

CR No 23 - The final decision regarding fines imposed by the Polish Financial Supervision Authority on the President of the Management Board of the Issuer as its shareholder (confidential information disclosed on 25th November 2020, at 13:43 hrs.)

The issuer announces to the public that today, on November 25, 2020, it was informed that on November 13, 2020, the Polish Financial Supervision Authority (Polish “KNF”) issued a final decision on the imposition of administrative penalties on the President of the Issuer's Management Board, Piotr Janeczek. This decision was issued in connection with the application submitted by Piotr Janeczek for re-examination of the case in relation to the decision issued on December 3, 2019, the decision of which was announced by the Issuer in the current report No. 15/2019 of December 17, 2019.

According to the decision of the second instance of November 13, 2020, the Polish Financial Supervision Authority:

1) revoked in part the decision of the Polish Financial Supervision Authority of December 3, 2019, i.e. with regard to imposing a fine on Piotr Janeczek pursuant to Art. 97 sec. 1 point 9a of the Act on Public Offering, in the wording in force before the entry into force of the amending act, in the amount of PLN 10,000.00 (say: ten thousand zlotys), due to the finding that Piotr Janeczek violated Art. 88a of the Act on Offer, because being obliged to perform the obligations specified in Art. 73 sec. 2 of the Act on Public Offering, indirectly acquired shares in Stalprodukt S.A. on June 30, 2016,

2) discontinued the first-instance proceedings in the part concerning the imposition of a fine on Piotr Janeczek pursuant to Art. 97 sec. 1 point 9a of the Act on Offerings, in the wording in force before the entry into force of the amending act, in view of the finding that Piotr Janeczek did not breach Art. 88a of the Act on Offer,

3) for the remainder, the decision of the Polish Financial Supervision Authority of 3 December 2019 was upheld, i.e. with regard to imposing a fine on Piotr Janeczek pursuant to Art. 97 sec. 1 point 5 of the Act on Public Offering, in the wording in force before the entry into force of the amending act, in the amount of PLN 990,000 (say: nine hundred and ninety thousand zlotys), due to the finding that Piotr Janeczek violated Art. 73 sec. 2 of the Act on Public Offering, as he did not announce, within 3 months of exceeding 33% of the total number of votes in Stalprodukt S.A. with its registered office in Bochnia, i.e. from June 29, 2016, a call to subscribe for the sale or exchange of shares of this company in the amount resulting in the achievement of 66% of the total number of votes, nor did he sell Stalprodukt S.A. shares within this period in the number resulting in the achievement of no more than 33% of the total number of votes.

According to the information in the possession of the Issuer, Piotr Janeczek does not agree with the position of the Polish Financial Supervision Authority in point 3 of the decision that he has not fulfilled the obligation referred to in Art. 73 (2) of the Act, because, in his opinion, he fulfilled this obligation under the call to subscribe for the sale of shares announced on September 13, 2016 together with its subsidiary, i.e. STP Investment S.A., Stalprodukt - Profil S.A. and Stalnet sp.z o.o. at the price of PLN 330.00 (three hundred and thirty zlotys)

for each share, which was executed on October 25, 2016 (current report No. 36/2016 of October 28, 2016).

In connection with the above, Piotr Janeczek intends to submit a complaint to the Provincial Administrative Court against the decision of the Polish Financial Supervision Authority of November 13, 2020, in part, i.e. with regard to upholding the decision imposing a fine pursuant to Art. 97 sec. 1 point 5 of the Act on Public Offering, in the wording in force before the entry into force of the amending act, in the amount of PLN 990,000 (say: nine hundred and ninety thousand zlotys).