



GRUPA BORYSZEW

REPORT OF THE MANAGEMENT BOARD ON ACTIVITIES OF BORYSZEW CAPITAL GROUP for the period between 1 January and 30 June 2024

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Boryszew Capital Group

Report of the Management Board on activities of Boryszew Capital Group for the period between 1 January and 30 June 2024

(amounts expressed in PLN '000 unless specified otherwise)

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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.

As of January 1, 2024, the Supervisory Board of Boryszew S.A. functioned in the composition:

Ms Małgorzata Waldowska	– Chairperson of the Supervisory Board.
Mr Mirosław Kutnik	– Vice Chairman of the Supervisory Board,
Mr Damian Pakulski	– Secretary of the Supervisory Board,
Mr Jarosław Antosik	– Member of the Supervisory Board,
Mr Janusz Siemienieć	– Member of the Supervisory Board.
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. The following persons are presently members of the Supervisory Board:

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,
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

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

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

2. APPROVAL OF THE REPORT FOR PUBLICATION

This report on the activity of Boryszew Capital Group in the first six months of 2024, an integral part of the consolidated mid-year report of Boryszew Capital Group for the period between 1 January 2024 and 30 June 2024, was approved for publication by the resolution of the Management Board of 13 August 2024 and presents the situation of Boryszew Capital Group in accordance with legal requirements for the period between 1 January 2024 and 30 June 2024, including any events which occurred by the date of approval of this report for publication.

A significant part of the information contained herein was presented in more detail in the Company's current reports available on www.boryszew.com.pl, which also contains other information on the Company and the Group.

3. ACCOUNTING PRINCIPLES APPLIED

The financial statements for the first six months of 2024 were drafted in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state as well as International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

Accounting principles and calculation methods applied by the Group have not changed in the period of this Report and are presented in detail in the consolidated financial statements for 2023, published on 17 April 2024. These financial statements were drafted on the basis of International Financial Reporting Standards as approved by the European Union (EU).

CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE FOLLOWING COMPANIES:

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.	Toruń	100.00	Boryszew S.A.	Unallocated
Boryszew Maflow Sp. z o.o.	Warsaw	100.00	Boryszew S.A.	Automotive

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
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 Kunststofftechnik Deutschland GmbH	Germany	100.00	Boryszew Automotive Plastics Sp. z o.o.	Automotive
Boryszew Formenbau Deutschland GmbH in bankruptcy under self-administration	Germany	100.00	Boryszew Kunststofftechnik Deutschland GmbH	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 Plastičářská Technologie Čechy, spol. S.r.o.	Czech Republic	100.00	Boryszew Automotive Plastics Sp. z o.o. Boryszew S.A. (10.9%).	Automotive
Boryszew Plastic RUS Sp. z o.o.	Russia	100.00	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.	Warsaw	100.00	Boryszew S.A.	Metals
Boryszew Assets Sp. 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.	Warsaw	100.00	Boryszew S.A.	Unallocated
Baterpol Recycler Sp. z o.o.	Olawa	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.,	Warsaw	100.00	Boryszew Property Sp. z o.o.	Unallocated

Company name	Seat	share of the parent in share capital (%)	subsidiary of:	Business segment
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 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.

Changes in the Group structure

No significant changes occurred in the structure of Boryszew Capital Group during the first six months of 2024.

4. SIGNIFICANT ACHIEVEMENTS OR FAILURES IN CURRENT PERIOD;

ACHIEVED PROFIT/LOSS

A. OVERALL MACROECONOMIC SITUATION

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

Structure of revenues by segments, PLN '000					Geographical structure of revenues, PLN '000				
	1H 2024		1H 2023			1H 2024		1H 2023	
Chemical products	80 810	3.0%	123 928	3.9%	Poland	1 031 847	38.9%	1 108 749	34.6%
Automotive	837 262	31.5%	936 159	29.2%	Germany	476 283	17.9%	648 743	20.2%
Metals	1 457 760	54.9%	1 967 992	61.4%	Other EU countries	899 147	33.9%	1 174 108	36.6%
Other *	279 934	10.5%	176 507	5.5%	Other *	248 489	9.4%	272 986	8.5%
TOTAL	2 655 766	100.0%	3 204 586	100.0%	TOTAL	2 655 766	100.0%	3 204 586	100.0%

* this item includes consolidation exclusions between segments

Market sentiment - PMI and GDP:

Since more than 90,6% of revenues at Boryszew Capital Group is generated in Europe, then the overall economic situation within the European Union (mainly in Germany) is critical for Group's performance.

The average values of the PMI index, which determines the level of industrial activity for Poland and Germany, were at a lower level compared to the same period last year.

PMI	1H 2024	1H 2023
EU	46.3	42.7
Poland	46.5	45.1
Germany	43.6	40.6

In Poland PMI was at a level lower than in the corresponding period of the previous year - still below the 50-point "crisis" level, i.e. 46.5 points (with the reading of 45.1 points in H1 '2023). The manufacturing PMI index, which depicts industry sentiment, is still at a low level. The downturn has slowed somewhat, however.

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

The latest data means that Poland's manufacturing sector has been declining continuously for 28 months, and this is the longest period of decline since the survey began in 1998. The continuing crisis in the Polish sector could have serious consequences for the economy as a whole and could translate into the overall rate of economic growth, the level of investment and the situation on the labour market. In future periods, therefore, it will be quite important for the government and the central bank to act to stimulate demand and support entrepreneurs in this difficult period.

Forecast of GDP growth for Poland	2024	2025
NBP	3.0%	3.8%
World Bank	3.0%	3.4%
European Commission	2.8%	3.4%

The European Commission ("EC"), in its spring forecast, which was slightly more optimistic than its February forecast, projects Poland's GDP growth in 2024 at 2.8% (winter estimate 2.7%), and in 2025 at 3.4% (winter forecast is 3.2%).

According to the EC, after a sharp slowdown in Poland's economic growth in 2023, there will be a rebound in 2024, supported by strong both public and private consumption. Private consumption is now expected to be the main driver of growth, supported by rapidly rising wages, additional social support from the government boosting incomes, a general improvement in consumer sentiment and fading inflationary pressures. Investment will continue to support economic growth, but to a lesser extent than in 2023.

The European Commission also estimates that the trade balance will have a negative impact on GDP growth, as rising domestic demand will drive imports while reducing exports.

In its July 2024 projection, the NBP forecasts Poland's GDP growth in 2024 at 3.0%.

In 2024 the decline in the rate of price increases observed for most of 2023 is expected to continue, which will help reduce the negative impact on the group's operations and thus improve its performance.

Market sentiments - sales of cars:

Another important parameter with an impact on the dynamics and results of the Group is the sale of cars (the Automotive segment accounts for over 31.5% of Group's turnover).

According to ACEA data, the passenger car market in Europe in H1 '2024 grew by 4.4% year-on-year (up 3.6% in June 2024 alone).

The main customer of the Automotive Segment, the Volkswagen Group, recorded a 4.1% increase in car sales in the European market after the first six months of 2024 (compared to the same period last year) and still remains the market leader among automakers in Europe.

The first half of 2024 in Poland also proved favourable for the automotive market. In the first quarter of 2024 the number of registered new passenger cars was 139 000, up 13% compared to the first quarter of 2023, in addition, 34.3% more vehicles with alternative propulsion systems were registered (including the largest increases in HEVs and MHEVs, BEVs recorded growth, but grew less than the market).

Compact cars, large SUVs and crossovers saw largest increases, but registrations of premium brand cars also continued to rise.

June 2024 turned out to be very good in terms of the level of new passenger car registrations, with more than 50 000 new cars, about 21% up versus June 2023.

The entire first half of the year saw registrations of 276 900 new passenger cars, a 16% increase over the first half of 2023.

The outlook for the whole of 2024 is optimistic, the automotive industry should get good results, the first half of the year sees aggressive discounting, but demand should grow by the end of the year.

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

Since nearly 54,9% of Boryszew Capital Group sales is in the metals industry segment, performance of the entire Group is exposed to fluctuations in average prices of metals quoted on the London Metal Exchange (LME). The hedge policy for metal price and exchange rates, followed by the Group, has a significant effect on risk reduction. However, the level of income and working capital still remain sensitive to the volatility of these commodity prices.

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

The demand on the steel market is still fairly low, which is reflected in the weak inflow of orders for steel products. Many manufacturers in the steel market continue to experience a reduction in infrastructure investment or other construction projects, which has significant implications for the industry. In general, companies are still awaiting NRF funds (which could have a positive impact on the market rebound), and energy-intensive companies are struggling with low prices compounded by the influx of cheaper products from outside Europe with higher manufacturing costs. Manufacturers also expect stabilisation in inflation.

Global trends, such as declining steel production in China and rising demand for steel in developing countries, could also affect prices. Market data and forecasts are monitored on an ongoing basis to be ready for possible changes in steel prices in the coming months.

During the reported period the average prices of the four basic metals were as follows: zinc declined by 6.8% and lead by 0.4% while copper prices were up by 4.5% and aluminium by 1.3%.

Metal prices in PLN fell by: 13.0% zinc, 7.0% lead, 5.4% aluminium and 2.4% copper respectively, a consequence of the decline in demand and the strengthening of PLN.

Market sentiments - significant currency pairs

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

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

During the period under review, PLN strengthened against USD by 6.4% and against the Euro by 6.5%, which affected the quotations of basic metals expressed in PLN.

In the first half of 2024 the EUR/USD exchange rate was at 1.08 - unchanged from the same period last year.

The geopolitical situation in the world remains tense all the time, in particular a risk of escalation of the armed conflict in the Middle East, and the end of this year will bring one of the most important events in the world - elections in the United States, which will certainly bring additional volatility to the currency market.

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

	1H 2024	1H 2023	% change
Aluminium [USD]	2 360	2 329	1.3%
Copper [USD]	9 097	8 703	4.5%
Zinc [USD]	2 641	2 835	(6.8%)
Lead [USD]	2 121	2 129	(0.4%)
	1H 2024	1H 2023	% change
EUR/PLN	4.31	4.61	(6.5%)
USD/PLN	4.00	4.27	(6.3%)
EUR/USD	1.08	1.08	(0.0%)
	1H 2024	1H 2023	% change
Aluminium [PLN]	9 433	9 973	(5.4%)
Copper [PLN]	36 370	37 273	(2.4%)
Zinc [PLN]	10 559	12 141	(13.0%)
Lead [PLN]	8 480	9 119	(7.0%)

Source: Daily listings of LME, NBP

VOLUME OF SALES

The first half of 2024 saw a decrease in the sales volume of the Metal Segment compared to the previous year (35.7 thousand tonnes), mainly due to Hutmen and Alchemia Group (a decrease of 30.9 thousand tonnes in total), due to the economic slowdown and strong competition from China.

The Chemicals Segment also recorded a decrease of 3.6 thousand tonnes, a 22.1% reduction compared to the same period of last year.

in thousand tonnes	1H 2024	1H2023	change
Volume of sales, including:	166.8	206.1	(39.3)
Metals Segment	154.1	189.8	(35.7)
Chemicals segment	12.7	16.3	(3.6)

ACHIEVED FINANCIAL RESULTS

Boryszew Capital Group

Revenues from sales / Demand for Group's products

The revenues of Boryszew Group after 6 months of 2024 amounted to PLN 2 655.8 million, 17.1% lower than the level in the same period last year.

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

in PLN million	1H 2024	1H 2023	Difference
Revenues from sale, including:	2 655.8	3 204.6	(548.8)
Automotive Segment	837.3	936.2	(98.9)
Metals Segment	1 457.8	1 968.0	(510.2)
Chemicals segment	80.8	123.9	(43.1)
Other Operations Segment	279.9	176.5	103.4

* including consolidation adjustments

In the Automotive Segment the result for the first half of 2024 was definitely affected by the earlier decline in demand for electric cars from the Group's customers/clients, which were expected to drive customer car sales this year, and the strengthening of PLN. The decline was supposed to be offset in part by increased production of internal combustion engine cars, but the resulting losses could not be minimised by problems car manufacturers had with maintaining stability throughout the supply chain, shortages of basic components and materials.

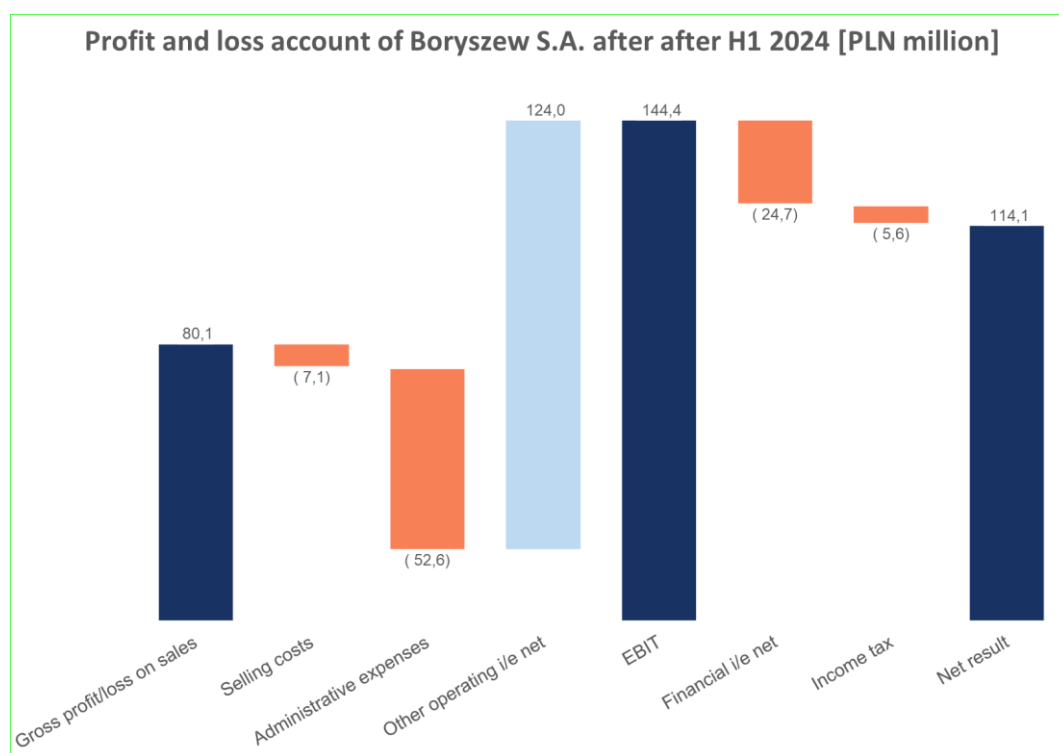
The Metals Segment experienced a decline in revenues in almost all companies (except for ZUO and ZM Silesia). This is mainly due to the decline in metal quotations, the economic slowdown, competition from large groups of non-ferrous metal product manufacturers in Europe, and the replacement of copper alloy products with cheaper products (plastics). The highest decline was recorded for steel.

The Chemicals segment recorded lower revenues, compared to the same period of the previous year, mainly due to reduced sales at Boryszew ERG Branch, Chemistry Department and lower sales volumes.

In the Other Segment the increase in revenues was influenced by the acquisition of new customers in gas and electricity trading by Boryszew Energy Branch.

Boryszew S.A.

The chart below compiles components of the profit and loss account of Boryszew S.A. after the first six months of 2024.



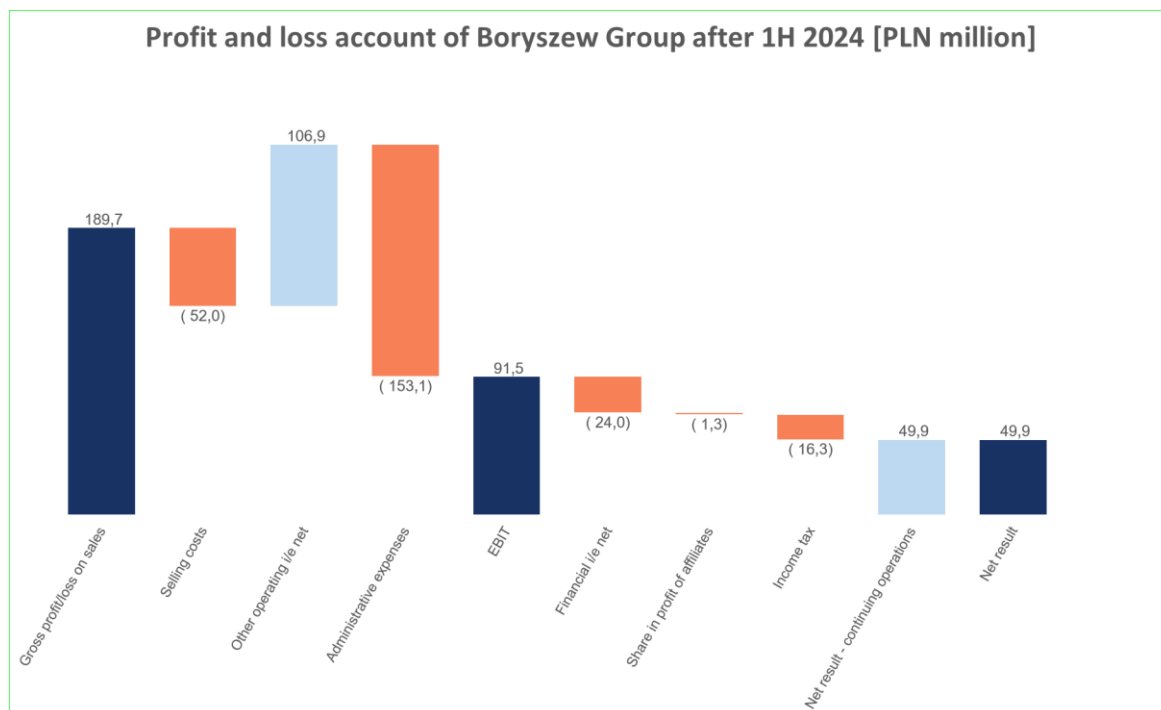
The gross result on sales after six months of 2024 amounted to PLN 80.1 million and was lower by PLN 5.0 million against the result for the corresponding period of the previous year. Average gross margin on sales went up from 8.7% in 2023 to 9.3% today. Costs of sales were lower by PLN 2.7 million, or by 27.3% against the same period of the previous year. General and administrative expenses were also lower by PLN 3.7 million, or 6.6%, compared to costs in the first three months of 2023.

The balance of operating income/expenses amounted to PLN 124.0 million and it was by PLN 38.6 million higher compared to the same period of 2023, mainly due to dividends received.

The balance of other financial income/costs amounted to minus PLN 24.7 million and was lower by PLN 0.3 million compared to the same period of the previous year.

Boryszew Capital Group

The chart below shows the size of the components making up different items in the income statement after the first half of 2024.



The gross result on sales after 6 months 2024 amounted to PLN 189.7 million and was lower by PLN 118.8 million against the result for the corresponding period of the previous year. The decrease in gross profit came from decline in performance mainly in the automotive segment. Average gross margin on sales went up from 9.6% in 2023 to 7.1% today.

Costs of sales were lower by PLN 16.0 million, or by 23.5% against the same period of the previous year. General and administrative expenses were higher by PLN 6.5 million, i.e. 4.5%, compared to the same period of 2023.

The balance of operating income/expenses amounted to PLN 106.9 million and it was PLN 72.8 million higher as compared to the same period of 2023.

The result on financial operations amounted to minus PLN 24.0 million and was down by PLN 43.2 million compared to the same period of the previous year.

OPERATING RESULTS BY SEGMENTS

Boryszew S.A.

After H1 2024 EBITDA on continuing operations of Boryszew S.A. amounted to PLN 166.1 million compared to PLN 125.7 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

in PLN million	1H 2024	1H 2023	change
EBITDA, including:	166.1	125.7	40.4
Automotive Segment	44.1	42.8	1.3
Chemicals segment	5.3	4.9	0.4
Other *	116.7	78.0	38.7

* including consolidation adjustments

EBITDA increased year-on-year mainly due to dividends received as well as the sale and revaluation of investment properties (Other).

In the Automotive Segment EBITDA is at a slightly higher level than in the same period last year, and this is due to better capacity utilisation and optimisation measures.

The higher y/y result in the Chemicals Segment is mainly due to the sale of assets in Boryszew ERG branch.

Boryszew Capital Group

After the first six months of 2024 EBITDA on continuing operations amounted to PLN 169.0 million, compared to PLN 206.5 million in the same period last year.

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

in PLN million	1H 2024	1H 2023	change
EBITDA, including:	169.0	206.5	(37.5)
Automotive Segment	37.4	30.6	6.8
Metals Segment	89.7	163.7	(74.0)
Chemicals segment	5.3	4.8	0.5
Other *	36.6	7.4	29.2

* including consolidation adjustments

in PLN million	1H 2024	1H 2023	change
EBITDA (excluding non-recurring events), including:	143.7	206.5	(62.8)
Automotive Segment	37.4	30.6	6.8
Metals Segment	64.4	163.7	(99.3)
Chemicals segment	5.3	4.8	0.5
Other *	36.6	7.4	29.2

* including consolidation adjustments

1. Automotive Segment

Higher EBITDA in the Automotive Segment is mainly the result of optimisation efforts at BAP Group companies.

2. Metals Segment

The EBITDA result in the Metals Segment, which was lower than last year, is mainly attributable to steel, due to the continued weakening of demand for steel products in Europe and reduced sales volumes. Not less important is the fact that the lower demand also occurring in China is creating downward pressure on prices for steel products, and with higher manufacturing costs and energy-intensity issues at European manufacturers, the downward pressure on margins still remains.

3. Chemicals segment

The increase in EBITDA of this segment is due to the sale of assets in Boryszew ERG branch.

4. Other

Results of companies in the Others Segment are at a much higher level compared to the same period of the previous year mainly as a result of sale and revaluation of investment property as well as the growing electricity and gas trading activities.

NET PROFIT/LOSS

Boryszew S.A.

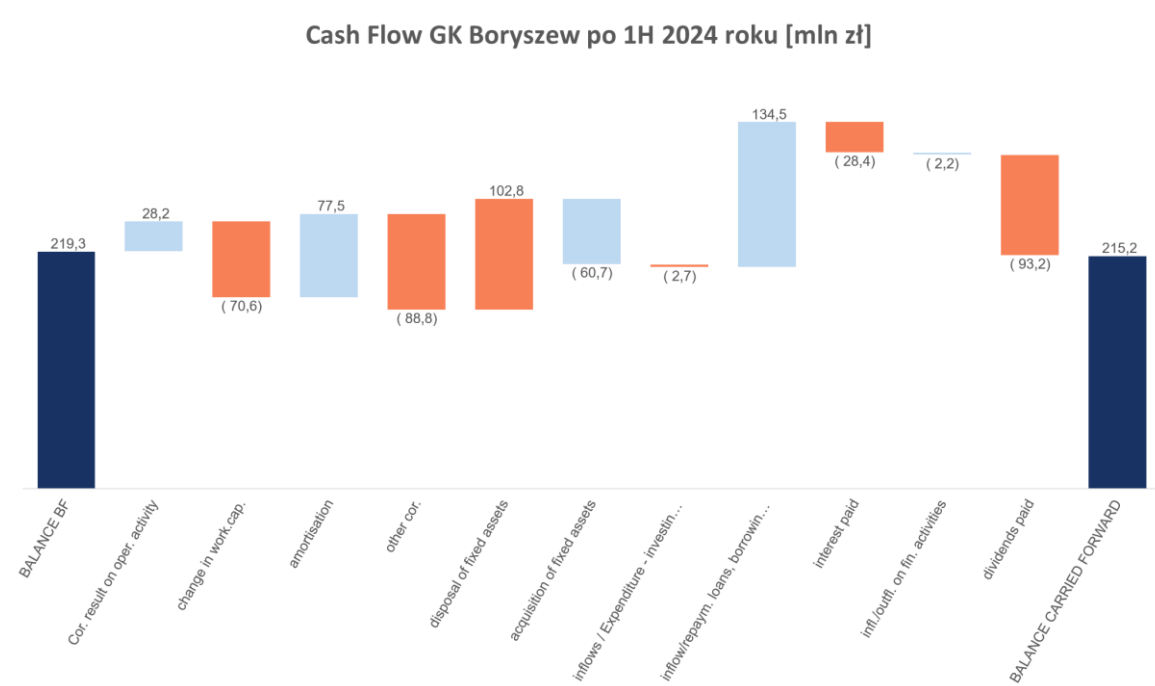
Net result of Boryszew S.A. for H1 2024 amounted to PLN 114.1 million and is higher than in the same period of the previous year by PLN 39.2 million.

Boryszew Capital Group

The total net result including continued and discontinued operations amounted to PLN 49.9 million and was lower than the result after the same period of the previous year by PLN 76.8 million, while the net result attributable to shareholders of the parent company amounted to PLN 45.4 million - lower than last year's result by PLN 76.2 million.

A. CASH FLOW

Cash flows for January-June 2024 are presented in the chart below:



After the first half of 2024 Boryszew Group generated negative cash flows from operating activities in the amount of PLN 53.7 million, which mainly came from an increase in receivables.

The positive balance of flows from investment activities, in the amount of PLN 39.4 million, is the result of the sale of real estate in France and Toruń.

The positive balance from financing activities, in the amount of PLN 10.9 million, was mainly due to the use of loans.

After the first three months of 2024 net debt of Boryszew Capital Group amounted to PLN 635,0 million and was higher by PLN 127.9 million compared to the end of the previous year.

The net debt/EBITDA ratio in the first six months of 2024 was 2.0 and is 0.7 higher than that at the end of 2023 (1.3) (where: - net debt = interest liabilities – cash and cash equivalents - loans granted; while interest liabilities = long-term liabilities + short-term liabilities (from loans, credits, leases)).

The Management Board positively evaluates the achieved financial results for 6 months of 2024, in all significant elements. The current financial potential of the Boryszew Group as well as safe debt and liquidity ratios, in the opinion of the Management Board, indicate a strong ability to meet its obligations. The Management Board monitors the debt and liquidity situation on an ongoing basis so that, in the event of a significant deterioration in these indicators, they can respond appropriately to the causes and consequences of the situation.

5. 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,
- CO₂ emission rights price volatility,
- 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 operations of Boryszew Capital Group occurred resulting from the war in Ukraine; the risks described above were mitigated by the proactive actions of Group companies and relevant 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 in responding to the volatility of the global situation.

The Management Board believes that on the day of publication of the report 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 the first six months of 2024 should include:

- continued downward trend in European demand, 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,
- optimisation of assets and manufacturing operations at Alchemia S.A.,
- slower pace of car electrification and strong competition from China,

- supply chain problems associated with, among other things, the requirements of EU energy policy and armed conflicts in the world,
- cost of the energy transition.

6. DESCRIPTION OF FUNDAMENTAL RISKS AND THREATS

The activity of Boryszew Capital Group generates exposure to market risk (including interest rate risk, currency risk and risk of change in prices of raw materials and products), credit risk, liquidity risk and risk of volatility of legal regulations.

The fundamental task in the financial risk management process was identification, measurement, monitoring and limitation of primary sources of risk, which include:

- market risks, including, but not limited to:
 - foreign exchange rate risk (change in the exchange rate of PLN to other currencies),
 - interest rate risk (increase in interest rates),
 - risk of change in prices of primary raw materials and products,
- risks associated with the stability of debt and financial flows:
 - liquidity risk,
 - credit risk.
- risk of volatility of legal regulations

Capital management, liquidity risk and credit risk

The policy of the Management Board focuses on maintaining a solid capital standing in order to retain the trust of investors, lenders and the market and ensure future economic growth of the Company/Boryszew Capital Group. Growth is the absolute priority for the Management Board and it is for this purpose that the Group first and foremost seeks to allocate funds, thus building long-term value for shareholders through acquisitions and new projects. The Management Board strives to ensure the proper proportion of stable financing with equity of undertaken projects. Credit risk is understood as the risk of a counterparty failing to fulfil their contractual obligations, thus exposing the lender to financial loss.

From the perspective of Boryszew Group, credit risk is associated with:

- trade receivables from business partners,
- loans granted,
- guarantees and sureties granted,
- cash and bank deposits.

Boryszew Group is exposed to credit risk associated with credit-worthiness of customers being parties to transactions of sale of products and traded goods. The risk is limited by application of internal procedures for setting credit limits of customers and managing trade receivables. Companies monitor the working capital cycle on an on-going basis as well as aim to reduce the collection period of receivables and at the same time to extend the terms for repayment of liabilities. The security level of the Company's trade receivables is significantly improved by cooperation with Insurance Companies, the use of different types of collateral, the use of services of credit bureau and law firms.

Credit risk associated with cash on banks accounts and bank deposits is low since Boryszew Group enters into transactions with reputable banks having high ratings and stable market standing.

Liquidity risk

Boryszew Capital Group is exposed to liquidity risk due to high proportion of short-term third party financing (overdraft facilities and working capital facilities) in the Group's financing structure. Currently, the Group has access to external financing and extends existing credit limits for further periods.

Foreign exchange rate change risk

Currency risk is an inevitable element of a business activity denominated in foreign currencies. The sources of currency risk to which companies of Boryszew Capital Group were exposed in H1 2024 included: transactions of raw materials purchase, transactions of product sales, loans and borrowings incurred and cash denominated in foreign currencies. Adverse changes in exchange rates may lead to decrease in the financial results of the Group.

Market risk - metal prices and currency exchange rates

The main risks arising from the specific activities of the Group are risks associated with the price of metals on the London Metal Exchange (LME) as well as currency exchange rate changes.

Description of exposure

The exposure that has so far been identified at Boryszew Capital Group defines, as a rule, two types of risks:

- risk of changes in metal prices, steel,
- risk of changes in foreign exchange rates

Metals in case of which price changes have an impact on Group's results include: copper, aluminium, lead, zinc. The risk of changes in metal prices occurs at the operating level, whereas the risk of changes in foreign exchange rates occurs at the strategic /fundamental as well as operating level.

Operational risk in terms metal prices was identified at: NPA Skawina Sp. z o.o., Baterpol S.A., Walcownia Metali Dziedzice S.A., ZM Silesia S.A., Alchemia S.A., Huta Bankowa Sp. z o.o., and it is associated with future revenues and cash flows that have already been contracted, in other words - with securing the fair value of the contract.

Strategic risk involving currencies is associated with throughput bonus (USD/PLN and EUR/PLN) This risk exists in case of: NPA Skawina Sp. z o.o., S.A., Baterpol S.A., Walcownia Metali Dziedzice S.A., ZM SILESIA S.A., Alchemia S.A., Huta Bankowa Sp. z o.o. In case of currency operational risk, the risk source is mainly the operating metal, so to obtain the full effect of hedging it is also necessary to determine the currency exposure. In addition, some operational risk exists from the time the fixed price for sale or purchase is determined (e.g. sales invoice issue) until the moment of making or receiving the payment.

Strategic and operational risk in individual companies is closely related to their business activities. In case of metal the companies determine the so-called net exposure i.e. the sale based on the LME listed prices is set-off by cost items, which are also based on the same base, the difference is the net exposure that is hedged. In case of operational risk, it arises mainly as a result of the mismatch between bases for purchase of raw materials and sales of products. Strategic exposure to currencies associated with the achieved output bonus is calculated by multiplying the output bonus by the sales of finished products.

Interest rate risk

There is a risk that future cash flows related to a financial instrument will be subject to fluctuations due to changes in the interest rates. The exposure group companies to interest rate risk is mainly caused by the fact that the business operations are financed with the use of variable interest debt. The profile of the interest rate risk in group companies shows an adverse impact of increased interest rates on the level of cost of interest.

Changes in interest rates affect the amount of future cash flows associated with assets and liabilities.

The Group has identified and monitors the interest rate risk, however, in the opinion of the Management Board the risk of interest rates changes does not constitute the main risk from the perspective of its influence on the volume of cash flows and on profit/loss.

Insurance of risks

Boryszew S.A. and subsidiaries have insurance policies within the framework of general agreements concluded by the Parent Company with several insurance companies for the entire Boryszew Capital Group.

The scope of these agreements covers the insurance of:

- Boryszew Group property
- profit lost due to all risks
- machine damage
- loss of profit due to damage to machinery and equipment
- electronic equipment
- business activity and property owners civil liability insurance
- tax risks,
- liability of members of the governing bodies of a limited liability or joint stock company.

Boryszew S.A. and its subsidiaries also signed, depending on the needs, insurance contracts for insurance such as transport cargo insurance, motor insurance, compulsory third party insurance for bookkeeping services and tax advisory services and insurance of trade receivables.

Other risks in the Group's operations

Risk of volatility of legal regulations, in particular those governing Group's operations

A threat for the operation of the Companies of Boryszew Capital Group are changing legal regulations and interpretations. Frequent amendments, inconsistency and lack of interpretations of the legal regulations in particular the tax law, entail a significant risk related to the legal surrounding in which the Companies of the Capital Group conduct their activities. When combined with the relatively long period of prescription of tax liabilities and immediate enforceability of decisions issued by tax authorities, estimation of tax risk is particularly difficult. The Companies of the Capital Group have contractor reliability verification procedures in place, also in terms of clearance of tax liabilities.

The Group is also exposed to the risk associated with changes in the interpretation of tax law regulations issued by tax authorities, affecting its operating activity and financial results.

Risks associated with vendor dependency

The Companies of the Capital Group follow a policy of supplier diversification to remain independent from a single supplier which allows to obtain competitive prices for the purchased raw materials.

Risks associated with customer dependency

The Companies of the Capital Group operate on a broad, both domestic and international, market of products offered by them. They make all effort to eliminate risk of dependency on the main recipients, entering in cooperating with multiple customers. In selection of recipients, these companies mainly consider the reliability of a potential recipient. The above does not apply to the automotive segment, which depends on a few leading customers.

Risks associated with increased competition

In the light of continuously growing competition, the most important factor that could have a significant effect on development and revenues earned by the companies of the Capital Group, is the ability to obtain current and acquire new customers. The Capital Group Companies operate on the competitive market of semi-finished non-ferrous metals, which forces them to compete in price and quality. The Group improves its competitiveness through extension of its product offer, timeliness of supplies and decrease of costs which, in consequence, translate into the price of offered products.

Personnel rotation risk

The main identified hazards related to HR issues in all branches of the Company are: problem with acquisition of qualified staff, migration of qualified staff and increasing demands as regards remuneration. In order to counteract these phenomena, it is crucial to provide the employees with stable forms of employment with a satisfactory level of remuneration. The Group also identifies the need to ensure safe work environment, minimising the risk of injuries and accidents. Limitation of this category of risk is achieved through a series of activities, both of preventive nature (e.g. ensuring an adequate level of training) as well as follow-up activities (analysis of incidents and correction of procedures).

Risks associated with the use of the environment

The Group identifies risks in its operations associated with exceeding the permissible levels of gas emissions and noise emissions. Violation of existing environmental permits in terms of functional requirements for individual production lines may result in suspension of production. In order to counteract this, Group companies introduce energy-efficient technologies and maintain a legally permissible level of pollution and waste emission. The Group regularly monitors the consumption of energy supplied in the form of electric power and gas. Water consumption and waste generation are assessed to the same degree. Special attention is given to recycling opportunities in scrap metal processing. The Group makes high use of metal scrap and battery waste for production.

Process changes and product innovations

In order to reduce the negative impact on the environment, the Group introduces also product innovations (e.g. lighter aluminium elements, new alloys of non-ferrous metals) resulting in indirectly reduced consumption of energy among the end recipients. Focus on the aforementioned risks aims at maintaining reputation in the eyes of key business partners, thus ensuring the continuity and repetitiveness of production orders. A simultaneous goal is to maintain the good reputation of Group's enterprises which are perceived as attractive employment places by present and potential employees.

Risk of significant industrial failure

The Capital Group Companies identify the risks related to the possibility of an industrial failure resulting in stoppage or limitation of production in their facilities. In order to reduce the related risks, the company perform periodical inspections of the technical condition of machines and devices used and if needed, their repair and overhaul.

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

Boryszew S.A.

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

In the Automotive segment seasonality affects primarily 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.

Boryszew Capital Group

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.

8. REVENUES AND RESULTS ATTRIBUTABLE BY BUSINESS SEGMENTS FROM THE BEGINNING OF THIS 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 in liquidation, 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.,



Boryszew Capital Group

Report of the Management Board on activities of Boryszew Capital Group for the period between 1 January and 30 June 2024

(amounts expressed in PLN '000 unless specified otherwise)

Chemical
products

Boryszew S.A. Oddział Elana, Boryszew S.A. Oddział Boryszew ERG, Elimer Sp. z o.o.

Other companies not assigned to segments are: Boryszew S.A. – Head Office, Boryszew S.A. Boryszew Energy branch, Boryszew Green Energy & Gas Sp. z o.o., Boryszew Inwestycje Sp. z o.o., Boryszew Nieruchomości Sp. z o.o., Boryszew Assets Sp. z o.o., Boryszew Property Sp. z o.o., "onesano" S.A.

REVENUES FROM SALE BY DESTINATION MARKET

	01.01.2024 - 30.06.2024	01.01.2023 - 30.06.2023
Sales revenues by geographical areas		
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

**9. 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 3 of the report. The Issuer has no other material equity investments.

10. DIVIDEND PAID OR DECLARED

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. 34 795 000 treasury shares held by Boryszew S.A. were not 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.

11. EVENTS WHICH HAVE FOLLOWED AFTER THE DAYS FOR WHICH THE FINANCIAL STATEMENTS PREPARED NOT ENTERED IN THIS REPORT, AND WHICH MAY BE ENTERED IN THE SIGNIFICANT ON THE FUTURE RESULTS OF THE GROUP

None occurred.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**BORYSZEW S.A.**

	Balance on 30.06.2024	Balance on 31.12.20 23
Contingent items		
Sureties for the repayment of loans and other liabilities by associated companies	537 051	479 821
Total	537 051	479 821

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

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. (PLN 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 (PLN 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 (PLN 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. (PLN 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. (PLN 34.89 million), expiry of the guarantee granted to Glencore International AG under a guarantee line with HSBC (PLN 6.52 million), expiry of the guarantee granted to Borealis AG (4.35 million) for commercial liabilities of: Maflow Plastics Poland Sp. z o.o., Boryszew Kunststofftechnik Deutschland GmbH and AKT plastikarska 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 (PLN 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. (PLN 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 Sp. z o.o. (PLN 6.11 million).

Status of current sureties and guarantees on 30 June 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 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

Entity on whose behalf the surety or guarantee was issued	Entity for which guarantee or surety was issued	Value of guarantee	Expiry date of guarantee
Boryszew Kunststofftechnik Deutschland GmbH	Guarantee granted to 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 plastikarska 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 performance 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 Miasteczko Śląskie	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 performance 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 Skawina 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
	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

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
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	

13. ORGANISATION OF THE ISSUER'S 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).

**Boryszew Capital Group****Report of the Management Board on activities of Boryszew Capital Group for the period between 1 January and 30 June 2024**

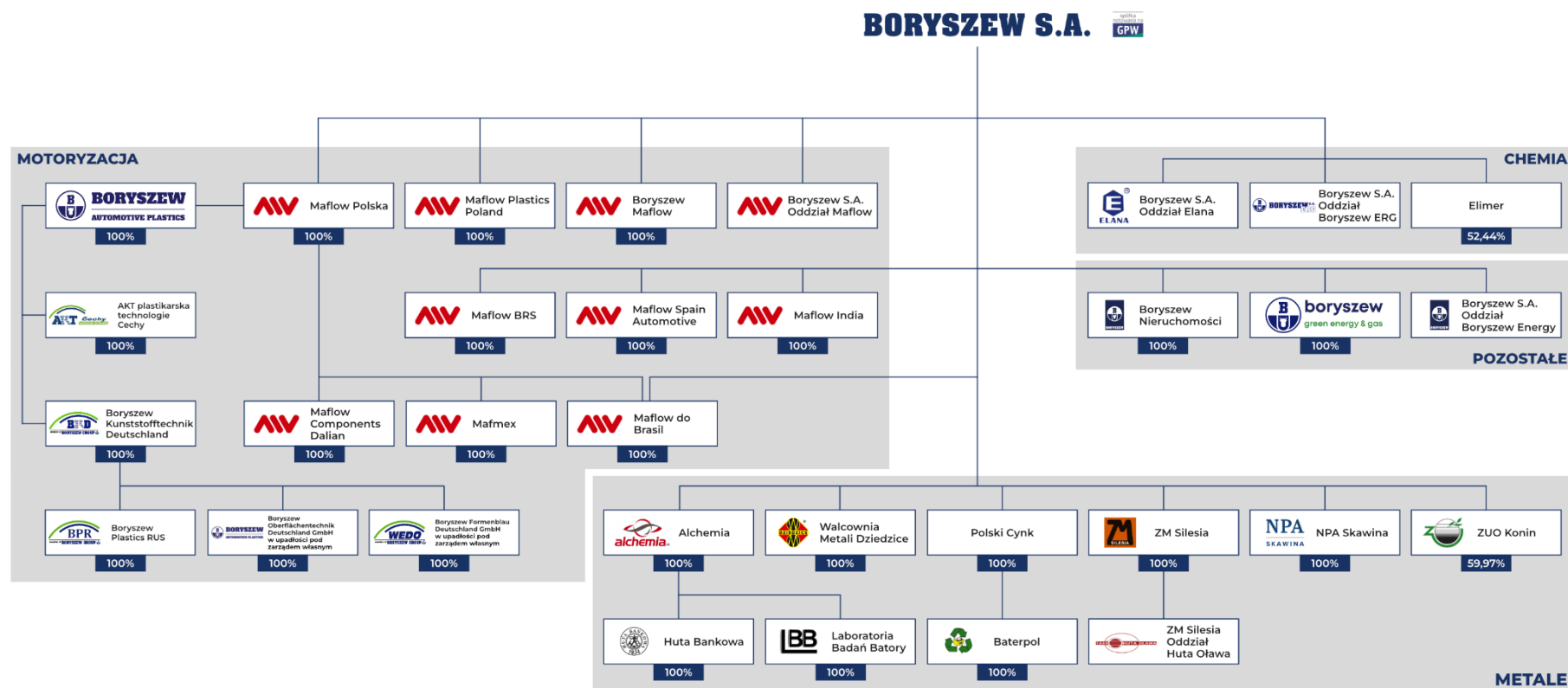
(amounts expressed in PLN '000 unless specified otherwise)

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

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

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

SIMPLIFIED ORGANISATIONAL CHART OF BORYSZEW CAPITAL GROUP (ON 30 JUNE 2024)



14. 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 WRA 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

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.

15. 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.

16. 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 the list of Shareholders holding more than 5% of the share capital and of the total number of votes as on the date of approval of the present 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.

17. CHANGES IN THE OWNERSHIP STRUCTURE OF SUBSTANTIAL SHAREHOLDINGS OF THE COMPANY IN THE PERIOD FOLLOWING THE SUBMISSION OF THE PREVIOUS INTERIM REPORT - SHARES IN VOTES DURING THE GENERAL ASSEMBLY OF SHAREHOLDERS

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.

18. 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.

19. 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 in Kraków of 24 September 2020 on the tax on goods and services for the period between January 2013 and December 2014, and also discontinued the tax proceedings in entirety, finding that the statute of limitations had expired for all tax liabilities covered by the proceedings concerned.

The court questioned the correctness and effectiveness of the tax authorities' efforts to possibly suspend or interrupt the course of the disputed tax liabilities. The court pointed out, among other things, that the initiation, just before the expiry of the statute of limitations for the earliest tax obligations, of criminal tax proceedings, in which no one was charged, and which ultimately ended in dismissal due to the lack of a criminal act, was instrumental and aimed only at suspending the course of tax obligations, and not at realistically achieving the goals of criminal tax proceedings. Since the statute of limitations on tax liabilities automatically renders further tax proceedings groundless, the Court decided to discontinue the proceedings, since it would be pointless for the tax authorities to review the case again.

On 10 July 2023, the Company received a ruling from the Provincial Administrative Court in Gliwice of 20 June 2023, along with a substantiation. The ruling is not final, the parties have filed cassation complaints with the Supreme Administrative Court, 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 12 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 97.01 million (high risk). In addition, the Group recognises contingent liabilities of PLN 91.04 million (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 2.83 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 17 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.

20. 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.

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

SURETIES GRANTED BY BORYSZEW S.A. AS OF 30 JUNE 2024 TO COMPANIES OF THE CAPITAL GROUP

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

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

Guarantees and sureties on 30 June 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
Mafflow 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	

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

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

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

In the reporting period, there were no events other than those described above that would be significant for the assessment of the Group's personnel, property, financial standing, financial result and the ability of the Capital Group to meet its liabilities.

23. INFORMATION ON NON-REPAYMENT OF A CREDIT OR LOAN OR 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 following companies failed to meet the financial covenants in their loan agreements, presented as short-term loans in the financial statements:

- 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 S.A. (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.

24. 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.

25. OTHER IMPORTANT EVENTS

BORYSZEW S.A.

Capital investment of Boryszew SA

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 by 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 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.

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 17 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 #0 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 March 27, 2024, Boryszew S.A. and Maflow Components Dalian Co. Ltd ("Maflow China") entered into an investment and working capital loan agreement with Bank Gospodarstwa Krajowego ("BGK") with a total value of €8.5 million, of which €6.5 million is an investment loan and €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 63.95 million) and a non-refundable grant (PLN 63.95 million).

Basic assumptions of the installation:

1. Total construction cost: PLN 166 million gross.
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.

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 Działdowo 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.



Boryszew Capital Group

Report of the Management Board on activities of Boryszew Capital Group for the period between 1 January and 30 June 2024

(amounts expressed in PLN '000 unless specified otherwise)

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.pl.

26. REPRESENTATIONS 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.

SIGNATURES:

This report was signed at the Company's registered office on 13 August 2024.

Wojciech Kowalczyk - President of the Management Board

Łukasz Bubacz – Member of the Management Board

Mikołaj Budzanowski – Member of the Management Board

Adam Holewa – Member of the Management Board
