2024 no overdue liabilities occurred due to borrowings and loans and no breach occurred of material provisions of borrowing and loan agreements other than those described below for which corrective action has not been taken.

Due to the current market situation in the European Union, the financial covenants in the loan agreements of the Group companies listed below have not been met:

- ZM SILESIA S.A. - net debt/ EBITDA ratio, Huta Bankowa Sp. z o.o.- debt service ratio; at the moment of publication, the aforementioned companies anticipate no consequences following the non-fulfillment of loan agreements.
- Walcownia Metali Dziedzice SA (WMD) - net debt/ EBITDA ratio, inventory value level, and accounts receivable level; the company is in explanatory talks with financial institutions. The Parent Company and WMD anticipate no impact of the above events on the company's liquidity.

Liabilities under these contracts are presented as short-term loans in the financial statements.

20. 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. TO COMPANIES OF THE CAPITAL GROUP AS AT 30.06.2024

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

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

Guarantees and sureties as at 30.06.2024

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	21 565	term of the agreement
	Mafmex's rent payment bond to Innova Dintel	12 019	01.01.2030
	BMW AG performance bond	25 878	contract period + 15 years
Maflow Components Dalian Co Ltd.	BMW AG performance bond	25 878	contract period + 15 years
Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration	Guarantee granted to Investitionsbank des Landes Brandenburg	21 617	16.01.2026
Total		106 957	

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	21 740	term of the agreement
MAFMEX S. de R.L. de C.V.	Mafmex's rent payment bond to Innova Dintel	9 300	01.01.2030
MAFMEX S. de R.L. de C.V.	BMW AG performance bond	26 088	contract period + 15 years
Mafflow Components Dalian Co Ltd.	BMW AG performance bond	26 088	contract period + 15 years
Total		83 216	

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.

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

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

22. ADDITIONAL INFORMATION

As of June 30, 2024, the Boryszew Group has identified indications for asset impairment testing in accordance with IAS 36 "Impairment of Assets" related to:

- changes in the macroeconomic environment in H1 '2024,
- significant deviations in meeting forecasts in H1 '2024.
- optimisation of assets and manufacturing operations at Alchemia S.A. (liquidation of the branch)

At the end of the first half of 2024, Boryszew Capital Group carried out impairment tests of fixed assets using the discounted cash flow method for the cash-generating units indicated in the table below. Also, additionally, for a group of selected subsidiaries, an impairment simulation was performed based on updated year-end tests, the results indicated no probability of impairment, which, following an assessment, led to conclusion that no new tests were necessary using the discounted cash value method.

The tests for subsidiaries listed in the table below were performed following the value in use assessment method based on 4.5-year discounted projected cash flows, in accordance with the approved plans of the Management Boards of different Group companies.

For the purposes of the tests, Boryszew determines discount rates individually for each defined cash-generating unit using the Capital Asset Pricing Model.

On the date of impairment testing, i.e. 30 June 2024, the following were considered for each CGU:

- market risks specific to the country and business segment to reflect the current market assessment of the time value of money at the balance sheet date and the risks associated with the asset group corresponding to the return;
- sources of parameters and market data necessary to estimate the cost of capital and debt were publications by Aswath Damodaran (<http://pages.stern.nyu.edu>);

For the residual value, the risk-free rate was estimated as the sum of the country's inflation target and the 2012-21 average (recent years were not included due to significant deviations from earlier historical data, which is due in

part to the war in Ukraine) of the difference between the 10-year bond yield and historical inflation for the country, respectively.

The tests proved that no accounting write-offs were necessary in the Issuer's consolidated financial statements to adjust the value of the assets being used.

Key climate factors considered in asset impairment testing:

- investments expenditure by all companies of the Boryszew Capital Group are carried out in such a way that takes into account aspects of environmental protection and the strategy of the whole Group, which aims to reduce the level of CO2 emissions, which is expressed, among other things, in the modernisation of the machinery park with the use of modern technology, which is less energy-intensive, as well as investments in RES and the implementation of closed-loop,
- part of revenues of the Automotive segment includes revenue from the sale of components for electric vehicles, indicating the company's participation in the energy transition,
- group company concluded a long-term PPA,
- conformity with legal requirements for environmental protection.

Table: Summary of tests for subsidiaries.

Name of entity	Projection period	Residual value	Actual / nominal cash flow	Growth rate after the forecast period	WACC for the forecast period	WACC for the RV period	Result of the test	Sensitivity analysis 1 bps increase of WACC Growth rate in the residual period + 1% p.p.	Sensitivity analysis EBITDA down 5%
Alchemia	4.5 years	Yes	Nominal	2.50%	11.45%	9.69%	No write-off necessary	Write-off on assets in the amount of PLN 13 025 thousand	Write-off on assets in the amount of PLN 15 629 thousand
Huta Bankowa	4.5 years	Yes	Nominal	2.50%	10.80%	9.04%	No write-off necessary	Write-off on assets in the amount of PLN 30 472 thousand	Write-off on assets in the amount of PLN 34 749 thousand
BAP Group	4.5 years	Yes	Nominal	2.00%	7.01%	5.66%	No write-off necessary	No write-off necessary	No write-off necessary
Maflow Italy	4.5 years	Yes	Nominal	2.00%	10.31%	9.52%	No write-off necessary	No write-off necessary	No write-off necessary
WMD	4.5 years	Yes	Nominal	2.50%	9.37%	7,61%	No write-off necessary	No write-off necessary	No write-off necessary

OTHER IMPORTANT EVENTS

BORYSZEW S.A.

Capital investment of Boryszew S.A.

The Management Board of Boryszew S.A. decided on an equity investment in shares of Repono AB. Repono is a European energy storage operator based in Sweden. According to its investment plans, Repono intends to be an operator of energy storage systems(ESS) with a target capacity of 100 GWh in Europe. Purchase of shares in Repono bhy Boryszew is related to Boryszew Group's plans to develop its activities in the energy sector and is an important element of the company's active green transformation.

Change in the balance of impairment losses on financial assets of Boryszew S.A.

Following the completion on 2 August 2024 of the review of the status of tax proceedings in subsidiary ZM SILESIA SA, which the Issuer announced in current and interim reports, carried out in the process of preparing the consolidated report for the first half of 2024, Boryszew S.A. reassessed the risks associated with these audits. As a result of the assessment, the Issuer chose to release some of the provisions recognised for the pending audits, amounting to PLN 50 million.

Adoption of the Strategy of Boryszew Capital Group for 2024 - 2028

According to the resolution of the Supervisory Board of Boryszew S.A. of 17 April 2024 on approval of: "Business Strategy for Boryszew Group for 2024–2028" (Strategy), the Company adopted for implementation on the same date an updated development strategy until 2028, assuming, among other things:

1. creation of new business segments in energy storage and circular economy, including but not limited to:
 - a. construction of 5 MW and 50 MW energy storage facilities,
 - b. construction of installation for thermal transformation of waste: municipal and hazardous in Toruń,
 - c. construction of additional facility for thermal transformation of hazardous waste in Konin;

2. continued development of the most profitable products by expanding into new markets and diversifying end customer sectors, including but not limited to:
 - a. in the Automotive Segment: construction of new production capacity (China),
 - b. in the Metals Segment: doubling the production capacity of aluminum conductors and introducing higher value-added products by 2025 (NPA Skawina Spółka z o.o.) plus expanding production capacity of alloy products (WM Działoszyn S.A.);
3. maintaining a high year-on-year EBITDA growth rate in 2024-2028 and reaching an EBITDA level of app. PLN 590 million in 2028;
4. ensuring the required liquidity in Boryszew Capital Group through optimisation of resources used;
5. decommissioning low-margin assets in the Chemicals and Metals Segments;
6. utilising 100% net green electricity as of 2030.

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

The new Strategy is a response to the rapidly changing market environment and the challenges of the energy transition. The strategy extends the time horizon of the outlined strategic goals indicated in the document "Business Strategy for Boryszew Group for 2022-2026" adopted by the Company in May 2022, and the dynamics of reaching the goals, so formally the Strategy replaces the aforementioned document of May 2022.

Completions of the programme for buy-back of treasury shares of Boryszew S.A.

On 25 June 2024, due to the expiry of the period for which it was adopted, the share buy-back program, adopted by resolution No. 22 of the Ordinary General Meeting of Shareholders of 25 June 2019 terminated.

As a result of the implementation of resolution No. 22 of the Ordinary General Meeting of Boryszew S.A., on 30 October 2020 the Company purchased a total of 13 346 169 shares of Boryszew S.A. with a nominal value of PLN 1.00 each, at an average price of PLN 2.69, i.e. for a total amount of PLN 35 901 194.61 in block transactions on the WSE.

The acquired shares account for 5.56% of the share capital and correspond to 13 346 169 votes at the General Meeting, i.e. 5.56% of the total number of votes.

Under the resolution referred to above the shares acquired under the buyback program will be held for redemption.

Boryszew Capital Group

Signing of a new restructuring agreement with a key client of BAP Group

On 14 March 2024 Issuer's subsidiaries of the automotive segment received a signed agreement ("Agreement") with an important client of Boryszew Capital Group Automotive Plastics ("Client").

The agreement is for the Client to support the restructuring of the following companies between 2024 and 2026: Boryszew Kunststofftechnik Deutschland GmbH, Maflow Plastics Poland Spółka z o.o. and AKT plastikářská technologie Čechy, spol. s r.o. ("BAP Companies").

According to the Agreement, during the restructuring period, i.e. until the end of 2026, the client will contribute to the costs associated with the restructuring through an agreed price increase on the BAP Companies products.

The Issuer believes that the conclusion of the Agreement will have a significantly positive impact on the results of BAP Companies and Boryszew Capital Group and will enable BAP Companies to achieve a positive operating result on the EBITDA level during the Agreement period.

The agreement is effective as of 1 January 2024 and the condition for the BAP Companies to receive support is timely implementation of restructuring measures in accordance with a plan.

The basic assumption of the Agreement is that BAP Companies and the Client act jointly and severally. The restructuring process will give BAP Companies operational stability and will improve their market position.

Conclusion of an investment loan agreement with Bank Gospodarstwa Krajowego

On 27 March 2024, Boryszew S.A. and Maflow Components Dalian Co. Ltd. ("Maflow China") concluded an investment and working capital loan agreement with Bank Gospodarstwa Krajowego ("BGK") with a total value of EUR 8.5 million, of which EUR 6.5 million is an investment loan and EUR 2 million is a working capital loan. Maflow China plans to use the funds raised from BGK to expand its facilities in China in connection with the development of rubber hoses for electric, hybrid and conventional vehicles.

Group's investment is part of its strategy to actively participate in the energy transition as a supplier of components for electromobility development. The financing was insured by the Export Credit Insurance Corporation ("ECI").

Estimation of costs associated with the liquidation of Alchemia S.A. WRA branch

Following the decision of Alchemia S.A., a subsidiary to start the process of liquidation of Walcownia Rur Andrzej Branch in Zawadzkie and when preparing the consolidated financial statement of Boryszew Capital Group for the first half of 2024, Alchemia S.A., based in Warsaw, provisionally estimated the costs associated with the process of liquidation of Walcownia Rur Andrzej Branch in Zawadzkie at PLN 25 million.

REAL ESTATE TRANSACTIONS

Boryszew S.A.

On 27 March 2024 the Company signed a conditional agreement with its subsidiary Zakład Utylizacji Odpadów Spółka z o.o. for the sale of an undeveloped land located in Konin, surface area app. 1.7 hectares, for a net price of PLN 3.5 million. The agreement was conditional on the municipality of Konin not exercising its statutory pre-emptive right. The transfer agreement was concluded on 10 April 2024.

In H1 '2024 and until the date of publication of the report, Boryszew S.A. disposed of or acquired no other significant real estate.

Maflow France Automotive S.A.S based in Chartres (France)

On 26 February 2024 Maflow France Automotive S.A.S, a subsidiary, based in Chartres, concluded with the city of Chartres (Purchaser), a final sale agreement for a developed land located in Chartres, av. Gustave Eiffel No. 2, surface area 10 hectares, for a price of PLN 45.15 million (EUR 10.5 million). The property was released on the same day. The sale price was paid in March 2024.

Boryszew Nieruchomości Spółka z o.o.

On 26 February 2024, Boryszew Nieruchomości Spółka z o.o. signed a preliminary agreement to sell the investment property located in Warsaw at Grzybowska 61, for the amount of PLN 6.3 million net, with the date of the final agreement until 30 November 2024.

On 14 June 2024 the company received the remainder of the price in the amount of PLN 37 million from the sale of an office property located in Warsaw at Foksal street No. 6, for a net price of PLN 72.1 million (the agreement was concluded with an individual personally related to the Issuer on 13 June 2023).

On 28 June 2024 Boryszew Nieruchomości Spółka z o.o. signed a final agreement for the sale of an investment property located in Toruń on Chrzanowskiego street, for a net amount of PLN 8.7 million.

NPA Skawina Spółka z o.o.

In H1 '2024 NPA Skawina Spółka z o.o. acquired the right of perpetual usufruct of a developed real estate located in Skawina, surface area 0.2796 hectare, together with the ownership of a building - a hall, located on it, being a separate object of ownership from the land, for a net price of PLN 4.7 million.

Implementation of the Group's development investments

ZAKŁAD UTYLIZACJI ODPADÓW SPÓŁKA Z O.O.

Given the increasing demand for hazardous waste management in recent years, the Management Board of Zakład Utylizacji Odpadów Spółka z o.o. decided in 2021 to build an additional line for thermal treatment of hazardous waste featuring a capacity of 12 000 Mg/year. The installation is scheduled to be commissioned in 2027.

Implementation of the additional hazardous waste thermal treatment line will improve the environment through controlled and safe thermal management of hazardous waste. It will also improve the competitive position of the company, impact its business performance in subsequent years of operation, and contribute to a significant increase in its valuation. The process of thermal conversion of waste at the new installation will generate heat and electricity. On the date of publication of the report, ZUO is in the process of obtaining the required decisions and permits necessary to start the investment.

Boryszew Nieruchomości Spółka z o.o.

Construction of installation for the thermal treatment of municipal waste

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.

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.

On the date of publication of the report, Boryszew Nieruchomości is in the process of obtaining the required decisions and permits necessary to start the investment. The installation is scheduled to be commissioned in 2027.

Boryszew Inwestycje Spółka z o.o.

Boryszew Inwestycje Sp. z o.o. commenced works on projects for the construction of electricity storage facilities in locations belonging to Boryszew Capital Group (Sochaczew, Toruń and Skawina). The scope of activities includes, in particular, the submission of applications for grid connection conditions for different projects and the development of feasibility studies, decisions and certifications for these projects.

On the date of publication of the report, Boryszew Inwestycje is in the process of obtaining the required decisions and permits, as well as conditions for connection to the power grid of relevant DSO, necessary to launch the investment.

NPA Skawina Spółka z o.o.

The company is in the process of implementing a project to increase processing capacity in converting semi-finished aluminum wire rod and aluminum alloys into high-margin products in order to increase its presence in strategic European markets. The project involves the expansion of the production area and the installation of additional equipment (including a twisting machine, a drawing machine, a rewinding machine) to convert the basic product (aluminum wire rod) into a higher value-added product (aluminum cables). After the investment, NPA Skawina will increase production capacity by 2028, reaching an additional production volume of some 6 000 tonnes per year. The additional line at NPA Skawina assumes a higher level of digitisation by about 10-15% compared to the Company's already operational line

WM Dziedzice SA

The company launched works (the contract was signed on 29 December 2023) on the project: "EG BRASS DW® (extra grade brass for drinkin- water) - a new assortment group of brass extruded and drawn products with increased resistance to dezincification dedicated to drinking water installations" subsidised by the EU. The estimated value of the project is PLN 36.5 million, the planned value of funding is PLN 18.8 million.

Events after the balance sheet date

No material events took place after the balance sheet date.

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

23. DECLARATIONS OF THE MANAGEMENT BOARD

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

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



ABBREVIATED MID-YEAR FINANCIAL STATEMENTS

Boryszew S.A.
for the period between 1 January and 30 June 2024


Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

STATEMENT OF COMPREHENSIVE INCOME

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	01.04.2024 -30.06.2024	01.04.2023 -30.06.2023
Revenues from sales	866 051	972 876	399 247	445 901
Prime cost of sale	785 924	887 798	352 818	405 092
Gross profit on sales	80 127	85 078	46 429	40 809
Selling costs	7 117	9 789	3 913	4 878
General and administrative expenses	52 612	56 330	26 923	28 944
Other operating revenues	141 607	95 260	114 180	88 451
Other operating expenses	17 608	9 893	7 734	5 735
Operating income	144 397	104 326	122 039	89 703
Financial revenues	37 850	61 392	17 563	39 784
Financial expenses	62 536	86 388	30 296	61 462
Profit before taxation	119 711	79 330	109 306	68 025
Income tax	5 591	4 473	2 273	(239)
Net profit	114 120	74 857	107 033	68 264
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)	0.56	0.36	0.52	0.33
	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023	01.04.2024 -30.06.2024	01.04.2023 -30.06.2023
Net profit	114 120	74 857	107 033	68 264
Earnings recognised in equity				
Hedge accounting (pre-tax)	26	(4 916)	4	(4 974)
Measurement of financial assets			-	-
Income tax	(5)	934	(1)	945
Earnings recognised in equity, to be transferred to income statement	21	(3 982)	3	(4 029)
Gains/losses on valuation and disposal of equity instruments (before tax)	-	(1 241)	-	199
Income tax	-	236	-	(38)
Employee benefit capital reserve (before tax)	2	(417)	2	(417)
Income tax	-	79	-	79
Earnings recognised in equity, not to be transferred to income statement	2	(1 343)	2	(177)
Total earnings recognised in equity	23	(5 325)	5	(4 206)
Total comprehensive income	114 143	69 532	107 038	64 058


Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, 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 30.06.2024	Balance on 31.12.2023	Balance on 30.06.2023
Non-current assets			
Tangible fixed assets	152 237	165 374	166 866
Investment property	27 591	21 702	21 702
Goodwill	-	-	-
Intangible assets	13 152	14 491	15 789
Right-of-use assets	110 341	114 406	93 648
Shares in subsidiaries and associates	887 189	886 639	875 557
Financial assets	61 855	46 576	150 239
Long-term receivables	136 406	119 100	133 265
Deferred tax assets	9 691	14 002	-
Total fixed assets	1 398 462	1 382 290	1 457 066
Current assets	816 049	804 517	831 604
Current assets other than assets held for sale			
Inventories	151 108	175 060	206 362
Trade receivables and other receivables	321 645	266 695	308 332
Short-term financial assets	326 811	330 142	276 723
Derivative financial instruments	-	3 777	9 872
Current tax receivables	-	4 032	3 210
Cash and cash equivalents	16 485	24 811	27 105
Total current assets	816 049	804 517	831 604
Total assets	2 214 511	2 186 807	2 288 670


Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, 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 30.06.2024	Balance on 31.12.2023	Balance on 30.06.2023
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	(6)	(27)	(51)
Capital reserve on translating employee payables	(347)	(349)	(271)
Revaluation reserve and gain on disposal of financial assets	-	3 433	3 433
Retained earnings	1 056 818	1 029 555	1 115 641
Total equity	1 234 901	1 211 048	1 297 188
Liabilities and long-term provisions			
Bank loans, borrowings	139 211	92 872	17 603
Lease and right-of-use liabilities	74 072	76 016	58 853
Deferred tax provision	-	-	5 603
Employee benefit provisions	3 094	3 094	2 812
Other provisions	30 743	31 916	29 720
Trade payables and other liabilities	35 000	25 000	-
Other long-term liabilities	5 781	6 085	6 997
Liabilities and long-term provisions - total	287 901	234 983	121 588
Short-term liabilities			
Bank loans, borrowings	340 031	374 912	432 726
Lease and right-of-use liabilities	19 995	23 086	19 259
Trade payables and other liabilities	314 454	325 413	365 480
Tax liabilities	269	3 658	-
Employee benefit provisions	11 364	9 560	16 226
Other provisions	3 299	2 346	34 218
Other liabilities and equity	2 297	1 801	1 985
Liabilities and short-term provisions - total	691 709	740 776	869 894
Total liabilities and provisions	979 610	975 759	991 482
Total equity and liabilities	2 214 511	2 186 807	2 288 670


Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

CASH FLOW STATEMENT

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Cash flows from operating activities		
Profit before taxation	119 711	79 330
Adjustments for (+/-)	(125 848)	(7 476)
Amortisation/depreciation	21 686	21 263
Profit/loss on financial activity (including interest on financial liabilities)	17 875	5 020
Dividends received	(106 783)	(77 353)
Profit / loss on investment activities	(3 623)	(26 671)
Change in receivables	(68 269)	18 077
Change in inventories	23 952	11 705
Change in liabilities	(8 442)	55 789
Change in provisions	(2 011)	2 835
Other items	407	(10 320)
Income tax paid	(640)	(7 821)
Net cash from operating activities	(6 137)	71 854
Cash flows from investment activities		
Proceeds from disposal of fixed assets	11 250	100
Proceeds from disposal of shares	-	12 191
Proceeds from dividend	106 783	74 104
Proceeds from repayment of loans granted	27 844	63 295
Other proceeds from investment activities	32	2 945
Expenses on acquisition of fixed assets	(4 306)	(8 043)
Acquisition of shares and stocks	(6 599)	(18 031)
Long term borrowings granted	(34 118)	(54 301)
Net cash from investing activities	100 886	72 260
Cash flows from financial activities		
Incomes on credit and loan facilities	23 943	100 371
Loans received	15 965	170 000
Other inflows	-	153
Dividends paid	(90 290)	(151 851)
Loans repaid	(22 122)	(105 996)
Repayment of borrowings	(4 914)	(125 159)
Interest paid on loans, borrowings and leasing	(16 735)	(12 500)
Payment of liabilities under finance lease agreements	(8 890)	(11 825)
Other financial outflows	(32)	(32)
Net cash from financing activities	(103 075)	(136 839)
Net change in cash	(8 326)	7 275
Cash opening balance	24 811	26 118
Cash as a result of merger with a subsidiary and spin-off of a branch	-	(6 288)
Cash closing balance	16 485	27 105
<i>Restricted cash</i>	<i>3 304</i>	<i>12 300</i>



Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

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 01.01.2024	248 906	112 346	(182 816)	(27)	(349)	3 433	1 029 555	1 211 048
Valuation of hedge instruments				21				21
Valuation of employee benefits					2			2
Profit/loss for H1 '2024.							114 120	114 120
Total revenue for H1 '2024	-	-	-	21	2	-	114 120	114 143
Transfer to reserve capital of profit on disposal of equity instruments						(3 433)	3 433	-
Dividends paid							(90 290)	(90 290)
Balance on 30.06.2024	248 906	112 346	(182 816)	(6)	(347)	-	1 056 818	1 234 901

	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				(3 958)				(3 958)
Valuation of employee benefits					(416)			(416)
Valuation of financial assets through comprehensive income						(4 438)		(4 438)
Disposal of financial assets through comprehensive income						3 433		3 433
Profit/loss for 2023							(11 229)	(11 229)
Total comprehensive income for 2023	-	-	-	(3 958)	(416)	(1 005)	(11 229)	(16 608)
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 31.12.2023	248 906	112 346	(182 816)	(27)	(349)	3 433	1 029 555	1 211 048



Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

STATEMENT OF CHANGES IN EQUITY CONT'D.

	Share capital	Share premium	Treasury shares	Hedge accounting	Profit/Loss on restatement of employee benefits	Gains on investments in equity instruments	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				(3 982)				(3 982)
Valuation of employee benefits					(338)			(338)
Valuation of financial assets and disposal through comprehensive income						(1 005)		(1 005)
Profit/loss for the first half of 2023							74 857	74 857
Total revenue for the first six months of 2023	-	-	-	(3 982)	(338)	(1 005)	74 857	69 532
Merger with subsidiary, merger equity			-				174 473	174 473
Transfer to reserve capital of profit on disposal of equity instruments						(23 553)	23 553	-
Dividends paid							(151 851)	(151 851)
Other								-
Balance on 30.06.2023	248 906	112 346	(182 816)	(51)	(271)	3 433	1 115 641	1 297 188

ADDITIONAL INFORMATION

ABBREVIATED INTERIM FINANCIAL STATEMENTS OF BORYSZEW S.A. FOR THE FIRST HALF OF 2024

The data presented for the six months ended 30 June 2024 and the comparable period were reviewed by the auditor. Data for the 3-month period from 1 April to 30 June 2024 and for the corresponding period in 2023 were not subject to such a review. The data presented for the 3-month period from 1 April to 30 June 2024 and the corresponding period in 2023 have been compiled as the difference between the data for the 6-month period ended 30 June 2024 and the data for the 3-month period ended 31 March 2024, data determined similarly for the comparable period.

The report for H1 '2024 containing the data used for the calculation described above was made public on 16 May 2024.

As of 30 June 2024, an analysis of the rationale for the impairment of financial assets held in the form of stocks and shares was conducted. As a result of the analysis, companies for which the tests for impairment of the assets held by Boryszew S.A. were carried out were selected. The tests performed did not indicate a need for impairment charges, the parameters adopted for the tests are described in Note 21 to these abbreviated consolidated financial statements.

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

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

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

- to the best of their knowledge the financial statements of Boryszew S.A. for H1 2024 and the comparable data were compiled as per the binding accounting principles and truly, accurately and clearly reflect the actual and financial condition as well as the financial result Boryszew S.A.
- the report on activity of the Company and Boryszew Capital Group for H1 2024 contains a true view of development, accomplishments and situation of Boryszew Capital Group, including a description of fundamental risks and threats.

2. Accounting principles applied

The information contained in the financial statements for the first six months of 2024 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 2023, published on 17 April 2024.

	Average EUR exchange rate in the period	EURO exchange rate as at the last day of period
01.01 - 30.06.2023	4.6130	4.4503
01.01 - 31.12.2023	4.5284	4.3480
01.01 - 30.06.2024	4.3109	4.3130

ACCOUNTING PRINCIPLES

Accounting principles (policy) of applied when drafting these mid-year separate financial statements for the period of 6 months ended on 30 June 2024 are consistent with those applied when drafting annual separate financial statements for the financial year ended on 31 December 2023.

Basis for the preparation of the financial statements

These abbreviated mid-year financial statements have been drafted in accordance with the historical cost principle, except for financial assets measured at fair value through profit or loss or other comprehensive income, assets measured at amortised cost, and financial liabilities measured at fair value through profit or loss. The abbreviated mid-year financial statements do not cover all information and disclosures to that are required in case of annual financial statements and must therefore be verified in conjunction with the financial statements of Boryszew S.A. for the year ended 31 December 2023, made public on 17 April 2024.

These financial statements have been prepared on the assumption that the Company will continue as a going concern for a period of at least 12 months from 30 June 2024. As of the date of approving these financial statements for publication no circumstances have been identified that could indicate that the continuation of Company's operations is endangered.

New IFRS, interpretations and amendments to IAS and IFRS:

- **Amendment to IAS 1** *Presentation of Financial Statements: Classification of liabilities as short- and long-term liabilities*
The amendment to IAS 1 was published on 23 January 2020, subsequently modified in July 2020 and finally adopted on 31 October 2022. The amendment is applicable to annual periods beginning on or after 1 January 2024.
The amendment redefines the criteria for current liabilities. The change may affect the presentation of liabilities and their reclassification between current and non-current liabilities. The above changes have immaterial impact on the Company's financial data.
- **Amendment to IFRS 16** *Leases Lease liability in sale and leaseback transactions*
The amendments require the seller-lessee to determine "lease payments" or "revised lease payments" in such a way that the seller-lessee recognises no gain or loss that relates to the right of use retained by the seller-lessee. The above changes have immaterial impact on the Company's financial data.
- **Amendments to IFRS 7** *Financial instruments: disclosures: Supplier finance arrangements* **and IAS 7** *Statement of cash flows*
The changes are aimed at increasing transparency on supplier finance arrangements and their impact on liabilities, cash flow and liquidity risk exposure. The amendments supplement requirements already included in IFRS and require entities to disclose additional information related to their contracts, including their impact on liquidity risk. The amendments are effective for annual periods beginning on or after 1 January 2024.
The Company does not perceive any material impact of the amended standard on the disclosures reported or to be reported after the application of the amended standard on the information presented in these interim financial statements.
- **Amendments to IAS 21** *The effects of changes in foreign exchange rates: Lack of exchangeability*
The changes will require entities to use a consistent approach to assessing whether a currency can be exchanged for another currency and, when this is not possible, to determine the exchange rate to be used and the disclosures to be made. The amendments are effective for annual periods beginning on or after 1 January 2025.
The Company will apply the amended standard as of 1 January 2025 or later. The above change should not affect the financial data.
- **IFRS 18** *"Presentation and disclosure in financial statements"*
The standard was published on 9 April 2024 and applies to annual reporting periods beginning on or after 1 January 2027. The standard has not yet been adopted by the European Union. IFRS 18 sets out presentation and disclosure requirements for financial statements to ensure that they provide relevant information to faithfully reflect an entity's assets, liabilities, equity, income and expenses. The standard will replace IAS 1 "Presentation of Financial Statements." The Company is in the process of reviewing the above standard
- **IFRS 19** *"Subsidiaries without public accountability: disclosure of information"*
IFRS 19 is effective for annual periods beginning on or after 1 January 2027. The standard has not yet been adopted by the European Union. IFRS 19 introduces limited disclosure requirements in the financial statements of subsidiaries without public accountability and whose parent company prepares consolidated financial

statements that are publicly available and conform with IFRS. The standard has no material impact on the consolidated financial statement of the Company.

- **Amendment to IAS 12 *Income Taxes: International tax reform - model principles of Pillar II (global minimum tax)*** published on 23 May 2023.
The amendments give companies a temporary exemption from accounting for deferred taxes resulting from the Organisation for Economic Cooperation and Development's (OECD) international tax reform. The company applied the exemption immediately.
- **Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"** published on 30 May 2024.
The amendments clarify the rules for classifying financial assets taking into account environmental, social, corporate governance (ESG) and similar characteristics associated with the asset. The amendments also apply to the settlement of liabilities through electronic payment systems - they clarify the date on which a financial asset or liability is derecognized. The amendments are effective for annual periods beginning on or after 1 January 2026.
The Company will apply the amended standard as of 1 January 2026 or later. On the date of drafting of these financial statements, it is not possible to reliably estimate the impact of application of the new standard.
- **Amendments to various standards resulting from the annual review of the International Financial Reporting Standards (Annual Improvements Volume 11)** published on July 18, 2024.
On 18 July 2024, following the review of IFRS, minor amendments were introduced to the following standards:
 - IFRS 1 - on hedge accounting for first-time adopters;
 - IFRS 7 - on recognition of gain or loss on discontinued recognition of financial instruments, disclosure of deferred difference between fair value and transaction price, and introduction and disclosure of credit risk;
 - IFRS 9 - on the discontinuation of recognition of lease liabilities and clarification of the definition of "transaction price" in conjunction with IFRS 15;
 - IFRS 10 - on clarification of the term "de facto agent."
 - IAS 7 - on clarification of the term "cost method."

They are mostly applicable for annual periods beginning 1 January 2026, with early application possible.
The Company will apply the amended standards as of 1 January 2026 or later. On the date of drafting of these financial statements, it is not possible to reliably estimate the full impact of application of the new standard.

RESTATEMENT OF COMPARABLE DATA AND CORRECTION OF ERRORS OF PREVIOUS YEARS

The Company has not restated the comparative data in these interim Financial Statements.

3. Off-balance-sheet liabilities

Contingent items	Balance on 30.06.2024	Balance on 31.12.2023	change
Sureties for the repayment of loans and other liabilities by associated companies	537 051	479 821	57 230
Total	537 051	479 821	57 230

Contingent items	Balance on 30.06.2024	Balance on 31.12.2023	change
Contingent liabilities	537 051	479 821	57 230
resulting from granted guarantees, sureties and other liabilities	537 051	479 821	57 230
- guarantees and sureties associated with performance of contracts	148 060	144 980	3 080
- guarantees and sureties in favour of financial institutions	388 991	334 841	54 150
Increases / decreases in the period of 6 months ended on 30.06.2024, of which:			57 230
Additions			
- Increase due to valuation of sureties			530
- Increase in surety amount			126 164
Reductions			
- Reduction due to valuation of sureties			(811)
- Decrease in the amount of existing sureties due to expiration, reduction			(68 653)

The increase in the value of granted sureties is mainly due to the launch of further tranches of investment loans at BNP Paribas S.A. for Boryszew Maflow Sp. z o.o. (PLN 5.59 million) and Mafmex S. de R.L. de C.V. (PLN 16.57 million), granting of a new guarantee to HSBC Continental Europe Italy for a loan granted to Maflow BRS s.r.l. (PLN 21.57 million), guarantee granted to Trafigura II PTE. LTD for trade liabilities of NPA Skawina Spółka z o.o. (PLN 4.31 million), granting a new promissory note surety for Bank Millennium to secure the reverse factoring of NPA Skawina Sp. z o.o. (3.73 million), increase in the surety granted to Huta Cynku "Miasteczko Śląskie" S.A. to secure ZM Silesia S.A. trade liabilities (PLN 15.00 million), increase in the surety granted to Glencore International AG to secure Z.M. Silesia S.A.'s trade liabilities (17.24 million), granting a guarantee to Investitionsbank des Landes Brandenburg for the grant awarded to Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration (21.62 million), as well as increase in the value of the guaranteed full factoring to Coface Poland Factoring Sp. z o.o. for ZM Silesia S.A. (16.52 million).

The decrease in the amount of existing sureties is mainly due to expiry of guarantees granted for the liabilities of NPA Skawina Spółka z o.o. (34.89 million), expiry of the guarantee granted to Glencore International AG under a guarantee line with HSBC (6.52 million), expiry of the guarantee granted to Borealis AG (4.35 million) for the companies' commercial obligations: Maflow Plastics Poland Sp. z o.o., Boryszew Kunststofftechnik Deutschland GmbH and AKT plastikářská technologie Čechy Spol. s.r.o., expiry of the guarantee granted to BGK for Boryszew Oberflächentechnik Deutschland GmbH in bankruptcy under self-administration following full repayment of the liability (5.16 million), reduction of liabilities under a promissory note surety issued to Coface Poland Factoring Sp. z o.o. to secure the reverse factoring of NPA Skawina Spółka z o.o. (3.41 million), reduction of liabilities under a promissory note surety issued to Coface Poland Factoring Sp. z o.o. to secure reverse factoring for Alchemia S.A. (6.11 million).

Status of current warranties and guarantees as at 30.06.2024

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 in bankruptcy under self-administration	Guarantee granted to Investitionsbank des Landes Brandenburg	21 617	16.01.2026
Maflow Plastics Poland Sp. z o.o.	Guarantee granted to HSBC Continental Europe Branch in Poland	3 663	31.01.2026
	Endorsement of lease agreement for mLeasing	65	15.12.2024
	Endorsement of lease agreement for mLeasing	126	15.12.2024
	Endorsement of lease agreement for mLeasing	65	15.12.2024
	Endorsement of lease agreement for mLeasing	65	15.12.2024
	Endorsement of lease agreement for mLeasing	151	15.02.2025
	Endorsement of lease agreement for mLeasing	113	15.02.2025
	Guarantee granted to HSBC Factoring (France)	6 056	31.12.2033
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Elix Polymers S.L.	1 639	31.12.2024
	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee line at HSBC)	3 235	31.12.2024
1) Maflow Plastics Poland Sp. z o.o. 2) Boryszew Kunststofftechnik Deutschland GmbH 3) AKT plastikářská technologie Čechy Spol. s.r.o.	Guarantee granted to Basell Sales & Marketing Company B.V.	8 626	31.12.2024
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	13 111	30.11.2026
	Guarantee granted to HSBC Continental Europe Italy	21 565	05.02.2034
MAFMEX S. de R.L. de C.V.	Maflow's performance bond for AB Volvo	21 565	term of the agreement
	Maflow's rent payment bond to Innova Dintel	12 019	01.01.2030
	BMW AG performance bond	25 878	contract period + 15 years
	Guarantee granted to BNP Paribas S.A.	72 139	30.06.2031
	Guarantee granted to HSBC Mexico S.A.	20 160	22.11.2032
ZM SILESIA S.A.	Surety granted to PKO BP S.A.	9 800	31.08.2027
	Endorsement for Coface Poland Factoring Sp. z o.o.	37 520	indefinite validity
	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	39	indefinite validity
	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	22	31.05.2025
	Surety granted to Bank Millennium S.A.	15 000	28.05.2027
	Surety granted to Huta Cynku	25 000	31.03.2025
	Guarantee granted to Glencore International AG	19 409	30.03.2025
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	16 647	18.01.2025
	BMW AG performance bond	25 878	contract period + 15 years
Boryszew Maflow Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	72 429	30.06.2031
	Guarantee granted to BNP Paribas S.A.	16 389	28.06.2026
NPA Sp. z o.o.	Endorsement for Coface Poland Factoring Sp. z o.o.	9 811	indefinite validity
	Surety granted to mBank S.A.	28 000	indefinite validity

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
	Promissory note surety to Sopockie Towarzystwo Ubezpieczeń Ergo Hestia S.A.	12 367	20.09.2024
	Guarantee granted to Trafigura II PTE. LTD	4 313	30.01.2025
	Promissory note surety to Bank Millennium S.A.	3 733	indefinite validity
Alchemia S.A.	Endorsement for Coface Poland Factoring Sp. z o.o.	8 836	indefinite validity
Total guarantees and sureties granted by Boryszew S.A.		537 051	

Status of current warranties and guarantees as at 31.12.2023.

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	5 160	31.12.2028 full repayment 14.03.2024
	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee line at HSBC)	1 957	31.03.2024
Boryszew Plastic RUS Sp. z o.o.	Payment guarantee granted to Engel Austria	828	25.02.2024
Maflow Plastics Poland Sp. z o.o.	Guarantee granted to HSBC Bank Polska S.A.	4 583	31.01.2026
	Endorsement of lease agreement for mLeasing	272	15.12.2024
	Endorsement of lease agreements for mLeasing	135	15.12.2024
	Endorsement of lease agreements for mLeasing	263	15.12.2024
	Endorsement of lease agreement for mLeasing	135	15.12.2024
	Endorsement of lease agreements for mLeasing	135	15.02.2025
	Endorsement of lease agreements for mLeasing	206	15.02.2025
	Guarantee granted to HSBC Continental Europe (Spółka Akcyjna) Branch in Poland	4 753	31.12.2033
1) Maflow Plastics Poland Sp. z o.o. 2) Boryszew Kunststofftechnik Deutschland GmbH 3) AKT plastikářská technologie Čechy Spol. s.r.o.	Guarantee granted to Borealis AG for commercial liabilities	4 348	31.12.2023
1) Maflow Plastic Sp. z o.o., 2) Boryszew Kunststofftechnik Deutschland GmbH, 3) AKT plastikářská technologie Čechy Spol. s.r.o.	Guarantee granted to Basell Sales & Marketing Company B.V.	8 696	31.12.2023
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to Elix Polymers S.L.	1 652	31.12.2023
	Guarantee granted to Scholt Energy Control GmbH (under the Guarantee line at HSBC)	4 348	31.03.2024
Maflow BRS s.r.l.	Guarantee granted to Intesa Bank	15 921	30.11.2026
MAFMEX S. de R.L. de C.V.	Mafmex's performance bond for AB Volvo	21 740	term of the agreement
	Mafmex's rent payment bond to Innova Dintel	9 300	01.01.2030

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
	BMW AG performance bond	26 088	contract period + 15 years
	Guarantee granted to BNP Paribas S.A.	55 570	30.06.2031
	Guarantee granted to HSBC Mexico SA	19 675	22.11.2032
ZM SILESIA S.A.	Surety granted to PKO BP S.A.	9 800	31.08.2027
	Endorsement for Coface Poland Factoring Sp. z o.o.	20 997	indefinite validity
	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	46	15.09.2026
	Lease surety for Volkswagen Financial Services Polska Sp. z o.o.	33	31.05.2024
	Surety granted to Bank Millennium S.A.	15 000	28.05.2027
	Surety granted to Huta Cynku	10 000	31.03.2025
	Guarantee granted to Glencore International AG	2 174	30.04.2024
	(under the Guarantee Line at HSBC)	6 522	30.04.2024
Maflow Components (Dalian) Co. Ltd.	Guarantee granted to HSBC Bank (China) Company Limited	16 602	18.01.2025
	BMW AG performance bond	26 088	contract period + 15 years
Boryszew Maflow Sp. z o.o.	Guarantee granted to BNP Paribas S.A.	66 842	30.06.2031
	Guarantee granted to BNP Paribas S.A.	16 522	28.06.2026
NPA Sp. z o.o.	Guarantee granted to Glencore International AG	9 838	16.02.2024
	Guarantee granted to Mechem SA	9 838	28.02.2024
	Guarantee granted to Trafigura PTE. LTD	8 696	28.02.2024
	Endorsement for Coface Poland Factoring Sp. z o.o.	13 223	indefinite validity
	Surety granted to mBank S.A.	28 000	indefinite validity
	Endorsement Credit Agricole Bank Polska S.A.	6 522	indefinite validity
	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.	14 946	indefinite validity
Total guarantees and sureties granted by Boryszew SA		479 821	

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

On 20 May 2024 the Ordinary General Meeting of the Company passed a resolution to pay a dividend to shareholders (from supplementary capital, which, according to art. 348 § the commercial companies code may be allocated for distribution) in the amount of PLN 0.44 per share entitled to dividend, that is, in the total amount of PLN 90 290 200.00.

205 205 000 shares were entitled to the dividend. No treasury shares held by Boryszew S.A. were entitled to the dividend.

The dividend date was scheduled for: 27 May 2024.

The dividend payment date was: 4 June 2024.

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

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

NON-EQUITY SECURITIES

In H1 '2024 and until the date of publication of the report, the Company issued no non-equity securities.

REDEMPTION OF BONDS ISSUED BY BORYSZEW S.A.

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

EQUITY SECURITIES

In H1 '2024 and until the report publication date, the Company issued no equity securities.

CAPITAL INVESTMENTS

In H1 '2024 the Company made no significant capital investments.



Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

6. Operating segments

01.01.2024 - 30.06.2024	Chemical products	Automotive	Other non-allocated	Total	exclusions between segments	Total
Revenues from sales	80 094	415 893	370 886	866 873	(822)	866 051
Segment costs of sales	64 839	365 224	356 683	786 746	(822)	785 924
Result on sales within segment	15 255	50 669	14 203	80 127	-	80 127
General, administrative and sales expenses	15 558	31 232	12 939	59 729	-	59 729
Other operating profit/loss	2 700	6 693	114 606	123 999	-	123 999
Segment profit/loss	2 397	26 130	115 870	144 397	-	144 397
Amortisation/depreciation	2 858	17 979	849	21 686	-	21 686
EBITDA *)	5 255	44 109	116 719	166 083	-	166 083
Segment assets	133 767	801 033	1 359 154	2 293 954	(79 443)	2 214 511
Segment liabilities	101 633	697 741	259 679	1 059 053	(79 443)	979 610

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

*) EBITDA = operating profit less depreciation expense

REVENUES FROM SALE BY DESTINATION MARKET	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Continuing operations		
Domestic sales	454 051	469 613
Sales to EU countries	335 729	404 917
Sales to other European countries	31 538	40 748
Export outside Europe	44 733	55 268
Hedging instruments	-	2 330
Total (revenues from continuing operations)	866 051	972 876

SHARE OF EU MEMBER STATES IN INTRA-COMMUNITY SALES	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Germany	34%	33%
Sweden	11%	8%
France	11%	9%
Belgium	10%	9%
Czech Republic	8%	10%
Spain	8%	5%
Italy	5%	6%
The Netherlands	5%	8%

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 temporary 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. It applies to cooling fluids for the automotive segment (with peak demand in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak demand in the fourth and first quarter). PWC siding and EPS decorative components follow the seasonality of the construction industry, showing peak demand in second and third quarter.

No specific seasonality is observed for other products of Boryszew S.A.

8. Financial instruments, fair value, estimated data

Financial assets per balance sheet on 30.06.2024

	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
Shares and stock	-	-	6 621	-	6 621
Trade receivables, factoring	262 097	3 977	-	-	266 074
Loans granted	382 045	-	-	-	382 045
Other debtors	-	136 042	-	-	136 042
Cash and cash equivalents	16 485	-	-	-	16 485
Total	660 627	140 019	6 621	-	807 267

Financial assets per balance sheet on 31.12.2023

	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
Shares and stock	-	-	23	-	23
Trade receivables, factoring	200 830	4 499	-	-	205 329
Derivative financial instruments	-	-	-	3 777	3 777
Loans granted	376 695	-	-	-	376 695
Other debtors	-	128 990	-	-	128 990
Cash and cash equivalents	24 811	-	-	-	24 811
Total	602 336	133 489	23	3 777	739 625

Financial liabilities on 30.06.2024

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	479 242	-	479 242
Lease liabilities	30 991	-	30 991
Right-of-use liabilities	63 076	-	63 076
Trade and other liabilities (excluding towards state budget and employees)	275 646	-	275 646
Total	848 955	-	848 955

Financial liabilities on 31.12.2023

	Financial liabilities measured at amortised cost	Derivatives used for hedges	Carrying value
Bank loans, factoring, borrowings	467 784	-	467 784
Lease liabilities	35 269	-	35 269
Right-of-use liabilities	63 833	-	63 833
Trade and other liabilities (excluding towards state budget and employees)	289 864	-	289 864
Total	856 750	-	856 750


Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

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

	Fair value as at		Hierarchy
	Balance on 30.06.2024	Balance on 31.12.2023	of fair value
Financial assets			
Derivative financial instruments	-	3 777	Level 2
Financial obligations			
Derivative financial instruments	-	-	Level 2

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

	Fair value as at		Hierarchy
	Balance on 30.06.2024	Balance on 31.12.2023	of fair value
Financial assets			
Shares and stock	6 621	23	Level 3
Borrowings	382 045	376 695	Level 3
Trade and other receivables	402 116	334 319	Level 3
Cash and cash equivalents	16 485	24 811	Level 1
Financial obligations			
Borrowings and loans	479 242	467 784	Level 2
Trade and other liabilities	275 646	289 864	Level 3
Lease liabilities	30 991	35 269	Level 2
Right-of-use liabilities	63 076	63 833	Level 2

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

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Impact of write-offs on assets and provisions on profit/loss		
Creation of value impairment write-offs for accounts receivable	(1 962)	(2 529)
Reversal of write-downs on accounts receivable (-)	7 642	350
Revaluation write-offs of loan receivables	(26 616)	(24 482)
Reversal of revaluation write-offs on loans granted	-	-
Creation of value impairment write-offs on bonds	(2 524)	(2 749)
Reversal of value impairment write-offs on bonds	-	-
Creation of value impairment write-offs on other receivables	(4 633)	(329)
Reversal of value impairment write-offs on other receivables	2 309	-
Provisions for tax risks in ERG branch	-	(2 455)
Reversal of unnecessary provisions	1 173	22
Total impact on profit/loss	(24 611)	(32 172)

Provision for employee benefits

	Retirement severance pay	Disability severance pay	Death benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
Balance on 01.01.2024	2 948	392	287	6 419	2 608	12 654
Movement:	-	-	-	2 885	(1 081)	1 804
<i>Current employment costs</i>	-	-	-	2 885	928	3 813
<i>Benefits paid</i>	-	-	-	-	(2 009)	(2 009)
Balance on 30.06.2024	2 948	392	287	9 304	1 527	14 458
Change	-	-	-	2 885	(1 081)	1 804
<i>change recognised in P&L (- cost, + decrease in cost)</i>	-	-	-	2 885	(1 081)	1 804
<i>Change included in equity (gain+/lose-)</i>	-	-	-	-	-	-
<i>long-term provisions</i>	3 094					
<i>short-term provisions</i>	11 364					

	Retirement severance pay	Disability severance pay	Death benefits	Provision for payments in lieu of leaves not taken	Bonuses and other benefits	Total
Balance on 01.01.2023	2 246	441	472	6 748	4 966	14 873
Movement:	702	(49)	(185)	(329)	(2 358)	(2 219)
<i>Interest expense</i>	121	16	14	-	-	151
<i>Current employment costs</i>	317	59	11	682	(167)	902
<i>Benefits paid</i>	(273)	(23)	(75)	-	(1 413)	(1 784)
<i>Separation of NPA Skawina Branch to NPA Skawina Sp. z o.o.</i>	(192)	(97)	(192)	(1 011)	(778)	(2 270)
<i>Actuarial gains and losses - demographic changes</i>	139	(25)	9	-	-	123
<i>Actuarial gains and losses - financial changes</i>	590	21	48	-	-	659
Balance on 31.12.2023	2 948	392	287	6 419	2 608	12 654
Change	702	(49)	(185)	(329)	(2 358)	(2 219)
<i>change recognised in P&L (- cost, + decrease in cost)</i>	(27)	(45)	(242)	(329)	(2 358)	(3 001)
<i>Change included in equity (gain+/lose-)</i>	729	(4)	57	-	-	782
<i>long-term provisions</i>	3 094					
<i>short-term provisions</i>	9 560					

Other Reserves Status Change

	Balance on 01.01.2024	creation of provision	provisions used during the year	reversal of unnecessary provisions	Separation of branch Business combinations	Balance on 30.06.2024
Provisions for liquidation of fixed assets	953	-	-	-	-	953
Provision for tax risks and fiscal claims	20 349	-	-	-	-	20 349
Provisions for warranty repairs, complaints	5 843	776	-	-	-	6 619
Provision for customer claims	4 284	227	(1 223)	-	-	3 288
Provisions for court proceedings	2 833	-	-	-	-	2 833
Total	34 262	1 003	(1 223)	-	-	34 042
<i>Long-term provisions</i>	31 916					30 743
<i>Short-term provisions</i>	2 346					3 299



Boryszew S.A.

Abbreviated mid-year financial statements for the period between 1 January and 30 June 2024, drafted in accordance with IAS 34 as adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

	Balance on 01.01.2023	creation of provision	provisions used during the year	reversal of unnecessary provisions	Separation of division/merger of units	Balance on 31.12.2023
Provisions for liquidation of fixed assets	4 679	953	-	-	(4 679)	953
Provision for tax risks and fiscal claims (*)	30 503	4 699	(34 917)	(285)	20 349	20 349
Provisions for warranty repairs, complaints	6 140	-	-	(297)		5 843
Provision for customer claims	4 232	152	(100)	-		4 284
Provisions for court proceedings	609	2 833	-	-	(609)	2 833
Total	46 163	8 637	(35 017)	(582)	15 061	34 262
<i>Long-term provisions</i>	<i>14 050</i>					<i>31 916</i>
<i>Short-term provisions</i>	<i>32 113</i>					<i>2 346</i>

(*) utilisation relates to ERG Branch, increase in provision relates to Hutmen Sp. z o.o., which was merged with Boryszew S.A. in 2023.

9. Transactions with affiliated entities

	Subsidiaries	Personally related entities
in the period 01.01.2024 - 30.06.2024		
Revenues from sales (of products, services, goods)	147 722	3 068
Interest income	29 817	34
Dividends received and due	106 783	-
Purchases (of materials, goods, services)	50 941	-
Interest expense	5 786	-
balance on 30.06.2024		
Trade receivables	141 061	543
Bonds purchased	-	-
Loans granted	382 045	-
Other receivables (advances, deposits)	105 304	-
Lease liabilities	24 719	-
Trade liabilities	75 393	19
Loans received	145 558	-
Other liabilities (advances, deposits)	36	-

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

10. Additional information

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

As at 30 June 2024 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.

The invasion of the Russian Federation in Ukraine, which began on 24 February 2022, and the resulting sanctions introduced by the EU and the US against the Russian Federation and Belarus are assessed by Boryszew S.A. as significant developments for the current macroeconomic situation in the country and the world.

Poland's location as a neighboring country to Ukraine additionally affects the current situation in the country also due to direct and close economic contacts, the nature of which has changed due to the ongoing war.

The conflict in Ukraine is affecting changes in the prices of raw materials, products and services; disrupting the supply chain and limiting the market for sales. A summary of the total impact of the war in Ukraine and its effects on the economy will only be possible over a longer time horizon, but after two years of conflict, it can be summarised that the violent behaviour of the markets after the outbreak of the conflict has been extinguished to some extent.

The situation in the energy market has been calmed down, supplies from the Russian Federation have been replaced by other alternatives (new suppliers and increasing our own power generation capacity, which correlates with the EU's Green Deal policy). However, the effects of the surge in energy prices are being borne so far, as can be clearly seen in the higher level of inflation, which has exceeded the inflation targets of the central banks of the various European countries.

Due to the sanctions imposed, trade with the Russian Federation almost froze.

Spending on the defense industry has increased, and further increases are expected in this sector, which could also be an opportunity for the industry in the long term.

Boryszew S.A. identified the following key risks in the first half of 2024, resulting directly or indirectly from the current situation in Ukraine, which are also likely to be significant in the following periods.

- relatively high level of interest rates, which affects external financing prices,
- logistical disruption of the supply of raw materials and components for production,
- unfavourable changes in currency exchange rates,
- increase in the price of CO₂ emission rights,
- lower level of profitability of the investments made,
- uncertainty regarding the geopolitical situation,
- uncertainty about price changes.

In H1 '2024 no disruptions to Boryszew S.A. operations occurred resulting from the war in Ukraine; the risks described above were mitigated by proactive measures at the operational level and decisions of the Management Board. In addition, by actively participating in Green Deal activities, as part of the Boryszew Capital Group, the Company participates in the energy transition, which will enable greater independence from the availability and price of energy resources, which, with an undoubtedly positive impact on the environment, will further decouple the Company from the negative impact of some of the risks described above.

Operations of Boryszew S.A. are diversified in terms of product range, customers and supply chain, to enable greater flexibility to the volatility of the global situation.

The Management Board believes that on the day of publication no risk exists of significant impact of the conflict on operating activity and going concern of Boryszew S.A. No adjustments have been made to reflect this in this report.

MATERIAL PROCEEDINGS BEFORE A COURT, ARBITRATION BODY OR PUBLIC ADMINISTRATION AUTHORITY

- On 12 April 2021 the Company received a notification from the Head of Mazovian Tax and Customs Office in Warsaw on the initiation of VAT settlements audit for the period December 2015 - March 2016.

On 3 August 2022, the Company received an Audit Result following the audit of tax books, in which the Head of Mazovian Tax and Customs Office in Warsaw stated that Boryszew ERG Branch had failed to exercise due diligence in documenting transactions, which was recognised by the Authority as irregularities in the settlement of the tax on goods and services. The Head of the Mazovian Customs and Fiscal Office in Warsaw questioned, in the Audit Result submitted to the Company, the right to apply 0% rate in intra-Community deliveries of goods to foreign entities and indicated that, given the facts, these deliveries should be taxed at 23% rate of the tax on goods and services in the period between December 2015 and March 2016 in the amount of PLN 9 817 220. According to the National Revenue Administration Boryszew S.A. also wrongfully deducted input VAT from invoices issued for the purchase of rapeseed oil, in the period December 2015 to March 2016, thereby overstating it by a total amount of PLN 12 435 798.

The total amount of the overdue the tax for the above transactions was PLN 22 253 018 plus interest due.

Despite the entitlement of Boryszew S.A. to correct the submitted declarations within 14 days of the date of delivery of the audit result, the Company challenged these findings in the tax proceedings.

On 29 August 2022, the Company received a notice that the customs and tax audit had been transformed into a tax procedure.

On 10 November 2023, the Company received a decision of the Head of the Mazovian Customs and Fiscal Office ("Office") in Warsaw, of 27 October 2023, determining the Company's outstanding VAT liability for the period December 2015 to March 2016 in the amount of PLN 23.03 million plus interest due for overdue tax. According to the position of the Office, the Company 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 Company 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.

In addition, the Office questioned the Company's right to apply a 0% VAT rate to intra-Community supply of goods transactions, resulting in these transactions being subject to a 23% VAT.

For the tax risk arising from the aforementioned proceedings the Company recognised a provision in 2022 in the amount of PLN 30.3 million.

Given the different assessment of the above circumstances, the Company filed an appeal against the above decision of the Authority.

In order to stop further accrual of default interest, on 20 December 2023 the Company paid the principal amount of the liability, i.e. PLN 23 034 553, together with interest in the amount of PLN 18 964 384, to the account of the relevant tax office, resulting from the decision of the Head of the Mazovian Customs and Fiscal Office in Warsaw of 27 October 2023, while questioning the findings of the auditors.

As of the date of publication of the report, the Company had not received a decision from the appeals 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: 30 August 2024.

**Boryszew S.A.**

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(amounts expressed in PLN '000 unless specified otherwise)

Boryszew S.A. (before merger with Hutmen Spółka z o.o.)

- 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 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. As of the date of publication of the report, the tax proceedings had not been completed.
- 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 20 June 2024 the Provincial Administrative Court in Wrocław revoked the appealed decision and the preceding decision of the first instance authority. The ruling is not final. The parties have the right to file a cassation complaint with the Supreme Administrative Court.
- 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. Hutmen appealed against the decision of the Fiscal Administration Chamber. On 7 October 2021 the company received a decision of the Director of the Fiscal Administration Chamber in Wrocław repealing the appealed decision and transferring the case for reconsideration by the 1st instance body. As of the date of publication of the report, no renewed decision was issued by the authority.
- On 28 December 2020 Hutmen Sp. z o. o. (currently Boryszew S.A.) received a decision of the Head of the Małopolska Customs and Fiscal Office in Kraków of 16 December 2020 determining the outstanding VAT liability of company in the first half of 2015 in the amount of PLN 7.8 million plus interest on outstanding tax liability. As claimed by the Office, the company failed to observe due diligence in verifying the tax reliability of some of its contractors, and consequently had no right to apply the VAT rate of 0% for the intra-Community supply of goods. Due to its different assessment of the facts from that of the inspection bodies, Hutmen Sp. z o. o. appealed with 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.

**Boryszew S.A.**

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(amounts expressed in PLN '000 unless specified otherwise)

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 11.7 million 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. On 29 February 2024, the Provincial Administrative Court revoked the appealed decision and the preceding decision of the first instance authority. The ruling is not final.

On 6 May 2024 the Head of the Fiscal Administration Chamber in Wrocław filed a cassation complaint.

On 7 June 2024, the Company filed a response to the cassation complaint. Until the date of publication of the report, the NSA had not scheduled a hearing date.

Events after the balance sheet date

No material events took place after the balance sheet date.



MANAGEMENT BOARD'S APPROVAL

These abbreviated mid-year consolidated financial statement of Boryszew Group for the period of 6 months ended 30 June 2024 and abbreviated mid-year financial statement of Boryszew S.A. for the period of 6 months ended 30 June 2024 were approved for publication by the Management Board of Boryszew S.A. on 13 August 2024.

SIGNATURES:

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

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

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

Adam Holewa - Board Member -----

Radosław Szorc - Chief Financial Officer -----

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