

I. Assessment of the Stalprodukt S.A. Supervisory Board with justification regarding the Consolidated Financial Statement of the Stalprodukt S.A. Capital Group for the financial year 2020 and the Management Board's Report on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2020 to 31.12.2020, in the scope of their compliance with the books, documents and factual circumstances

and

II. opinion on the auditor's opinion with reservation to the consolidated financial statements of the Stalprodukt S.A. Capital Group.

Pursuant to Art. 382 § 3 of the Commercial Companies Code, § 71 section 1 point 11 and 12 of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information published by issuers of securities and conditions for recognizing as equivalent information required by the law of a non-member state and § 28 sec. 2 of the Statute of Stalprodukt S.A. on the basis of:

- the content of the documents submitted by the Management Board of Stalprodukt S.A., in particular:
 1. The Consolidated Financial Statement of the Stalprodukt S.A. Capital Group for the financial year 2020,
 2. Reports of the Management Board on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01/2020 to 31.12.2020 including also the Statement about non-financial information of the Capital Group for 2020
- the report on the audit of the consolidated financial statements of the Stalprodukt S.A. Capital Group for 2020,
- additional reports of the auditing company for the Audit Committee of the Supervisory Board of Stalprodukt S.A.,

and on the basis of:

- recommendations 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. positively assessed:

1. Consolidated financial statements of the Stalprodukt S.A. Capital Group for the financial year 2020,
2. The Management Board's report on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2020 to 31.12.2020, including also the Statement on non-financial information of the Capital Group for 2020.

The results of the assessment and the justification are presented below.

1. Assessment of the Consolidated Financial Statements of Stalprodukt S.A. Capital Group for the financial year 2020

The Supervisory Board familiarized itself with and analysed the Consolidated Financial Statement of the Stalprodukt S.A. Capital Group for the financial year 2020, including:

- 1). Consolidated balance sheet as at December 31, 2020
- 2). Consolidated profit and loss account for the period 01.01.2020 - 31.12.20 20
- 3). Consolidated statement of comprehensive income for the period 01.01.2020 - 31.12.20 20
- 4). Consolidated Statement of changes in equity for the period 01.01.2020 - 31.12.20 20
- 5). Consolidated cash flow statement for the period 01.01.2020 - 31.12.20 20
- 6). Additional information on the adopted accounting principles (policy) and other explanatory information .

The Supervisory Board got acquainted with the presentation by the entity "Polscy Biegli" Sp. z o. o. with its seat in Warsaw at ul. Józefa Bema 87 lok. 3U, entered by the Polish Chamber of Statutory Auditors on the list of audit companies under number 4159, Report on the audit of the consolidated annual financial statements (the key statutory auditor responsible for the audit is Ms. Renata Lubowicka - licence No. 11041) and an opinion that is a qualified opinion.

In accordance with the audit report issued by a certified auditor, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards approved by the European Union and:

- it presents a fair and clear view of the property and financial position of the Group as at December 31, 2020 and its consolidated financial result and cash flows for the financial year ended on that date in accordance with the applicable International Financial Reporting Standards approved by the European Union and the adopted principles (accounting policy;
- in terms of form and content, it is compliant with the provisions of law applicable to the Group and the agreement (Articles of Association) of the Parent Company.

The Supervisory Board also familiarized itself with the reservation expressed by the statutory auditor concerning the following issues:

- lack of validating evidence as at the balance sheet date, the estimates presented in the financial statements related to the effect of the decommissioning of the "Olkusz-Pomorzany" mine, which significantly limited the scope of the audit, as a result of which the experts were unable to determine the impact of this risk on the audited consolidated financial statements;
- in the opinion of experts, the contingent liabilities arising in connection with the closure of the "Olkusz-Pomorzany" mine are no longer contingent items, as the mine decommissioning process began in December 2020;
- in terms of the risk of non-recovery of funds involved in Gradir Montenegro d.o.o. Nisic, in the opinion of the experts, should be assessed on the basis of IAS 36 "impairment of assets" and recognized in the separate financial statements of the subsidiary.

In accordance with the applicable regulations, the Management Board of Stalprodukt presented its position on this issue. The Supervisory Board gives a positive opinion on the position presented by the Management Board and in particular assumes that

- the Management Board of the Company, together with the subsidiary, will update the evidence supporting the estimates presented in the financial statements related to the effects of the closure of the Olkusz-Pomorzany mine;
- the decommissioning process has only just begun, so it is not possible to accurately determine the financial consequences of this process at such an early stage,
- the Management Board will take steps to present in the separate financial statements of the subsidiary (ZGH "Bolesław" S.A.) based on IAS 36 the possible impact of identified risks on the value of shares in Gradir Montenegro.

the Supervisory Board also shares the opinion of the Management Board that any update, due to the underestimation of the amount of provisions by the subsidiary, should not have a significant impact on the consolidated annual financial statements of the Group.

2. Assessment of the Management Board Report on the activities of the Stalprodukt S.A. Capital Group for the period from 01.01.2020 to 31.12.2020, including also the Statement on non-financial information of the Capital Group for 2020

The Supervisory Board assessed the Report of the Management Board on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2020 to 31.12.2020, including the Statement on non-financial information of the Stalprodukt S.A. Capital Group for 2020 and states that the Report has been prepared in accordance with Art. 49 of the Accounting Act of September 29, 1994 and § 71 of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information published by issuers of securities and the conditions for recognizing as equivalent information required by legal regulations other than a member state, and is in accordance with the information contained in the Consolidated Financial Statements of the Stalprodukt S.A. Capital Group for the financial year 2020.

The Supervisory Board states that the Management Board's Report on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2010 to 31.12.2020 presents fairly and clearly the property, economic and financial situation, as well as the development of the Stalprodukt S.A. Capital Group.

The completeness of the Management Board Report on the activities of the Stalprodukt S.A. Capital Group and its compliance with the information disclosed therein has been confirmed by the certified auditor.

Therefore, the Supervisory Board positively assesses the Management Board's Report on the activities of the Stalprodukt SA Capital Group in the period from 01.01.2020 to 31.12.2020, including the Statement on non-financial information of the Capital Group for 2020.

The Supervisory Board:

Chairman of the Supervisory Board
Janusz Bodek

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Secretary of the Supervisory Board
Magdalena Janeczek

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Member of the Supervisory Board
Agata Sierpińska-Sawicz

Member of the Supervisory Board
Romuald Talarek

Bochnia, 30 April 2021.