

Current Report CR No 16 – Indirect Acquisition of a Substantial Package of Shares (29.06.2018)

The Management Board of STALPRODUKT S.A. (hereinafter the "Issuer") based in Bochnia, acting pursuant to Art. 70 Act on Public Offering, on Conditions for the Introduction of Financial Instruments to the Organized Trading System and on Public Companies, herewith, discloses that on 29 June 2018 it received a joint notification from Mr. Piotr Janeczek and Ms. Halina Orłowska on the increase of their shares held to-date in the general number of votes, resulting from the indirect acquisition of shares by at least 1% of the general number of votes, i.e. the notification referred to in Art. 69 par.2 subpar. 2 in connection with Art. 69a and Art. 87 par..1 subpar.5 in connection with Art. 87 par.4 subpar. 1 of the Act on Public Offering, on Conditions for the Introduction of Financial Instruments to the Organized Trading System and on Public Companies.

It is evident from the notification that Mr. Piotr Janeczek jointly with Ms. Halina Orłowska indirectly acquired shares held to-date by the STALNET sp. z o.o. company, taking a joint control over the company concerned (i.e. STALNET sp. z o.o.).

The a/m notification is provided below:

NOTIFICATION REFERRED TO IN ART. 69 PAR.2 SUBPAR 2 IN CONNECTION WITH ART. 69A AND ART. 87 PAR.1 SUBPAR .5 IN CONNECTION WITH ART. 87 PAR.4 SUBPAR. 1 ACT ON PUBLIC OFFERING, ON CONDITIONS FOR THE INTRODUCTION OF FINANCIAL INSTRUMENTS TO THE ORGANIZED TRADING SYSTEM AND ON PUBLIC COMPANIES

We, the undersigned, Piotr Janeczek (hereinafter also referred to as the Notifier 1) and Halina Orłowska (hereinafter also referred to as the Notifier 2) jointly referred to as the Notifiers, fulfilling their obligation provided for in Art. 69 par.2 subpar.2 in connection with Art. 69a and Art. 87 par.1 subpar 5 in connection with art. 87 par.4 subpar 1 of the Act on Public Offering, on Conditions for the Introduction of Financial Instruments to the Organized Trading System and on Public Companies as of 29 July 2005 (hereinafter referred to as the Act) we, herewith, notify on the increase of our share in the general number of votes in the STALPRODUKT S.A. company based in Bochnia (hereinafter referred to as the Company or Issuer) i.e. we inform about the change in our to-date share in the general number of votes by at least 1% resulting from the indirect acquisition of the Company's shares.

In connection with the above, we inform that:

1. On 29 June 2018 due to:
 - a) the acquisition by the Notifier 2, not being a closely-related person in the understanding of the MAR Regulation, of the shares in the STALNET sp. z o.o. company based in Bochnia, the Notifier (i.e. Notifier 1 and Notifier 2) jointly took over control in the STALNET sp. z o.o. company, i.e. having acquired the majority stake in the STALNET sp. z o.o. company. Thus, the Notifiers

became a dominant entity in respect of the company concerned in the understanding of Art. 4 par. 14 of the Act. As a consequence of the above, the Notifiers' total joint share in the Issuer's general number of votes was increased by 1%, despite the fact that no acquisition or transfer of the Issuer's shares was made by the Notifiers or the above mentioned company (STALNET sp. z o.o.). As a consequence of the joint acquisition of the majority shareholding in the STALNET sp. z o.o. company, the Notifiers took control over the STALNET sp. z o. o company and, in connection with the above, indirectly acquired in the understanding of Art. 4 par. 27 of the Act all the Issuer's shares to-date held by the STALNET sp. z o.o. company based in Bochnia i.e.:

(i) 73,560 Issuer's bearer share accounting for 1.32 % of the share capital and authorizing to 73,560 votes at Issuer's General Meeting, accounting for 0.60 % of the general number of votes,

(ii) 62,002 of the Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 1.11 % of the share capital and authorizing to 310,010 votes at the Issuer's General Meeting, accounting for 2.54 % of the general number of votes,

(iii) 2 (two) registered non-preference shares accounting for 3.58406E-05% of the share capital and authorizing to 2 votes at the Issuer's General Meeting, accounting for 1.63954E-05 of the general number of votes,

i.e. the total of: 135,564 Issuer's shares accounting for 2.43 % of the share capital and authorizing to 383,572 votes at the Issuer's General Meeting, accounting for 3.14 % of the general number of votes.

2. Before the a/m changes the Notifier 1 held:

- directly:

(i) 114,965 registered shares, with preference as to the right of vote (in the proportion of 5 votes per share), accounting for 2.06 % of the Company's share capital and authorizing to 574,825 votes at the Company's General Meeting, which accounts for 4.71 % of the general number of votes in the Company,

(ii) 88 registered non-preference shares accounting for 0.00158% of the Company's share capital and authorizing to 88 votes at the Company's General Meeting, which accounts for 0.00072 % of the general number of votes in the Company,

- indirectly (i.e. through STP INVESTMENT S.A.):

- (i) 816,371 Issuer's bearer shares accounting for 14.63 % of the share capital and authorizing to 816,371 votes at the Issuer's General Meeting, accounting for 6.69 % of the general number of votes,

- (ii) 1,355 registered non-preference shares accounting for 0.024 % of the share capital and authorizing to 1,355 votes at the Issuer's General Meeting, accounting for 0.011% of the general number of votes,

- (iii) 1,011,593 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 18.13 % of the share capital and authorizing to 5,057,965 votes at the Issuer's General Meeting, accounting for 41.46 % of the general number of votes,

- indirectly (i.e. through F&R FINANSE sp. z o.o.): 043.807 Issuer's bearer shares accounting for 0.79 % of the share capital and authorizing to 43,807 votes at the Issuer's General Meeting, accounting for 0.36 % of the general number of votes,

- indirectly (i.e. through STALPRODUKT - PROFIL S.A.):

- (i) 450,692 Issuer's bearer's shares accounting for 8.08 % of the share capital and authorizing to 450,692 votes at the Issuer's General Meeting, accounting for 3.69 % of the general number of votes,

- (ii) 128,959 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 2.31 % of the share capital and authorizing to 644,795 votes at the Issuer's General Meeting, accounting for 5.29 % of the general number of votes,

- (iv) 1 (one) registered non-preference share accounting for 1.79203E-05 % of the share capital and authorizing to 1 vote at the Issuer's General Meeting, accounting for 8.19771E-06 of the general number of votes,

i.e. the total of: 2,567,831 shares accounting for 46.02 % of the share capital and authorizing to 7,589,899 votes at the General Meeting, accounting for 62.22 % of the general number of votes.

Before the a/m changes the Notifier 2 did not hold any Issuer's shares.

The Notifiers jointly held the number of shares as it was indicated above in the disclosure regarding the total shareholding status of the Notifier 1.

3. At present the Notifiers are holding:

A. Notifier 1

• directly:

(i) 114,965 registered shares with preference as to the right of vote (in the proportion of 5 votes per share), accounting for 2.06 % of the Company's share capital and authorizing to 574,825 votes at the Company's General Meeting, which accounts for 4.71 % of the general number of votes in the Company,

(ii) 88 registered non-preference shares accounting for 0.00158% of the Company's share capital and authorizing to 88 votes at the Company's General Meeting, which accounts for 0.00072 % of the general number of votes in the Company,

• indirectly (i.e. through STP INVESTMENT S.A.):

(i) 816,371 Issuer's bearer shares accounting for 14.63 % of the share capital and authorizing to 816,371 votes at the Issuer's General Meeting, accounting for 6.69 % of the general number of votes,

(ii) 1,355 registered non-preference shares accounting for 0.024 % of the share capital and authorizing to 1,355 votes at the Issuer's General Meeting, accounting for 0.011% of the general number of votes,

(iii) 1,011,593 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 18.13 % of the share capital and authorizing to 5,057,965 votes at the Issuer's General Meeting, accounting for 41.46 % of the general number of votes,

• indirectly (i.e. through F&R FINANSE sp. z o.o.): 43,807 Issuer's bearer shares accounting for 0.79 % of the share capital and authorizing to 43,807 votes at the Issuer's General Meeting, accounting for 0.36 % of the general number of votes,

• indirectly (i.e. through STALPRODUKT - PROFIL S.A.):

(i) 450,692 Issuer's bearer shares accounting for 8.08 % of the share capital and authorizing to 450,692 votes at the Issuer's General Meeting, accounting for 3.69 % of the general number of votes,

(ii) 128,959 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 2.31 % of the share capital and authorizing to 644,795 votes at the Issuer's General Meeting, accounting for 5.29 % of the general number of votes,

(iii) 1 (one) registered non-preference share accounting for 1.79203E-05 % of the share capital and authorizing to 1 vote at the Issuer's General Meeting, accounting for 8.19771E-06 % of the general number of votes,

- Indirectly i.e. through STALNET sp. z o.o. and jointly with the Notifier 2 :
 - (i) 73,560 Issuer's bearer shares accounting for 1.32 % of the share capital and authorizing to 73,560 votes at the Issuer's General Meeting, accounting for 0.60 % of the general number of votes,
 - (ii) 62,002 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 1.11 % of the share capital and authorizing to 310.010 votes at the Issuer's General Meeting, accounting for 2.54 % of the general number of votes,
 - (iii) 2 (two) registered non-preference shares accounting for 3.58406E-05% of the share capital and authorizing to 2 votes at the Issuer's General Meeting, accounting for 1.63954E-05 of the general number of votes,

i.e. At present, Notifier 1 is jointly holding 2,703,395 Issuer's shares accounting for 48.45 % of the Issuer's share capital and authorizing to 7,973,471 votes at the General Meeting, accounting for 65.36 % of the general number of votes.

B. Notifier 2 holds jointly with Notifier 1 and indirectly (i.e. through STALNET sp. z o.o.):

- (i) 73,560 Issuer's bearer shares accounting for 1.32 % of the share capital and authorizing to 73,560 votes at the Issuer's General Meeting, accounting for 0.60 % of the general number of votes,
- (ii) 62,002 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 1.11 % of the share capital and authorizing to 310,010 votes at the Issuer's General Meeting, accounting for 2.54 % of the general number of votes,
- (iii) 2 (two) registered non-preference shares accounting for 3.58406E-05% of the share capital and authorizing to 2 votes at the Issuer's General Meeting, accounting for 1.63954E-05 of the general number of votes,

The Notifiers jointly hold the number of shares as indicated above in the disclosure regarding the present shareholding status of Notifier 1.

4. The subsidiary companies for Notifier 1, holding the Issuer's shares, are:

- I. the STP INVESTMENT SA company based in Bochnia, which is currently holding:

- (i) 816,371 Issuer's bearer shares accounting for 14.63 % of the share capital and authorizing to 816,371 votes at the Issuer's General Meeting, accounting for 6.69 % of the general number of votes,
- (ii) 1,355 registered non-preference shares accounting for 0.024 % of the share capital and authorizing to 1,355 votes at the Issuer's General Meeting, accounting for 0.011% of the general number of votes,
- (iii) 1,011,593 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 18.13 % of the share capital and authorizing to 5,057,965 votes at the Issuer's General Meeting, accounting for 41.46 % of the general number of votes,

i.e. the total of: 1,829,319 Issuer's shares accounting for 32.78 % of the share capital and authorizing to 5,875,691 votes at the Issuer's General Meeting, accounting for 48.17 % of the general number of votes,

and

II. the STALPRODUKT - PROFIL S. A. company based in Bochnia, which is currently holding:

- (i) 452,812 Issuer's bearer shares accounting for 8.12 % of the share capital and authorizing to 452,812 votes at the Issuer's General Meeting, accounting for 3.71 % of the general number of votes,
- (ii) 128,959 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 2.31 % of the share capital and authorizing to 644,795 votes at the Issuer's General Meeting, accounting for 5.29 % of the general number of votes,
- (iii) 1 (one) registered non-preference share accounting for 1.79203E-05 % of the share capital and authorizing to 1 vote at the Issuer's General Meeting, accounting for 8.19771E-06 of the general number of votes,

i.e. the total of: 581,772 Issuer's shares accounting for 10.43 % of the share capital and authorizing to 1,097,608.votes at the Issuer's General Meeting, accounting for 9.00 % of the general number of votes,

and

III. the F&R FINANSE sp. z o.o. company based in Jawornik, which is currently holding 43,807 Issuer's bearer shares accounting for 0.79 % of the share capital and authorizing to 43,807 votes at the Issuer's General Meeting, accounting for 0.36 % of the general number of votes,

and

IV. (jointly with Notifier 2) the STALNET sp. z o.o. company based in Bochnia, which is currently holding:

- (i) 73,560 Issuer's bearer shares accounting for 1.32 % of the share capital and authorizing to 73,560 votes at the Issuer's General Meeting, accounting for 0.60 % of the general number of votes,
- (ii) 62,002 Issuer's registered shares with preference as to the right of vote (in the proportion of 5 votes per share) accounting for 1.11 % of the share capital and authorizing to 310.010 votes at the Issuer's General Meeting, accounting for 2.54 % of the general number of votes,
- (iii) 2 (two) registered non-preference shares accounting for 3.58406E-05% of the share capital and authorizing to 2 votes at the Issuer's General Meeting, accounting for 1.63954E-05 of the general number of votes,

i.e. the total of: 135,564 Issuer's shares accounting for 2.43 % of the share capital and authorizing to 383,572 votes at the Issuer's General Meeting, accounting for 3.14 % of the general number of votes,

The a/m STALNET sp. z o.o company is a subsidiary company for the Notifier 2 (jointly with the Notifier 1) holding the Issuer's shares, whose shareholding status in respect of the Issuer's shares was provided above.

Art. 69 par. 4 subpar. 6 -8 of the a/m Act on Public Offering, on Conditions for the Introduction of Financial Instruments to the Organized Trading System and on Public Companies – not applicable.

The total of the votes indicated pursuant to Art. 69 par.4 subpar 2, 7 and 8 and its percentage share in the general number of votes were provided above.