



STALPRODUKT S.A.

Abridged Consolidated Financial Report for the 4th Quarter of 2022

Bochnia, February 2023

I. Consolidated Financial Report for the 4th quarter of 2022

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EUR	
	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2021 to 31-12-2021	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2021 to 31-12-2021
I. Net sales of products, goods and materials	5 902 872	4 674 169	1 259 064	1 021 118
II. Operating profit (loss)	518 113	633 247	110 512	138 339
III. Profit (loss) before taxation	496 351	617 133	105 870	134 819
IV. Net profit (loss)	382 347	528 729	81 553	115 506
- attributable to shareholders of the parent company	387 560	519 522	82 665	113 494
- net profit attributed to non-controlling interests	-5 213	9 207	-1 112	2 012
V. Net cash flow from operating activities	330 080	271 813	70 405	59 380
VI. Net cash flow from investment activities	-31 560	-122 260	-6 732	-26 709
VII. Net cash flow from financial activities	-185 049	-93 690	-39 470	-20 468
VIII. Total net cash flow	113 471	55 863	24 203	12 204
IX. Total assets	5 067 650	4 841 895	1 080 545	1 052 723
X. Long-term liabilities	460 994	571 664	98 295	124 291
XI. Short-term liabilities	856 511	899 018	182 629	195 464
XII. Shareholders' equity	3 750 145	3 371 213	799 622	732 968
- equity attributable to shareholders of the parent	3 648 035	3 262 788	777 849	709 394
- equity attributed to non-controlling interests	102 110	108 425	21 772	23 574
XIII. Share capital	11 161	11 161	2 380	2 427
XIV. Number of shares	5 580 267	5 580 267	5 580 267	5 580 267
XV. Profit (loss) for one ordinary share (in PLN)	68,52	94,75	14,61	20,70
XVI. Weighted average number of shares	5 524 271	5 580 267	5 524 271	5 580 267
XVII. Diluted profit (loss) per ordinary share (PLN)	69,21	94,75	14,76	20,70
XVIII. Book value per share (PLN)	672,04	604,13	143,29	131,35
XIX. Diluted book value per share (PLN)	678,85	604,13	144,75	131,35
XX. Declared or paid-out dividend for one share in (PLN/EUR)	12,00	6,00	2,56	1,31

1. Comparable financial data (item IX-XIV and XVIII) was presented pursuant to the requirements of the International Financial Reporting Standards according to the balance for this 31st December 2021. Other comparable data is presented for the period from 1st January 2021 to 30th December 2021.
2. EUR exchange rates according to the following principles were used for the conversion of the currency into PLN:
 - the assets and liabilities items of the balance sheet were converted into EUR according to the average rate announced by the National Bank of Poland for this 31st December 2022 and amounting to PLN 4.6899 and PLN 4.5994 for this 31st December 2021.
 - the profit and loss account items and the cash flow items were converted into EUR according to the rate being the simple average of the average EUR rates announced by the National Bank of Poland on the last day of each month included in the report and amounting to PLN 4.6883 for 4 quarters of 2022 and PLN 4.5775 for 4 quarters of 2021.
3. For profit-per-share calculation the number of 5,580,267 shares was adopted.
4. In connection with the share buyback, the diluted earnings per share were based on the weighted average number of shares in the amount of 5,524,271.
5. In the item XX the amount of the dividend for 1 share to paid out in 2022 and 2021 by the Issuer.

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CONSOLIDATED BALANCE SHEET	(thousand x PLN)			
	31.12.2022	30.09.2022	31.12.2021	30.09.2021
Assets				
I. Fixed assets	2 317 976	2 390 247	2 394 343	2 371 047
1. Intangible assets other than goodwill	36 236	93 795	72 415	63 523
2. Goodwill	0	0	0	17 973
3. Tangible fixed assets	2 047 463	2 060 959	2 066 073	2 059 606
4. Right to use assets (incl. right of perpetual usufruct of land)	91 148	91 132	137 750	151 618
5. Investment real estate	64 074	39 000	8 027	2 675
6. Long-term financial assets	16 393	16 650	16 238	16 283
7. Other long-term financial assets	12 953	20 037	13 408	2 826
8. Long-term receivables	942	1 244	842	759
9. Deferred tax assets	41 157	59 879	68 543	43 609
10. Long-term prepayments	7 610	7 551	11 047	12 175
II. Current Assets	2 749 674	2 839 121	2 447 552	2 422 997
<i>Current assets other than assets held for sale</i>	<u>2 749 674</u>	<u>2 839 121</u>	<u>2 447 552</u>	<u>2 421 410</u>
1. Stocks	1 245 542	1 316 981	995 506	940 485
2. Receivables due to supplies and services and other receivables	870 816	960 185	844 647	798 790
3. Cash and cash equivalents	605 725	524 182	492 254	560 366
4. Other short-term investments	27 591	37 773	115 145	121 769
<i>Assets held for sale</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1 587</u>
Assets in total	5 067 650	5 229 368	4 841 895	4 794 044
Liabilities				
I. Equity capital	3 750 145	3 705 593	3 371 213	3 205 698
I.1 Equity attributed to shareholders of the parent company	3 648 035	3 606 794	3 262 788	3 090 086
1. Share capital	11 161	11 161	11 161	11 161
2. Capital from the surplus of the issue price above the nominal value / agio /	8 416	8 416	8 416	8 416
3. Provision for cash flow hedges / revaluation reserve /	-27 853	-90 081	-120 616	-49 263
4. Provision for exchange rate differences resulting from translation	42 837	51 578	29 314	24 152
5. Retained earnings / including uncovered losses /	3 613 474	3 625 720	3 334 513	3 095 620
I.2 Non-controlling interests / Equity attributable to minority shareholders /	102 110	98 799	108 425	115 612
II. Long-term liabilities	460 994	556 379	571 664	659 944
1. Provision for deferred income tax	129 714	164 735	147 435	122 320
2. Long-term provisions / including employee benefits /	43 551	189 624	177 947	119 806
3. Other long-term liabilities	146	146	225	146
4. Long-term provision for the costs of decommissioning, rehabilitation and environmental repair costs	110 446	40 000	40 000	181 552
5. Accruals and deferred income classified as fixed	43 239	45 779	43 528	46 214
6. Credits and loans	5 736	7 031	20 376	40 144
7. Long-term liabilities due to leasing contracts	104 307	78 063	103 081	110 999

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8. Other long-term financial liabilities	23 855	31 001	39 072	38 763
III. Current liabilities	856 511	967 396	899 018	928 402
<i>Short-term liabilities other than those included in groups intended for sale</i>	<i>856 511</i>	<i>967 396</i>	<i>899 018</i>	<i>928 402</i>
1. Short-term provisions for liabilities	65 926	67 818	109 978	129 103
2. Credits and loans	20 201	22 901	62 355	43 958
3. Liabilities due to supplies and services	473 158	530 502	451 455	507 400
4. Current liabilities due to social insurance and taxes other than income tax	47 567	59 661	41 377	39 302
5. Other short-term non-financial liabilities	74 371	84 743	77 139	70 439
6. Short-term reserve for the costs of decommissioning, rehabilitation and environmental repair costs	77 953	0	0	55 997
7. Liabilities due to income tax	5 876	4 728	3 950	8 686
8. Liabilities due to leasing /including IFRS 16/	7 143	7 347	8 234	5 277
9. Other short-term financial liabilities	61 266	123 014	132 649	58 748
10. Accruals	23 050	66 682	11 881	9 492
<i>Liabilities included in those intended for sale</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Liabilities	1 317 505	1 523 775	1 470 682	1 588 346
Total Assets	5 067 650	5 229 368	4 841 895	4 794 044
Book value	3 750 145	3 705 593	3 371 213	3 205 698
Number of shares	5 580 267	5 580 267	5 580 267	5 580 267
Book value per share (PLN)	672,04	664,05	604,13	574,47
Weighted average number of shares	5 524 271	5 580 267	5 580 267	5 580 267
Diluted book value per share (PLN)	678,85	664,05	604,13	574,47

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period 01-10-2022 to 31-12-2022	thousand x PLN			
	IV quarter of 2022 - period from 01-10-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022	IV quarter of 2021 - period from 01-10-2021 to 31-12-2021	4 quarter(s) increasingly for the period from 01-01-2021 to 31-12-2021
I. Net sales of products, goods and materials	1 404 606	5 902 872	1 315 161	4 674 169
II. Costs of products, goods and materials	1 246 816	5 047 496	1 116 102	3 854 437
III. Gross profit (loss) on sales	157 790	855 376	199 059	819 732
IV. Selling costs	32 898	123 629	19 253	84 886
V. General and administrative costs	47 177	177 631	43 670	161 950
VII. Other operating incomes	92 833	282 656	172 335	396 330
VIII. Other operating costs	115 231	318 659	163 978	335 979
IX. Operating profit (loss)	55 317	518 113	144 493	633 247
X. Financial incomes	-5 652	26 393	8 418	14 736
XI. Financial costs	6 350	48 309	9 437	31 013
XII. Profit from shares in associated entities	-257	154	-45	163
XIII. Profit (loss) before taxation	43 058	496 351	143 429	617 133
XIV. Income tax	11 683	114 004	19 289	88 404
Profit (loss) from continuing operations	31 375	382 347	124 140	528 729
XV. Profit (loss) on discontinued operations	0	0	0	0

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XVI. Net profit (loss)	31 375	382 347	124 140	528 729
1. Attributable to shareholders of the parent	32 945	387 560	121 748	519 522
2. Attributed to non-controlling interests	-1 570	-5 213	2 392	9 207
Profit (loss) net	31 375	382 347	124 140	528 729
Weighted average number of ordinary shares	5 524 271	5 524 271	5 580 267	5 580 267
Profit (loss) for one ordinary share (in PLN)	5,68	69,21	22,25	94,75

Total comprehensive consolidated income	thousand x PLN			
	IV quarter of 2022 - period from 01-10-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022	IV quarter of 2021 - period from 01-10-2021 to 31-12-2021	4 quarter(s) increasingly for the period from 01-01-2021 to 31-12-2021
Net result	31 375	382 347	124 140	528 729
Other comprehensive income that will not be reclassified to profit or loss, after tax	0	0	0	0
	0			
Other comprehensive income that will be reclassified to profit or loss, after tax, including:	58 368	113 862	-72 063	-112 317
The effective part of the cash flow hedging in accordance with IFRS 9	67 109	100 339	-77 226	-125 579
<i>including the effective portion of cash flow hedge in line with IFRS 9 attributable to minority interest</i>	4 930	7 575	-5 880	-9 582
<i>gains and losses on translating items in the financial statements of the foreign operations</i>	-8 741	13 523	5 163	13 262
Gains and losses on the translation of items in the financial statements of the foreign operation attributable to non-controlling interests	-118	34	-13	-8
Other comprehensive income	89 743	496 209	52 077	416 412
Total comprehensive income	89 743	496 209	52 077	416 412
Comprehensive income attributable to equity holders of the parent	86 432	493 846	55 558	416 734
Comprehensive income attributable to minority shareholders	3 311	2 363	-3 481	-322

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Statement of changes in equity for the period from 1st January to 31st December 2022 and 2021	thousand x PLN							
	Share capital	Capital from the surplus of the issue price above the nominal value/Agio/	Reserve for cash flow hedges / capital from revaluation	Exchange differences from translation	Retained profits	Capital of the parent company	Minority capital	Equity TOTAL
Balance as of 1.01.2022 (opening balance)	11 161	8 416	-120 616	29 314	3 334 513	3 262 788	108 425	3 371 213
Dividend					-66 963	-66 963	-8 678	-75 641
Total comprehensive income for period 1.01 - 31.12.2022			92 762	13 523	387 560	493 846	2 363	496 2090
Other changes in equity					-41 636	-41 636	0	-41 636
Change in equity	0	0	092 762	13 523	278 861	385 247	-6 315	378 932
Balance as of 31.12.2022 (closing balance)	11 161	8 416	-27 854	42 837	3 613 474	3 648 035	102 110	3 750 145

Balance on this 1.01.2021 (opening balance)	11 161	8 416	-4 565	16 052	2 770 502	2 801 566	111 621	2 913 187
Adjustment due to the way of presentation	0	0	0	0	77 971	77 971	0	-75 641
Condition after conversion on 1.01.2021	11 161	8 416	-4 565	16 052	2 848 473	2 879 537	111 621	2 991 158
Dividend	0	0	0	0	-33 483	-33 483	-2 874	-36 357
Total comprehensive income for period 1.01 - 31.12.2021	0	0	-116 051	13 262	519 523	416 734	-322	416 412
Balance as of 31.12.2021 (closing balance)	11 161	8 416	-120 616	29 314	3 334 513	3 262 788	108 425	3 371 213

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CONSOLIDATED CASH FLOW ACCOUNT for the period	thousand x PLN	
	4 quarter(s) increasingly for the period from 01- 01-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01- 01-2021 to 31-12-2021
Cash flow from operating activities		
Gross profit (loss)	496 351	617 133
Income tax paid	-118 596	-83 880
Adjustments made to reconcile profit (loss)	-47 675	-261 440
Adjustments for undistributed investment gains accounted for using the equity method	-154	163
Amortization and depreciation adjustments	179 279	177 273
Adjustments due to unrealized gains (losses) on exchange differences	1 503	1 032
Corrections for interest expense	8 995	9 546
Adjustments resulting from dividend income	0	0
Adjustments for losses (gains) on the sale of fixed assets	13 322	-24 636
Adjustments for provisions	-32 223	28 488
Adjustments for the decrease (increase) in the value of inventories	-247 281	-180 507
Adjustments resulting from a decrease (increase) in receivables	46 640	-268 175
Adjustments for the increase (decrease) in the value of liabilities	-68 195	130 489
Other adjustments made to reconcile profit (loss) and deferred tax	42 484	-130 835
Deferred tax adjustment	7 955	-4 278
Cash flow from operating activities	330 080	271 813
Net cash flow from investment activities		
Proceeds from the sale of property, plant and equipment classified as investment activities	8 570	43 625
Proceeds from the sale or redemption of financial instruments classified as investment activities	233 414	222 589
Dividends received classified as investment activities	0	0
Repayment of long-term loans granted	14 725	2 500
Cash inflow from interest received classified as investment activities	1 127	533
Purchase of tangible fixed assets classified as investment activities	-120 607	-134 282
Acquisition of financial assets	-167 588	-257 323
Other investment inflows and outflows	-1 201	98
Net cash flow from investment activities	-31 560	-122 260
Net cash flow from financial activities		
Purchase of own shares (shares)	-45 167	0
Proceeds from loans classified as financial activities	2 148	3 197
Other financial inflows / outflows	-4 197	-6 900
Paid dividends classified as financial activities	-75 012	-36 094
Repayment of credits and loans	-48 670	-38 965

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Payment of lease liabilities, classified as financial activity	-4 013	-4 719
Interest paid, classified as financial activity	-10 138	-10 209
Net cash flow from financial activities	-185 049	-93 690
Net cash flow	113 471	55 863
The effects of changes in exchange rates on cash and cash equivalents	0	0
Increase (decrease) in cash and cash equivalents	113 471	55 863
Cash and cash equivalents at the beginning of the period	492 254	436 391
Cash and cash equivalents at the end of the period	605 725	492 254
Cash and cash equivalents subject to restrictions	13 188	21 621

Explanations for cash-flows (in PLN thousand):

Change in receivables:	5 793
- adjustment for a change in receivables from the sale of tangible fixed assets	-79
- change in tax receivables	5 872
	0
The change in short-term liabilities, except for loans and credits, results from the following items:	144 510
- adjustment for changes in credits and loans	42 154
- adjustment for the change in the balance of liabilities due to the purchase of tangible fixed assets	-8 452
- liability for income tax	300
- acquisition of financial leasing	-1 488
- adjustment for the change in liabilities due to revaluation of financial assets with equity method	79 184
- dividend	-630
- adjustment for a change in the balance of other financial liabilities	33 441
	0
The change in accruals results from:	-36 578
- assets for deferred income tax recognized in equity	-22 639
- adjustment resulting from CO2 emission allowances received free of charge	-9 409
- adjustment for current income tax	-1 304
- purchase of fixed assets and intangible assets from subsidies and the National Center for Research and Development	-3 227
	0
The value of the item "other adjustments" consists of:	42 485
- change in the valuation of financial assets	-4 216
- change in valuation of other securities	1 402
- free transfer of outlays for fixed assets under construction	-477
- deferred income tax	1 395
- revaluation of the right to use an asset	10 339
- exchange differences from valuation	-804
- CO2 emission allowances	6 436
- consolidation adjustment - write-off of fixed assets in a subsidiary	8 981
- write-down of fixed assets	13 840
- purchase of energy certificates	4 102
- other adjustments	1 486

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Selected Financial Data	thousand x PLN		thousand x EUR	
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I. Net sales of products, goods and materials	2 719 251	1 997 851	580 008	436 450
II. Operating profit (loss)	336 454	232 263	71 765	50 740
III. Profit (loss) before taxation	464 832	257 350	99 147	56 221
IV. Net profit (loss)	398 122	220 063	84 918	48 075
V. Net cash flow from operating activities	229 231	-2 095	48 894	-457
VI. Net cash flow from investment activities	142 685	23 051	30 434	5 036
VII. Net cash flow from financial activities	-151 019	-61 539	-32 212	-13 444
VIII. Total net cash flow	220 897	-40 583	47 117	-8 866
IX. Total assets	2 670 230	2 434 023	569 358	529 204
X. Long-term liabilities	142 046	145 421	30 288	31 617
XI. Short-term liabilities	301 263	347 671	64 237	75 591
XII. Shareholders' equity	2 226 921	1 940 931	474 833	421 997
XIII. Share capital	11 161	11 161	2 380	2 427
XIV. Number of shares	5 580 267	5 580 267	5 580 267	5 580 267
XV. Profit (loss) per ordinary share (PLN)	71,34	39,44	15,22	8,62
XVI. Weighted average number of shares	5 524 271	5 580 267	5 524 271	5 580 267
XVII. Weighted average number of shares	72,07	39,44	15,37	8,62
XVIII. Book value per share (PLN)	399,07	347,82	85,09	75,62
XIX. Diluted book value per share (PLN)	403,12	347,82	85,95	75,62
XX. Declared or paid-out dividend for one share in (PLN/EUR)	12,00	6,00	2,56	1,31

1. Comparable financial data (item IX-XIV and XVIII) was presented pursuant to the requirements of the International Financial Reporting Standards according to the balance for this 31st December 2021. Other comparable data is presented for the period from 1st January 2021 to 30th December 2021.
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 - the profit and loss account items and the cash flow items were converted into EUR according to the rate being the simple average of the average EUR rates announced by the National Bank of Poland on the last day of each month included in the report and amounting to PLN 4.6883 for 4 quarters of 2022 and PLN 4.5775 for 4 quarters of 2021.
3. For profit-per-share calculation the number of 5,580,267 shares was adopted.
4. In connection with the share buyback, the diluted earnings per share were based on the weighted average number of shares in the amount of 5,524,271.
5. In the item XX the amount of the dividend for 1 share to paid out in 2022 and 2021 by the Issuer.

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BALANCE SHEET	(thousand x PLN)			
	31.12.2022	30.09.2022	31.12.2021	30.09.2021
Assets				
I. Fixed assets	1 402 776	1 390 628	1 447 423	1 445 994
1. Intangible assets other than goodwill	1 783	3 939	32 288	32 203
2. Tangible fixed assets	725 583	747 093	745 724	757 396
3. Right to use assets (incl. right of perpetual usufruct of land)	43 489	30 849	83 535	83 788
4. Investment real estate	107 143	77 341	48 533	49 006
5. Long-term financial assets	511 851	511 851	520 440	520 440
6. Other long-term financial assets	12 927	12 927	12 927	119
7. Long-term receivables	0	0	0	0
8. Deferred tax assets	0	6 628	3 976	3 042
9. Long-term prepayments	0	0	0	0
II. Current Assets	1 267 454	1 311 932	986 600	1 065 554
<i>Current assets other than assets held for sale</i>	1 267 454	1 311 932	986 600	1 065 554
1. Stocks	483 371	520 128	459 149	433 205
2. Receivables due to supplies and services and	409 400	481 455	372 215	408 405
3. Cash and cash equivalents	373 859	308 981	152 963	221 970
4. Other short-term investments	824	1 378	2 273	1 974
<i>Assets held for sale</i>	0	0	0	0
Assets in total	2 670 230	2 702 560	2 434 023	2 511 548
Liabilities				
I. Equity capital	2 226 921	2 230 940	1 940 931	1 903 713
1. Share capital	11 161	11 161	11 161	11 161
2. Capital from the surplus of the issue price	8 416	8 416	8 416	8 416
3. Other capitals	180	180	180	180
4. Retained earnings (including uncovered losses)	2 207 164	2 211 183	1 921 174	1 883 956
II. Long-term liabilities	142 046	111 394	145 421	161 809
1. Provision for deferred income tax	61 036	73 281	73 556	75 267
2. Long-term reserves /including employee benefits/	5 900	5 332	5 331	15 006
3. Other long-term non-financial liabilities	0	0	0	0
4. Credits and loans	0	0	10 000	15 000
5. Long-term liabilities due to leasing contracts	75 110	32 781	56 534	56 536
III. Current liabilities	301 263	360 226	347 671	446 026
<i>Short-term liabilities other than those included in groups intended for sale</i>	301 263	360 226	347 671	446 026
1. Short-term provisions for liabilities	15 908	9 164	13 921	9 287
2. Credits and loans	0	0	20 000	20 000
3. Liabilities due to supplies and services	248 219	290 996	275 720	376 408
4. Current liabilities due to social security and taxes other than income tax	11 394	27 714	10 498	8 375
5. Other short-term non-financial liabilities	19 885	21 628	19 800	21 888
6. Liabilities due to income tax	0	3 418	1 063	5 045
7. Liabilities due to leasing	0	0	0	0
8. Other short-term financial liabilities	1	1	0	1
9. Short-term accruals	5 856	7 305	6 669	5 022
<i>Liabilities included in those intended for sale</i>	0	0	0	0
Total liabilities	443 309	471 620	493 092	607 835
Liabilities in total	2 670 230	2 702 560	2 434 023	2 511 548

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Book value	2 226 921	2 230 940	1 940 931	1 903 713
Number of shares	5 580 267	5 580 267	5 580 267	5 580 267
Book value per share (PLN)	399,07	399,79	347,82	341,15
Diluted number of shares	5 524 271	5 580 267	5 580 267	5 580 267
Diluted book value per share (in PLN)	403,12	399,79	347,82	341,15

PROFIT AND LOSS ACCOUNT for the period	(thousand x PLN)			
	IV quarter of 2022 - period from 01-10-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022	IV quarter of 2021 - period from 01-10-2021 to 31-12-2021	4 quarter(s) increasingly for the period from 01-01-2021 to 31-12-2021
I. Net sales of products, goods and materials, including:	635 407	2 719 251	553 360	1 997 851
II. Costs of products, goods and materials sold, including:	531 541	2 205 966	486 348	1 663 390
III. Gross profit (loss) on sales	103 866	513 285	67 012	334 461
IV. Selling costs	21 079	76 292	13 080	49 635
V. General and administrative costs	19 118	60 763	14 509	47 258
VI. Other operating incomes	35 711	58 637	27 362	33 673
VII. Other operating costs	50 969	98 413	21 783	38 978
VIII. Operating profit (loss)	48 411	336 454	45 002	232 263
IX. Financial incomes	1 806	146 832	541	32 564
X. Financial costs	5 005	18 454	2 618	7 476
XI. Profit (loss) before taxation	45 212	464 832	42 925	257 350
XII. Income tax	4 063	66 710	5 708	37 287
XIII. Profit (loss) from continuing operations	41 149	398 122	37 217	220 063
XIV. Profit (loss) on discontinued operations	0	0	0	0
XV. Net profit (loss)	41 149	398 122	37 217	220 063
Weighted average number of ordinary shares	5 580 267	5 580 267	5 580 267	5 580 267
Profit (loss) per ordinary share (PLN)	7,37	71,34	6,67	39,44
Weighted average predicted number of ordinary shares	5 524 271	5 524 271	5 580 267	5 580 267
Diluted profit (loss) per ordinary share (PLN)	7,45	72,07	6,67	39,44

TOTAL COMPREHENSIVE INCOME for the period	(thousand x PLN)			
	IV quarter of 2022 - period from 01-10-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022	IV quarter of 2021 - period from 01-10-2021 to 31-12-2021	4 quarter(s) increasingly for the period from 01-01-2021 to 31-12-2021
Net result	41 149	398 122	37 217	220 063
Differences from evaluation	0	0	0	0
Total Comprehensive Income	41 149	398 122	37 217	220 063

Abridged Consolidated Financial Report for the 4th Quarter of 2022

Statement of changes in equity for the period from 1st January to 31st December 2022 and 2021	(thousand x PLN)					
	Share capital	Capital from the surplus of the issue price above the nominal value	Supplementary capital	Others capitals	Retained profit	Equity in TOTAL
Balance on this 01.01.2022 (opening balance)	11 161	8 416	0	180	1 921 174	1 940 931
Dividend					-66 964	-66 964
Total comprehensive income for period 1.01 - 31.12.2022					398 122	398 122
Other changes in equity					-45 168	-45 168
Balance on this 31.12.2022 (closing balance)	11 161	8 416	0	180	2 207 164	2 226 921
Balance on this 01.01.2021 (opening balance)	11 161	0	103 750	1 592 870	46 568	1 754 349
Adjustment due to the way of presentation		8 416	-103 750	-1 592 690	1 688 024	0
Condition after conversion on 1.01.2021	11 161	8 416	0	180	1 734 592	1 754 349
Dividend					-33 481	-33 481
Total comprehensive income for period 1.01 - 31.12.2021					220 063	220 063
Balance on this 31.12.2021 (closing balance)	11 161	8 416	0	180	1 921 174	1 940 931

CASH FLOW ACCOUNT	thousand x PLN	
	4 quarter(s) increasingly for the period from 01- 01-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01- 01-2021 to 31-12-2021
A. Cash flow from operational activity		
Profit (loss) on the activity of accounts. before tax	464 832	257 350
Income tax paid	75 254	41 848
Total adjustments	-160 347	-217 597
Depreciation,	53 025	50 140
(Gains) losses due to exchange rate differences		0
Interest	5 339	5 705
Shares in profits (dividends)	-143 362	-31 539
Adjustments for losses (gains) on the sale of fixed assets	-106	-73
Adjustments for provisions	-9 965	-4 412
Adjustments for the decrease (increase) in the value of inventories	-24 387	-220 324
Adjustments due to the increase (decrease) due to receivables	-56 024	-130 732
Adjustments for the increase (decrease) in the value of other liabilities related to operating activities	-19 941	108 692
Other adjustments made to reconcile profit (loss)	26 531	385
Adjustments due to deferred tax expense	8 543	4 561
Net cash flow from operating activities	229 231	-2 095
B. Cash flow from investment activity		
Sale of intangible assets and tangible fixed assets	122	832
Sale of financial assets		3 900
Dividends received classified as investing activities	143 362	31 539
Repayment of long-term loans granted	14 500	0
Cash inflow from interest received classified as investing activity	819	505
Purchase of intangible assets and tangible fixed assets	-16 118	-10 622
Acquisition of financial assets		-3 103
Other investment inflows and outflows		
Net cash flow from investment activities	142 685	23 051
C. Cash flow from financial activity		
Proceeds from loans classified as financial activities		0
Other financial inflows / outflows		0
Paid dividends classified as financial activities	-66 963	-33 482
Repayment of credits and loans	-30 000	-20 000
Payment of lease liabilities, classified as financial	-77	-63
Interest paid, classified as financial activity	-6 158	-6 209
Other financial expenses	-2 654	-1 785

	-45 167	
Net cash flow from financial activities	-151 019	-61 539
Net cash flow (before currency effects)	220 897	-40 583
The effects of changes in exchange rates on cash and cash equivalents		0
Increase (decrease) in cash and cash equivalents	220 897	-40 583
Cash and cash equivalents at the beginning of the period	152 962	193 545
Cash and cash equivalents at the end of the period	373 859	152 962
Restricted cash and cash equivalents	3 498	10 400

II. Introductory Information

1. The basic data

Apart from the parent company, the Stalprodukt S.A. Capital Group embraces 10 associated entities accounting for subsidiary companies. Stalprodukt S.A. holds 100 % of shares in the subsidiary companies, except for Zakłady Górniczo-Hutnicze "Bolesław", where it holds 94.93 % of shares.

As the group's parent company, Stalprodukt S.A., provides operating and development guidelines for the associated entities formed within the framework of the Company's restructuring and expansion of its production, trade and services and organization of its own sales network.

The basic objects of operation of the capital group companies are:

- production of electrical transformer sheets – parent company Stalprodukt S.A., GO Steel a.s.,
- production of cold formed profiles, road safety barriers as well as cut-to-length cold- and hot-rolled sheets and strips – parent company Stalprodukt S.A.,
- non-ferrous metal ores mining and zinc and lead production – ZGH "Bolesław" S.A. along with its subsidiary companies:
 - Zinc Smelter - Huta Cynku "Miasteczko Śląskie" S.A. – production of rectified zinc, lead and cadmium,
 - Bol-Therm Sp. z o.o. – power supply-, laboratory-, mechanics and construction-related services, transport-equipment and forwarding services, production of dolomite aggregates, zinc products and zinc alloys,
 - Gradir Montenegro d.o.o. – zinc ores mining and concentrate production,

- Agencja Ochrony Osób i Mienia "Karo" Sp. z o.o. – bodyguard and property security services,
- trade activities:
 - Stalprodukt - Zamość Sp. z o.o.,
- other production- and services-related activities:
 - production of galvanized banding steel and wire, as well as steel strips - Cynk-Mal S.A.,
 - production of cold-rolled sheets – GO Steel a.s.
 - spare parts production and regeneration - Stalprodukt-Wamech Sp. z o.o.,
 - installation, repair/renovation and maintenance of machines - Stalprodukt-Wamech Sp. z o.o.,
 - structural steel production - STP Elbud Sp. z o.o., Stalprodukt-Wamech Sp. z o.o.,
 - galvanizing services - STP Elbud Sp. z o.o. and Cynk-Mal S.A.,
 - roads and freeways construction and management – Stalprodukt-Wamech Sp. z o.o.
 - bodyguard and property security – Stalprodukt-Ochrona Sp. z o.o.,
 - production of construction joinery - Stalprodukt-Zamość Sp. z o.o.
 - designing equipment related to the use of renewable energy sources – Anew Institute Sp. z o.o.,
 - Hotel Ferreus Sp. z o.o. - hotel services.
- Stalprodukt-Centrostal Kraków Sp. z o.o. - in liquidation,

2. Changes in the Issuer's and Capital Group's Ownership Structure

In relation to the 4th Quarter of 2021, which is a comparable period to this Consolidated Financial Report, in the 4th Quarter of 2022 the following changes in the structure of the Issuer's Capital Group took place:

1. On September 29, 2021, the General Meeting of Shareholders of Stalprodukt - Centrostal Kraków Sp. z o.o. adopted a resolution to put the company into liquidation. This decision is a consequence of the optimization of the distribution channel started in 2018. On June 28, 2018, an agency agreement was signed with Stalprodukt -Centrostal Kraków Sp. z o.o. Pursuant to its terms, the purchases and sales were not made for the subsidiary's own account, but for and on behalf of Stalprodukt. At that time the first stage of reorganization of the distribution business also took place, i.e. the takeover of the warehouses from Stalprodukt-Centrostal Kraków and their inclusion in the structures of the Stalprodukt's marketing director division.

In turn, on October 1, 2021, Stalprodukt took over the commercial teams in their structures and the scope of their tasks, thus the activity of the subsidiary as an Agent was terminated.

The changes introduced in the distribution of the Profiles Segment products are aimed at improving the efficiency of finished goods warehouse management and reducing the costs related to the sales network, as well as increasing the segment's sales efficiency.

In the opinion of the Management Board, this decision does not constitute a discontinuation of operations in accordance with the International Accounting Standards.

2. In the month of September The Issuer started hotel operations under the Hotel Ferreus brand. As previously announced, a decision was made to suspend the operations of the company established to conduct hotel operations. According to the decision, the activity is conducted directly by the Issuer, i.e. within the approved organizational structure of Stalprodukt S.A.

3. Fundamental Principles Governing the Preparation of the Abridged Interim Consolidated Financial Report

The presented Abridged Consolidated Financial Report was prepared in respect of the period from 1 October 2022 to 31 December 2022 with the use of the full consolidation method, considering all the Group's subsidiaries. The comparable data cover the period from 1 October 2021 to 31 December 2021 referring to the profit and loss account and the cash flow statement, the balance sheet values reflect the status as of 31 December 2021.

This Abridged Consolidated Financial Report was prepared in line with the International Financial Reporting Standards approved by the European Union and, in particular, with the International Accounting Standard No 34 "Interim Financial Reporting" and was based on the assumption that the Group will be continuing its activities in the predictable future. As of the Financial Report approval day, the Issuer's Management Board does not find any circumstances likely to threaten the continuation of activities pursued by the Capital Group.

The Interim Abridged Consolidated Financial Report does not contain all the information and disclosures required in the consolidated financial report and the additional information sheet mainly contains the explanations of events and changes indispensable for the understanding of the changes in the Group's financial standing and its performance results to have occurred since the end of the previous reporting year.

The Additional Information sheet embraces selected data explaining the facts required by the IAS 34 and the Regulation of the Minister of Finance as of 29.03.2018 r. on current and periodic information to be disclosed by issuers of securities and conditions for recognizing as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws 2018, item 757).

If the Additional Information sheet does not contain a description of some events, required by the above mentioned regulations, this shall mean that such events have not occurred during the reporting period.

4. Accounting Principles (Policy)

1. In the quarterly abridged consolidated financial report the accounting principles (policy) used, including the assets and liabilities, income and costs valuation methods as well as calculation methods adopted, were identical with the ones presented in detail in the Consolidated Report 2021.

In the reporting period no essential amendments were introduced into the accounting standards (policy), nor any adjustments were made in respect of the fundamental errors and adopted estimated values which would have significantly affected the Group's property and liquidity standing and its financial result.

2. The changes introduced into the standards and interpretations issued by the International Financial Reporting Standards Council and International Financial Reporting Standards Interpretation Committee, applicable since 1 January 2022 or later, either do not apply to the Stalprodukt Group, or do not significantly affect the heretofore applied accounting policy and assessment of its asset position and financial standing. The numerous changes introduced into the existing accounting standards and interpretation changes, referring to the existing standards, have already been adopted by the International Financial Reporting Standards Council, but not approved by the EU yet and so the same shall take effect at later dates.

The Management Board does not expect the introduction of the above standards and interpretations to significantly affect the accounting principles (policy) applied by the Group, its financial standing and financial result, but the same may still require further additional or amended disclosures to be included in the report. The above mentioned changes were precisely described in the Additional and Explanatory Information sheet appended to the published Consolidated Financial Report for 2021.

3. The information contained in the Consolidated Financial Report was compiled in compliance with the principles pertaining to the assets and liabilities valuation and net financial result measurement, defined as of the balance sheet day, in compliance with IFRS adopted by the European Union and interpretations related thereto, announced in the form of the European Commission Regulations, with the principle of materiality observed.

From January 2019, the Issuer applies IFRS 16 to recognize and present perpetual usufruct as a lease. The impact of IFRS 16 has been described in the consolidated and separate financial statements for 2019.

5. Estimated Values in the 4th Quarter 2022

- The provision for deferred tax was increased by PLN 5,230 thousand, and decreased by PLN 3,910 thousand.
- An inventory write-down was created in the amount of PLN 19,091 thousand, and it was resolved in the amount of PLN 25,248 thousand, including in Stalprodukt S.A. an inventory write-down was created in the amount of PLN 15,133 thousand, and dissolved in the amount of PLN 20,793 thou.
- A write-down for doubtful receivables was created in the amount of PLN 349 thousand, and resolved in the amount of PLN 538 thousand.
- A provision was created for employee benefits in the amount of PLN 20,296 thousand, and resolved in the amount of PLN 14,596 thousand (including retirement benefits in the amount of PLN 3,521 thousand, and PLN 3,523 thousand was resolved. For unused leaves a provision in the amount of PLN 9,869 thou. was created and it was resolved in the amount of PLN 1,096 thou.).
- A provision was created for certificates of origin for energy and CO₂ emission rights in the amount of PLN 19,027 thousand, and resolved in the amount of PLN 15,032 thousand.
- A provision was created for repairs settled over time in the amount of PLN 13,577 thousand and resolved in the amount of PLN 16,857 thousand (in the Zinc Segment).
- A provision was created for compensations of PLN 703 thousand and dissolved in the amount of PLN 252 thousand.
- A provision for land reclamation was created in the amount of PLN 305 thousand (in the Zinc Segment).
- Other provisions were created for PLN 7,118 thousand (including PLN 4,100 thousand for liquidation of fixed assets and PLN 1,270 thousand for bonuses in the Zinc Segment), and PLN 6,320 thousand was dissolved (including in the Zinc Segment PLN 4,008 thousand for liquidation of fixed assets and PLN 2,312 thousand for bonuses).
- At Stalprodukt S.A. a write-down on fixed assets was created (a partial write-down for the Anew-B1 wind farm, "Demonstrator+" project) in the amount of PLN 13,840 thousand.
- The amount of PLN 45,806 thousand was shown in other operating income and expenses for the receipt and redemption of CO₂ emission allowances received free of charge.

In order to make the costs of manufacturing products more realistic in the fourth quarter of 2022, ZGH "Bolesław" S.A. reduced the costs of purchasing electricity due to compensation for electricity prices in the amount of PLN 18,628.6 thousand. The total amount reducing the costs of purchasing electricity in the period of three quarters of 2022 is PLN 60,698.0 thousand.

The provision for the liquidation of the Olkusz-Pomorzany mine in the fourth quarters of 2022 was used in the amount of PLN 21,050.6 thousand, of which:

- in the first quarter of 2022 PLN 8,228.6 thousand,
- in the second quarter of 2022 PLN 5,522.2 thousand,
- in the third quarter of 2022 PLN 4,444.7 thousand,
- in the fourth quarter of 2022 PLN 3,132.0 thousand (including revaluation of the provision PLN 277 thousand).

As at December 31, 2022, the provision for the liquidation of the "Olkusz-Pomorzony" mine is PLN 133,399 thousand (of which PLN 73,499 thousand is a provision for damages related to floodplains of forest areas).

Provisions were presented in the consolidated statement of financial position of the Capital Group in the following items: long-term provision for decommissioning, reclamation and environmental repair costs (PLN 110,446 thousand) and short-term provision for decommissioning, reclamation and environmental repair costs (PLN 22,953 thousand) thousand). (In the previous period, the amounts were presented in the item: long-term provisions /including for employee benefits/ and short-term provisions for liabilities). Additionally, as at December 31, 2022, in the above-mentioned item: short-term provision for the costs of decommissioning, recultivation and environmental repair costs, a provision was also presented for the amount claimed by PWIK Olkusz Sp. z o. o. in the amount of PLN 55,000 thousand (details related to the claim are described in item 8 of Other Information).

As at December 31, 2022, the impairment loss on the shares of the subsidiary GRADIR amounts to PLN 130,980.6 thousand (84.8% of the value of shares). In the fourth quarter of 2022, the write-down did not change (the write-down is included in the individual reports of ZGH "Bolesław" S.A.). The write-down on the loan granted to the subsidiary GRADIR as at December 31, 2022. is PLN 12,818.1 thousand. In the fourth quarter of 2022 the write-down has decreased by PLN 4,346.4 thousand (the write-down is included in the individual report of ZGH "Bolesław" S.A.).

III. Business Segments

The segment-based reporting was based on IFRS 8 "Operating Segments". The rules governing the Stalprodukt Capital Group's division into operating segments and accounting principles applied in this kind of reporting were described in detail in the last published Consolidated Financial Report for 2021.

Revenues presented in the breakdown into operating segments include only revenues from external customers. There are no transactions between the 3 operating segments (electrical sheet segment, profiles segment and zinc segment). As part of the accounting policy (principles), the "other operations" item was separated to balance the results of the Capital Group. The scope of "other activities" includes assembly services, maintenance services, security, galvanizing services, production of cold rolled steel coils, etc. These services are carried out by the Capital Group companies for external customers and for the needs of individual segments, which in the Issuer's opinion is not a transaction between operating segments. At the same time, taking into account the consolidation principles, revenues from sales under "other activities" made for the benefit of operating segments as carried out within the Capital Group were excluded from consolidation.

Abridged Consolidated Financial Report for the 4th Quarter of 2021

Information on Operating Segments for 4th quarter of 2022 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	479 950	191 524	652 195	80 937	1 404 606
Domestic	29 731	135 383	377 043	69 575	611 732
Export	450 219	56 141	275 151	11 363	792 874
Segment Costs	367 498	208 026	636 121	68 068	1 279 714
Segment Result	112 452	-16 502	16 074	12 869	124 892
Other Operating and Financial Revenues Non-Attributable to the Segment					86 924
Other General, Operating and Financial Costs Non-Attributable to the Segment					168 758
Gross Profit					43 058
Income Tax					11 683
Net Profit					31 375
Segment Assets	1 389 794	905 504	2 240 421	490 774	5 026 493
Assets Non-Attributable to the Segment					41 157
Total Assets					5 067 650
Liabilities	273 231	216 308	559 875	79 692	1 129 106
Provision for decommissioning, recultivation and environmental repair costs			188 399		188 399
Total liabilities					1 317 505
Capital expenditures	4 989	4 036	37 692	1 892	48 609
Depreciation	10 477	4 960	26 290	3 808	45 535
Creation of an inventory write-down	5 961	4 428	2 668	6 035	19 091
Inventory write-down solution	3 493	20 645	1 110	0	25 248

The largest sales were made in 2022 to Germany and accounted for 12.50 % of the Capital Group's sales (23.05 % share in export sales) and Italy and accounted for 7.68 % of the Capital Group's sales (14.17 % share in export sales). In addition, in the case of one client, sales exceeded 10 % of the share in the Capital Group's sales. The total value of revenues from this client is PLN 689,082 thousand. Sales mainly concerned the zinc segment and other activities.

Abridged Consolidated Financial Report for the 4th Quarter of 2021

Information on Operating Segments for 4th quarter of 2021 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	335 805	226 454	640 236	112 666	1 315 161
Domestic	19 412	157 862	395 488	97 254	670 016
Export	316 393	68 592	244 748	15 412	645 145
Segment Costs	262 497	223 766	554 937	94 155	1 135 355
Segment Result	73 308	2 688	85 299	18 511	179 806
Other Operating and Financial Revenues Non-Attributable to the Segment					180 708
Other General, Operating and Financial Costs Non-Attributable to the Segment					217 085
Gross Profit					143 429
Income Tax					19 289
Net Profit					124 140
Segment Assets	1 173 276	821 143	2 350 815	410 607	4 755 842
Assets Non-Attributable to the Segment					67 594
Total Assets					4 823 436
Liabilities	311 521	246 621	773 608	90 860	1 422 610
Contingent Liabilities					61 840
Total Liabilities					1 484 450
Investment Outlays	1 486	1 894	34 125	577	38 082
Depreciation	9 565	4 766	26 316	4 049	44 696

The largest sales were made in 2021 to Germany and accounted for 11.95 % of the Capital Group's sales (24.32 % share in export sales) and Italy and accounted for 6.26 % of the Capital Group's sales (12.75 % share in export sales). In addition, in the case of one client, sales exceeded 10 % of the share in the Capital Group's sales. The total value of revenues from this client is PLN 632,215 thousand. Sales mainly concerned the zinc segment and other activities.

IV. Evaluation of the results obtained and financial situation

In the fourth quarter of 2022, compared to the same period of 2021, the Stalprodukt S.A. Capital Group achieved sales revenues higher by PLN 89,445 thousand, i.e. by 6.8 %. At the level of profit on sales, PLN 157,790 thousand was achieved, against PLN 199,059 thousand in the fourth quarter of 2021, which means a decrease by 20.7 %. On the other hand, the level of operating profit PLN 55,317 thousand was achieved, against PLN 144,493 thousand

in the fourth quarter of 2021, i.e. less by 61.7 %. Net profit in the fourth quarter of 2022 amounted to PLN 31,375 thousand compared to the fourth quarter of 2021, when it amounted to PLN 124,140 thousand. With the exception of the profile segment, which recorded a loss, the other operating segments recorded positive results.

In the Electrical Sheets Segment, the sales volume of transformer sheets increased by 3.7% compared to Q4 2021. At the same time, significant increases in revenues and results were achieved. Revenues increased by PLN 144,145 thousand, i.e. by 42.9%. The segment's result increased by PLN 39,144 thousand, which is an improvement of as much as 53.3% compared to the corresponding period of the previous year. The main factor contributing to the improvement of the achieved results was a significant increase in prices.

Both in the fourth quarter and throughout 2022, the share of HiB sheets at the plant in Bochnia amounted to 20% of the production volume. In addition, similarly as in the first half of 2022, a significant contribution to the segment's result was made by the plant in the Czech Republic.

Despite the improved results, the situation of producers in the European Union is still negatively affected by competition with lower production costs coming from the regions that do not pay fees for CO₂ emissions and with lower energy costs. Hence, there is still some degree of uncertainty about the further development of the macroeconomic situation in many markets.

In the Issuer's opinion, the first half of 2023 will bring a correction of prices on the transformer sheet market, which will have an impact on narrowing the margins on the segment's products. It should be emphasized that the price adjustments will be in relation to the very high price base, and the recent decreases in gas and energy prices should mitigate the effect of lower prices.

Throughout the entire period, the segment had the organizational, production and financial capacity to conduct operating activities, both at the plants in Bochnia and in Frydek-Mistek.

On October 9, 2020, the Management Board of ArcelorMittal Poland S.A. ("AMP") made a decision on the permanent closure of steelmaking facilities of the Krakow branch. The blast furnace and steel plant were temporarily shut down in November 2019 due to the decline in steel demand and large import volumes of steel products from outside the EU. The decision was dictated by structural reasons such as: the lack of effective measures to protect the European steel market, further increase of duty-free quotas for imports of steel products from outside the EU with a decrease in demand for steel and high energy costs.

The Issuer's Management Board emphasizes that this decision does not have a direct negative impact on the supply of input products for the Company's needs, as they have already been taken over by other mills of the ArcelorMittal Group and are carried out in

accordance with the schedule and production needs of the Company. Nevertheless, the long-term cooperation relations between both entities, favorable (due to the close location of the steelworks) logistics of deliveries from the Krakow branch of AMP and the great importance of this plant in securing supplies for the Electrical Sheets Segment are the reason that the decision to completely shut down the steelmaking facilities of the Krakow AMP steelworks and the failure to implement a development project ensuring the supply of the highest-performance transformer sheets charge should be assessed as unfavorable from the point of view of ensuring the optimal functioning of the Company.

What is particularly important from the point of view of securing the raw materials needs for the Stalprodukt's Electrical Sheets Segment, the statement of the Management Board of AMP also mentions investments in the steel plant in Dąbrowa Górnicza, including projects enabling the production of steel grades that will be used in the further production of grain-oriented electrical steels.

Extending the protection period for the European transformer sheets market for another 5 years

On January 14, 2022, the COMMISSION IMPLEMENTING REGULATION (EU) 2022/58 was published, imposing a definitive anti-dumping duty on imports of certain grain-oriented flat-rolled silicon electrical steel products originating in the People's Republic of China, Japan, the Republic of Korea, the Russian Federation and in the United States of America following an expiry review pursuant to Art. 11 sec. 2 of Regulation (EU) 2016/1036 of the European Parliament and of the Council.

The above Commission Regulation maintains the mechanism of minimum import prices and the price levels for individual product groups (differing in the level of magnetic core loss), as set out in the original Implementing Regulation, i.e. 2015/1953 of 29 October 2015.

The expiry review procedure was carried out at the request of the EUROFER Association, representing 2 European producers of grain oriented sheets, i.e. ThyssenKrupp Electrical Steel and Stalprodukt S.A.

Grain oriented electrical sheets are a key component in the production of transformer cores. They are also essential for the maintenance and expansion of the EU energy network and for the further development of the e-mobility sector.

According to Axel Eggert, CEO of EUROFER: "The EU's energy security and climate goals can only be achieved by maintaining a viable European GOES industry." He also added that GOES is a strategic top-shelf product, and the European Union cannot be dependent on foreign steel mills located in Asia, Russia or the United States in terms of supplies.

In the opinion of the Management Board of Stalprodukt, the current level of market prices of grain-oriented sheets is significantly higher than the minimum import prices specified in the

Regulation, which makes the minimum price mechanism irrelevant to the market. However, a drop in prices cannot be ruled out in the future. It is then that the minimum import prices should allow European producers of transformer sheets, including Stalprodukt and its subsidiary GO Steel a.s. - maintain the profitability of sales of these products.

In the Profiles Segment, a decrease in sales volume was recorded compared to Q4 2021 by 7.9 %. In addition, the segment generated sales revenues lower by PLN 34,930 thousand, i.e. by 15.4 %. In the first half of the year, there was a short-term but significant change in market conditions. The maximum prices of feedstock recorded in the third quarter of 2021 decreased significantly in the fourth quarter, while at the beginning of the first quarter of 2022 there was a slight change in the upward trend, which accelerated with the outbreak of the war in Ukraine. The company continued cooperation with regular customers, keeping the agreed terms of deliveries. After a period of price increase in the first half of the year to historically record levels, the trend reversed to a downward trend following a decrease in hot-rolled and cold-rolled sheets. The downward price trend continued in Q4 2022. The difficult situation was also compounded by a significant weakening of demand for the segment's products. The above had a negative impact on the segment's results. As a consequence, the Segment recorded a loss of PLN 16,502 thousand.

In the fourth quarter of 2022, **the Zinc Segment's** net revenues amounted to PLN 652,195 thousand and compared to the same period last year, in which sales amounted to PLN 640,236 thousand, were higher by 1.8 %. Despite a significant increase in costs, the segment recovered a profit of PLN 16,074 thousand. However, the significant deterioration in the results achieved compared to Q4 2021 was caused by the results of Huta Cynku Miasteczko Śląskie, which had to face significant increases in coke and gas prices.

Sales of the Stalprodukt S.A. Capital Group:

- sales of zinc for 12 months of 2022 amounted to 150.0 thousand tons (including 36.6 thous. tons in the fourth quarter of 2022) and was lower by 17.1 thous. tons (- 10.2%) compared to sales for 12 months of 2021.
- sales of silver (Dore's metal) for 12 months of 2022 amounted to PLN 568.0 thousand ounces (including 12.7 thousand ounces in the fourth quarter of 2022) and was lower by 309.0 thous. ounces (- 35.2%) compared to sales for 12 months of 2021.
- sales of refined lead for 12 months of 2022 amounted to 10.2 thous. tons (including 2.4 thous. tons in the fourth quarter of 2022) and was lower by 4.0 thous. tons (- 28.0%) compared to the same period of 2021.

Since August 2022, the largest customers of the ZGH Capital Group have significantly reduced their purchases of zinc and zinc alloys. This resulted in a drop in sales of zinc products in those months.

The market situation in Q4 2022 did not improve compared to the previous quarter. Limitations in the production of zinc in European steel mills caused by high energy prices

were offset by weak demand for zinc from large steel mills (ArcelorMittal, Liberty Group, US Steel).

According to information from the market, a chance for an improvement in the market situation will appear only at the turn of the first and second quarter of 2023.

The quantitatively lower sales in the current year as compared to the previous year also results from the sale of the stock of mine concentrates in 2021. In turn, the higher volume of Dore metal in 2021 is the result of the processing of scrap Pb-Ag anodes from the liquidated zinc electrolysis hall of ZGH "Bolesław" in HC "Miasteczko Śląskie".

Zinc, lead and silver market

Long-term highs or even historical price records were broken in 2022 by many listed metals. The highest price per ton of zinc (LME zinc cash-settlement) on the London Metal Exchange is \$4,530. (April 19). The record price level at the time was driven by concerns about supply, an increase in orders and historically low levels of inventories. At the end of December 2022, zinc stocks in warehouses registered on the LME fell to the lowest level in many years and amounted to approx. 32,000 thou. tons.

Industrial metal prices fell significantly in late December amid growing fears of a potential global recession. As of December 30, 2022, the price of the metal used to galvanize steel is \$3,025.00 per tonne, which means a decrease in the price by almost \$1,500 compared to the April maximum.

Movements in the market of energy raw materials immediately preceding the start of the war, in particular, difficulties on the natural gas market resulted in a several-fold increase in the prices of all energy carriers, and consequently in an increase in the cost of zinc production. Despite the implementation within the European Union of the right to grant state aid to companies that are unable to produce without incurring a loss, zinc production lines have been shut down and stopped in many European plants.

The consequence of the market turmoil in 2022 was the reduction of production at the European zinc smelters: Porto Vesme/Italy, Auby/France, Asturiana/Spain, Balen/Belgium and KCM/Bulgaria.

The decision to close the Nord Stream 1 pipeline (July 21, 2022) further increased the risk of rising energy prices in the second half of the year and caused Trafigura to make decisions on the closure of the Budel smelter (300 thousand tonnes of Zn) in the Netherlands on September 1, and the Glencore of the Nordenham smelter in Germany (175 thousand tonnes) on November 1. In total, reductions in zinc production in Europe are likely to amount to as much as 600,000 tons. In November, Trafigura announced a partial resumption of production at the Budel smelter.

However, the reduction in supply coincided with a strong drop in demand for zinc in Europe, from all market participants, from small galvanizing plants to large steel mills.

The projected zinc prices according to Reuters publication for 2023 are USD 3,140 per tonne, while USD 3,040 per tonne is forecast for 2024.

The prices of basic metals for the ZGH "Bolesław" Group were as follows:

12 months of 2022

average zinc cash settlement price on the London Metal Exchange USD 3,478 per tonne

average lead cash settlement price on the London Metal Exchange USD 2,150 per tonne

average silver price on the London Bullion Market USD 21.73 per troy ounce (USD 698.6 per kg)

the average PLN/USD exchange rate (NBP) was 4.4615

12 months of 2021

average zinc cash settlement price on the London Metal Exchange USD 3,007 per tonne

average lead cash settlement price on the London Metal Exchange USD 2,206 per tonne

average silver price on the London Bullion Market USD 25.14 per troy ounce (USD 808 per kg)

the average PLN/USD exchange rate (NBP) was 3.8647

The price of zinc, converted into PLN, was PLN 15,458 per tonne and was 32.9% higher than in the 12 months of 2021, when it averaged PLN 11,634 per tonne.

The price of lead, converted into PLN, was PLN 9,560 per tonne and was 12.1% higher than in the 12 months of 2021, when it averaged PLN 8,529 per tonne.

The price of silver, converted into PLN, was PLN 3,117 per kg, and was at a comparable level year on year - in the year preceding the average PLN 3,123/kg.

METAL PRODUCTION.

- zinc production for 12M'22 amounted to 155.6 thousand tonnes and was lower by 9.1 thous. tonnes (- 5.5%) compared to 12M'21.
- refined lead production for 12M'22 amounted to 16.0 thousand tonnes and was lower by 2.7 thous. tonnes (- 14.6%) compared to 12M21.
- production of silver (Dore metal) for 12M '22 amounted to 591.0 thousand ounce and was lower by 279.6 thousand ounce (-32.1%) compared to 12M '21.

Apart from concentrates from the processing of imported ore, ZGH "Bolesław" S.A. produces concentrates based on zinc-bearing waste. The amount of these concentrates for 12 months of 2022 was higher than the production executed in the corresponding period of 2021. These concentrates are the feedstock for Huta Cynku [Zinc Smelter] "Miasteczko Śląskie" and Huta [Zinc Smelter] "Bolesław".

THE MARKET OF ENERGY CARRIERS

This year, the ZGH Capital Group is facing a significant increase in the prices of energy carriers (electricity, coke, coke breeze and natural gas). Comparing year to year, the increase

in the prices of these carriers increased the production costs in the ZGH Capital Group by nearly PLN 270 million, and the high prices of energy factors significantly affect profitability, especially in the energy-intensive industry.

In December 2022, the European Commission approved a Polish aid program worth EUR 1.1 billion (PLN 5.1 billion) aimed at supporting energy-intensive companies. The scheme was approved under the State Aid Temporary Crisis Framework. The program enables energy-intensive companies to apply for compensation for increases in electricity and gas prices. The program can be used by Huta Cynku Miasteczko Śląskie, the deadline for submitting an application is February 22, 2023. The estimated value of the aid, calculated on the basis of the program guidelines, for which Huta Cynku "Miasteczko Śląskie" will apply is PLN 99,196,726.35.

Gas (market data)

Recently, we have been observing significant declines in gas prices on the Polish and European exchanges. Currently (8th February 2023) gas prices on TGE S.A. with delivery in March'23 are around PLN 300/MWh, while the price of this fuel in August'22 was PLN 1,500/MWh. This state of affairs is mainly due to: a warm winter (much above the long-term average), lower industrial demand, high gas stocks and LGN supplies (mainly from the United States), which have largely replaced imports from Russia.

Electricity (stock market data)

Power exchange market prices of electricity with delivery in March 2023 oscillate around PLN 700/MWh, while contracts for 2024 at approx. PLN 800/MWh. There is a lot of uncertainty on the market, which translates into a significant valuation of risk in forward contracts. Spot (daily) contracts, on the other hand, are characterized by high volatility of prices that oscillate in the range of PLN 500 – 1000/MWh. The main influence here is the generation of energy from renewable energy sources - the higher the number, the lower the energy price.

Legislation (major changes)

At the end of 2022, the following entered into force:

- a) Act freezing electricity prices, which sets the maximum price for companies from the SME sector and public consumers at PLN 785/MWh and introduces the obligation for energy producers and trading companies to pay write-offs to the Price Difference Fund in the case of applying margins higher than 1% - 3 %,
- b) amendment of the system regulation regarding the functioning of the power system, which introduces new rules for pricing electricity on the Balancing Market. In practice, the above act is intended to translate into lower electricity prices on the wholesale market. Both laws are temporary and remain in force until the end of 2023.

In practice, the above mentioned acts are intended to translate into lower electricity prices on the wholesale market. Both laws are temporary and remain in force until the end of 2023.

Main factors affecting the results achieved by the segment:

- concerns about a potential global recession,
- development of zinc quotations,
- exchange rate developments,
- prices of electricity, coke and natural gas,
- prices of CO₂ emission allowances.

V. Financial instruments and risk management assessment

The Parent Company is exposed to various types of financial risks - including changes in market prices of debt and equity instruments, fluctuations of currencies and interest rates. The overall financial risk management program of the Issuer focuses on the unpredictability of financial markets and seeks to minimize the potential negative effects on the Parent Company's financial results. The Department of Financial and Risk Management, supervised by the Finance Director, manages the risk in the Parent Company. The main objective is to minimize the negative effects of external changes on the results obtained by the Company. Depending on the type and size of risk, the Company complies with the appropriate instruments for the diagnosis, assessment and hedging.

As of 31 December 2022, the subsidiary companies belonging to the Zinc Segment were applying cash flow hedge accounting for commodity and currency swaps in accordance with the rules described in the Annual Report. As of 31 December 2022 they held the following hedging measures active (the connections have been planned for the period from April 2022 to October 2024):

1) currency

Hedging Type	Description of Hedging Instrument	Nominal Amount	Fair Value of the Hedging Instrument as of the Balance Sheet Day	Effective Portion Taken to Capital Revaluation Reserve	Nature of the Risk Type Hedged Against
Active currency hedging instruments as of 31.12.2022 r. PLN thousand					
Cash Flow Hedging	forward	\$ 57 120 000,00	-27 416	-27 416	risk from USD/PLN exchange rates
Cash Flow Hedging	forward	€ 0,00	0	0	risk from EUR/PLN exchange rates
Cash Flow Hedging	option strategies		0	0	risk from USD/PLN exchange rates
Cash Flow Hedging	option strategies (synthetic forward)	€ 1 200 000,00	-224	-224	risk from EUR/PLN exchange rates

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2) raw material

Hedging Type	Description of Hedging Instrument	Nominal Amount	Fair Value of the Hedging Instrument as of the Balance Sheet Day	Effective Portion Taken to Capital Revaluation Reserve	Nature of the Risk Type Hedged Against
Active commodity hedging instruments as of 31.12.2022 (zinc)			PLN thousand		
Cash Flow Hedging	swap	4 800	-9 351	-9 351	Price Change Risk Zn LME PLN
Cash Flow Hedging	swap (USD)	9 600	1 322	1 322	Price Change Risk Zn LME USD
Active commodity hedging instruments as of 31.12.2022 (lead)			PLN thousand		
Cash Flow Hedging	swap	925	-1 4711	-1 471	Price Change Risk Pb LME PLN

Explanations Referring to Balance Sheet Items Related to Derivative Instruments

Explanation Referring to the Item: Other long- and Short-Term Investments	PLN thousand	
	31.12.2022	31.12.2021
Long-Term investments	0	199
Short-Term Investments	26 541	98 149
TOTAL, including:	26 541	98 348
a) valuation of derivative transactions	18 799	2 280
b) securities	7 742	96 068

Explanation to Item: Liabilities pertaining to hedging instruments	PLN thousand	
	31.12.2022	31.12.2021
Contracts for Hedging Transactions	3 003	38 926
Conclusions of Currency Option Transactions	56 430	132 066
Adjustment pertaining to the amount resulting from the closed transactions settlements with brokers	-1 904	-5 154
TOTAL	57 529	165 838

Valuation of Derivative Transactions

Valuation of Derivative Transactions	PLN thousand			
	31.12.2022		31.12.2021	
	Financial Assets	Financial Liabilities (Payables)	Financial Assets	Financial Liabilities (Payables)
Commodity Transactions - Zinc	18 336	10 962	91	117 322
Commodity Transactions - Lead	0	1 471	0	2 263
Currency Transactions - USD/PLN EUR/PLN	463	45 096	1 520	46 254
Commodity Transactions- Silver	0	0	669	0
Total	18 799	57 529	2 280	165 839

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Division of Hedging Instruments

Division of Hedging Instruments	PLN thousand			
	31.12.2022		31.12.2021	
	Financial Assets	Financial Liabilities (Payables)	Financial Assets	Financial Liabilities (Payables)
Hedging Instruments	2 702	39 843	1 638	162 622
Commodity Transactions - zinc	2 640	10 669	91	117 077
Commodity Transactions - lead	0	1 471	0	2 263
Currency Transactions - USD/PLN, EUR/PLN	62	27 703	878	43 282
Commodity Transactions - Silver	0	0	669	0
Trade Instruments	16 097	17 686	642	3 216
Commodity Transactions- zinc	15 696	293	0	244
Commodity Transactions - lead	0	0	0	0
Currency Transactions - USD/PLN, EUR/PLN	401	17 393	642	2 972
Commodity Transactions - silver	0	0	0	0
Total	18 799	57 529	2 280	165 838

Financial Report Presentation of Applied Derivative Instruments

Derivative Transactions Presented in the Profit and Loss Account:	PLN thousand	
	31.12.2022	31.12.2021
Sales of Products Adjustment	-178 315	-54 252
Sales of Goods Adjustments	0	0
Revaluation of Investments	967	-2 546
Gains/Loss on Sale of Investments	-19 934	-14 564
Total	-197 282	-71 362

Cash Result from Reconciliation of Derivative Instruments:	PLN thousand	
	31.12.2022	31.12.2021
Commodity Transactions	-124 421	-61 586
Currency Transactions	-77 023	-1 623
Total	-201 444	-63 209

Sales of Products Adjustment Related to Application of Hedging Instruments:	PLN thousand	
	31.12.2022	31.12.2021
Sales Increase	4 138	8 133
Sales Decrease	-182 453	-62 385
TOTAL	-178 315	-54 252

Status of Capital from Revaluation Related to Application of Hedge Accounting (excluding Deferred Tax)	PLN thousand	
	31.12.2022	31.12.2021
Valuation of Open Hedging Instruments:	-37 140	-161 001
- Zn	-8 029	-116 986
- Pb	-1 471	-2 263
- USD/PLN	-27 416	-41 960
- Ag	0	669
- EUR/PLN	-224	-461
TOTAL	-37 140	-161 001

The result of the hedging instruments valuation, in its portion recognized as 'effective hedging', is taken to the capital revaluation reserve. Asian options, aimed at hedging the Company against the change of time value, are taken to costs or to financial revenues. The trade instruments valuation result is taken to costs or financial revenues. The result from the application of hedging instruments is used to adjust the hedged item (sales). The result from the application of trade instruments is taken to costs or financial revenues.

Securities

Securities	w tys. zł	
	31.12.2022	31.12.2021
Corporate bonds	0	61 878
-PKO Bank Hipoteczny S.A	0	23 456
-PEKAO Faktoring S.A	0	19 983
-PKO Leasing S.A	0	18 440
Investment fund participation units:	7 742	34 190
- Quercus Ochrony Kapitału	2 065	2 006
- Quercus Obligacje Skarbowe	2 465	2 796
- Quercus Dłużny Krótkoterminowy	3 095	2 995
- Generali Korona Obligacje	1	0
- Generali Korona Dochodowy FL	1	0
Generali Korona Oszczędnościowy	1	0
- Generali Aktywny Dochodowy	114	26 393
TOTAL	7 742	96 068

Fair value hierarchy

Level 1 inputs date are quoted (unadjusted) prices in active markets for identical assets or liabilities to which the entity has access at the measurement date. Valuation of securities (Generali and Quercus) was included in this category. Level 2 input data are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This category includes corporate bonds and hedging instruments (swaps and forwards).

Level 3 input data are unobservable inputs for the asset or liability.

IV. Other Information

Information on the political and economic situation in Ukraine and its potential impact on the activities of the Issuer and its capital group.

Stalprodukt S.A. and the companies of the Capital Group do not have any assets in Ukraine. The Stalprodukt Capital Group conducts commercial activities to a very limited extent with customers in Ukraine and Russia. The share of these customers in the Group's sales structure is insignificant. Sales value to those countries accounted for 0.22% in 2020 and 0.25% in

2021. For the first 2 months of 2022 until the start of the armed conflict, it accounted for 0.03% of sales revenue. The main direction of supply of input materials for the Segment of transformer sheets are steel mills belonging to the ArcelorMittal concern, located in Poland and Western Europe.

The Issuer only makes supplementary purchases of feedstock from smelters in Ukraine and Russia (this applies only to the Profiles Segment). Purchases quantitatively from the above countries accounted for 5.94% in 2020 and 9.73% in 2021 of material purchases, respectively. For the first 2 months of 2022, before the start of the armed conflict, the value of purchases accounted for 5.96% of total material purchases.

At the same time, the zinc segment did not realize in 2021, nor has it signed any contracts for the sale of its products for 2022 on the Ukrainian market. In turn, revenues from sales in 2021 to the markets of Russia and Belarus, involved in the armed conflict, accounted for approx. 1.2% of total sales in 2021. However, the share of these sales in the segment's revenues is very small. Thanks to diversified sales markets, armed conflict should not have an impact on sales and financial results in the long term. The zinc segment also does not import raw materials for the production of products from the above-mentioned countries, therefore it currently does not identify the risk of the inability to obtain raw materials for the production of its products.

At the same time, the Management Board declares that as at the moment of submitting this report, there are no significant disruptions in terms of: reduction of revenues, loss of customers or shortage of employees. The solvency, liquidity and collectability of receivables also remain unchanged, and price fluctuations hedged in the case of the zinc segment are in the form of forward transactions.

As at the date of this report, these are the only effects of the political and economic situation in Ukraine that may affect the Issuer's operations. Due to the high dynamics of the development of the situation, it is difficult to predict other possible financial effects that may occur in the long term. In the opinion of the Issuer, these values are not material items and do not have a negative impact on the financial situation of the Stalprodukt S.A. Capital Group.

The impact of the coronavirus COVID-19 pandemic on the situation of the Company.

When assessing the impact of the COVID-19 coronavirus on the Issuer's operations, it should be emphasized that in the fourth quarter of 2022, no impact on the operations of operating segments was observed.

Other Information

1. In the 4th quarter of 2022 the Capital Group did not experience any seasonality consequences. During the reporting period no other positions were recorded, significantly affecting the assets, liabilities, equity, net profit or cash flow, which would be untypical in terms of their kind, volume/size or frequency.
2. As of the balance sheet day, the Stalprodukt S.A. Capital Group holds the below mentioned off-balance-sheet contingent liabilities:
 - guarantees of good workmanship concerning the production and assembly of road barriers totaling PLN 22,394 thousand,
 - guarantees and sureties (avals) granted by ZGH "Bolesław" amounting to PLN 17,333 thousand,
 - ZGH "Bolesław" S.A. issued a promissory note in connection with the contract concluded with the National Center for Research and Development for the amount of PLN 60.5 million for co-financing investment projects,
 - ZGH "Bolesław" S.A. in the IV quarter of 2019 established in the form of bank guarantees a collateral for claims of the waste holder in favour of the Marshal of the Małopolska Province in the total amount of PLN 9,582.1 thousand. The collateral in the amount of PLN 9,111.0 thousand applies to the installation of rotary kilns used for the production of zinc concentrate from waste zinc-bearing materials in a roll down process. The second collateral in the amount of PLN 21.1 thousand applies to installations used for the production of electrolytic zinc and its alloys. The third, in the amount of PLN 450 thousand includes an installation for the processing of waste in the recovery process.
 - no hedging's securing the financing banks in respect of the signed credit agreements, which were disclosed in the 2021 report, were subject to change.
3. The pending bankruptcy and composition proceedings cover the Group's receivables totaling PLN 9,719 thousand, wherein Stalprodukt's share amounts to PLN 1,951 thousand and ZGH "Bolesław"'s - PLN 7,768 thousand.

During the reporting period, no other essential proceedings were instituted or pending before the courts or government agencies, concerning any liabilities or receivables, which might exert a significant influence on the Group's future results and its financial standing.

4. As of the Report submission day, the shareholders holding at least 5% of the total number of votes at the General Meeting of Shareholders are:
 - STP Investment S.A. holding 1,529,319 shares, accounting for a 27.41 %-share in capital and 4,375,691 votes, accounting for 35.87 % of the total number of votes at the General Meeting of Shareholders and through F&R Finanse sp. z o.o. 43,807 shares,

accounting for 0.79 %-share in capital and 43,807 votes, accounting for 0.36 % of the total number of votes at the General Meeting of Shareholders,

i.e. the total 1,573,126 shares, accounting for a 28.19 %-share in capital and 4,419,498 votes, accounting for 36.23 % of the total number of votes at the General Meeting of Shareholders,

- FCASE Sp. z o.o. Sp. k. holding 243,410 shares, accounting for 4.36 %-share in capital and 1,217,050 votes, accounting for 9.98 % of the total number of votes at the General Meeting of Shareholders,
- Stalprodukt Profil S.A. holding 579,652 shares, accounting for 10.39 %-share in capital and 1,095,488 votes, accounting for 8.98 % of the total number of votes at the General Meeting of Shareholders.
- ArcelorMittal Sourcing a société en commandite par actions holding 1,066,100 shares, accounting for a 19.10 %-share in capital and 1,066,100 votes, accounting for a 8.74 % of the total number of votes at the General Meeting of Shareholders.

As of the Report submission day, the ownership statuses of management and supervision officers in respect of the Issuer's shares are as follows:

a/ management officers:

- Piotr Janeczek 115,053 shares of nominal value: PLN 230,106,
- Łukasz Mentel 100 shares of nominal value: PLN 200.

b/ supervision officers:

- Stanisław Kurnik 1,000 shares of nominal value: PLN 2,000.

On October 5, 2022, the Issuer received a notification from Mr. Stanisław Kurnik about the sale of 1,900 registered preference shares at PLN 250 per share on the same day. The transaction took place outside regulated trading.

In the period pending from the date of issuance of the previous periodic report, no changes occurred in respect of the shareholding status of the managing and supervising officers.

5. Apart from the typical and routine transactions, concluded in line with market conditions, with the capital group- associated companies, resulting from the on-going operating activities, neither the Stalprodukt Company, nor its subsidiaries concluded any other transactions with associated companies during the reporting period.
6. Issuer's transactions with related entities:

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a) The total value of the Issuer's transactions with associated companies in the period from 01.10.2022 to 31.12.2022 and in the comparable period from 01.10.2021 to 31.12.2021 is presented in the Table below.

Items the 4th quarter of 2022	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.	14	81	11	135
Anew Institute sp. z o.o.	3	0	3	433
Stalprodukt-Wamech sp. z o.o.	371	7 753	789	7 677
Stalprodukt-Zamość sp. z o.o.	1 826	22	2 576	73
Stalprodukt-Ochrona sp. z o.o.	27	1 001	67	1 280
STP Elbud sp. z o.o.	358	3 308	782	6 876
Cynk-Mal S.A.	3 807	1 339	12 467	3 386
GO STEEL a.s.	18 727	341	61 063	1 215
Hotel Ferreus sp. z o.o.	2	0	4	0
PTZ Sp. z o.o.	1	0	3	0
Stalprodukt-Centrostal Kraków Sp. z o.o. - in liquidation	36	0	38	0

Associated entities:

Items the 4th quarter of 2022	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Receivables	Liabilities
Stalnet Sp. z o.o.	5	15	12	36

Entities with joint control or significant influence over the entity:

Items the 4th quarter of 2022	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Receivables	koszty
Stalprodukt-Profil S.A.			3	
STP Investment S.A.			3	

- joint ventures in which the entity is a partner in a joint venture - transactions did not occur,
- key management personnel of the entity or its parent entity - transactions did not occur,
- other related entities - transactions did not occur.

b) The total value of the Issuer's transactions with associated companies in the period from 01.10.2022 to 31.12.2022 is presented in the Table below.

Items the 4th quarter of 2020	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.	8	22	6	35
Anew Institute sp. z o.o.				10
Stalprodukt-Wamech sp. z o.o.	395	6 908	835	6 972
Stalprodukt-Zamość sp. z o.o.	1 778	85	3 241	96
Stalprodukt-Ochrona sp. z o.o.	28	831	63	1 073
STP Elbud sp. z o.o.	254	4 161	994	6 842
Cynk-Mał S.A.	3 050	2 147	15 526	2 465
GO STEEL a.s.	26 853	9 670	80 728	24 861
Hotel Ferreus sp. z o.o.	2		4	
PTZ Sp. z o.o.	2		2	

Moreover, in the 4th quarter of 2021 transactions were concluded with the companies in which the Company holds shares: Stalnet Sp. z o.o.- revenue PLN 12 thousand, costs PLN 36 thousand; receivables PLN 5 thousand, liabilities PLN 15 thousand; Stalprodukt-Profil S.A. revenue PLN 3 thousand, receivables PLN 2 thousand. The receivables in respect of F&R Finanse Sp. z o.o. amount to PLN 12 808 thousand. STP Investment S.A. - revenue PLN 3 thousand, receivables PLN 1 thousand. These were market-type transactions.

7. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 48,609 thousand. No significant fixed asset components have been disposed of during the reporting period.
8. An important proceeding in court is a lawsuit filed by Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o.o. in Olkusz against the ZGH "Bolesław" S.A. Company for payment of mining damages in the amount of PLN 64,015,224.00 (file reference number IX GC 99/14).

On 25.04.2018, the Regional Court of Kraków, 9th Economic Department (joint case file No IX GC 543/13) issued judgments in both of the above mentioned cases:

- a. regarding the suit brought by Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o.o. in Olkusz against the Company for the payment of compensation in the amount of PLN 64,015,224.00 (File No IX GC 99/14) issued a preliminary judgment, recognizing the action of PWiK sp. z o.o. in Olkusz as justified as a matter of principle. The potential amount of the compensation shall be subject to further proceedings and may total the maximum of PLN 64 million. In connection with the referenced lawsuit, already in 2015, the Company formed a provision amounting to PLN 15 million. The company appealed against the judgment;

- b. regarding the suit brought by the Company against PWiK sp. z o.o. in Olkusz for declaratory action seeking to establish that the Company is not liable for the lack of water supplies resulting from the mine dewatering activities after the mine liquidation and that the Company is not liable for the pollution of the existing or former water intakes, PWiK sp. z o.o. (File No IX GC 543/13), issued a judgment dismissing the action. The company appealed against the judgment

On 13.03.2020 the Court of Appeal in Kraków issued the judgement in the case with ref.no AGa 527/18, between ZGH "Bolesław" S.A. and Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o. o. in Olkusz, in which it dismissed the appeal of ZGH "Bolesław" S.A. against the judgement of the Regional Court in Krakow of 25.04.2018 to the case with reference number IX GC 543/13, as well as ordered that the ZGH "Bolesław" S.A. shall pay the costs of proceedings at law in the amount of PLN 8,100 for the benefit of Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o.o. Consequently, the ruling of the Regional Court is final and binding.

The above status means that at the moment it has been ruled by a legally-binding decision that ZGH "Boleslaw" S.A. is liable for damages to the Przedsiębiorstwo Wodociągów i Kanalizacji for the consequences in terms of water relations, connected to the future exclusion of the Mine Olkusz Pomorzany drainage and due to this, the discontinuation of water supply to their channels and for possible groundwater pollution.

On July 28, 2020 a cassation appeal was filed with the Supreme Court in Warsaw through the Court of Appeal in Kraków.

The Supreme Court in Warsaw by a decision of January 27, 2021, ZGH refused "Bolesław" S.A. to accept a cassation appeal for examination. In this state, the case will be re-examined by the District Court, which will determine the amount of compensation.

On September 16, 2021, the Order of the District Court, IX Commercial Division in Kraków of August 30, 2021 was received, binding PWiK Sp. z o.o. to submit a pleading within one month from the delivery of a copy of this ordinance, and ZGH "Bolesław" S.A. to submit, within one month from the date of delivery of the copy of the pleading from PWiK Sp. z o.o.

On November 15, 2021. ZGH "Bolesław" S.A. sent a letter to the Court with a request for the obligation of PWiK sp.z o.o. to submit to the Court and to the requesting party documents and information related to the technical operation of the water supply network. District Court, by order of 10/12/2021, granted the application and obliged PWiK sp.z o.o. to submit such information or submit a letter that they will not submit it. From the substantive point of view, it is important that in the letter referred to above, PWiK sp.z o.o. limited the claim by approximately PLN 10 million and is now seeking a compensation of PLN 54,838,732.96.

On December 10, 2021, a pleading from PWiK Sp. z o.o. was received. It does not contain the information requested by ZGH "Bolesław" S.A. in a letter of November 15, 2021. In this state, the preparation of the pleading /pleadings containing the current position of ZGH "Bolesław" S.A. is underway.

On February 28, 2022, ZGH Bolesław S.A. submitted their position on the matter. In this letter, a motion to dismiss the claim was filed, as well as formal and evidentiary motions were submitted. The basis for filing a motion to dismiss the claim is an indication that PWiK sp. z o.o. did not suffer damage in the civil sense, i.e. there was no loss of property. Further, allegations were made that the possible damage cannot be the own outlay incurred for the investment, and there is no damage in the scope of the so-called stage II, where no expenses were incurred, and their incurring is not a foregone conclusion and is not justified. On March 17, 2022, PWiK sp. z o.o. submitted another letter. On April 5, 2022, the District Court in Kraków called on the parties to the dispute to consider mediation in the case. On July 15, 2022, the District Court in Kraków issued a Decision on the admission of evidence from the Institute's opinion on the legitimacy and amount of the damage suffered so far by PWiK Sp. z o.o., as well as future planned expenses. On September 22, 2022 a pleading was delivered to the District Court in Krakow - a request for evidence in the field of evidence from the opinion of the ZGH "Bolesław" S.A. institute.

Moreover, it should be mentioned that the above-mentioned judgment is directly related to the issue of contingent liabilities related to the acquisition of ZGH "Bolesław" S.A., which was described in detail in the consolidated financial statements of Stalprodukt S.A. for 2013 (point 11. Settlement of the purchase price of ZGH "Bolesław" S.A.). This amount was presented in the balance sheet as at December 31, 2013 in the item "contingent liabilities due to the purchase of ZGH" Bolesław " S.A.". As at December 31, 2022, the amount of provisions in the subsidiary and at the level of the consolidated financial statements covers 100% of the amount from the lawsuit. The amount was presented in the statement of financial position in the short-term provision for the costs of decommissioning, recultivation and environmental repair costs.

9. Neither the Issuer nor its Capital Group's entities issued, redeemed or paid any debt or other capital securities, apart from the ones referred to herein.
10. During the reporting period and within the submission of the present quarterly report, neither the Parent Company, nor its subsidiaries, granted any sureties, loans, credits or guaranties, apart from the ones referred to herein.
11. The General Meeting of ZGH „Bolesław” S.A. Shareholders held on 20 June 2022 adopted a resolution on the dividend disbursement for the fiscal year 2021. The profit-based amount appropriated for the dividend is PLN 6.00 per share. The dividend

disbursement date was fixed on 21 July 2022. The dividend amount of PLN 94,619 thousand shall be recognized in the Issuer's separate result for the 3rd quarter of 2022.

12. The General Meeting of Go Steel a.s. Shareholders held on 28 June 2022 adopted a resolution on the dividend disbursement for the fiscal year 2021. The amount from the profit allocated to the dividend is CZK 250 million (48,743 thousand). The dividend disbursement date was fixed on 21 July 2022. The dividend amount of PLN 94,619 thousand shall be recognized in the Issuer's separate result for the 3rd quarter of 2022.
13. The Issuer informs that as a result of the settlement of the transaction of purchase of shares offered in response to the "Offer to purchase shares of Stalprodukt S.A." ("Offer"), announced on September 1, 2022, the ownership was transferred and the purchase of 165,801 own shares by the Company was settled. The transfer of ownership of shares between the shareholders and the Company took place outside the regulated market through Dom Maklerski BDM S.A. with its registered office in Bielsko-Biała and settled within the depository and settlement system of the National Depository for Securities S.A. The basis for the purchase of shares was the authorization granted by the Ordinary General Meeting of Stalprodukt S.A. on June 23, 2022 (Resolution No. XLI/14/2022 on the purchase by the Company of its own shares for redemption). The purpose of the buyback of own shares is their redemption and reduction of the Company's share capital.
14. The General Meeting of Shareholders on 23 June 2022 adopted a resolution on the distribution of the net result for the financial year 2021 as follows:
 - the amount allocated to the dividend payment is PLN 66,963,204.00,
 - the value of the dividend per 1 share is PLN 12.00 gross,
 - the dividend covers 5,580,267 shares of the Company,
 - the date of establishing the right to dividend is 4 July 2022,
 - the dividend payment date is set for 14 July 2022.
15. In the Issuer's assessment, the factors likely to affect the Group's results at least in the perspective of the coming quarter, shall be:
 - fluctuations of charge prices and demand for Stalprodukt's products,
 - fluctuations of the LME zinc and lead prices and LBM silver prices ,
 - fluctuations of currency exchange rates
 - prices of electricity and energy raw materials,
 - price formation and gas availability,
 - prices of CO₂ emission allowances.

15. During the reporting period and following 31.12.2022 until the preparation of the Abridged Consolidated Report for the 4th quarter 2022 no other important events took place, apart from the ones mentioned herein, which might significantly affect the Group's standing and its financial results. The Issuer does not possess any other information, which, in his opinion, is essential for the assessment and changes in the Group's staffing level, assets structure and financial standing, or information essential for the assessment of its potential capacity to settle the liabilities incurred.
16. In December 2022, the European Commission approved a Polish aid program worth EUR 1.1 billion (PLN 5.1 billion) aimed at supporting energy-intensive companies. The scheme was approved under the State Aid Temporary Crisis Framework. The program enables energy-intensive companies to apply for compensation for increases in electricity and gas prices. The program can be used by Huta Cynku Miasteczko Śląskie, the deadline for submitting an application is February 22, 2023. The expected value of aid, calculated on the basis of the program guidelines, for which Huta Cynku "Miasteczko Śląskie" will apply is PLN 99,196,726.35.
17. Pursuant to par. 62, subpar. 1 of the Regulation of the Minister of Finance as of 29.03.2018 on current and periodic information to be disclosed by issuers of securities and conditions for recognizing as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws 2018, item 757 with subsequent amendments), the Issuer does not submit its separate quarterly report. This Report constitutes a supplement to the Abridged Consolidated Report rendered as the "Stalprodukt S.A. Mid-Year Abridged Financial Report for the 4th Quarter of 2022".
18. No additional information was appended to the Abridged Consolidated Financial Report for the 4th quarter of 2022 as, during the reporting period, no other events, concerning the separate report, took place, apart from the ones referred to herein.
19. This Abridged Consolidated Financial Report for the 4th quarter of 2022 was approved for publication by parent Company's Management Board on 28.02.2023.

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Łukasz Mentel

Member of the Management Board
– Financial Director

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Piotr Janeczek

President of the Management Board – CEO