

**CONDENSED CONSOLIDATED
QUARTERLY REPORT
OF BORYSZEW CAPITAL GROUP
FOR Q3 OF 2017**



14 November 2017



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(amounts expressed in PLN '000 unless specified otherwise)

SELECTED FINANCIAL DATA

| SELECTED FINANCIAL DATA | in PLN thousand | | in EUR thousand | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 |
| data regarding condensed consolidated financial statements | | | | |
| Revenue from continuing operations | 4 692 984 | 4 221 742 | 1 102 519 | 966 339 |
| Operating profit | 292 134 | 248 785 | 68 631 | 56 946 |
| Net profit on continuing operations | 232 927 | 174 635 | 54 721 | 39 973 |
| Profit on continuing and discontinued operations | 233 479 | 174 619 | 54 851 | 39 970 |
| Net profit attributable to the parent | 185 336 | 126 095 | 43 541 | 28 863 |
| Weighted average number of shares | 217 198 073 | 224 442 263 | 217 198 073 | 224 442 263 |
| Earnings per share attributable to shareholders of the Parent (in PLN/EURO) | 0.85 | 0.56 | 0.20 | 0.13 |
| Net cash flow from operating activities | 194 967 | 111 357 | 45 803 | 25 489 |
| Net cash flow from investment activities | (214 738) | (133 153) | (50 448) | (30 478) |
| Net cash flow from financial activities | 31 100 | 82 760 | 7 306 | 18 943 |
| | As at 30.09.2017 | As at 31.12.2016 | As at 30.09.2017 | As at 31.12.2016 |
| Total assets | 4 234 616 | 3 863 077 | 982 715 | 906 506 |
| Total liabilities and provisions | 2 448 884 | 2 246 025 | 568 305 | 527 050 |
| Gross financial debt | 1 199 459 | 1 117 210 | 278 355 | 262 164 |
| Assets of continued operations | 4 233 132 | 3 861 424 | 982 370 | 906 119 |
| Liabilities of continued operations | 2 427 604 | 2 223 860 | 563 367 | 521 849 |
| Equity | 1 785 732 | 1 617 052 | 414 410 | 379 456 |
| Number of ordinary shares entitled to dividend | 215 837 169 | 224 000 000 | 215 837 169 | 224 000 000 |



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 | 01.07.2017 - 30.09. 2017 | 01.07.2016- 30.09. 2016 |
|---|----------------------------|----------------------------|-----------------------------|----------------------------|
| Continuing operations | | <i>restated data</i> | | <i>restated data</i> |
| Revenues from sales | 4 692 984 | 4 221 742 | 1 521 197 | 1 339 963 |
| Prime cost of sale | 4 119 708 | 3 694 521 | 1 333 875 | 1 147 728 |
| Gross profit on sales | 573 276 | 527 221 | 187 322 | 192 235 |
| Selling costs | 104 524 | 104 362 | 39 068 | 36 497 |
| General and administrative expenses | 194 107 | 192 270 | 54 714 | 68 740 |
| Other operating revenue | 45 741 | 41 391 | 16 684 | 9 027 |
| Other operating expenses | 28 252 | 23 195 | 6 902 | 3 662 |
| Operating income | 292 134 | 248 785 | 103 322 | 92 363 |
| Financial revenues | 51 332 | 5 380 | 13 179 | 2 429 |
| Financial expenses | 87 378 | 52 905 | 37 738 | 7 009 |
| Financial profit/loss | (36 046) | (47 525) | (24 559) | (4 580) |
| Share in profit of affiliates | 1 691 | 627 | 1 867 | (477) |
| Profit before taxation | 257 779 | 201 887 | 80 630 | 87 306 |
| Income tax | 24 852 | 27 252 | 9 948 | 8 390 |
| Net profit on continuing operations | 232 927 | 174 635 | 70 682 | 78 916 |
| Net profit/loss on discontinued operations | 552 | (16) | 1 307 | 1 974 |
| Net profit on continued activity and discontinued operations including attributable: | 233 479 | 174 619 | 71 989 | 80 890 |
| <i>to shareholders of the parent</i> | 185 336 | 126 095 | 54 160 | 59 133 |
| <i>non-controlling interest</i> | 48 143 | 48 524 | 17 829 | 19 237 |
| Earnings per share / Diluted earnings per share | | | | |
| Weighted average number of shares | 217 198 073 | 224 442 263 | 216 299 756 | 224 000 000 |
| Net profit attributable to the parent (PLN thousand) | 185 336 | 126 095 | 54 160 | 59 133 |
| Earnings per one share (PLN) / Diluted earnings per share (PLN) | 0.85 | 0.56 | 0.25 | 0.26 |



(amounts expressed in PLN '000 unless specified otherwise)

| | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 | 01.07.2017 - 30.09. 2017 | 01.07.2016- 30.09. 2016 |
|--|----------------------------|----------------------------|-----------------------------|----------------------------|
| | <i>restated data</i> | | <i>restated data</i> | |
| Net profit | 233 479 | 174 619 | 71 989 | 80 890 |
| Earnings recognised in equity | | | | |
| Earnings recognised in equity, to be transferred to profit and loss account | | | | |
| Exchange rate differences on converting foreign operations | (1 345) | 2 790 | 19 179 | (12 253) |
| Financial assets available for sale | (723) | (2 677) | (524) | (4 614) |
| Hedge accounting | (7 180) | 13 581 | (31 723) | 12 082 |
| Income tax | (2 450) | 4 041 | (3 771) | 301 |
| Earnings recognised in equity, not to be transferred to income statement | | | | |
| Employee benefit capital reserve | - | (32) | - | (88) |
| Income tax | - | 11 | - | - |
| Total earnings recognised in equity | (6 798) | 9 610 | (9 297) | (5 174) |
| <i>to shareholders of the parent</i> | <i>(2 387)</i> | <i>4 210</i> | <i>(608)</i> | <i>16 433</i> |
| <i>non-controlling interest</i> | <i>(4 411)</i> | <i>5 400</i> | <i>(8 689)</i> | <i>(21 607)</i> |
| Total comprehensive income, including attributable: | 226 681 | 184 229 | 62 692 | 75 716 |
| <i>to shareholders of the parent</i> | <i>182 949</i> | <i>130 305</i> | <i>53 552</i> | <i>75 566</i> |
| <i>non-controlling interest</i> | <i>43 732</i> | <i>53 924</i> | <i>9 140</i> | <i>-2 370</i> |

CONSOLIDATED PROFIT AND LOSS ACCOUNT – DISCONTINUED OPERATIONS (*)

| Profit and loss account - discontinued operations | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 | 01.07.2017 - 30.09. 2017 | 01.07.2016- 30.09. 2016 |
|---|----------------------------|----------------------------|-----------------------------|----------------------------|
| Revenues from sales | 95 | 121 | 38 | 31 |
| Prime cost of sale | 104 | 132 | 41 | 33 |
| Gross profit (loss) from sales | (9) | (11) | (3) | (2) |
| Other operating revenue | 2 207 | 4 568 | 1 679 | 4 291 |
| Other operating expenses | 1 592 | 4 902 | 457 | 2 260 |
| Profit (loss) from operating activity | 606 | (345) | 1 219 | 2 029 |
| Financial revenues | 95 | 12 | 95 | 13 |
| Financial expenses | 149 | 120 | 7 | 75 |
| Financial profit/loss | (54) | (108) | 88 | (62) |
| Profit (loss) before income tax | 552 | (453) | 1 307 | 1 967 |
| Income tax | - | (437) | - | (7) |
| Net profit / (loss) on discontinued operations | 552 | (16) | 1 307 | 1 974 |
| <i>to shareholders of the parent</i> | <i>865</i> | <i>562</i> | <i>703</i> | <i>1 380</i> |
| <i>non-controlling interest</i> | <i>(313)</i> | <i>(578)</i> | <i>604</i> | <i>594</i> |

(*) Discontinued operations of HMN Szopienice S.A. w likwidacji

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| | As at 30.09.2017 | As at 31.12.2016 <i>restated data</i> | As at 01.01.2016 <i>restated data</i> |
|---|-----------------------------|---|---|
| ASSETS | | | |
| Non-current assets | | | |
| Non-current assets | 1 406 328 | 1 309 818 | 1 142 524 |
| Investment property | 97 960 | 111 879 | 191 034 |
| Goodwill | 23 467 | 23 464 | 23 855 |
| Intangible assets | 43 346 | 43 386 | 37 484 |
| Shares in subsidiaries and associates | 309 285 | 307 615 | 232 660 |
| Financial investments | 3 459 | 7 608 | 10 913 |
| Deferred tax assets | 67 677 | 51 311 | 44 416 |
| Long-term receivables | 5 778 | 5 945 | 12 700 |
| Other assets | 27 935 | 42 909 | 18 810 |
| Total fixed assets | 1 985 235 | 1 903 935 | 1 714 396 |
| Current assets | | | |
| Inventory | 984 869 | 925 010 | 862 996 |
| Trade receivables and other receivables | 901 547 | 675 420 | 677 124 |
| Short-term financial assets | 93 105 | 86 857 | 67 350 |
| Derivative financial instruments | 7 706 | 18 231 | 11 072 |
| Current tax assets | 320 | 3 230 | 7 106 |
| Other assets | 43 913 | 43 633 | 48 300 |
| Cash and cash equivalents | 216 437 | 205 108 | 138 071 |
| Total current assets | 2 247 897 | 1 957 489 | 1 812 019 |
| Assets classified as held for sale | 1 484 | 1 653 | 4 610 |
| Total assets | 4 234 616 | 3 863 077 | 3 531 025 |



(amounts expressed in PLN '000 unless specified otherwise)

| LIABILITIES AND EQUITY | As at 30.09.2017 | As at 31.12.2016 | As at 01.01.2016 |
|--|-----------------------------|-----------------------------|-----------------------------|
| | | <i>restated data</i> | <i>restated data</i> |
| Equity | | | |
| Share capital | 248 906 | 248 906 | 248 906 |
| Own shares | (159 652) | (135 756) | (125 657) |
| Share premium | 114 435 | 114 435 | 114 435 |
| Hedge accounting capital | (8 483) | (2 348) | (4 011) |
| Capital reserve on translating employee payables | 28 | 28 | (92) |
| Revaluation reserve | (12 681) | (12 374) | (12 051) |
| Exchange differences on translating foreign entities | (17 733) | (21 788) | (2 022) |
| Retained earnings | 986 355 | 783 395 | 657 646 |
| Total equity | 1 151 175 | 974 498 | 877 154 |
| Non-controlling shareholders' capital | 634 557 | 642 554 | 594 775 |
| Total equity | 1 785 732 | 1 617 052 | 1 471 929 |
| Liabilities and long-term provisions | | | |
| Bank credits, loans, bonds | 429 627 | 231 171 | 98 901 |
| Lease liabilities | 61 453 | 89 761 | 79 411 |
| Payables on perpetual usufruct of investment land | 39 588 | 40 631 | 51 379 |
| Deferred tax provision | 89 004 | 81 018 | 79 469 |
| Employee benefit provisions | 18 825 | 19 707 | 18 517 |
| Other provisions | 13 087 | 12 733 | 9 716 |
| Other equity and liabilities | 12 080 | 12 964 | 14 359 |
| Liabilities and long-term provisions - total | 663 664 | 487 985 | 351 752 |
| Short-term liabilities | | | |
| Bank credits, loans, bonds | 668 869 | 757 207 | 802 134 |
| Lease liabilities | 39 510 | 39 071 | 43 314 |
| Trade payables and other liabilities | 947 315 | 844 597 | 745 578 |
| Derivative financial instruments | 18 168 | 27 779 | 21 354 |
| Current tax liabilities | 21 058 | 11 562 | 6 971 |
| Employee benefit provisions | 28 567 | 27 206 | 21 201 |
| Other provisions | 15 207 | 18 053 | 34 060 |
| Other equity and liabilities | 25 246 | 10 400 | 6 009 |
| Liabilities and short-term provisions - total | 1 763 940 | 1 735 875 | 1 680 621 |
| Liabilities related to assets classified as held for sale | 21 280 | 22 165 | 26 723 |
| Total liabilities and provisions | 2 448 884 | 2 246 025 | 2 059 096 |
| Total equity and liabilities | 4 234 616 | 3 863 077 | 3 531 025 |



CONSOLIDATED CASH FLOW STATEMENT

| | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 |
|--|------------------------------------|------------------------------------|
| | | <i>restated data</i> |
| Cash flows from operating activities | | |
| Profit on continued operations before tax (excluding share in profit of affiliates) | 256 088 | 201 887 |
| Adjustments for (+/-) | (61 121) | (90 530) |
| Amortisation and depreciation | 100 890 | 92 891 |
| Interest on financial liabilities | 24 486 | 27 395 |
| Investment Gains | (7 371) | (32 750) |
| Change in receivables | (225 243) | (134 426) |
| Change in inventories | (59 859) | (52 134) |
| Change in liabilities | 102 718 | 41 201 |
| Change in provisions and accruals as well as prepayments | 26 643 | (15 551) |
| Other items | (1 460) | 597 |
| Income tax paid | (21 925) | (17 753) |
| Net cash from operating activities | 194 967 | 111 357 |
| Cash flows from investment activities | | |
| Profit on fixed assets disposal | 21 290 | 119 683 |
| Revenues from disposal of shares in capital group entities | - | 13 216 |
| Redemption of bonds | 1 255 | 10 552 |
| Expenditure on acquisition of fixed assets | (197 360) | (180 985) |
| Acquisition of shares in capital group entities | (34 179) | (95 619) |
| Purchase of financial assets | (5 744) | - |
| Net cash from investing activities | (214 738) | (133 153) |
| Cash flows from financial activities | | |
| Incomes on credit and loan facilities | 226 142 | 232 303 |
| Incomes on credit and loan facilities | 12 292 | |
| Share buy-back expense | (23 896) | (7 130) |
| Loans repaid | (128 316) | (99 627) |
| Borrowings repaid | - | (1 813) |
| Interest paid on loans, borrowings or bonds | (26 210) | (27 395) |
| Payment of liabilities under finance lease agreements | (28 912) | (13 578) |
| Net cash from financing activities | 31 100 | 82 760 |
| Net change in cash | 11 329 | 60 964 |
| Cash opening balance | 205 108 | 138 071 |
| Closing balance of cash | 216 437 | 199 035 |

**CONSOLIDATED STATEMENT ON CHANGES IN EQUITY**

| | Share capital | treasury shares | Share premium | Hedge accounting | Revaluation reserve | Profit/Loss on restatement of employee benefits | Currency translation differences (subsidiaries) | Retained earnings | Equity attributable to shareholders of the parent | Equity attributable to minority interest | Total equity |
|--|----------------|------------------|----------------|------------------|---------------------|---|---|-------------------|---|--|------------------|
| As at 01.01.2017 | 248 906 | (135 756) | 114 435 | (2 348) | (12 374) | 28 | (21 788) | 783 395 | 974 498 | 642 554 | 1 617 052 |
| Valuation of hedge instruments | | | | (6 135) | | | | | (6 135) | 319 | (5 816) |
| Valuation of assets available for sale | | | | | (307) | | | | (307) | (279) | (586) |
| Exchange differences | | | | | | | 4 055 | | 4 055 | (4 451) | (396) |
| Profit for three quarters of 2017 | | | | | | | | 185 336 | 185 336 | 48 143 | 233 479 |
| Total comprehensive income for three quarters of 2017 | - | - | - | (6 135) | (307) | 0 | 4 055 | 185 336 | 182 949 | 43 732 | 226 681 |
| Share buy-back - Boryszew SA | | (23 896) | | | | | | | (23 896) | | (23 896) |
| Change of Group structure | | | | | | | | 17 624 | 17 624 | (51 729) | (34 105) |
| As at 30.09.2017 | 248 906 | (159 652) | 114 435 | (8 483) | (12 681) | 28 | (17 733) | 986 355 | 1 151 175 | 634 557 | 1 785 732 |
| <i>Restated data</i> | | | | | | | | | | | |
| As at 01.01.2016 | 248 906 | (125 657) | 114 435 | (4 011) | (12 051) | (92) | (2 022) | 657 646 | 877 154 | 594 775 | 1 471 929 |
| Valuation of hedge instruments | | | | 7 016 | | | | | 7 016 | 3 985 | 11 001 |
| Valuation of assets available for sale | | | | | (1 689) | | | | (1 689) | (479) | (2 168) |
| Valuation of employee benefits | | | | | | (36) | | | (36) | | (36) |
| Exchange differences | | | | | | | (1 081) | | (1 081) | 1 894 | 813 |
| Profit for three quarters of 2016 | | | | | | | | 126 095 | 126 095 | 48 524 | 174 619 |
| Total comprehensive income for three quarters of 2016 | - | - | - | 7 016 | (1 689) | (36) | (1 081) | 126 095 | 130 305 | 53 924 | 184 229 |
| Share buy-back - Boryszew SA | | (7 130) | | | | | | | (7 130) | | (7 130) |
| Change of Group structure | | | | | | | | (16 450) | (16 450) | (2 395) | (18 845) |
| As at 30.09.2016 | 248 906 | (132 787) | 114 435 | 3 005 | (13 740) | (128) | (3 103) | 767 291 | 983 879 | 646 304 | 1 630 183 |



ADDITIONAL INFORMATION TO CONSOLIDATED QUARTERLY REPORT Page
DRAFTED AS AT 30 SEPTEMBER 2017

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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, 13th 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 has been established for an indefinite period of time.

HISTORY

The history of Boryszew SA (the "Company") 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 (including Borygo, a widely known coolant) gained a strategic investor, Mr Roman Karkosik.

The new shareholder initiated a dynamic growth of the company. Acquisitions of non-ferrous metals and automotive 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 plants on 4 continents, operating in the automotive, non-ferrous metals and chemical industries. The Capital Group employs more than 9 000 employees.

SUPERVISORY BOARD OF BORYSZEW S.A.

As at 1 January 2017, the composition of the Supervisory Board was as follows:

Mr Janusz Siemieniec - Chairman of the Supervisory Board,
Mr Arkadiusz Krężel - Vice-Chairman of the Supervisory Board,
Mr Mirosław Kutnik – Secretary of the Supervisory Board
Mr Piotr Lisiecki – Member of the Supervisory Board,
Ms Małgorzata Waldowska - Member of the Supervisory Board.

On 18 May 2017 the Ordinary General Meeting of Shareholders of the Company appointed the Supervisory Board for a new three-year term of office in the following composition:

Mr Janusz Siemieniec
Mr Arkadiusz Krężel
Mr Piotr Lisiecki
Ms Małgorzata Waldowska
Mr Mirosław Kutnik
Mr Roman Wieczorek

On 27 June 2017 Mr Roman Wieczorek handed in his resignation from the position of a Member of the Supervisory Board

As at 30 September 2017 the composition of the Supervisory Board was follows:

Mr Janusz Siemieniec - Chairman of the Supervisory Board,
Mr Piotr Lisiecki – Vice-Chairman of the Supervisory Board,
Mr Mirosław Kutnik – Secretary of the Supervisory Board
Mr Arkadiusz Krężel – Member of the Supervisory Board,
Ms Małgorzata Waldowska - Member of the Supervisory Board,

On 3 October 2017 the Supervisory Board of the Company resolved to appoint Mr Jarosław Antosik, as of 3 October 2017, as a member of Supervisory Board. Mr Jarosław Antosik was appointed to the Supervisory Board to replace Mr Roman Wieczorek who resigned from his membership in the Supervisory Board.



2. MANAGEMENT BOARD OF BORYSZEW S.A.

As at 1 January 2017, the composition of the Management Board of Boryszew S.A. was as follows:

Mr Jarosław Michniuk – President of the Management Board, Chief Executive Officer,
Mr Aleksander Baryś – Member of the Management Board, Finance Director,
Mr Mikołaj Budzanowski – Member of the Management Board,
Mr Cezary Pyszkowski – Member of the Management Board, Director for Automotive Sector Development,
Mr Piotr Szeliga – Member of the Management Board, Director for the Metal Segment.
On 18 May 2017, the Supervisory Board of Company appointed the Company's Management Board for a new 3-years' joint term of office.

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

Mr Jarosław Michniuk as the President of the Management Board, General Director,
Mr Aleksander Baryś as Member of the Management Board, CFO,
Mikołaj Budzanowski as Member of the Management Board, Development Director,
Mr Paweł Surówka as Member of the Management Board, Director for Automotive Sector Development,
Mr Piotr Szeliga – Member of the Management Board, Director for the Metal Segment.

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

3. BASIS FOR REPORT PREPARATION AND ACCOUNTING PRINCIPLES

The information included in the quarterly Report for Q3 '2017 was prepared in accordance with the Regulation of the Minister of Finance of 19 February 2009 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 (Journal of Laws of 2009 No. 33, item 259 of 2009 with subsequent amendments) as well as the International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".

The accounting principles and computation methods applied by the Group are presented in details in the consolidated financial statements for 2016, published on 29 March 2017.

These condensed financial statements were drafted based on the International Financial Reporting Standards as approved by the European Union (UE).

Consolidated financial statements include the financial statements of the parent company and statements of entities controlled by the parent company (or subsidiaries of the parent company) prepared as at the balance sheet date. Control exists when the parent has the power to influence the financial and operating policies of a subsidiary in order to obtain benefits from its activities.

The selected financial data in the initial part of the report were presented in EUR according to § 87 section 7 of the Minister of Finance Regulation of 19 February 2009 (Journal of Law No. 33, item 259 of 2009 with subsequent amendments).

PRINCIPLES FOR CONVERTING FINANCIAL DATA TO EUR

The following currency exchange rates were adopted for converting amounts expressed in PLN to EURO:

| | average EUR exchange rate in the period | EURO exchange rate as at the last day of period |
|--------------------|--|--|
| 01.01 – 30.09.2016 | 4,3688 | 4,3120 |
| 01.01 – 31.12.2016 | 4,3757 | 4,4240 |
| 01.01 – 30.09.2017 | 4,2566 | 4,3091 |



(amounts expressed in PLN '000 unless specified otherwise)

CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE FOLLOWING COMPANIES:

| Company name | Seat | share of the parent in share capital (%) | share in voting rights (%) | subsidiary of: | business segment |
|--|---------------|--|----------------------------|---|-------------------|
| Boryszew S.A. : | Warsaw | | | Parent Company | |
| <i>Head Office</i> | Warsaw | | | | Other |
| <i>Elana Branch in Toruń</i> | Toruń | | | | Chemical products |
| <i>Energy Branch in Toruń</i> | Toruń | | | | Other |
| <i>Enterprise Data Center Branch in Toruń</i> | Toruń | | | | Other |
| <i>Maflow Branch in Tychy</i> | Tychy | | | | Automotive |
| <i>NPA Skawina Branch</i> | Skawina | | | | Metals |
| <i>Nylonbor Branch</i> | Sochaczew | | | | Chemical products |
| Elimer Sp. z o.o. | Sochaczew | 52.44 | 52.44 | Boryszew S.A. | Chemical products |
| Torlen Sp. z o.o. | Toruń | 100 | 100 | Boryszew S.A. | Chemical products |
| Elana Pet Sp. z o.o. | Toruń | 100 | 100 | Boryszew S.A. | Chemical products |
| Elana Energetyka Sp. z o.o. | Toruń | 100 | 100 | Boryszew S.A. | Other |
| Boryszew Components Poland Sp. z o.o. | Warsaw | 100 | 100 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| Boryszew HR Service Sp. z o.o. | Toruń | 100 | 100 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| SPV Boryszew 3 Sp. z o.o. | Warsaw | 100 | 100 | Boryszew S.A. | Other |
| Boryszew Commodities Sp. z o.o. | Warsaw | 100 | 100 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| Nowoczesne Produkty Aluminiowe Skawina Sp. z o.o. w likwidacji | Warsaw | 100 | 100 | Boryszew S.A. | Other |
| SPV Boryszew 6 Sp. z o.o. | Warsaw | 100 | 100 | Boryszew S.A. | Other |
| Maflow Toruń Sp. z o.o. | Toruń | 100 | 100 | Boryszew S.A. | Other |
| SPV Boryszew 9 Sp. z o.o. w likwidacji | Warsaw | 100 | 100 | Boryszew S.A. | Other |
| Boryszew Automotive Plastics Sp. z o.o. | Toruń | 100 | 100 | Boryszew S.A. | Automotive |
| Maflow Polska Sp. z o.o. | Warsaw | 100 | 100 | Boryszew S.A. | Automotive |
| Maflow BRS s.r.l | Italy | 100 | 100 | Boryszew S.A. | Automotive |
| Maflow Spain Automotive S.L.U | Spain | 100 | 100 | Boryszew S.A. | Automotive |
| Maflow France Automotive S.A. | France | 100 | 100 | Boryszew S.A. | Automotive |
| Maflow do Brasil Ltda | Brazil | 100 | 100 | Maflow Polska Sp. z o.o. | Automotive |
| Maflow Components Co. Ltd | China | 100 | 100 | Maflow Polska Sp. z o.o. | Automotive |
| Boryszew Automotive Mexico S.DE R.L.DE C.V | Mexico | 100 | 100 | Maflow Spain Automotive S.L.U., Maflow Sp. z o.o. | Automotive |
| MAFMEX S.DE R.L.DE C.V | Mexico | 100 | 100 | Maflow Spain Automotive S.L.U., Maflow Sp. z o.o. | Automotive |
| Maflow India Private Limited | India | 100 | 100 | Boryszew S.A. Maflow Polska Sp. z o.o. | Automotive |
| ICOS GmbH | Germany | 100 | 100 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |



(amounts expressed in PLN '000 unless specified otherwise)

| | | | | | |
|---|----------------------|-------|--------|--|------------|
| Theysohn Kunststoff GmbH | Germany | 100 | 100 | ICOS GmbH | Automotive |
| Theysohn Formenbau GmbH | Germany | 100 | 100 | ICOS GmbH | Automotive |
| Boryszew Formenbau Deutschland GmbH | Germany | 100 | 100 | Boryszew Kunststofftechnik Deutschland GmbH | Automotive |
| Boryszew Kunststofftechnik Deutschland GmbH | Germany | 100 | 100 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| BRS YMOS GmbH | Germany | 100 | 100 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| Boryszew Oberflächentechnik Deutschland GmbH | Germany | 100 | 100 | Boryszew Kunststofftechnik Deutschland GmbH | Automotive |
| Boryszew Deutschland GmbH | Germany | 100 | 100 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| AKT Plastikarska Technologie Cechy | The Czech Republic | 100 | 100 | Boryszew Automotive Plastics Sp. z o.o. | Automotive |
| Boryszew Plastic RUS Sp. z o.o. | Russia | 100 | 100 | Boryszew Kunststofftechnik Deutschland GmbH; Boryszew S.A. | Automotive |
| Boryszew Tensho Poland Sp. z o.o. | Ostaszewo | 80 | 80 | Boryszew S.A. | Automotive |
| Impexmetal S.A. | Warsaw | 61.11 | 61.11 | Boryszew SA | Metals |
| Hutmen S.A. | Warsaw | 74.52 | 100.00 | Impexmetal S.A., Impex – invest, SPV Impexmetal, SPV Boryszew 3, Boryszew S.A. | Metals |
| Walcownia Metali Dziedzice S.A. | Czechowice-Dziedzice | 84.57 | 100.00 | Hutmen S.A. , Impexmetal S.A., Boryszew S.A. | Metals |
| Huta Metali Nieżelaznych Szopienice S.A. w likwidacji | Katowice | 37,75 | 61.11 | Polski Cynk Sp. z o.o. | Other |
| ZM Silesia S.A. | Katowice | 61.11 | 100.00 | Impexmetal S.A. | Metals |
| Baterpol S.A. | Katowice | 61.11 | 100.00 | Polski Cynk Sp. z o.o. | Metals |
| Polski Cynk Sp. z o.o. | Katowice | 61.11 | 100.00 | Impexmetal S.A., ZM Silesia S.A. | Metals |
| FŁT Polska Sp. z o.o. | Warsaw | 60.10 | 98.35 | Impexmetal S.A. | Metals |
| FLT Bearings Ltd. | Great Britain | 60.10 | 100.00 | FLT France SAS | Metals |
| FLT France SAS | France | 60.10 | 100.00 | FŁT Polska Sp. z o.o. | Metals |
| FLT Wälzlager GmbH, | Germany | 60.10 | 100.00 | FŁT Polska Sp. z o.o. | Metals |
| FLT & Metals s.r.l., | Italy | 60.10 | 100.00 | FŁT Polska Sp. z o.o. | Metals |
| FLT (Wuxi) Trading Co. Ltd, | China | 60.10 | 100.00 | FŁT Polska Sp. z o.o. | Metals |
| FLT & Metals Ltd. | Great Britain | 61.11 | 100.00 | Impexmetal S.A. | Metals |
| S & I S.A. w likwidacji | Switzerland | 61.11 | 100.00 | Impexmetal S.A. | Other |
| SPV Lakme Investment Sp. z o.o. | Warsaw | 55.85 | 100.00 | SPV Impexmetal Sp. z o.o., Eastside Capital Investments Sp. z o.o. | Other |
| Impex – Invest Sp. z o.o. | Warsaw | 61.11 | 100.00 | Impexmetal S.A. | Other |
| Eastside Capital Investments Sp. z o.o. | Warsaw | 86.39 | 100.00 | Boryszew SA ,Impexmetal S.A. | Other |
| Symonvit Ltd w likwidacji | Cyprus | 61.11 | 100.00 | Impexmetal S.A. | Metals |
| Baterpol Recycler Sp. z o.o. | Wrocław | 61.11 | 100.00 | Polski Cynk Sp. z o.o. | Metals |
| Surowce Hutmen S.A. Sp. Sp. Komandytowa (limited partnership) | Wrocław | 61.11 | 100.00 | Hutmen SA, Baterpol SA, FLT Polska Sp. z o.o. | Metals |
| SPV Impexmetal Sp. z o.o. | Warsaw | 61.11 | 100.00 | Impexmetal SA, ZUO Sp. z o.o., BAP Sp. z o.o. | Metals |
| Metal Zinc Sp. z o.o. | Katowice | 61.11 | 100.00 | ZM Silesia SA | Metals |
| Eastside BIS Sp. z o.o. | Warsaw | 86.39 | 100.00 | Eastside Capital Investments Sp. z o.o. | Other |



(amounts expressed in PLN '000 unless specified otherwise)

| | | | | | |
|---------------------------------------|-------|-------|-------|-----------------|--------|
| Zakład Utylizacji Odpadów Sp. z o.o., | Konin | 36,65 | 59.97 | Impexmetal S.A. | Metals |
| Remal Sp. z o.o. | Konin | 48,68 | 79.66 | Impexmetal S.A. | Metals |

4. DESCRIPTION OF PERFORMANCE OF BORYSZEW GROUP IN Q3 '2017 INCLUDING THE DESCRIPTION OF FACTORS AND EVENTS WITH SIGNIFICANT IMPACT ON THE FINANCIAL RESULT

ACHIEVED PROFIT/LOSS

A. OVERALL MACROECONOMIC SITUATION

Market (by segment and geographies) of Boryszew Capital Group

| % breakdown of revenues by segments | | | Geographical structure of revenues | | |
|-------------------------------------|------------------|-------------|------------------------------------|------------------|-------------|
| Chemical products | 208 287 | 4% | Poland | 1 594 289 | 34% |
| Automotive | 1 511 704 | 32% | Germany | 1 194 285 | 25% |
| Metals | 2 833 425 | 60% | Other EU countries | 1 532 285 | 33% |
| Other* | 139 568 | 3% | Other* | 372 125 | 8% |
| TOTAL | 4 692 984 | 100% | TOTAL | 4 692 984 | 100% |

* this item also includes consolidation exclusions between segments

Key determinants:

Market sentiment - PMI and GDP:

More than 90% of revenues at Boryszew Capital Group is generated in Europe, hence the overall economic situation within the European Union (including the economic situation in Germany) is critical for the Company. The situation after three quarters of 2017 was more favourable than in the corresponding period of the previous year.

The domestic market, after a period of some slightly worse moods in the first six months of the year, has been seeing, since the start of the third quarter, an improvement in this matter.

The situations on the market of aluminium rolled products is good. Forecasts speak of a double growth in the demand for sheets and tapes over the next ten years. Aluminium has been seeing a growing application in many industries of the economy. The markets of key importance for Zakład Aluminium Konin (Impexmetal S.A.) are automotive and packaging materials markets. The revolution in the automotive industry, which can be currently observed, enforced by restrictive environmental standards, has led to a widespread use of lightweight materials, including aluminium. Also the segment of beverage bottle caps thrives from a continuous increase in demand in the scale of a few per cent.

The average values of PMI, which determine the level of activity in the industry of the most important economies for the Capital Group (EUR zone, Germany) were at a much higher level than in the corresponding period of the previous year. For Poland PMI was just slightly higher compared to the same period of the previous year.

PMIs for Germany and the EU have improved its 6-year peaks, reaching 58.1 points for the EU and 60.6 points for Germany (in the same period of previous year PMIs were respectively at: 52.6 points for EU and 54.3 points for Germany).



In Poland PMI is slightly higher than in the same period of previous year, that is 53.7 points (with a peak at 52.2 points after three quarters of 2016). The downward trend of PMI observed since January 2017 reversed in August and the growth also continued in September of 2017.

The most recent forecasts of the International Monetary Fund and the World Bank published in October of 2017 speak of an increase of Poland's GDP as compared to those published in April this year. The World Bank believes that Poland's GDP in 2017 will go up to 4.0% (a forecast released in April of 2017 showed an expected increase at the level of 3.3%); this latest forecast is in line with the estimates of the National Bank of Poland. The International Monetary Fund, on the other hand, increased its forecast for Poland's GDP for 2017 from 3.8% to 3.8%.

Market sentiment - Sales of cars:

Another important parameter showing the dynamics and results of the Capital Group is the sale of cars (Automotive segment is where the Group makes almost one third of its sales). According to ACEA, after three quarters of 2017 passenger car sales in Europe recorded an increase of 3.7% compared to the same period of previous year. This increase was recorded despite a decline in car registration in September of 2017 of 2% against September of 2016. The main customer for the Automotive Segment - Volkswagen Group - recorded an increase in car sales on the European Market of 2.4% after three quarters of 2017 (compared to the corresponding period of previous year). The European Market remains a key market for the Automotive Segment, despite the fact that companies engaged in this segment are also present in Latin America and Asia.

Market sentiment - Prices of basic raw materials:

Since almost 60% of Boryszew Capital Group's sales is in the metals industry segment, the Group is exposed to fluctuations in average prices of metals quoted on the London Metal Exchange (LME). In the discussed period prices of all four basic metals increased significantly, namely the price of aluminium (by 23%), copper (by 26%), lead (by 27%) and zinc (by 42%).

On the other hand metal prices expressed in PLN went up, respectively, from 20% (aluminium) to 40% (zinc) compared to the same period of previous year, while prices for copper and lead increased by 24% and 25%, respectively.

The raw material significant for the Group is scrap metal (including battery scrap) which the basic (Baterpol SA, WM Dziedzice SA) or significant (Impexmetal SA) raw material for production.

Other important indicators for the Capital group include:

- market premium, that recorded levels similar to those in the corresponding period of previous year and the premium level would depend on the sales range in relevant month and on current procurement needs. Base premium levels in sales are lower when compared to 2016, but since the Capital Group offers a wide range of products and signed long term contracts, it is able to effectively limit this unfavourable trend.
- the levels of subsidies to metal (raw material premium), which after three quarters of 2017 were higher for zinc and lower for aluminium as well as lead compared to the same period of 2016.

Market sentiment - significant currency pairs

The level of US dollar rates has an impact on revenues of the Group, which to some large extent dependent on the level of metal rates as metals are the major component of the price of Group's products. In the reporting period, the dollar depreciated by 1.7% against PLN, which also had an impact on the price quoted for basic metals expressed in PLN and which then affected the value of sales denominated in PLN.

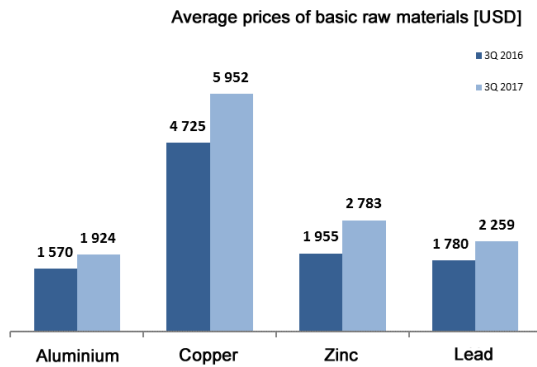
The EUR exchange rate level is of importance to the Group due to the predominance of processing margins denominated in this currency and approximately 65% share of export sale, predominantly in the Euro zone. Average Euro rates decreased by 2.1% against PLN.

The EUR/USD exchange rate was at 1.11 after three quarters of 2017, that is 1 percentage points lower than in the corresponding period of the previous year.



The depreciation of the dollar and the simultaneous weakening of Euro had a positive impact on the Group's performance, especially in terms of trade margins.

Detailed data on the development of the above mentioned key parameters (metal prices and exchange rates) are presented in the following graph and table:



| | 3Q 2017 | 3Q 2016 | % change |
|-----------------|---------|---------|----------|
| Aluminium [USD] | 1 924 | 1 570 | 23% |
| Copper [USD] | 5 952 | 4 725 | 26% |
| Zinc [USD] | 2 783 | 1 955 | 42% |
| Lead [USD] | 2 259 | 1 780 | 27% |
| EUR/PLN | 4,27 | 4,36 | -2,1% |
| USD/PLN | 3,84 | 3,91 | -1,7% |
| EUR/USD | 1,11 | 1,12 | -0,4% |

| | 3Q 2017 | 3Q 2016 | % change |
|-----------------|---------|---------|----------|
| Aluminium [PLN] | 7 386 | 6 132 | 20% |
| Copper [PLN] | 22 844 | 18 455 | 24% |
| Zinc [PLN] | 10 680 | 7 635 | 40% |
| Lead [PLN] | 8 671 | 6 950 | 25% |

Source: Daily listings of LME, NBP

Revenues from sales / Demand for Group's products

Revenues from sales generated by Boryszew Capital Group revenues after three quarters of 2017 amounted to PLN 4 693.0 million PLN and were higher by 11.2% than those generated after three quarters of 2016.

By segments, the sales figures are as follows:

- Metals segment – revenues PLN 2 833.4 million (PLN 2 428.8 million after three quarters of 2016), sales volume 204.9 thousand tons (189.4 thousand tons after three quarters of 2016),
- Automotive segment – revenues PLN 1 511.7 million (PLN 1 436.00 million after three quarters of 2016),
- Chemical segment – revenues PLN 208.3 million (PLN 234.6 million after three quarters of 2016), sales volume 39.9 thousand tons (37.7 thousand tons after three quarters of 2016),
- Other segments – revenues PLN 182.6 million (PLN 211.6 million after three quarters of 2016).

The increase in the Metals Segment's revenues is mainly due to the increase in non-ferrous metals quotations, expressed in PLN (from 20% in case of aluminium to 40% in case of zinc), which are the basic component of product prices and an increase in sales volumes. Detailed description of the increase in metal price quotations is presented in the section on basic raw material prices and currencies.

Another major element is the increase in sales volumes in the Metals Segment which can be observed in virtually all entities in the segment, including in particular in: Branch NPA Skawina, ZM SILESIA S.A., Impexmetal S.A. (Zakład Aluminium Konin), Baterpol S.A. Only Hutmen S. A. suffered a decrease in sales volumes after three quarters of the current year.

The highest increase of sales volumes was recorded for Branch NPA Skawina - at 22.3%, that is 5.4 thousand tons. This increase was mainly attributable to the increase in sales of most products of the rolled product assortment.

The increase in sales volumes at ZM SILESIA S. A. (in particular the plant in Katowice itself) amounted to approximately 18% (that is 2.1 thousand tons more) in comparison to the corresponding period of the previous year. It was a result of the increase in sales of virtually all assortments (except for casting alloys), including the intensification of sales of a new product - zinc-titanium-zinc plate carbon patina (so-called black sheet). The



(amounts expressed in PLN '000 unless specified otherwise)

increase in sales volume of the second plant of this company, i. e. Huta Oława Branch was 1.6 thousand tons (i. e. 7.8%) and was recorded on sales volume of zinc oxides to Continental (factory in Germany and Hungary) and to Michelin in France and Spain. Sales on the domestic market to Goodyear manufacturing plants (Dębica) increased significantly.

The increase in sales volumes of lead oxides was to a significant extent influenced by the increase in sales to EnerSys Holding and by acquisition of new contracts from the Belarusian market.

In Zakład Aluminium (Aluminium Plant) Konin the sales volume increased by 4.9 thousand tons (i. e. 7.2%) and it was possible with the completion of the next stage of plant's production capacity expansion for high-processed products.

In case of Baterpol S. A. the increase in sales volume amounted to 2.1 thousand tons (i. e. 18.4%) and was due to the change in the situation on the battery scrap market - increased supply enabling intensified purchases of raw materials and thus affecting the increased sales of the plant.

Increase in revenues of the Automotive Segment occurred in the Maflow Group and was a result of new contracts coming into force from intent letters signed in the past two years. Revenues in BAP Group decreased mainly due to lower sales of tools. The table below lists new contracts, acquired for performance in the years to come.

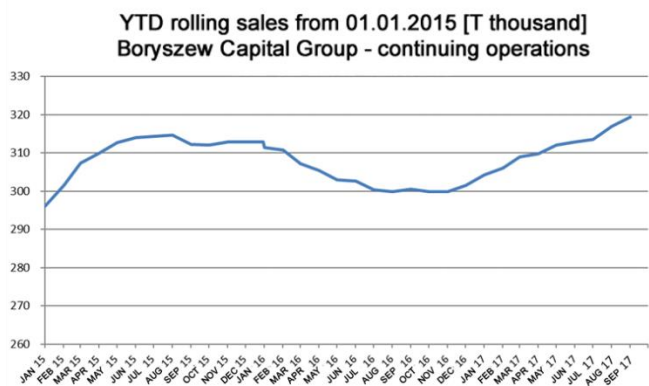
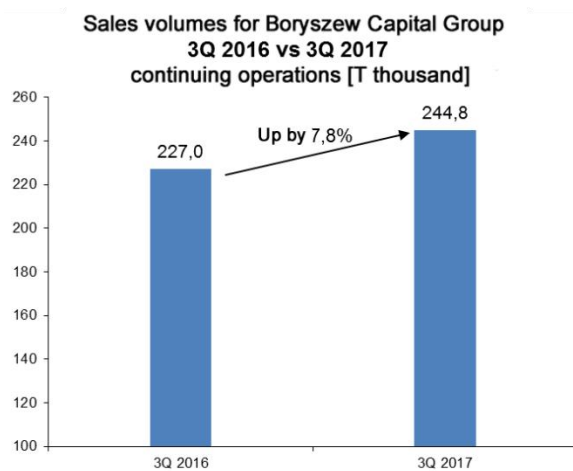
New contracts acquired in the Automotive Segment [in PLN '000]

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------|---------------|----------------|----------------|----------------|----------------|
| in Q3 '2017 | 32 069 | 59 123 | 61 820 | 36 093 | 35 428 |
| in the first six months | 42 367 | 119 857 | 135 110 | 135 007 | 128 251 |
| TOTAL | 74 437 | 178 980 | 196 930 | 171 100 | 163 679 |

The decrease in the sales revenues of the Chemical products segment is mainly attributable to a decrease in the revenues of ERG Branch on the sale of goods. In product sales at both O/ERG as well as O./Elana, the revenue goes up while sales volumes remain at the level which is higher than the level of sales in the same period of the previous year.

Lower revenues from sales in the Segment Other result from reduction in sales of goods in the Group, including due to liquidation of Branch Trade.

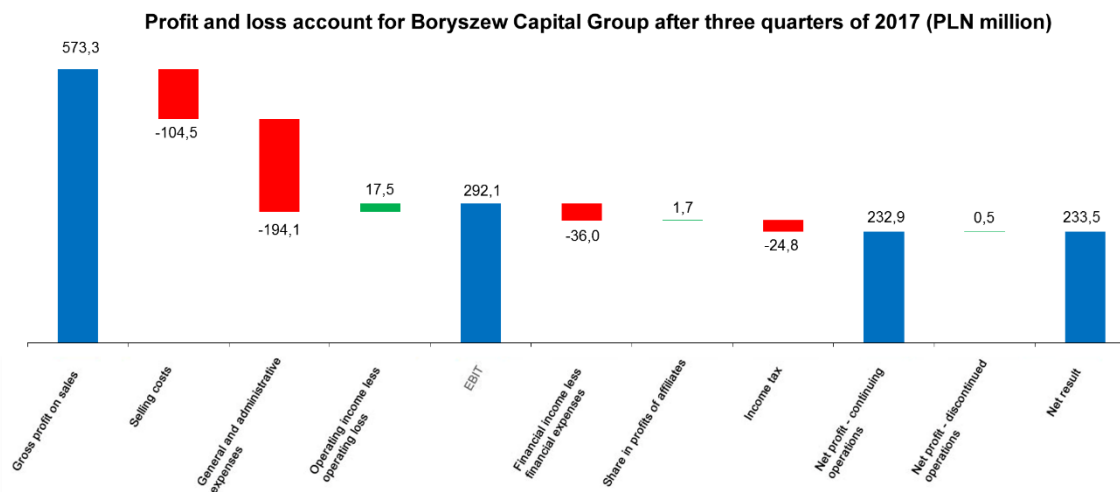
Comparison of the Capital Group's total sales volumes in the periods in question and rolling 12-month sales volumes are presented in the following charts:





B. ACHIEVED FINANCIAL RESULTS

The graph below compiles components of the profit and loss account after three quarters of 2017.



The gross result on sales after three quarters of 2017 amounted to PLN 573.3 million and was higher by PLN 46.1 million than the gross result on sales after three quarters of 2016. The improvement of gross result was contributed to improved performance in the Automotive segment and Metals segment and to a lesser extent in the Chemical segment and other segments.

The average gross return on sales dropped from 12.5% after three quarters of 2016 to 12.2% after three quarters of 2017.

Nominally the costs of sales remained at a level similar to that in the corresponding period of previous year despite an increase of sales against last year.

The balance of income/operating expenses amounted to PLN 17.5 million and it was PLN 0.7 million higher as compared to the same period of 2016.

OPERATING RESULT

1. Consolidates figures:

After three quarters of 2017, EBITDA on continuing operations amounted to PLN 393.0 million compared to PLN 341.7 million in the corresponding period of the previous year. In relevant operating segments, the EBITDA result was as follows:

- Metals segment – EBITDA PLN 216.4 million (PLN 197.0 million after three quarters of 2016),
- Automotive segment – EBITDA PLN 148.5 million (PLN 100.2 million after three quarters of 2016),
- Chemical products – EBITDA PLN 20.7 million (PLN 11.7 million after three quarters of 2016).



- Other segments – EBITDA PLN 6.4 million (PLN 16.8 million after three quarters of 2016).

2. Metal Segment:

The improved results of the Metals Segment were mainly contributed by Impexmetal S.A., Baterpol S.A., ZM SILESIA S.A. Branch Katowice, Boryszew S.A. Branch NPA Skawina and the bearing producing companies.

Better results of Impexmetal S.A. were brought about by investments made in recent years (with investment outlays exceeding PLN 200 million) as well as technological changes resulting in increased productivity (from approximately 75 thousand to approximately 100 thousand tons) and an increase of unit net margins. Improved results came from higher sales of most product groups and higher unit profitability for processing.

Baterpol S. A. achieved better results, mainly due to higher sales volumes, significantly lower prices of acquired and processed raw materials because of higher supply of scrap (mainly battery scrap and lead scrap) as well as higher unit processing margins on practically all product ranges.

ZM SILESIA S. A. Branch Katowice achieved a better result with much higher sales volumes, mainly of natural sheet metal and wire and due to the change of product mix to those with higher unit processing margins.

Boryszew S.A Branch Skawina saw a significant improvement of results against the same period of the previous year as it managed to avoid some negative one-off events (bad debt provisions) which during three quarters of last year had some major impact on the deterioration of performance.

FŁT Group recorded higher results coming from higher sales of FŁT Polska Sp. z o.o., FLT & Metals s.r.l. as well as FLT Bearings Ltd.

Entities in the copper and brass sector were those in the Metal segment that suffered a decrease in results, namely: WM Dziedzice S.A. and Hutmen S.A. as well as ZM SILESIA S.A. O/Oława.

WM Dziedzice S.A., despite maintaining sales volumes at the level which was slightly higher than in the same period of previous year, suffered a drop in unit processing margins in product groups of pipes and rods, which were not compensated by any increase in margins on other products. The drop in margins was mainly resulting from the increase of copper prices (an increase of more than 20% against the previous year), which upheld the customers' conservative approach to contracting and thus preserved the downward trend in margins.

Hutmen S.A. operating results worsened due to lower trade margins and lower sales volumes. Also higher costs of utilities, namely energy (increase in distribution rates), heat (due to weather conditions), water (pipeline malfunctions) had some contribution in the reduced margin, generated by the Company.

The main impact in the deterioration of Branch Huta Oława results (despite significantly higher sales volumes) came from a significant increase in quotations and subsidies for zinc (particularly in the first quarter of 2017) coupled by a simultaneous decrease in unit processing margins.

3. Automotive Segment

Improved results in the Automotive segment came from the growth both in BAP Group as well as Maflow Group.



EBITDA growth in BAP group was enjoyed by all manufacturing companies with the exception of: Boryszew Kunststofftechnik Deutschland GmbH and BRS YMOS GmbH. The major factor for the improved level of EBITDA recorded by Boryszew Oberflächentechnik Deutschland GmbH was the compensation the company obtained (for lost assets and lost profits) for damage caused by the fire in its production facility. A significant improvement of EBITDA was also recorded in other German companies, namely: Theysohn Kunststoff GmbH (resulting from sales price increase, higher sales of tools and reduction in costs brought about by introduction of production automation, among other things), Boryszew Formenbau Deutschland (increase in margin from sales of tools) and in Polish Boryszew Tensho Poland Sp. z o.o (increased volume of part sales).

In Maflow Group almost all companies contributed to the growth of EBITDA, except the production plant located in Mexico. The highest contribution to the improvement of results came from Maflow China, Maflow Brasil and Maflow Spain.

Maflow China and Brasil improved performance due to increased revenues (in China due to new contracts, in Brasil due to larger volumes in existing contracts) as well as cost optimisation including improved efficiency. For Maflow the improvement in performance is mainly due to increased revenues and reduced fixed costs including general administration costs.

4. Chemical products segment

The best EBITDA improvement could be seen in Boryszew S.A. O/ERG, Boryszew S.A. Branch Nylonbor as well as Torlen Sp. z o.o. Elana as the only entity in the segment achieved lower result than in the corresponding period of the previous year.

The increase in ERG Branch of Boryszew S.A. in Sochaczew results was due to significantly higher sales volumes of de-icing fluids for airports and automotive fluids with higher unit trade margins for these two product groups. In case of Boryszew S.A. O/ Nylonbor improved comparable results came from compensation for losses suffered due to the fire of the main machine used for production of construction polyamides, which occurred in 2016.

Torlenie Sp. z o.o., on the other hand, managed to improve its results due to higher unit margins on sales of products in virtually all product ranges offered by the company.

5. Other Activities Segment

The decline in segment result compared to the same period of the previous year was due to worse results obtained by branch Energy, more specifically due to lower unit margins on gas sales and lack of significant trading activity (until the end of August 2016 the commercial activity was conducted by Branch Trade).

NET PROFIT/LOSS

The balance of financial revenues/costs amounted to PLN -36.1 million and was higher by PLN 11.5 million, which resulted mainly from the fact that the negative result on exchange rates and derivative financial instruments on currency and metal hedging in the corresponding period of previous year was lower by PLN 8.6 million. The net result on continued operations amounted to PLN 232.9 million and was higher by PLN 58.3 million than the net result after three quarters of 2016.

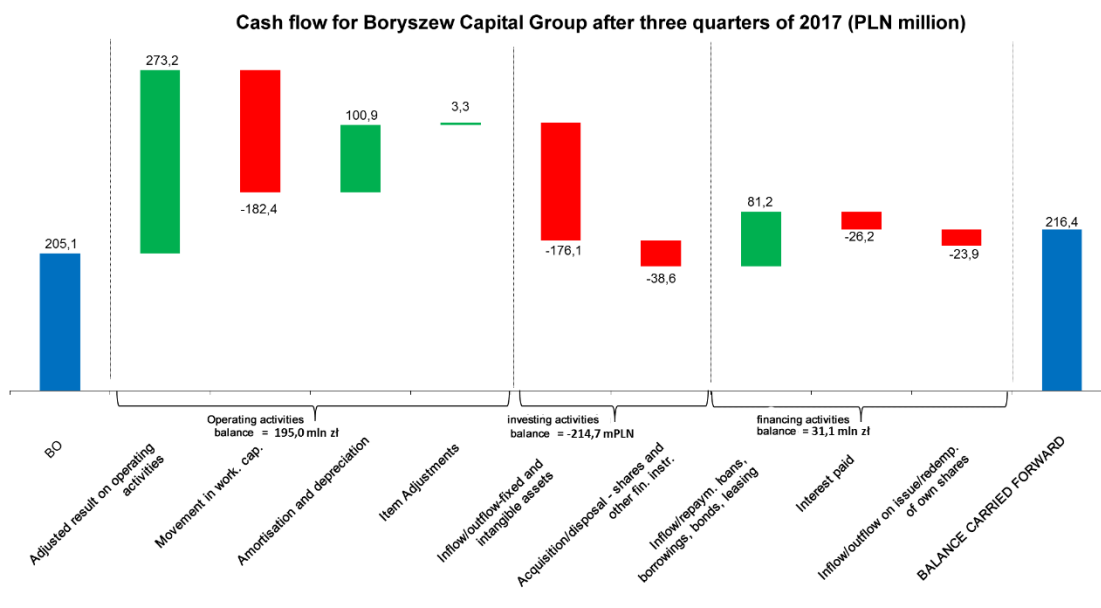
The total net result including continued and discontinued operations amounted to PLN 233.5 million and was higher than the net result after three quarters of 2016 by PLN 58.9 million.

On the other hand, the net profit attributable to shareholders of the parent company amounted to PLN 185.3 million and was higher than last year by PLN 59.2 million.



C. CASH FLOW

Cash flows after three quarters of 2017 are shown in the following chart:



After three quarters of 2017, Boryszew Capital Group generated positive revenues from direct operating activities in the amount of PLN 195.0 million and PLN 31.1 million from financing activities, which were allocated mainly to financing investment activities in the amount of PLN 214.7 million (expenditure on fixed assets and redemption of shares in Hutmen S. A.).

The reduction of the positive balance of cash from operating activities after 3 quarters of 2017 was mainly influenced by the increase in exposure to working capital, mainly in trade receivables in the Metals Segment, caused by the increase in metal prices and the increase in sales volumes.

The negative balance of cash flows from investing activities resulted mainly from investments in fixed assets in the amount of PLN 197.4 million (with revenues from sale of assets at PLN 21.3 million) as well as from the balance of acquisition/disposal of shares and other financial assets in the amount of PLN 38.6 million.

Top expenditure on fixed assets were incurred at: BOD (PLN 39.1 million), Impexmetal S.A. (PLN 38.1 million) and in Maflow Group - capital expenditures related to the construction of a new plant in Toruń (PLN 42.2 million).

In the BOD, the investments included the reconstruction of the production plant in Prenzlau, which was opened in April 2017.

The investments in Impexmetal S. A. were related to the completion of the first stage of the development programme with a total expenditure of ca. PLN 125 million, assuming an increase in the production capacity of rolled products to 100,000 tonnes/year.

In the Maflow Group, capital expenditures related to the expansion of production capacity in Poland (including the construction of a new plant in Toruń).



After three quarters of 2017, Boryszew Capital Group's net debt amounted to PLN 983.0 million and was higher by PLN 70.9 million compared to the end of 2016.

The net profit to EBITDA ratio after three quarters of 2017 was 2.3 which was lower than in the corresponding period of the previous year, when that ratio was at 2.5.

OTHER IMPORTANT EVENTS

IMPEXMETAL S.A.

On 23 August 2017 Impexmetal S.A. signed a letter of intent with a potential investor, that is a member of one of Chinese machinery industry leaders, operating on global markets (the Buyer) for the sale of shares in FŁT Polska Spółka z o.o., held by Impexmetal S.A. accounting for 98.35% of the share capital / total number of votes in FŁT Polska (Shares). FŁT Polska Sp. z o. o. as well as its overseas subsidiaries (that is FLT France SAS (France), FLT Bearings Ltd. (United Kingdom), FLT Wälzlager GmbH (Germany), FLT & Metals s.r.l. (Italy), FLT (Wuxi) Trading Co. Ltd., (China), is a major supplier of bearings for well-known and reputable global manufacturers of automobiles and agricultural machinery. The parties seek to establish detailed terms (including prices) of the potential transaction of the sale of Shares to the Buyer, based on the results of the evaluation of FŁT Polska Sp. z o. o. legal and financial situation, as one of many conditions. The parties also seek to conclude an initial sale agreement of the shares as soon as possible; the final agreement should be concluded upon obtaining all necessary approvals, including the consent of the Chinese authorities.

Start of R&D works

Impexmetal S. A. began research and development activities related to the project for Development of innovative technology for manufacturing AlMg-VHS alloy sheets and tapes of HSAA-P30 for stamping of car body parts and car construction components. The deliverable of the R&D project will be a new product - AlMgVHS aluminium alloy sheet and tape designed for the automotive industry, featuring higher durability properties, higher corrosion resistance (reduction of mass loss) and environmentally friendly manufacturing technology. The project received co-financing PLN 14.9 million under the Operational Program Intelligent Development 2014-2020 (Priority axis: Support for R&D projects, Measure: R&D projects of enterprises; Contest: Quick path for large enterprises).

R&D projects are part of the program of development of Zakład Aluminium Konin in 2017-2026, with the objective to double the production capacity, as well as to develop and launch - together with Boryszew S.A. - the production and sales of innovative products for the automotive and packaging industries.

ZM SILESIA S.A.

ZM SILESIA S.A. received a favourable evaluation from the National Research and Development Center in response to the request for co-financing of the project (application No. POIR.01.01.01-00-0361 / 17) submitted on 30 June 2017 in support of R & D projects carried out by the company.

Project title: "Development of technology and implementation into production of a full assortment range of Zn-Al alloy wires intended for corrosion protection by spray metallisation".

The project involves the development and validation in industrial conditions of the technology of production of Zn-Al alloy wires used for anticorrosive protection of steel structures by spray metallisation method for wind turbine manufacturers, manufacturers of steel pipes, automotive parts and capacitor as well as metallised foils. The implementation of the new technology will help in a dramatic change in the production of Zn-Al wires and expand the assortment range by 77 product items.

ACQUISITION OF SHARES OF BORYSZEW CAPITAL GROUP MEMBER COMPANIES

Buy-back of treasury shares of Boryszew S.A.

Acting within the limits of the authorisation granted by way of Resolution no. 19 of the Ordinary General Meeting of Shareholders of Boryszew S.A. dated 25 June 2014 on authorising the Company's Management Board to repurchase Boryszew S.A. own shares as well as pursuant to Art. 362 § 1 point 8) and Art. 362 § 4 of Commercial Companies Code in the period between 1 January 2017 and 30 September 2017 Boryszew S.A. acquired a total of 519 000 own shares which together with the shares already held by the Company makes a total of 10 002 831



(amounts expressed in PLN '000 unless specified otherwise)

own shares, accounting for 4.168% of the total number of voted during the General Assembly of Boryszew S.A. shareholders

As at 30 September 2017 Boryszew Capital Group held 24 162 831 shares of Boryszew S.A., accounting for 10.0678% of total votes at the General Assembly of Boryszew S.A. Shareholders, including:

- Boryszew S.A. : 10 002 831 own (treasury) shares, accounting for 4.168% share in the share capital and total votes during the General Assembly of Boryszew S.A.,
- Impexmetal S.A.: 11 990 000 shares, accounting for 4.996% share in the share capital and total votes during the General Assembly of Boryszew S.A.,
- SPV Boryszew 3 Sp. z o.o. 2 165 000 shares, accounting for 0.902% share in the share capital and votes during the General Assembly of Boryszew S.A.,
- Polski Cynk Sp. z o.o. 5 000 shares, accounting for 0.002% share in the share capital and votes during the General Assembly of Boryszew S.A.,

Acquisition of Impexmetal S.A. shares

In the period between 1 July 2017 and 30 September 2017 Boryszew S.A. acquired a total of 2 167 320 shares of Impexmetal S.A., making a total of 104 888 288 shares of Impexmetal S.A. together with the shares already held, accounting for 52.444% stake in total votes during General Assembly of Shareholders of Impexmetal S.A.

As at 30 September 2017 Boryszew Capital Group held 120 060 000 shares of Impexmetal S.A., accounting for 60.03% of total votes at the General Meeting of Impexmetal S.A., including:

- Boryszew S.A. : 104 888 288 shares of Impexmetal S.A., accounting for 52.444% share in the share capital and total votes during the General Assembly of Impexmetal S.A.,
- Impexmetal S.A.: 10 060 000 shares, accounting for 5.030% share in the share capital and total votes during the General Assembly of Impexmetal S.A.,
- SPV Boryszew 3 Sp. z o.o. 7 279 032 shares, accounting for 3.639% share in the share capital and votes during the General Assembly of Impexmetal S.A.,

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

5. NOTES ON THE SEASONALITY OF THE COMPANY'S BUSINESS IN THE PRESENTED PERIOD

Boryszew Capital Group is exposed to seasonality only in 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:

- copper installation pipes and cupronickel condenser pipes manufactured by Hutmen S.A.
- 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 is recorded the second and third quarter, which is predominantly influenced by weather conditions, suitable for carrying out construction works, as well as the economic situation in the construction industry. Other products of this segment are less prone to seasonality, fluctuations in their sales are mainly due to macroeconomic conditions and economic situation.

In the segment of Chemical products seasonality affects a certain range of products manufactured by Boryszew ERG, Branch of Boryszew S.A. in Sochaczew. This range includes cooling fluids for the automotive segment (with peak demand in the third and fourth quarter, shifting to the beginning of the first quarter), de-icing fluids for runways and aircraft (with peak demand in the fourth and first quarter). PWC siding and EPS decorative components follow the seasonality of the construction industry, showing peak demand in second and third quarter.

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

It is important to note that the Christmas period in December is usually the time of scheduled shut-downs at our customers, hence sales also decline.



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

Boryszew Capital Group operates in the area of four industry segments. In 2017 the division into business segments was changed.

OPERATING SEGMENTS

| | |
|-------------------|--|
| Automotive | Boryszew S.A. Oddział Maflow, 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., Maflow Automotive Mexico S.de. Ri. De.C, MAFMEX S.DE R.L.DE C.V., Maflow Polska Sp. z o.o., Maflow India Private Limited, Boryszew Automotive Plastics Sp. z o.o., Theysohn Kunststoff GmbH, Theysohn Formenbau GmbH, Boryszew Kunststofftechnik Deutschland GmbH, AKT Plastikarska Technologie Cechy spol. s.r.o., Boryszew Formenbau Deutschland GmbH, BRS YMOS GmbH, Boryszew Oberflächentechnik Deutschland GmbH, Boryszew Plastik Rus, Boryszew Tensho Poland Sp. z o.o., ICOS GmbH, Boryszew Deutschland GmbH, Boryszew Commodities Sp. z o.o., Boryszew HR Service Sp. z o.o., Boryszew Components Poland Sp. z o.o. |
| Metals | Impexmetal S.A., Hutmen S.A., WM Dzierżycze S.A., ZM SILESIA S.A., Baterpol S.A., Polski Cynk Sp. z o.o., Boryszew S.A Oddział NPA Skawina, Baterpol Recycler Sp. z o.o., Metal Zinc Sp. z o.o., Surowce Hutmen S.A. Sp. komandytowa, SPV Impexmetal Spółka z o.o., FŁT Polska Sp. z o.o., FLT Bearings Ltd., FLT France S.A.S., FLT & Metals s.r.l., FLT Wälzlager GmbH, FLT (Wuxi) Trading Co. Ltd., FLT Metals Ltd.; Zakład Utylizacji Odpadów Sp. z o.o., Symonvit Ltd. w likwidacji, Remal Sp. z o.o. |
| Chemical products | Torlen Sp. z o.o., Elana Pet Sp. z o.o., Boryszew S.A. Branch Elana, Boryszew S.A. Branch Boryszew ERG, Boryszew S.A. Branch Nylonbor, Elimer Sp. z o.o. |
| Other | Boryszew S.A. – Centrala, Boryszew S.A. Oddział Enterprise Data Center, Boryszew S.A. Oddział Energy, Eastside – Bis Sp. z o.o., Huta Metali Nieżelaznych Szopienice S.A. w likwidacji, SPV Lakme Investment Sp. z o.o., Impex – invest Sp. z o.o., Eastside Capital Investments Sp. z o.o., Elana Energetyka Sp. z o.o., S&I S.A. w likwidacji, SPV Boryszew 3 Sp. z o.o., Nowoczesne Produkty Aluminiowe Skawina Sp. z o.o. w likwidacji, SPV Boryszew 6 Sp. z o.o., Maflow Toruń Sp. z o.o., SPV Boryszew 9 Sp. z o.o. w likwidacji. |



(amounts expressed in PLN '000 unless specified otherwise)

REVENUES FROM SALE BY DESTINATION MARKET

| | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 <i>(restated data)</i> |
|---|------------------------------------|--|
| Revenues from sales by geographies | | |
| Continuing operations | | |
| Domestic sales | 1 594 289 | 1 382 389 |
| Sales to EU countries | 2 726 570 | 2 572 100 |
| Sales to other European countries | 138 099 | 129 097 |
| Export outside Europe | 234 026 | 138 156 |
| Total revenues from sale (continuing operations) | 4 692 984 | 4 221 742 |

REVENUES AND RESULTS BY OPERATING SEGMENTS IN QUARTER 3 OF 2017 *(data regarding continued activity)*

| 01.01.2017 -30.09.2017 | Chemical products | Automotive | Metals | Other | Total | consolidation exclusions between segments | Total |
|--|-------------------|----------------|----------------|---------------|----------------|---|----------------|
| Revenues from sales | 208 287 | 1 511 704 | 2 833 425 | 182 648 | 4 736 064 | (43 080) | 4 692 984 |
| Cost of sales for the segment | 174 542 | 1 267 509 | 2 556 181 | 165 439 | 4 163 671 | (43 963) | 4 119 708 |
| Result on sales within segment | 33 745 | 244 195 | 277 244 | 17 209 | 572 393 | 883 | 573 276 |
| General, administrative and sales expenses | 23 506 | 138 401 | 120 033 | 22 273 | 304 213 | (5 582) | 298 631 |
| Other operating profit/loss | 5 482 | (3 498) | 10 756 | 10 190 | 22 930 | (5 441) | 17 489 |
| Segment profit/loss | 15 721 | 102 296 | 167 967 | 5 126 | 291 110 | 1 024 | 292 134 |
| Amortisation and depreciation | 4 931 | 46 257 | 48 419 | 1 277 | 100 884 | 6 | 100 890 |
| EBITDA *) | 20 652 | 148 553 | 216 386 | 6 403 | 391 994 | 1 030 | 393 024 |
| | | | | | | | |
| 01.01.2016 -30.09. 2016 - restated data | Chemical products | Automotive | Metals | Other | Total | consolidation exclusions between segments | Total |
| Revenues from sales | 234 552 | 1 436 010 | 2 428 754 | 211 647 | 4 310 963 | (89 221) | 4 221 742 |
| Cost of sales for the segment | 202 668 | 1 229 011 | 2 160 405 | 195 843 | 3 787 927 | (93 406) | 3 694 521 |
| Result on sales within segment | 31 884 | 206 999 | 268 349 | 15 804 | 523 036 | 4 185 | 527 221 |
| General, administrative and sales expenses | 24 365 | 152 811 | 109 826 | 11 089 | 298 091 | (1 459) | 296 632 |
| Other operating profit/loss | (116) | 3 285 | (5 975) | 10 666 | 7 860 | 10 336 | 18 196 |
| Segment profit/loss | 7 403 | 57 473 | 152 548 | 15 381 | 232 805 | 15 980 | 248 785 |
| Amortisation and depreciation | 4 272 | 42 709 | 44 483 | 1 427 | 92 891 | | 92 891 |
| EBITDA *) | 11 675 | 100 182 | 197 031 | 16 808 | 325 696 | 15 980 | 341 676 |

*) EBITDA - operating profit plus depreciation



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

DEBT SECURITIES

In Q3 2017 no debt securities were issued by Boryszew S.A.

Following the balance sheet date, under the registered bond issue scheme adopted by Resolution No. 153/2016 of the Management Board for Boryszew S.A, dated 28 July 2016 (with subsequent amendments), issued:

- on 2 October 2017 7 A9 series registered bonds with nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds issued this series was PLN 7 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 30 September 2018. These bonds were issued with the purpose to refinance the debt due to bonds of Boryszew S.A. held by Hutmen S.A. with redemption date of 2 December 2017, according to the bond issue terms and conditions.
- on 20 October 2017 - 5 A10 series registered bonds with a nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds issued this series was PLN 5 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 31 December 2018.
- on 25 January 2017 - 3 A11 series registered bond with nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds issued this series was PLN 3 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 31 December 2018.

Proceeds from the issue of the above mentioned bonds were used to finance operating activity of Boryszew S.A.

EQUITY SECURITIES

In Q3 of 2017, until publication of the report the Company did not issue any equity securities.

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

Factors and unusual events with the impact on the Group's results in Q3 ' 2017 and their comparison with the preceding period include most of all factors that have an impact of comparability of data:

No factors and extraordinary events occurred after three quarters of 2017 which could have a material impact on the financial results achieved in the period being reported here.

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

| | As at 30.09.2017 | As at 31.12.2016 |
|---|-----------------------------|-----------------------------|
| guarantees and sureties granted for repayment of loans and liabilities for deliveries | 146 916 | 21 422 |

10. FINANCIAL ASSETS MEASURED AT FAIR VALUE

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

| | Fair value as at | | Hierarchy of fair value |
|----------------------------------|-------------------------|-------------------------|------------------------------------|
| | As at 30.09.2017 | As at 31.12.2016 | |
| Financial assets | | | |
| Listed shares | 552 | 3 462 | Level 1 |
| Derivative financial instruments | 7 706 | 18 231 | Level 2 |
| Financial obligations | | | |
| Derivative financial instruments | 18 168 | 27 779 | Level 2 |

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

| | Fair value as at | | Hierarchy of fair value |
|--------------------------------|-------------------------|-------------------------|------------------------------------|
| | As at 30.09.2017 | As at 31.12.2016 | |
| | | | <i>(restated data)</i> |
| Financial investments | | | |
| Not listed shares | 435 | 595 | Level 3 |
| Shares held for trading | 25 071 | 25 089 | Level 3 |
| Bonds | 69 034 | 64 007 | Level 3 |
| Receivables and loans | 829 124 | 593 937 | Level 3 |
| Investment property | 97 960 | 111 879 | Level 3 |
| Cash and cash equivalents | 216 437 | 205 108 | Level 3 |
| Financial obligations | | | |
| Borrowings and loans and lease | 1 199 459 | 1 117 210 | Level 2 |
| Trade liabilities | 706 868 | 629 496 | Level 3 |
| SMA liabilities | 39 588 | 40 631 | Level 2 |



(amounts expressed in PLN '000 unless specified otherwise)

MODIFICATON OF ESTIMATED DATA

| | 01.01.2017 | 01.01.2016 |
|---|-------------------|-------------------|
| | - | - |
| Change of estimates regarding assets | 30.09.2017 | 30.09.2016 |
| Value impairment write-offs for accounts receivable | 4 487 | 13 059 |
| Reversal of write-offs on accounts receivable | 1 986 | - |
| Creation of value impairment write-offs for inventories | 4 621 | 1 788 |
| Value impairment write-offs for inventories | 2 423 | - |
| Value impairment write-offs for receivables from awarded loans | - | - |
| Reversal of tangible fixed assets impairment write-offs | 1 609 | 8 |
| Valuation to fair value of investment property | | 8 800 |
| Fair value of listed shares disclosed in the profit and loss | (1 429) | - |
| <i>Fair value of listed shares disclosed in the profit and loss</i> | - | 270 |
| Impact on profit/loss | (4 519) | (5 769) |

CONVERSION OF FINANCIAL DATA

RESTATEMENT OF STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01.01.2016 TO 30.09.2016

| | 01.01.2016 - 30.09. 2016 | correction | 01.01.2016 - 30.09. 2016 |
|--|-----------------------------|---------------|-----------------------------|
| | <i>data published</i> | | <i>restated data</i> |
| Continuing operations | | | |
| Revenues from sales | 4 171 146 | 50 596 | 4 221 742 |
| Prime cost of sale | 3 661 932 | 32 589 | 3 694 521 |
| Gross profit (loss) from sales | 509 214 | 18 007 | 527 221 |
| Selling costs | 97 571 | 6 791 | 104 362 |
| General and administrative expenses | 186 042 | 6 228 | 192 270 |
| Other operating revenue | 41 189 | 202 | 41 391 |
| Other operating expenses | 22 923 | 272 | 23 195 |
| Profit (loss) from operating activity | 243 867 | 4 918 | 248 785 |
| Financial revenues | 4 724 | 656 | 5 380 |
| Financial expenses | 51 752 | 1 153 | 52 905 |
| Financial profit/loss | (47 028) | (497) | (47 525) |
| Share in profit of affiliates | 627 | | 627 |
| Profit (loss) before income tax | 197 466 | 4 421 | 201 887 |
| Income tax | 25 321 | 1 931 | 27 252 |
| Net profit (loss) on continued operations | 172 145 | 2 490 | 174 635 |
| Net profit on discontinued operations | (16) | | (16) |



(amounts expressed in PLN '000 unless specified otherwise)

| | 172 129 | 2 490 | 174 619 |
|--|-------------------------------------|--------------|-------------------------------------|
| Net profit/loss on continued activity and discontinued operations including attributable: | | | |
| <i>to shareholders of the parent</i> | 126 533 | (438) | 126 095 |
| <i>non-controlling interest</i> | 45 596 | 2 928 | 48 524 |
| | 172 129 | 2 490 | 174 619 |
| | 01.01.2016 - 30.09. 2016 | | 01.01.2016 - 30.09. 2016 |
| Net profit | 172 129 | 2 490 | 174 619 |
| Earnings recognised in equity | <i>data published</i> | | <i>restated data</i> |
| Earnings recognised in equity, to be transferred to profit and loss account | | | |
| Exchange rate differences on converting foreign operations | 1 140 | 1 650 | 2 790 |
| Financial assets available for sale | (2 677) | | -2 677 |
| Hedge accounting | 13 581 | | 13 581 |
| <i>Income tax</i> | 4 041 | | 4 041 |
| Earnings recognised in equity, not to be transferred to income statement | | | |
| Employee benefit capital reserve | (32) | | -32 |
| <i>Income tax</i> | (6) | | 11 |
| Total earnings recognised in equity | 7 977 | 1 650 | 9 610 |
| <i>to shareholders of the parent</i> | 5 163 | 109 | 12 675 |
| <i>non-controlling interest</i> | 2 814 | 1 541 | 4 355 |
| Total comprehensive income, including attributable: | 180 106 | 4 140 | 184 229 |
| <i>to shareholders of the parent</i> | 131 696 | (329) | 138 770 |
| <i>non-controlling interest</i> | 48 410 | 4 469 | 52 879 |



(amounts expressed in PLN '000 unless specified otherwise)

RESTATEMENT OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| ASSETS | As at 01.01.2016 | correction | As at 01.01.2016 |
|---|-----------------------------|-------------------|-----------------------------|
| | <i>data published</i> | | <i>restated data</i> |
| Non-current assets | | | |
| Non-current assets | 1 103 343 | 39 181 | 1 142 524 |
| Investment property | 191 034 | | 191 034 |
| Goodwill | 23 855 | | 23 855 |
| Intangible assets | 36 679 | 805 | 37 484 |
| Shares in subsidiaries and associates | 255 977 | (23 317) | 232 660 |
| Financial investments | 22 339 | (10 426) | 11 913 |
| Deferred tax assets | 43 382 | 1 034 | 44 416 |
| Long-term receivables | 11 768 | 932 | 12 700 |
| Other assets | 18 720 | 90 | 18 810 |
| Total fixed assets | 1 707 097 | 8 299 | 1 715 396 |
| Current assets | | | |
| Inventory | 837 760 | 25 236 | 862 996 |
| Trade receivables and other receivables | 672 470 | 4 654 | 677 124 |
| Short-term financial assets | 67 350 | | 67 350 |
| Derivative financial instruments | 11 072 | | 11 072 |
| Current tax assets | 6 501 | 605 | 7 106 |
| Other assets | 47 245 | 1 055 | 48 300 |
| Cash and cash equivalents | 98 686 | 39 385 | 138 071 |
| Total current assets | 1 741 084 | 70 935 | 1 812 019 |
| Assets classified as held for sale | 4 610 | | 4 610 |
| Total assets | 3 452 791 | 79 234 | 3 532 025 |



(amounts expressed in PLN '000 unless specified otherwise)

| LIABILITIES AND EQUITY | As at 01.01.2016 | correction | As at 01.01.2016 |
|--|-----------------------------|-------------------|-----------------------------|
| | <i>data published</i> | | <i>restated data</i> |
| Equity | | | |
| Share capital | 248 906 | | 248 906 |
| Own shares | (125 657) | | (125 657) |
| Share premium | 114 435 | | 114 435 |
| Hedge accounting capital | (4 011) | | (4 011) |
| Capital reserve on translating employee payables | (92) | | (92) |
| Revaluation reserve | (12 051) | | (12 051) |
| Exchange differences on translating foreign entities | (3 429) | 1 407 | (2 022) |
| Retained earnings | 639 410 | 18 236 | 657 646 |
| Total equity | 857 511 | 19 643 | 877 154 |
| Non-controlling shareholders' capital | 557 386 | 37 389 | 594 775 |
| Total equity | 1 414 897 | 57 032 | 1 471 929 |
| Liabilities and long-term provisions | | | |
| Bank credits, loans, bonds | 98 556 | 345 | 98 901 |
| Lease liabilities | 71 099 | 8 312 | 79 411 |
| Payables on perpetual usufruct of investment land | 51 379 | | 51 379 |
| Deferred tax provision | 78 823 | 646 | 79 469 |
| Employee benefit provisions | 17 224 | 1 293 | 18 517 |
| Other provisions | 7 362 | 2 354 | 9 716 |
| Other equity and liabilities | 13 150 | 1 209 | 14 359 |
| Liabilities and long-term provisions - total | 337 593 | 14 159 | 351 752 |
| Short-term liabilities | | | |
| Bank credits, loans, bonds | 796 444 | 6 690 | 803 134 |
| Lease liabilities | 42 278 | 1 036 | 43 314 |
| Trade payables and other liabilities | 746 825 | (1 247) | 745 578 |
| Derivative financial instruments | 21 354 | | 21 354 |
| Current tax liabilities | 6 494 | 477 | 6 971 |
| Employee benefit provisions | 20 656 | 545 | 21 201 |
| Other provisions | 33 580 | 480 | 34 060 |
| Other equity and liabilities | 5 947 | 62 | 6 009 |
| Liabilities and short-term provisions - total | 1 673 578 | 8 043 | 1 681 621 |
| Liabilities related to assets classified as held for sale | 26 723 | | 26 723 |
| Total liabilities and provisions | 2 037 894 | 22 202 | 2 060 096 |
| Total equity and liabilities | 3 452 791 | 79 234 | 3 532 025 |



(amounts expressed in PLN '000 unless specified otherwise)

| | As at | | As at |
|---|-----------------------|-------------------|----------------------|
| | 31.12.2016 | correction | 31.12.2016 |
| | <i>data published</i> | | <i>restated data</i> |
| ASSETS | | | |
| Non-current assets | | | |
| Non-current assets | 1 271 028 | 38 790 | 1 309 818 |
| Investment property | 111 879 | | 111 879 |
| Goodwill | 23 464 | | 23 464 |
| Intangible assets | 42 646 | 740 | 43 386 |
| Shares in subsidiaries and associates | 331 876 | (24 261) | 307 615 |
| Financial investments | 21 790 | (14 182) | 7 608 |
| Deferred tax assets | 50 416 | 895 | 51 311 |
| Long-term receivables | 4 975 | 970 | 5 945 |
| Other assets | 42 859 | 50 | 42 909 |
| Total fixed assets | 1 900 933 | 3 002 | 1 903 935 |
| Current assets | | | |
| Inventory | 896 432 | 28 578 | 925 010 |
| Trade receivables and other receivables | 666 742 | 8 678 | 675 420 |
| Short-term financial assets | 86 857 | | 86 857 |
| Derivative financial instruments | 18 231 | | 18 231 |
| Current tax assets | 1 743 | 1 487 | 3 230 |
| Other assets | 43 052 | 581 | 43 633 |
| Cash and cash equivalents | 154 498 | 50 610 | 205 108 |
| Total current assets | 1 867 555 | 89 934 | 1 957 489 |
| Assets classified as held for sale | 1 653 | | 1 653 |
| Total assets | 3 770 141 | 92 936 | 3 863 077 |



(amounts expressed in PLN '000 unless specified otherwise)

| LIABILITIES AND EQUITY | As at | correction | As at |
|--|-----------------------|-------------------|----------------------|
| | 31.12.2016 | | 31.12.2016 |
| | <i>data published</i> | | <i>restated data</i> |
| Equity | | | |
| Share capital | 248 906 | | 248 906 |
| Own shares | (135 756) | | (135 756) |
| Share premium | 114 435 | | 114 435 |
| Hedge accounting capital | (2 348) | | (2 348) |
| Capital reserve on translating employee payables | 28 | | 28 |
| Revaluation reserve | (12 374) | | (12 374) |
| Exchange differences on translating foreign entities | (24 281) | 2 493 | (21 788) |
| Retained earnings | 765 131 | 18 264 | 783 395 |
| Total equity | 953 741 | 20 757 | 974 498 |
| Non-controlling shareholders' capital | 601 703 | 40 851 | 642 554 |
| Total equity | 1 555 444 | 61 608 | 1 617 052 |
| Liabilities and long-term provisions | | | |
| Bank credits, loans, bonds | 232 171 | (1 000) | 231 171 |
| Lease liabilities | 81 827 | 7 934 | 89 761 |
| Payables on perpetual usufruct of investment land | 40 631 | | 40 631 |
| Deferred tax provision | 80 405 | 613 | 81 018 |
| Employee benefit provisions | 18 732 | 975 | 19 707 |
| Other provisions | 9 839 | 2 894 | 12 733 |
| Other equity and liabilities | 11 818 | 1 146 | 12 964 |
| Liabilities and long-term provisions - total | 475 423 | 12 562 | 487 985 |
| Short-term liabilities | | | |
| Bank credits, loans, bonds | 756 049 | 1 158 | 757 207 |
| Lease liabilities | 38 272 | 799 | 39 071 |
| Trade payables and other liabilities | 829 432 | 15 165 | 844 597 |
| Derivative financial instruments | 27 779 | | 27 779 |
| Current tax liabilities | 11 389 | 173 | 11 562 |
| Employee benefit provisions | 26 574 | 632 | 27 206 |
| Other provisions | 17 276 | 777 | 18 053 |
| Other equity and liabilities | 10 338 | 62 | 10 400 |
| Liabilities and short-term provisions - total | 1 717 109 | 18 766 | 1 735 875 |
| Liabilities related to assets classified as held for sale | 22 165 | | 22 165 |
| Total liabilities and provisions | 2 214 697 | 31 328 | 2 246 025 |
| Total equity and liabilities | 3 770 141 | 92 936 | 3 863 077 |



(amounts expressed in PLN '000 unless specified otherwise)

RESTATEMENT OF CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT

| | 01.01.2016 - 30.09.2016 | | 01.01.2016 - 30.09.2016 |
|---|------------------------------------|-----------------|------------------------------------|
| | data published | | converted data |
| Cash flows from operating activities | | | |
| Profit on continued operations before tax (excluding share in profit of affiliates) | 196 839 | 4 421 | 201 887 |
| Adjustments for (+/-) | (93 241) | 2 711 | (90 530) |
| Amortisation and depreciation | 89 716 | 3 175 | 92 891 |
| Interest on financial liabilities | 27 395 | | 27 395 |
| Investment Gains | - 32 750 | | - 32 750 |
| Change in receivables | (114 162) | (20 264) | (134 426) |
| Change in inventories | (54 661) | 2 527 | (52 134) |
| Change in liabilities | 30 371 | 10 830 | 41 201 |
| Change in provisions and accruals as well as prepayments | (23 925) | 8 374 | (15 551) |
| Other items | 597 | | 597 |
| Income tax paid | (15 822) | (1 931) | (17 753) |
| Net cash from operating activities | 103 598 | 7 132 | 111 357 |
| Cash flows from investment activities | | | |
| Profit on fixed assets disposal | 119 683 | | 119 683 |
| Revenues from disposal of shares in capital group entities | 13 216 | | 13 216 |
| Redemption of bonds | 10 552 | | 10 552 |
| Expenditure on acquisition of fixed assets | (194 563) | 13 578 | (180 985) |
| Acquisition of shares in capital group entities | (95 619) | | (95 619) |
| Purchase of financial assets | | | |
| Net cash from investing activities | (146 731) | 13 578 | (133 153) |
| Cash flows from financial activities | | | |
| Net incomes on issue of shares | | | |
| Incomes on credit and loan facilities | 231 866 | 437 | 232 303 |
| Proceeds on bond issue/other financial proceeds | - | | - |
| Payment of dividends | - | | - |
| Share buy-back expense | (7 130) | | (7 130) |
| Redemption of bonds | (1 000) | 1 000 | - |
| Loans repaid | (99 627) | | (99 627) |
| Borrowings repaid | (1 813) | | (1 813) |
| Interest paid on loans, bonds... | (27 395) | | (27 395) |
| Payment of liabilities under finance lease agreements | | (13 578) | (13 578) |
| Net cash from financing activities | 94 901 | (12 141) | 82 760 |
| Net change in cash | 51 768 | | 60 964 |
| Cash opening balance | 98 686 | 39 385 | 138 071 |
| foreign exchange gains/losses | | | |
| Closing balance of cash | 150 454 | 39 385 | 199 035 |



11. ORGANISATION OF THE CAPITAL GROUP

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

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

In Q3 '2017 Boryszew S.A. carries out its activity through the following units:

- Maflow Branch in Tychy – producer 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 w Toruń - producer of polyester fibre and plastics with wide application. Its key products include staple fibres and silicon spheres. Elana Branch was established by merger of Boryszew S.A. and Elana S.A., which took place on 28 January 2005.
- Nowoczesne Produkty Aluminiowe Skawina Branch in Skawina– operating in the field of manufacturing of aluminium rods, wire and cables, including overhead cables of special aluminium alloys with constructions which eliminate the threat of phenomena of the „black-out” type, and supply of energy carries to external customers.
- Boryszew ERG Branch in Sochaczew – offering chemical and construction products. Company's flagship product in “Borygo” coolant.
- Nylonbor Branch in Sochaczew – production of modern engineering polyamides, which are used for manufacture of machinery and equipment as well as battlefield simulators for military applications.
- Enterprise Data Center Branch in Toruń - responsible for IT project for Boryszew Group companies and external parties utilising the existing IT infrastructure.
- Boryszew Energy Branch in Toruń, which is involved in sales of energy for Boryszew Capital Group companies and third parties.

STRUCTURE OF BORYSZEW GROUP

Boryszew Capital Group is one of the largest 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.

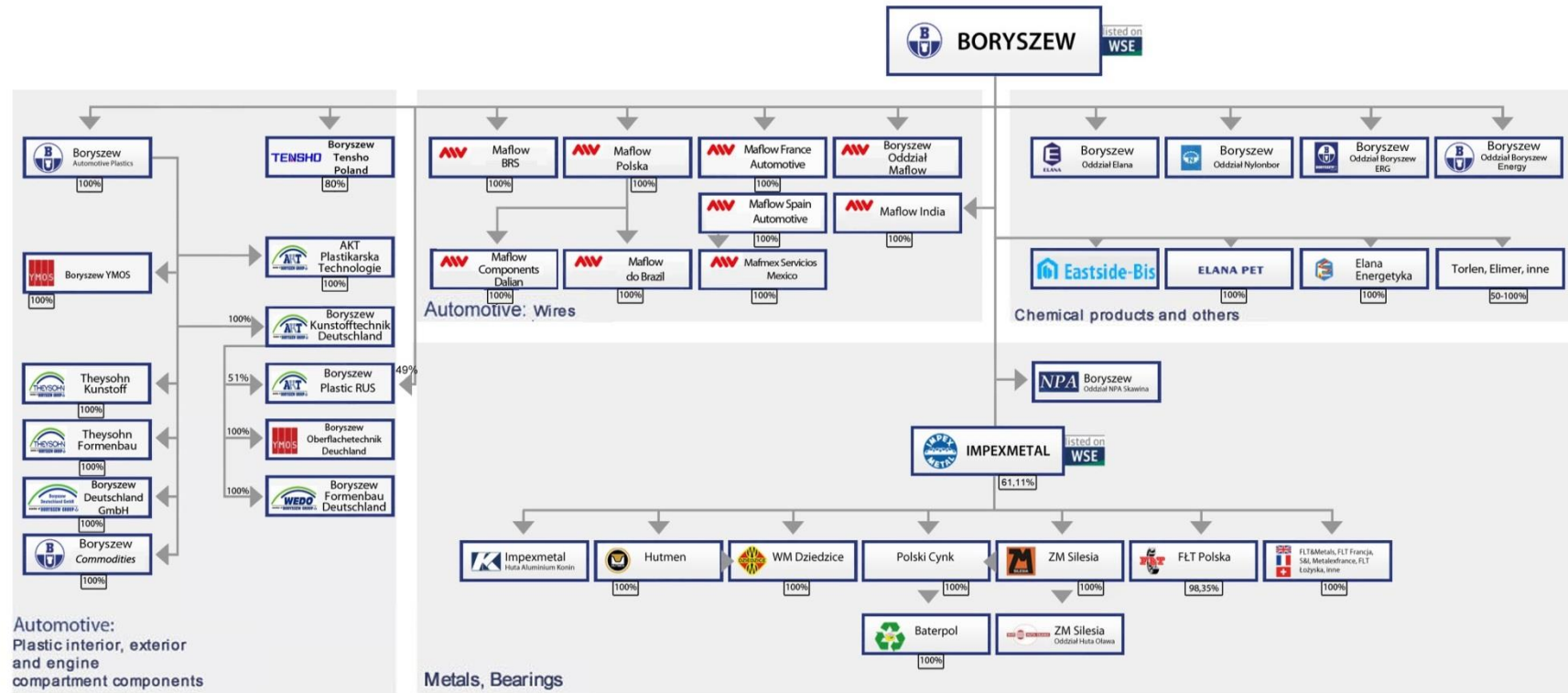
In 2010, the Company seized control of the Maflow Group, one of the largest manufacturers of air-conditioning tubes, power steering systems and active suspension systems for automotive industry. It was then that the automotive sector became the key segment of the Group's activity.

In 2011 and 2012, the Company continued its growth strategy through acquisitions in the automotive industry. 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. acquired 80% shares of Tensho Poland Corporation spółka z o.o. based in Ostaszewo (currently: Boryszew Tensho Poland Sp. z o.o.), manufacturer of top quality plastic products.



SIMPLIFIED ORGANIZATION CHART OF BORYSZEW GROUP WITH AGGREGATE HOLDINGS IN INDIVIDUAL ENTITIES AS AT 30.09.2017





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

Purchase of share of Boryszew Plastic RUS Sp. z o.o.

On 28 April 2017 Boryszew S.A. purchased a share in the share capital of Boryszew Plastic Rus Spółka z o.o. based in Dzerzhinsk, Russia, accounting for 49% of share capital and nominal value of RUB 19 600 000. Upon completion of this transaction Boryszew Capital Group now holds 100% stake in the share capital of Boryszew Plastic Rus Spółka z o.o. based in Dzerzhinsk, Russia.

Reduction in the share capital of FLT and Metals Ltd, Brandford based

On 26 January 2017, the General Meeting of Shareholders decided to reduce the share capital of FLT and Metals Ltd, based in Brandford from GBP 2,000,000 to GBP 200,000, i. e. GBP 1,800,000.

Dissolution of Baterpol Recycler Sp. z o. o. z o. o. limited joint-stock partnership in liquidation with its registered office in Oława

The shareholders of the company adopted a resolution on dissolution and commencement of liquidation. The Company was removed from the National Court Register on 29 May 2017.

Opening of the liquidation of S and I S. A. with its registered office in Saint Sulpice

On 21 March 2017, the General Meeting of Shareholders of S and I S. A. with its registered office in Saint Sulpice decided to open the liquidation of the company.

Removal from the National Court Register of ZM Nieruchomości Spółka z o. o. in liquidation

The Company was removed from the National Court Register on 9 May 2017.

Between 1 January 2017 and 30 September 2017 no other significant changes occurred in the structure of Boryszew Capital Group apart from the events indicated above.

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

The performance of the forecast for 2017 published in the current report no. 6/2017 of 29-03-2017 amounts to EBITDA (72.8%) and net profit (76.4%) after three quarters of 2017, respectively.

In the opinion of the Management Board of Boryszew S. A., there is no indication that the forecast of annual results published in the aforementioned report will change.

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

The table below presents the 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 (*) | 153 609 141 | 64.004% | 152 859 047 | 63.691% |
| including: subsidiaries | 37 843 831 | 15.768% | 37 843 831 | 15.768% |
| Nationale – Nederlanden Otwarty Fundusz Emerytalny (**) | 14 773 261 | 6.156% | 14 773 261 | 6.156% |
| Others | 71 617 598 | 29,841% | 72 367 692 | 30.153% |
| Total: | 240 000 000 | 100.00% | 240 000 000 | 100.000% |

(*) *Mr Roman Krzysztof Karkosik with subsidiaries (as per notification of 2 November 2017).*

(**) *Nationale – Nederlanden Otwarty Fundusz Emerytalny (as per notification of 11 January 2017).*

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

| Mr Roman Karkosik (with subsidiaries, including Boryszew S.A.) | Number of shares held (shares) | Percentage in the share capital (in %) | Number of votes on the General Meeting of Shareholders | Total number of votes at the General Meeting (%) (in %) |
|--|---|---|---|--|
| as at the date of submission of consolidated interim report for six months of 2017 | 152 814 120 | 63.67% | 151 654 285 | 63.189% |
| as at the date of submission of consolidated quarterly report for Q3 2017 | 153 609 141 | 64.004% | 152 859 047 | 63.691% |

Detailed information on changes in the ownership structure of significant shareholdings of Boryszew S.A. was provided in the form of current reports of the Company, which are available on the website: www.boryszew.com.pl

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

List of the number of shares in Boryszew S. A. or rights to them by the Management Board of the Company.

| Management Board of Boryszew S.A. | As at the date of publication of the report for the first six months of 2017 | Change in holding acquisition / (disposal) | As at the date of publication of this report |
|--|---|---|---|
| Aleksander Baryś | 3 000 | - | 3 000 |

Members of the Supervisory Board hold no shares of Boryszew S. A. or rights to shares of Boryszew S.A.

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

As on the date of preparation of this report, none of Boryszew Capital Group member companies were a party to any litigation proceedings before any court, any body competent in conducting arbitration procedures or any body of public administration, where the total value of such amounts in litigation would amount to at least 10% of Boryszew S.A. equity.

Settlement after final conclusion of proceedings relating to HMN Szopienice S.A. w likwidacji

The court proceedings of HMN Szopienice S.A. in liquidation (the "Company") against the State Treasury - the Minister of Treasury, which should determine the non-existence of Treasury's claim of PLN 10 342.9 thousand along with relevant interest, as the refund of public aid provided to the Company according to the agreement of 6 March 2003 and later changed by Annex no. 1 of 28 December 2005 was disclosed in previously issued periodical reports. The conclusion of the proceedings was such that the Company must now refund the public aid it received. The Company and the State Treasury entered into an agreement providing for repayment of the principal in instalments plus postponing of the payments on account of the refund of the public aid.

The agreement provides for suspension of interest on the principal amount as of the date of its conclusion and the deadline for final payment was determined as 25 December 2025. The principal amount will be repaid in part with cash generated from revenues from sales of Company's non-current assets

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

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

Subsidiaries

| Receivables and payables | As at 30.09.2017 | As at 30.09.2016 |
|---------------------------------|-----------------------------|-----------------------------|
| Loans granted | 1 687 | 1 519 |

Transactions with affiliated entities

| Revenues and costs | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 |
|---------------------------|------------------------------------|------------------------------------|
| Revenues from sales | 38 577 | 29 303 |
| Procurement | 249 | 11 112 |

| Receivables and payables | As at 30.09.2017 | As at 30.09.2016 |
|---------------------------------|-----------------------------|-----------------------------|
| Trade and other receivables | 979 | 214 |
| Trade liabilities | 1 030 | 1 748 |

Parties related personally

| Revenues and costs | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 |
|---------------------------|------------------------------------|------------------------------------|
| Revenues from sales | 320 | 7 898 |
| Interest income | 448 | 170 |
| Procurement | 6 225 | 12 756 |

Receivables and payables

| | | |
|----------------------------------|--------|--------|
| Trade and other receivables | 2 072 | 5 085 |
| Loans granted and acquired bonds | 59 958 | 4 940 |
| Trade and other liabilities | 27 482 | 25 240 |

**TRANSACTIONS OF NON-TRADE NATURE BETWEEN RELATED PARTIES:****LOANS GRANTED BY BORYSZEW S.A.**

| Company | Date of agreement | Repayment date | Loan amount stipulated in the agreement | Amount to be repaid | Currency | Amount to be repaid as translated into PLN | Interest |
|---|-------------------|----------------|---|---------------------|----------|--|---------------------|
| Theysohn Kunststoff GmbH | 30.08.2011 | 31.12.2017 | 400 000 | 400 000 | EUR | 1 723 640 | 3M EURIBOR + margin |
| Boryszew Kunststofftechnik Deutschland GmbH | 01.09.2011 | 31.12.2017 | 3 000 000 | 2 249 652 | EUR | 9 693 976 | 3M EURIBOR + margin |
| | 02.08.2011 | 31.12.2017 | 14 500 000 | 14 371 899 | EUR | 61 929 951 | 3M EURIBOR + margin |
| | 10.12.2012 | 31.12.2017 | 2 400 000 | 2 150 000 | EUR | 9 264 565 | 3M EURIBOR + margin |
| | 10.07.2013 | 31.12.2017 | 10 000 000 | 10 000 000 | EUR | 43 091 000 | 3M EURIBOR + margin |
| | 21.08.2014 | 31.12.2017 | 10 000 000 | 7 060 426 | EUR | 30 424 081 | 3M EURIBOR + margin |
| | 31.08.2016 | 31.12.2017 | 2 800 000 | 310 000 | EUR | 1 335 821 | 3M EURIBOR + margin |
| | 03.11.2016 | 30.11.2017 | 512 000 | 200 000 | EUR | 861 820 | 3M EURIBOR + margin |
| | 24.11.2014 | 31.12.2017 | 6 500 000 | 6 500 000 | PLN | 6 500 000 | WIBOR 3M + margin |
| BRS YMOS GmbH | 17.01.2013 | 31.12.2017 | 500 000 | 500 000 | EUR | 2 154 550 | 3M EURIBOR + margin |
| | 13.03.2015 | 31.12.2017 | 150 000 | 150 000 | EUR | 646 365 | 3M EURIBOR + margin |
| | 07.06.2016 | 31.12.2017 | 460 000 | 460 000 | EUR | 1 982 186 | 3M EURIBOR + margin |
| | 27.06.2016 | 31.12.2017 | 240 000 | 240 000 | EUR | 1 034 184 | 3M EURIBOR + margin |
| | 05.05.2017 | 30.09.2018 | 1 300 000 | 1 300 000 | EUR | 5 601 830 | 3M EURIBOR + margin |
| Boryszew Deutschland | 02.07.2014 | 31.12.2017 | 1 000 000 | 1 000 000 | EUR | 4 309 100 | 3M EURIBOR + margin |
| | 22.09.2014 | 31.12.2017 | 10 000 000 | 6 349 000 | EUR | 27 358 476 | 3M EURIBOR + margin |
| Boryszew Automotive Plastics Sp.z o.o. | 03.09.2015 | 31.12.2017 | 8 000 000 | 834 733 | PLN | 834 733 | WIBOR 3M + margin |
| | 23.09.2015 | 31.12.2017 | 2 800 000 | 2 800 000 | EUR | 12 065 480 | WIBOR 3M + margin |
| | 27.01.2017 | 31.12.2017 | 325 350 | 325 350 | PLN | 325 350 | WIBOR 3M + margin |
| Polish Wind Holding | 14.09.2015 | 31.12.2017 | 1 100 000 | 1 100 000 | PLN | 1 100 000 | WIBOR 3M + margin |
| | 20.12.2016 | 31.12.2017 | 550 000 | 550 000 | PLN | 550 000 | WIBOR 3M + margin |



(amounts expressed in PLN '000 unless specified otherwise)

| | | | | | | | |
|--------------------------------|-------------|------------|-----------|-----------|------------|--------------------|---------------------|
| Eastside-Bis Sp. z o.o. | 07..09.2017 | 10.11.2017 | 3 000 000 | 3 000 000 | PLN | 3 000 000 | WIBOR 3M + margin |
| Boryszew HR Service Sp. z o.o. | 10.02.2016 | 30.11.2017 | 170 000 | 35 895 | EUR | 154 675 | EURIBOR 1M + margin |
| MAFMEX S. de R.L. de C.V. | 18.11.2015 | 30.06.2020 | 689 772 | 689 772 | EUR | 2 972 297 | EURIBOR 1M + margin |
| | 19.02.2016 | 30.06.2020 | 1 695 000 | 1 695 000 | EUR | 7 303 925 | EURIBOR 1M + margin |
| | 14.09.2016 | 30.06.2020 | 1 046 712 | 1 046 712 | EUR | 4 510 387 | EURIBOR 1M + margin |
| | 16.12.2016 | 30.06.2020 | 568 516 | 568 516 | EUR | 2 449 792 | EURIBOR 1M + margin |
| | 23.12.2016 | 31.12.2022 | 448 337 | 448 337 | EUR | 1 931 928 | EURIBOR 1M + margin |
| | 29.05.2017 | 31.12.2022 | 1 151 287 | 1 151 287 | EUR | 4 961 011 | EURIBOR 1M + margin |
| | 03.07.2017 | 31.12.2022 | 1 507 210 | 1 507 210 | EUR | 6 494 718 | EURIBOR 1M + margin |
| | 08.08.2017 | 31.12.2022 | 592 906 | 592 906 | EUR | 2 554 889 | EURIBOR 1M + margin |
| | 31.08.2017 | 31.12.2022 | 421 996 | 421 996 | EUR | 1 818 423 | EURIBOR 1M + margin |
| Maflow Polska Sp. z o.o. | 05.07.2017 | 31.12.2019 | 30 000 | 30 000 | PLN | 30 000 | 1M WIBOR + margin |
| Total to be repaid | | | | | PLN | 260 969 152 | |

The sum of the abovementioned loans granted by Boryszew SA does not include the interest accrued as at 30.09.2017.

REPAYMENT OF LOANS GRANTED BY BORYSZEWSA.

On 17 July 2017 Eastside Bis Sp. z o.o. based in Warsaw repaid the following loans:

- the loan granted on 26 May 2017 by Boryszew S.A. for PLN 8 000 000 000 (repayment date provided for in the agreement: 31 July 2017),
- the loan granted on 21 June 2017 by Boryszew S.A. Branch Elana in Toruń for EURO 1 200 000.00 (repayment date provided for in the agreement: 31 July 2017).

LOAN GRANTED BY IMPEXMETAL S.A.

On 6 September 2017 Impexmetal S.A. granted a cash loan to Boryszew S.A. in the amount of PLN 10 000 000.00, with repayment by 31 December 2018. The loan was granted on arm's length basis.

MODIFICATION OF THE DEADLINE OF PURCHASE OF BONDS EMITTED BY UNIBAX SP. Z O.O.

Redemption date for 25 registered bonds with nominal value of PLN 56 000 000, issued by Unibax Sp. z o.o. based in Toruń and acquired by Eastside – Bis Spółka z o.o., that is

- 10 EB1 series registered bonds with a nominal value of PLN 3 000 000.00 each bond on 15 November 2016,
- 10 EB2 series registered bonds with a nominal value of PLN 2 153 500.00 each bond on 15 November 2016,
- 5 EB3 series registered bonds with a nominal value of PLN 953 000.00 each bond on 18 November 2016, was postponed from 31 August 2017 to of 31 March 2018.

ACQUISITION OF BONDS ISSUED BY UNIBAX SP. Z O.O.

- On 7 September 2017 Boryszew S.A. acquired 10 BO1 series registered bonds with a nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds acquired in this series was PLN 10 000 000.00.



The redemption date for the bonds was determined at 31 December 2018. On 29 September 2017 Unibax Sp. z o.o redeemed the above mentioned bonds.

The interest on the above mentioned bonds was determined on the arm's length basis.

ACQUISITION OF BONDS ISSUED BY SKOTAN S.A.

- On 8 September 2017 Boryszew S.A. acquired 10 G series registered bonds with a nominal value of PLN 100 000.00 each bond. The total nominal value of bonds acquired in this series was PLN 1 000 000.00. The redemption date for the bonds was determined at 30 October 2019.
- On 31 October 2017 Boryszew S.A. acquired 15 Ho series registered bonds with a nominal value of PLN 50 000.00 each bond. The total nominal value of bonds acquired in this series was PLN 750 000.00. The redemption date for the bonds was determined at 31 December 2018.

The interest on the above mentioned bonds was determined on the arm's length basis.

TRANSACTION AFTER THE BALANCE SHEET DATE:

ACQUISITION OF BONDS ISSUED BY BORYSZEW S.A.

- on 2 October 2017 Hutmen S.A. based in Wrocław acquired 7 A9 series registered bonds with nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds issued this series was PLN 7 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 30 September 2018. These bonds were issued with the purpose to refinance the debt due to bonds of Boryszew S.A. held by Hutmen S.A. with redemption date of 2 December 2017, according to the bond issue terms and conditions.
- on 20 October 2017 SPV Impexmetal Sp. z o.o based in Warsaw acquired 5 A10 series registered bonds with nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds issued this series was PLN 5 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 31 December 2018.
- on 25 October 2017 SPV Impexmetal Sp. z. o.o. based in Warsaw acquired 3 A11 series registered bonds with total nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds issued this series was PLN 3 000 000.00. The interest on the bonds was determined on the arm's length basis. The redemption date for the bonds was determined at 31 December 2018.

ACQUISITION OF BONDS ISSUED BY UNIBAX SP. Z O.O.

- On 20 October 2017 Boryszew S.A. acquired 5 BO2 series registered bonds with a nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds acquired in this series was PLN 5 000 000.00. The redemption date was determined at 31 December 2018.
- On 25 October 2017 Boryszew S.A. acquired 3 BO3 series registered bonds with a nominal value of PLN 1 000 000.00 each bond. The total nominal value of bonds acquired in this series was PLN 3 000 000.00. The redemption date for the bonds was determined at 31 December 2018.

The interest on the above mentioned bonds was determined on the arm's length basis.



(amounts expressed in PLN '000 unless specified otherwise)

19. INFORMATION ON GRANTING BY THE COMPANY OR ITS SUBSIDIARY OF LOAN OR BORROWING SURETIES OR GUARANTEES – JOINTLY TO A SINGLE ENTITY OR ITS SUBSIDIARY, IF THE TOTAL VALUE OF THE EXISTING SURETIES OR GUARANTEES IS EQUIVALENT TO AT LEAST 10% OF THE COMPANY'S EQUITY.**SURETIES GRANTED BY BORYSZEW S.A.**

| Entity for which guarantee or surety was issued | Issue date of guarantee or surety | Subject of liability | Value of guarantee in its currency | Value of guarantee in its currency | Value of guarantee | Expiry date of guarantee |
|---|-----------------------------------|--|------------------------------------|------------------------------------|--------------------|--------------------------|
| | | | EUR | USD | PLN | |
| Torlen Sp. z o.o. | 24.07.2017 | Surety regarding trade liabilities, granted to Polytrade GmbH | 1 500 000 | | 6 463 650 | 2020-07-31 |
| | 24.02.2011 | Surety regarding trade liabilities, granted to MB Barter & Trading SA | 800 000 | | 3 447 280 | indefinite validity |
| Boryszew Kunststofftechnik Deutschland GmbH | 06.09.2012 | Guarantee granted to Deutsche Leasing International GmbH valid from 02.01.2013 | 890 000 | | 3 835 099 | 02.05.2018 |
| | 31.01.2013 | Guarantee granted to Commerzbank | 5 000 000 | | 21 545 500 | indefinite validity |
| | 20.04.2013 | Guarantee granted to Hewlett-Packard International Plc. | 150 000 | | 646 365 | 30.04.2018 |
| | 23.07.2013 | Guarantee issued as security for loans granted by GE Capital Bank AG | 992 373 | | 4 276 234 | 30.08.2021 |
| | 24.07.2017 | Guarantee issued as security for repayment to ALD AutoLeasing D GmbH | 200 000 | | 861 820 | 30.06.2022 |
| | 11.12.2013 | Guarantee granted to Hewlett-Packard International Plc. | 297 500 | | 1 281 957 | 28.02.2018 |
| | 12.03.2014 | Guarantee granted to Hewlett-Packard International Plc. | 297 500 | | 1 281 957 | 28.02.2019 |
| | 06.06.2014 | Guarantee granted to Hewlett-Packard International Plc. | 297 500 | | 1 281 957 | 31.05.2019 |
| | 25.09.2014 | Guarantee granted to Hewlett-Packard International Plc. | 267 750 | | 1 153 762 | 31.05.2019 |
| | 22.01.2015 | Guarantee granted to Hewlett-Packard International Plc. | 100 000 | | 430 910 | 31.08.2019 |
| | 31.01.2017 | Guarantee granted to DNB Bank Polska SA | 15 000 000 | | 64 636 500 | 30.11.2017 |
| | 07.08.2017 | Guarantee granted to Deutsche Leasing International GmbH | 1 400 000 | | 6 032 740 | 31.12.2022 |
| Theysohn Formenbau GmbH | 06.09.2017 | Guarantee granted to akf Leasing GmbH | 2 339 459 | | 10 080 963 | 31.08.2023 |



(amounts expressed in PLN '000 unless specified otherwise)

| | | | | | | |
|---|------------|--|------------|---------|------------|---------------------|
| Boryszew Oberflächentechnik Deutschland GmbH | 26.01.2016 | Guarantee for Bank Gospodarstwa Krajowego | 21 838 000 | | 94 102 126 | 31.12.2026 |
| | 27.03.2017 | Helag Electronic GmbH | 200 000 | | 861 820 | 31.12.2017 |
| Boryszew Plastic RUS | 11.07.2013 | Guarantee granted to ZAO Hewlett-Packard AO | | 200 000 | 730 380 | indefinite validity |
| | 27.08.2013 | Guarantee granted to RB Leasing Ltd. | 449 600 | | 1 937 371 | 15.06.2019 |
| | 30.04.2014 | Guarantee granted to ZAO Hewlett-Packard AO | | 100 000 | 365 190 | indefinite validity |
| | 13.02.2017 | Guarantee granted to Volvo Group Trucks Operations | 5 000 000 | | 21 545 500 | indefinite validity |
| BRS YMOS GmbH | 27.05.2015 | Guarantee granted to Würth Leasing GmbH & Co. KG | 309 812 | | 1 335 011 | 30.11.2020 |
| | 15.03.2016 | Würth Leasing GmbH | 354 902 | | 1 529 308 | 15.03.2022 |
| Boryszew Tensho Poland Sp. z o.o. | 10.12.2015 | Guarantee granted to PGE Obrót S.A. | | | 300 000 | indefinite validity |
| | 14.03.2016 | Guarantee granted to Impexmetal S.A. for payment of financial liabilities | | | 41 000 000 | indefinite validity |
| | 13.06.2016 | Guarantee granted to HSBC Bank Polska | | | 10 000 000 | 12.09.2020 |
| SPV Lakme Investment Sp. z o.o. | 19.02.2015 | Guarantee granted to ACG 3 Sp. z o.o. | | | 70 000 | indefinite validity |
| Maflow BRS s.r.l. | 01.01.2017 | Guarantee granted to Evercompounds S.p.A. in respect of repayment of commercial debt | 1 000 000 | | 4 309 100 | 31.12.2017 |
| | 01.01.2017 | Guarantee granted to Arkema | 100 000 | | 430 910 | 31.12.2017 |
| | 01.01.2017 | Guarantee granted to CORDTECH INTERNATIONAL SAS | 300 000 | | 1 292 730 | 31.12.2017 |
| | 01.01.2017 | Guarantee granted to Mehler Engineered Products GmbH for repayment of commercial debts | 400 000 | | 1 723 640 | 31.12.2017 |
| | 01.01.2017 | Guarantee granted to Softer Spa for repayment of commercial debts | 250 000 | | 1 077 275 | 31.12.2017 |
| | 26.04.2016 | Banka IFIS | 750 000 | | 3 231 825 | no time limit |
| | 16.05.2017 | Guarantee granted to Cover | 100 000 | | 430 910 | 31.12.2017 |
| Maflow France Automotive S.A.S. | 07.07.2016 | Guarantee against a Leasing agreement in favour of Natixs Lease | 377 000 | | 1 624 531 | 07.07.2021 |
| Maflow do Brasil Ltda, | 01.10.2016 | Guarantee granted to Schrader International | 100 000 | | 430 910 | 01.10.2017 |
| Boryszew Commodities | 19.12.2016 | Borealis AG | 375 000 | | 1 615 913 | 31.12.2017 |
| | 8.02.2016 | BSB Recycling GmbH | 2 500 000 | | 10 772 750 | 31.12.2017 |
| | 19.12.2016 | Trinseo Europe GmbH | 400 000 | | 1 723 640 | 31.12.2017 |
| | 19.12.2016 | WMK Plastics GmbH | 200 000 | | 861 820 | 31.12.2017 |

**Boryszew S.A.****Condensed consolidated interim report for 3rd quarter 2017 drafted according to IAS 34 adopted by the European Union**

(amounts expressed in PLN '000 unless specified otherwise)

| | | | | | | |
|---|------------|---|-------------------|----------------|--------------------|---------------|
| | 30.05.2016 | Guarantee granted to Basell Sales and Marketing Company B.V. | 1 500 000 | | 6 463 650 | 31.12.2017 |
| | 24.04.2017 | Guarantee granted to Sabic Sales Europe B.V., Sabic Innovative Plastics B.V. | 500 000 | | 2 154 550 | 01.05.2018 |
| BAP Group companies - customers of Volkswagen AG | 16.12.2016 | Volkswagen AG | 20 000 000 | | 86 182 000 | no time limit |
| Elana Energetyka | 1.12.2015 | PGE Obrót S.A. | | | 3 000 000 | no time limit |
| Impexmetal S.A. | 1.02.2017 | Marshal Office of Wielkopolskie province | | | 5 814 361 | 31.12.2018 |
| Alchemia S.A. | 01.01.2017 | Arcelormittal Poland S.A. | 6 000 000 | | 25 854 600 | 31.12.2017 |
| | 01.06.2017 | Arcelormittal Poland S.A. | 3 000 000 | | 12 927 300 | 31.12.2017 |
| Eastside BIS Sp. z o.o. | 01.09.2017 | The Provincial Funds for Environmental Protection and Water Management in Toruń | | | 3 283 600 | 30.09.2028 |
| | 11.07.2017 | Sureties for loan granted by mBank | | | 4 500 000 | 29.06.2018 |
| Total guarantees and sureties granted by Boryszew SA | | | 95 536 396 | 300 000 | 480 739 415 | |



20. FACTORS WHICH WILL INFLUENCE THE ISSUER'S FINANCIAL PERFORMANCE FOR AT LEAST THE UPCOMING QUARTER

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

- The global economic situation, especially in the key sectors (motorization and construction) as well as in the main sales markets (the European Union, including Germany).
- Demand for new cars, especially for products of the VW Group, which is the most important customer of the Boryszew Capital Group.
- The level of metal quotations and currencies determining the amount of working capital and effectiveness of export and domestic sales.
- 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,
- Cost of energy carriers, which are important in the energy-intensive metal processing industry.

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

- Results of development investments, including to the greatest extent in Impexmetal S. A., which in 2017 will reach the production capacity of 100 thousand tons/year.
- Effects of project grants received in NPA Skawina (MultiEx - innovative technology of production of functional products based on aluminium) and in Group companies related to obtaining energy efficiency certificates (white certificates).
- The effect of obtaining new contracts in the Automotive Segment,
- The effect of optimisation of manufacturing processes in all market segments,
- The effect of centralisation of common activities in the Capital Group.

21. 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.



Boryszew S.A.

Condensed consolidated interim report for 3rd quarter 2017 drafted according to IAS 34 adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

CONDENSED QUARTERLY REPORT BORYSZEW S.A. FOR Q3 2017



**STATEMENT OF COMPREHENSIVE INCOME**

| | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 | 01.07.2017 - 30.09.2017 | 01.07.2016 - 30.09.2016 |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Revenues from sales | 1 124 432 | 1 076 256 | 365 776 | 347 856 |
| Prime cost of sale | 984 655 | 939 815 | 323 287 | 299 836 |
| Profit on sales | 139 777 | 136 441 | 42 489 | 48 020 |
| Selling costs | 22 145 | 29 963 | 7 287 | 16 607 |
| General and administrative expenses | 57 813 | 44 250 | 17 951 | 11 881 |
| Other operating revenue | 29 684 | 16 293 | 3 955 | 359 |
| Other operating expenses | 20 687 | 33 462 | 5 033 | 3 760 |
| Operating income | 68 816 | 45 059 | 16 173 | 16 131 |
| Financial revenues | 11 683 | 13 616 | 4 172 | 1 026 |
| Financial expenses | 24 677 | 65 536 | 510 | 9 538 |
| Financial profit/loss | (12 994) | (51 920) | 3 662 | (8 512) |
| Profit (loss) before income tax | 55 822 | (6 861) | 19 835 | 7 619 |
| Income tax | (1 220) | (1 962) | 1 809 | (1 847) |
| Net profit (loss) | 57 042 | (4 899) | 18 026 | 9 466 |
| Earnings (loss) per share / Diluted earnings (loss) per share | | | | |
| Weighted average number of shares | 231 368 073 | 232 612 263 | 230 493 587 | 232 170 000 |
| Earnings (loss) per share / Diluted earnings (loss) per share (PLN) | 0.25 | (0.02) | 0.08 | 0.04 |
| Net profit (loss) | 57 042 | (4 899) | 18 026 | 9 466 |
| Earnings recognised in equity | | | | |
| Earnings recognised in equity, to be transferred to profit and loss account | | | | |
| Measurement of DDS financial assets | - | (1 602) | - | 79 |
| Hedge accounting | (7 986) | 2 167 | (4 916) | 3 740 |
| <i>Income tax</i> | 1 517 | (108) | 934 | (696) |
| Earnings recognised in equity, not to be transferred to income statement | | | | |
| Employee benefit capital reserve | | | | |
| <i>Income tax</i> | | | | |
| Total earnings recognised in equity | (6 469) | 457 | (3 982) | 2 965 |
| Total comprehensive income | 50 573 | (4 442) | 14 044 | 12 431 |

**STATEMENT OF FINANCIAL POSITION**

| | As at 30.09.2017 | As at 31.12.2016 |
|---|-----------------------------|-----------------------------|
| ASSETS | | |
| Non-current assets | | |
| Non-current assets | 277 009 | 260 785 |
| Investment property | 144 | 144 |
| Intangible assets | 26 856 | 25 915 |
| Shares in subsidiaries and associates | 421 628 | 364 938 |
| Financial investments | 16 518 | 19 036 |
| Deferred tax assets | 13 568 | - |
| Long-term receivables | 338 319 | 354 721 |
| Other assets | 14 302 | 14 191 |
| Total fixed assets | 1 108 344 | 1 039 730 |
| Current assets | | |
| Inventory | 175 773 | 134 259 |
| Trade receivables and other receivables | 350 513 | 318 893 |
| Short-term financial assets | 29 287 | 27 108 |
| Derivative financial instruments | - | 1 609 |
| Other assets | 5 658 | 6 261 |
| Cash and cash equivalents | 44 713 | 60 932 |
| Total current assets | 605 944 | 549 062 |
| Total assets | 1 714 288 | 1 588 792 |



(amounts expressed in PLN '000 unless specified otherwise)

| LIABILITIES AND EQUITY | As at 30.09.2017 | As at 31.12.2016 |
|--|-----------------------------|-----------------------------|
| Equity | | |
| Share capital | 248 906 | 248 906 |
| Own shares | (73 413) | (49 518) |
| Share premium | 112 346 | 112 346 |
| Hedge accounting capital | (6 425) | 44 |
| Capital reserve on translating employee payables | 77 | 77 |
| Retained earnings | 312 934 | 255 892 |
| Total equity | 594 425 | 567 747 |
| Long-term liabilities and provisions | | |
| Bank credits, loans, bonds | 239 513 | 136 334 |
| Lease liabilities | 46 126 | 67 832 |
| Payables on perpetual usufruct of investment land | 122 | 61 |
| Deferred tax provision | 8 438 | 2 453 |
| Employee benefit provisions | 2 473 | 2 482 |
| Other provisions | 5 166 | 5 156 |
| Other equity and liabilities | 2 904 | 3 151 |
| Long-term liabilities and provisions - total | 304 742 | 217 469 |
| Short-term liabilities and provisions | | |
| Bank credits, loans, bonds | 435 379 | 450 170 |
| Lease liabilities | 28 392 | 27 569 |
| Trade payables and other liabilities | 331 638 | 311 333 |
| Derivative financial instruments | 2 278 | - |
| Current tax liabilities | 3 133 | - |
| Employee benefit provisions | 7 473 | 8 097 |
| Other provisions | 1 694 | 1 694 |
| Other equity and liabilities | 5 134 | 4 713 |
| Short-term liabilities and provisions - total | 815 121 | 803 576 |
| Total liabilities | 1 119 863 | 1 021 045 |
| Total equity and liabilities | 1 714 288 | 1 588 792 |



(amounts expressed in PLN '000 unless specified otherwise)

CASH FLOW STATEMENT

| | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 |
|---|------------------------------------|------------------------------------|
| Cash flows from operating activities | | |
| Profit before taxation | 55 822 | (6 861) |
| Adjustments for (+/-) | (71 442) | 110 405 |
| Amortisation and depreciation | 21 779 | 19 189 |
| Profit/loss on financial activity (including interest on financial liabilities) | 13 054 | 13 257 |
| Dividends from share in profit | (10 078) | (2 554) |
| Profit / loss on investment activities | (2 956) | 61 205 |
| Change in receivables | (27 714) | 24 635 |
| Change in inventories | (41 514) | 12 996 |
| Change in liabilities | (21 928) | 4 299 |
| Change in provisions and accruals as well as prepayments | 43 | (25 381) |
| Other items | 8 | 2 760 |
| Income tax paid | (2 136) | (1) |
| Net cash from operating activities | (15 620) | 103 544 |
| Cash flows from investment activities | | |
| Profit on fixed assets disposal | 3 116 | - |
| Revenues from disposal of shares | 1 375 | 13 154 |
| Revenues from dividend | 10 078 | 2 554 |
| Proceeds on bond issue | - | 7 529 |
| Expenditure on acquisition of fixed assets | (38 944) | (40 589) |
| Acquisition of shares in capital group entities | (15 801) | (11 993) |
| Long-term borrowings granted | 12 496 | (72 454) |
| Other capital expenditure | (3 100) | (2 756) |
| Net cash from investing activities | (30 780) | (104 555) |
| Cash flows from financial activities | | |
| Incomes on credit and loan facilities | 91 082 | 65 000 |
| Loans received | 26 203 | 28 894 |
| Proceeds on bond issue | - | 34 000 |
| Share buy-back expense | (23 895) | (5 107) |
| Loans repaid | (14 974) | (67 590) |
| Borrowings repaid | (14 298) | - |
| Interest paid on loans, bonds... | (13 054) | (13 257) |
| Payment of liabilities under finance lease agreements | (20 883) | (1 285) |
| Net cash from financing activities | 30 181 | 40 655 |
| Net change in cash | (16 219) | 39 644 |
| Cash opening balance | 60 932 | 22 731 |
| Cash closing balance | 44 713 | 62 375 |



STATEMENT OF CHANGES IN EQUITY

| | Share capital | treasury shares | Share premium | Hedge accounting | Revaluation reserve | Profit/Loss on restatement of employee benefits | Retained earnings | Total equity |
|--|----------------|-----------------|----------------|------------------|---------------------|---|-------------------|----------------|
| As at 01.01.2017 | 248 906 | (49 518) | 112 346 | 44 | 0 | 77 | 255 892 | 567 747 |
| Valuation of hedge instruments | | | | (6 469) | | | | (6 469) |
| Valuation of assets available for sale | | | | | 0 | | | 0 |
| Valuation of employee benefits | | | | | | | | - |
| Profit for three quarters of 2017 | | | | | | | 57 042 | 57 042 |
| Total comprehensive income for three quarters of 2017 | - | - | - | (6 469) | 0 | - | 57 042 | 50 573 |
| Share buy-back - Boryszew SA | | (23 895) | | | | | | (23 895) |
| As at 30.09.2017 | 248 906 | (73 413) | 112 346 | (6 425) | - | 77 | 312 934 | 594 425 |

| | Share capital | treasury shares | Share premium | Hedge accounting | Revaluation reserve | Profit/Loss on restatement of employee benefits | Retained earnings | Total equity |
|--|----------------|-----------------|----------------|------------------|---------------------|---|-------------------|----------------|
| As at 01.01.2016 | 248 906 | (44 411) | 112 346 | (2 312) | (135) | (42) | 252 185 | 566 537 |
| Valuation of hedge instruments | | | | 1 755 | | | | 1 755 |
| Valuation of assets available for sale | | | | | (1 298) | | | (1 298) |
| Valuation of employee benefits | | | | | | | | - |
| Profit /loss for three quarters of 2016 | | | | | | | (4 899) | (4 899) |
| Total comprehensive income for three quarters of 2016 | - | - | - | 1 755 | (1 298) | - | (4 899) | (4 442) |
| Share buy-back - Boryszew SA | | (5 107) | | | | | | (5 107) |
| As at 30.09.2016 | 248 906 | (49 518) | 112 346 | (557) | (1 433) | (42) | 247 286 | 556 988 |



(amounts expressed in PLN '000 unless specified otherwise)

OPERATING SEGMENTS

| 01.01.2017 – 30.09.2017 | Chemical products | Automotive | Metals | Other | Exclusions between segments | Total |
|--|-------------------|---------------|---------------|---------------|-----------------------------|----------------|
| Revenues from sales | 168 331 | 506 544 | 296 502 | 157 921 | (4 866) | 1 124 432 |
| Segment selling costs | 138 883 | 432 204 | 270 336 | 147 691 | (4 459) | 984 655 |
| Result on sales within segment | 29 448 | 74 340 | 26 166 | 10 230 | (407) | 139 777 |
| General, administrative and sales expenses | 20 724 | 32 813 | 10 379 | 16 461 | (419) | 79 958 |
| Other operating profit/loss | 4 602 | (14 180) | 661 | 17 920 | (6) | 8 997 |
| Segment profit/loss | 13 326 | 27 347 | 16 448 | 11 689 | 6 | 68 816 |
| Amortisation and depreciation | 4 019 | 13 362 | 3 871 | 527 | - | 21 779 |
| EBITDA *) | 17 345 | 40 709 | 20 319 | 12 216 | 6 | 90 595 |

| 01.01.2016 – 30.06. 2016 | Chemical products | Automotive | Aluminium | Other | Exclusions between segments | Total |
|--|-------------------|---------------|---------------|---------------|-----------------------------|----------------|
| Revenues from sales | 203 136 | 456 939 | 228 773 | 193 244 | (5 836) | 1 076 256 |
| Segment selling costs | 174 215 | 390 449 | 201 608 | 179 046 | (5 503) | 939 815 |
| Result on sales within segment | 28 921 | 66 490 | 27 165 | 14 198 | (333) | 136 441 |
| General, administrative and sales expenses | 21 664 | 33 293 | 9 462 | 10 140 | (346) | 74 213 |
| Other operating profit/loss | 1 035 | (6 434) | (9 615) | (2 142) | (13) | (17 169) |
| Segment profit/loss | 8 292 | 26 763 | 8 088 | 1 916 | 0 | 45 059 |
| Amortisation and depreciation | 3 377 | 11 908 | 3 617 | 287 | - | 19 189 |
| EBITDA *) | 11 669 | 38 671 | 11 705 | 2 203 | | 64 248 |

*) EBITDA - operating profit plus depreciation

REVENUES FROM SALES BY GEOGRAPHIES

| Revenues from sales by geographies | 01.01.2017 -30.09.2017 | 01.01.2016 -30.09.2016 |
|---|-----------------------------------|-----------------------------------|
| Domestic sales | 426 728 | 358 905 |
| Sales to EU countries | 636 104 | 660 518 |
| Sales to other European countries | 18 566 | 27 061 |
| Export outside Europe | 43 034 | 29 772 |
| Total revenues from sale (continuing operations) | 1 124 432 | 1 076 256 |

| | 01.01.2017 -30.09.2017 | 01.01.2016 -30.09.2016 |
|---|-----------------------------------|-----------------------------------|
| Share of EU member states in intra-Community sales: | | |
| Germany | 29% | 33% |
| The Czech Republic | 7% | 13% |
| Great Britain | 13% | 13% |
| Spain | 8% | 8% |
| Italy | 8% | 3% |

**FINANCIAL ASSETS MEASURED AT FAIR VALUE**

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

| | Fair value as at | | Hierarchy of fair value |
|----------------------------------|------------------|------------------|----------------------------|
| | As at 30.09.2017 | As at 31.12.2016 | |
| Financial assets | | | |
| Listed shares | 77 | 2 615 | Level 1 |
| Derivative financial instruments | - | 1 609 | Level 2 |
| Financial obligations | | | |
| Derivative financial instruments | 2 278 | - | Level 2 |

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

| | Fair value as at | | Hierarchy of fair value |
|--------------------------------|------------------|------------------|----------------------------|
| | As at 30.09.2017 | As at 31.12.2016 | |
| Financial investments | | | |
| Not listed shares | | | Level 3 |
| Shares held for trading | 25 068 | 25 068 | Level 3 |
| Bonds | 20 660 | 18 461 | Level 3 |
| Receivables and loans | 642 346 | 596 006 | Level 3 |
| Investment property | 144 | 144 | Level 3 |
| Cash and cash equivalents | 44 713 | 60 932 | Level 3 |
| Financial obligations | | | |
| Borrowings and loans and lease | 749 410 | 681 905 | Level 2 |
| Trade liabilities | 308 240 | 288 642 | Level 3 |
| SMA liabilities | 122 | 61 | Level 2 |

| | 01.01.2017 | 01.01.2016 |
|---|-----------------|-----------------|
| | 30.09.2017 | 30.09.2016 |
| Change of estimates regarding assets | | |
| Value impairment write-offs for accounts receivable | 16 305 | 18 827 |
| Reversal of write-offs on accounts receivable | 1 159 | 0 |
| Creation of value impairment write-offs for inventories | 2 127 | 2 075 |
| Value impairment write-offs for inventories | - | 0 |
| Value impairment write-offs for receivables from awarded loans | 2 262 | 46 349 |
| Reversal of tangible fixed assets impairment write-offs | 1 587 | - |
| Fair value of listed shares disclosed in the profit and loss | (1 084) | - |
| <i>Fair value of listed shares disclosed in the profit and loss</i> | - | 220 |
| Impact on profit/loss | (19 032) | (67 251) |

**TRANSACTIONS WITH AFFILIATED ENTITIES****Subsidiaries and joint associates**

| Revenues and costs | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 |
|---------------------------|------------------------------------|------------------------------------|
| Revenues from sales | 133 908 | 160 866 |
| Interest income | 11 141 | 10 887 |
| Incomes on dividend | 10 078 | 2 554 |
| Procurement | 87 130 | 127 565 |
| Interest expense | 4 231 | 2 643 |

| Receivables and payables | As at 30.09.2017 | As at 30.09.2016 |
|---|-----------------------------|-----------------------------|
| Trade and other receivables | 125 247 | 126 291 |
| Loans granted | 309 799 | 306 764 |
| Bonds | 15 441 | 15 441 |
| Trade and other liabilities | 25 171 | 24 752 |
| Liabilities arising from issued bonds | 90 723 | 82 393 |
| Liabilities arising from loans and borrowings | 115 133 | 117 061 |

Transactions with affiliated entities

| Revenues and costs | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 |
|---------------------------|------------------------------------|------------------------------------|
| Revenues from sales | 38 102 | 27 892 |
| Procurement | 249 | |

| Receivables and payables | As at 30.09.2017 | As at 30.09.2016 |
|---------------------------------|-----------------------------|-----------------------------|
| Trade and other receivables | 913 | |
| Trade liabilities | 1 030 | 304 |

Parties related personally

| Revenues and costs | 01.01.2017 - 30.09.2017 | 01.01.2016 - 30.09.2016 |
|---------------------------|------------------------------------|------------------------------------|
| Revenues from sales | | 2 454 |
| Interest income | 448 | |
| Procurement | 931 | 8 366 |

| Receivables and payables | | |
|----------------------------------|--------|--------|
| Trade and other receivables | 356 | 5 025 |
| Loans granted and acquired bonds | 2 119 | 4 500 |
| Trade and other liabilities | 25 240 | 25 240 |



Boryszew S.A.

Condensed consolidated interim report for 3rd quarter 2017 drafted according to IAS 34 adopted by the European Union

(amounts expressed in PLN '000 unless specified otherwise)

SIGNATURES:

This report was signed at the Company's registered office on 14 November 2017.

Jarosław Michniuk – President of the Management Board _____

Aleksander Baryś – Member of the Management Board _____

Mikołaj Budzanowski – Member of the Management Board _____

Cezary Pyszkowski – Member of the Management Board _____

Piotr Szeliga – Member of the Management Board _____

Elżbieta Staboń – Chief Accountant _____