

**Assessment by the Supervisory Board of Stalprodukt S.A. with the justification regarding the consolidated financial report of the Stalprodukt S.A. Capital Group for the financial year 2018 and Report of the Management Board on the operations of the Stalprodukt S.A. Capital Group in the period from 01.01.2018 to 31.12.2018 as regards their compliance with books, documents and actual status**

Pursuant to art. 382 § 3 of the Commercial Companies Code, § 71 section 1 item 12 of the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information provided by issuers of securities and conditions for recognizing the information required by the law of a non-member state as equivalent, and § 28 section 2 of the Articles of Association of Stalprodukt S.A. based on:

- the contents of the documents submitted by the Management Board of Stalprodukt S.A., in particular:
  1. the Consolidated Financial Statements of Stalprodukt S.A. Capital Group for the financial year 2018,
  2. the Report of the Management Board on the operations of the Stalprodukt S.A. Capital Group in the period from 01.01.2018 to 31.12.2018, including also the Declaration on non-financial information of the Capital Group for 2018.
- the audit reports on the consolidated financial statements of the Stalprodukt S.A. Capital Group for 2018,
- additional report of an auditing company for the Audit Committee of the Supervisory Board of Stalprodukt S.A., and based on:
  - the meetings of the Supervisory Board with representatives of the audit company, including the key statutory auditor,
  - the recommendation of the Audit Committee of the Supervisory Board of Stalprodukt S.A. regarding the opinion on the audited financial statements

The Supervisory Board of Stalprodukt S.A. made a positive assessment of:

1. the Consolidated Financial Statements of Stalprodukt S.A. Capital Group for the financial year 2018,
2. the Report of the Management Board on the operations of the Stalprodukt S.A. Capital Group in the period from 01.01.2018 to 31.12.2018, including also the Declaration on non-financial information of the Capital Group for 2018.

The results of the assessment together with justification are presented below.

1. Assessment of the Consolidated Financial Statements of Stalprodukt S.A. Capital Group for the financial year 2018,

The Supervisory Board have read and analysed the consolidated financial statements of the Stalprodukt S.A. Capital Group for the financial year 2018, including:

- 1). Consolidated Balance Sheet drawn up as at 31 December 2018
- 2). Consolidated Profit and Loss Account for the period 01.01.2018 - 31.12.2018
- 3). Consolidated Statement of comprehensive income for the period 01.01.2018 - 31.12.2018

- 4). Consolidated Statement of changes in equity for the period 01.01.2018 - 31.12.2018
- 5). Consolidated Statement of cash flow for the period 01.01.2018 - 31.12.2018
- 6). Additional information on the adopted accounting principles (policy) and other explanatory information,

and became acquainted with the report on the audit of the consolidated annual financial report provided by the entity of "Polscy Biegli" Sp. z o.o. with its registered office in Warsaw at ul. Józefa Bema 87 lok. 3U, entered by the Polish Chamber of Statutory Auditors on the list of auditing companies under number 4159.

The key statutory auditor responsible for the audit is Ms. Katarzyna Kiec-Domańska (her registration number 13309).

According to the audit report issued by the statutory auditor, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards approved by the European Union:

- presents a reliable and explicit representation of the property related and financial situation of the Group as at 31 December 2018 and of its consolidated financial result as well as of consolidated cash flows as regards the financial year which ended on that day following the applicable International Financial Reporting Standards approved by the European Union together with adopted accounting principles (policy);

- is consistent as regards the form and content of the legal provisions applicable in reference to the Group and the statute of the Parent Company;

- it has been prepared on the basis of correctly kept accounting books in accordance with the provisions of Chapter 2 of the Act dated 29 September 1994 on accounting ("Act on accounting", the Polish Journal of Laws of 2018 item 351 as amended).

The Supervisory Board states that the consolidated financial statements of the Stalprodukt S.A. Capital Group for the financial year 2018 have been prepared in all material respects in accordance with International Financial Reporting Standards and are consistent with the books and documents as well as the actual state.

## 2. Assessment of the Report of the Management Board on the operations of the Stalprodukt S.A. Capital Group in the period from 01.01.2018 to 31.12.2018, including also the Declaration on non-financial information of the Capital Group for 2018.

The Supervisory Board carried out an assessment of the Report of the Management Board on the operations of the Stalprodukt S.A. Capital Group in the period from 01.01.2018 to 31.12.2018, including also the Declaration on non-financial information of the Stalprodukt S.A. Capital Group for 2018 and states that the report was prepared in accordance with art. 49 of the Accounting Act of 29 September 1994 and § 71 of the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information published by issuers of securities and conditions for recognizing information required by the law of a non-member state as equivalent, and is compliant with information contained in the consolidated financial statements of the Stalprodukt S.A. Capital Group for the financial year 2018.

The Report of the Management Board on the operations of the Stalprodukt S.A. Capital Group in the period from 01.01.2018 to 31.12.2018 clearly and reliably presents the property, economic and financial situation as well as the development of the Stalprodukt S.A. Capital Group.

The completeness of the Report of the Management Board on the operations of the

Stalprodukt S.A. Capital Group and its compliance in the scope of information disclosed therein has been confirmed by a statutory auditor.

In the view of the above the Supervisory Board assessed positively the Report of the Management Board on the operations of the Stalprodukt S.A. Capital Group in the period from 01.01.2018 to 31.12.2018, including also the Declaration on non-financial information of the Capital Group for 2018.

The Supervisory Board:

Chairman of the Supervisory Board  
Janusz Bodek .....

Secretary of the Supervisory Board  
Magdalena Janeczek .....

Member of the Supervisory Board  
Agata Sierpińska-Sawicz .....

Member of the Supervisory Board  
Romuald Talarek .....

Bochnia, 30 April 2019.