

**Current Report No 20 – Commencement of the process of review of strategic options  
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The Management Board of Stalprodukt S.A. (hereinafter referred to as the "Company" or the "Issuer") hereby announces that on October 9, 2020, the Supervisory Board, during its first meeting of the new term of office (summoned on October 2, 2020), approved the commencement, by the Company, of the process of review of strategic options.

The purpose of this review will be to identify the most beneficial way of achieving the Company's long-term objective, namely the development of Stalprodukt Group leading to the maximisation of the value for the Company's current and future shareholders.

The scenarios under consideration include the following:

- sale of assets or individual operating segments of the Issuer (once they have been spun off);
- sale of other areas of the Group's operations (individual entities or only assets);
- entering into a strategic alliance with a supplier of batch products (particularly with a supplier capable of providing high quality batch for the production of transformer plates, including HiB grade),
- incorporation of a joint venture with a selected partner,
- maintaining the existing scope of operations while implementing the necessary restructuring measures.

The Issuer's Management Board will also consider other strategic options that may arise in the course of the review process. No binding decisions have been made so far in terms of selecting any of the potential strategic options. The Management Board of the Company has not determined whether any decisions in this respect will be made in the future. The Issuer will make its future decisions public in accordance with the applicable law.

It should also be emphasised that the review is particularly important in the context of the decision made by the Management Board of ArcelorMittal Poland S.A. on October 8, 2020 to permanently shut down the raw material section of the Kraków-based steelworks. Even though the operation of the blast furnace and the steelworks has been suspended for several months without disrupting the operation of "steel" segments of the Issuer, in the long-term perspective this fact may have a negative impact on the functioning of the supply chain for batch products needed to satisfy the production needs of the Company. This negative impact may be particularly evident in the supply of hot-rolled products for the production of transformer plates. Therefore, the Company is content with the declaration made by ArcelorMittal Poland regarding the development of production of these steel grades at the steelworks located in Dąbrowa Górnicza.

Additionally, the Management Board of the Company emphasises that the current financial situation of the Company and the Group is stable and does not require any restructuring measures in this respect. According to the results for the first half of 2020, the core operating segments have been profitable, liquidity has been maintained at a good level and the parent company has significantly reduced the level of its liabilities over the last 12 months,

including, in particular, credits and loans (reduction, as at the end of June 2020, of short-term loans by PLN 133.6 million and reduction of long-term loans by PLN 25 million). During this period, there was also an increase in the Company's cash from PLN 32.3 million to PLN 94.7 million.

Due to the nature of the disclosed information and its potential impact on the market, the Issuer has decided that it shall be considered confidential within the meaning of Article 17, section 1 of MAR and thus shall be published in the form of this report.