

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 2021 and the Management Board's Report on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2021 to 31.12.2021, 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 2021,
 2. Reports of the Management Board on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2021 to 31.12.2021 including also the Statement about non-financial information of the Capital Group for 2021,
- the report on the audit of the consolidated financial statements of the Stalprodukt S.A. Capital Group for 2021,
- 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 2021,
2. The Management Board's report on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2021 to 31.12.2021, including also the Statement on non-financial information of the Capital Group for 2021.

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 2021

The Supervisory Board familiarized itself with and analysed the Consolidated Financial Statement of the Stalprodukt S.A. Capital Group for the financial year 2021, including:

- 1). Consolidated balance sheet as at December 31, 2021
- 2). Consolidated profit and loss account for the period 01.01.2021 - 31.12.2021
- 3). Consolidated statement of comprehensive income for the period 01.01.2021 - 31.12.2021
- 4). Consolidated Statement of changes in equity for the period 01.01.2021 - 31.12.2021
- 5). Consolidated cash flow statement for the period 01.01.2021 - 31.12.2021
- 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 Auditor's Report, the consolidated financial statements - with the exception of the possible effects of the matter described in Basis for Qualified Opinion - provide a fair and clear picture of the consolidated financial position of the Group as at December 31, 2021 and its consolidated result and cash flows for the financial year ended on that date, as per the applicable International Financial Reporting Standards approved by the European Union and the adopted accounting principles (policy), and is consistent in terms of form and content with the provisions of law binding on the Group and the Parent's Articles of Association.

Whereas, the qualification expressed by the auditor was worded as follows:

In the audited period, the Group released the provision for the costs of decommissioning, rehabilitation and environmental repair costs (in the previous period presented in the financial statements as "contingent liabilities for the purchase of ZGH") created in connection with the acquisition of ZGH "Bolesław" S.A. The total value of the released provision was PLN 237,748 thousand. PLN., of which PLN 160,532 thousand. PLN was recognized in the result for the current period, while the amount of PLN 77,216 thousand. zloty. as profits retained due to error correction. The basis for the release of these provisions was the recognition at the level of a subsidiary, i.e. ZGH Bolesław S.A. as at December 31, 2021, which the Company did not make in the report prepared as at December 31, 2020.

In our opinion, the circumstances indicated above, which were the basis for the dissolution of the provision created in previous periods at the level of the consolidated financial statements, do not constitute an error correction within the meaning of IAS 8.

For the purposes of the audit of the consolidated financial statements for 2021, we have been provided with the calculation of provisions related to the effects of the closure of the Olkusz-Pomorzany mine. Until the date of the audit report, we had not received the assumptions for the presented estimates, and the deadline for submitting these calculations made it impossible to verify them by an expert in the field of mine decommissioning indicated by a certified auditor. Therefore, we are not able to confirm whether the value of the provision in the

amount of PLN 154,727 thousand zloty. established at the level of the subsidiary ZGH "Bolesław" S.A. liquidation of the mine was correctly estimated.

If the Company had recognized the effects of the termination of the contingent liability in full in its financial result, the net profit for 2021 would have been higher by PLN 77,216 thousand.

Pursuant to 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:

- an impairment loss on an asset should be recognized in the separate financial statements of the subsidiary, and not in the consolidated financial statements of the Capital Group as before. The same applies to the areas related to the contingent liabilities of the subsidiary and severance pay for employees of the mining division;
- this situation determines the method of recognizing the estimated reserve in equity as profit from previous years and is consistent with the approach presented in IAS 8 regarding prior period errors, resulting from the significant omission of this risk in the past years, by a subsidiary;
- at the same time a subsidiary of ZGH Bolesław S.A. made write-offs related to the investment in the company Gradir Montenegro d.o.o., i.e. : goodwill 17 973 thousand PLN, shares 30,000 thou. PLN and a loan in the amount of 17 100 thousand.

The Supervisory Board also agrees with 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 01.01.2021 to 31.12.2021, including also the Statement on non-financial information of the Capital Group for 2021

The Supervisory Board assessed the Report of the Management Board on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2021 to 31.12.2021, including the Statement on non-financial information of the Stalprodukt S.A. Capital Group for 2021 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 2021.

The Supervisory Board states that the Management Board's Report on the activities of the Stalprodukt S.A. Capital Group in the period from 01.01.2021 to 31.12.2021 presents fairly and clearly the property, economic and financial situation, as well as the development of the Stalprodukt S.A. Capital Group.

Therefore, the Supervisory Board positively assesses the Management Board's Report on the activities of the Stalprodukt SA Capital Group in the period from 01.01.2021 to 31.12.2021, including the Statement on non-financial information of the Capital Group for 2021.

The Supervisory Board:

Chairman of the Supervisory Board
Stanisław Kurnik

Secretary of the Supervisory Board
Magdalena Janeczek

Member of the Supervisory Board
Agata Sierpińska-Sawicz

Member of the Supervisory Board
Romuald Talarek

Bochnia, 29 April 2022.