



STALPRODUKT S.A.

Abridged Consolidated Financial Report for the 3rd Quarter of 2023

Bochnia, November 2023

I. Consolidated Financial Report for the 3rd quarter of 2023

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EUR	
	3 quarters cumulative for the period from 01-01-2023 to 30-09-2023	3 quarters cumulative for the period from 01-01-2022 to 30-09-2022	3 quarters cumulative for the period from 01-01-2023 to 30-09-2023	3 quarters cumulative for the period from 01-01-2022 to 30-09-2022
I. Net sales of products, goods and materials	3 610 184	4 498 266	788 715	959 528
II. Operating profit (loss)	138 229	462 796	30 199	98 719
III. Profit (loss) before taxation	152 892	453 293	33 402	96 692
IV. Net profit (loss)	95 860	350 972	20 942	74 866
- attributable to shareholders of the parent company	97 159	354 615	21 226	75 643
- net profit attributed to non-controlling interests	-1 299	-3 643	-284	-777
V. Net cash flow from operating activities	532 890	190 285	116 420	40 590
VI. Net cash flow from investment activities	-86 358	-15 593	-18 867	-3 326
VII. Net cash flow from financial activities	-107 048	-142 764	-23 387	-30 453
VIII. Total net cash flow	339 484	31 928	74 166	6 811
IX. Total assets	5 062 619	5 181 355	1 092 117	1 104 790
X. Long-term liabilities	408 231	480 718	88 064	102 500
XI. Short-term liabilities	800 824	864 345	172 755	184 299
XII. Shareholders' equity	3 853 564	3 836 292	831 298	817 990
- equity attributable to shareholders of the parent	3 742 982	3 722 684	807 443	793 766
- equity attributed to non-controlling interests	110 582	113 608	23 855	24 224
XIII. Share capital	10 799	11 161	2 330	2 380
XIV. Number of shares	5 399 598	5 580 267	5 399 598	5 580 267
XV. Profit (loss) for one ordinary share (in PLN)	17,75	62,90	3,88	13,47
XVI. Diluted profit (loss) per ordinary share (PLN)	5 399 598	5 524 271	5 399 598	5 524 271
XVII. Book value per share (PLN)	17,75	62,90	3,88	13,47
XVIII. Diluted book value per share (PLN)	713,68	687,47	153,96	146,59
XIX. Declared or paid-out dividend for one share in (PLN/EUR)	713,68	694,44	153,96	148,07

1. Comparable financial data (item IX-XIV and XVI, XVIII, XIX) was presented pursuant to the requirements of the International Financial Reporting Standards according to the balance for this 31st December 2022. Other comparable data is presented for the period from 1st January 2022 to 30th September 2022.
2. EUR exchange rates according to the following principles were used for the conversion of the currency into PLN:
 - the assets and liabilities items of the balance sheet were converted into EUR according to the average rate announced by the National Bank of Poland for this 30th September 2023 and amounting to 4.6356 and 4.6899 for this 31st December 2022,
 - the profit and loss account items and the cash flow items were converted into EUR according to the rate being the simple average of the average EUR rates announced by the National Bank of Poland on the last day of each month included in the report and amounting to PLN 4.5773 for 3 quarters of 2023 and PLN 4.6880 for 3 quarters of 2022.
3. For profit-per-share calculation the number of 5 399 598 shares was adopted.
4. In the item XX the amount of the dividend for 1 share to paid out in 2023 and 2022 by the Issuer.

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CONSOLIDATED BALANCE SHEET	(thousand x PLN)			
	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Assets				
I. Fixed assets	2 278 129	2 347 022	2 321 464	2 390 247
1. Intangible assets other than goodwill	101 007	155 110	37 278	93 795
2. Goodwill	0	0	0	0
3. Tangible fixed assets	1 986 865	2 000 681	2 035 023	2 060 959
4. Right to use assets (incl. right of perpetual	93 419	94 646	91 148	91 132
5. Investment real estate	57 745	58 019	64 074	39 000
6. Long-term financial assets	16 963	16 503	16 393	16 650
7. Other long-term financial assets	12 953	12 953	12 953	20 037
8. Long-term receivables	1 019	963	942	1 244
9. Deferred tax assets	200	200	56 043	59 879
10. Long-term prepayments	7 958	7 947	7 610	7 551
II. Current Assets	2 784 490	2 790 580	2 859 891	2 839 121
<i>Current assets other than assets held for sale</i>	<u>2 784 490</u>	<u>2 790 580</u>	<u>2 859 891</u>	<u>2 839 121</u>
1. Stocks	1 007 731	1 122 157	1 253 113	1 316 981
2. Receivables due to supplies and services and	821 213	873 826	973 462	960 185
3. Cash and cash equivalents	945 209	776 291	605 725	524 182
4. Other short-term investments	10 337	18 306	27 591	37 773
<i>Assets held for sale</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Assets in total	5 062 619	5 137 602	5 181 355	5 229 368
Liabilities				
Equity capital	3 853 564	3 839 226	3 836 292	3 705 593
I. Equity attributed to shareholders of the parent company	3 742 982	3 727 876	3 722 684	3 606 794
1. Share capital	10 799	11 161	11 161	11 161
2. Capital from the surplus of the issue price	8 416	8 416	8 416	8 416
3. Provision for cash flow hedges / revaluation	-3 893	1 664	-27 853	-90 081
4. Provision for exchange rate differences	33 406	26 524	42 837	51 578
5. Retained earnings / including uncovered	3 694 254	3 680 111	3 688 123	3 625 720
II. Non-controlling interests / Equity	110 582	111 350	113 608	98 799
I. Long-term liabilities	408 231	414 735	480 718	556 379
1. Provision for deferred income tax	88 568	92 609	149 309	164 735
2. Long-term provisions / including employee	39 260	39 342	43 551	189 624
3. Other long-term liabilities	146	146	146	146
4. Long-term provision for the costs of	114 987	114 677	110 446	40 000
5. Accruals and deferred income classified as	42 834	43 012	43 368	45 779
6. Credits and loans	2 391	3 506	5 736	7 031
7. Long-term liabilities due to leasing contracts	101 625	102 449	104 307	78 063
8. Other long-term financial liabilities	18 420	18 994	23 855	31 001
II. Current liabilities	800 824	883 641	864 345	967 396
<i>Short-term liabilities other than those included</i>	<u>800 824</u>	<u>883 641</u>	<u>864 345</u>	<u>967 396</u>
1. Short-term provisions for liabilities	55 078	56 362	68 817	67 818
2. Credits and loans	12 795	13 952	20 201	22 901
3. Liabilities due to supplies and services	415 196	377 868	477 368	530 502
4. Current liabilities due to social insurance and	39 145	40 183	47 502	59 661
5. Other short-term non-financial liabilities	102 162	82 416	79 195	84 743
6. Short-term reserve for the costs of	70 913	73 245	78 031	0
7. Liabilities due to income tax	444	188	5 876	4 728
8. Liabilities due to leasing /including IFRS 16/	5 222	5 922	7 143	7 347

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9. Other short-term financial liabilities	7 711	91 105	56 480	123 014
10. Accruals	92 158	142 400	23 732	66 682
<i>Liabilities included in those intended for sale</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	1 209 055	1 298 376	1 345 063	1 523 775
Total Assets	5 062 619	5 137 602	5 181 355	5 229 368
Book value	3 853 564	3 839 226	3 836 292	3 705 593
Number of shares	5 399 598	5 580 267	5 580 267	5 580 267
Book value per share (PLN)	713,68	688,00	687,47	664,05
Weighted average number of shares	5 399 598	5 399 598	5 524 271	5 580 267
Diluted book value per share (in PLN)	713,68	711,02	694,44	664,05

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period	thousand x PLN			
	3rd quarter of 2023 - period from 01-07-2023 to 30- 09-2023	3 quarters cumulative for the period from 01-01-2023 to 30-09-2023	3rd quarter of 2022- period from 01-07-2022 to 30- 09-2022	3 quarters cumulative for the period from 01-01- 2022 to 30-09-2022
I. Net sales of products, goods and materials	1 065 237	3 610 184	1 446 828	4 498 266
II. Costs of products, goods and materials	1 007 049	3 270 089	1 256 743	3 800 680
III. Gross profit (loss) on sales	58 188	340 095	190 085	697 586
IV. Selling costs	21 565	73 691	30 138	90 731
V. General and administrative costs	43 346	127 314	48 295	130 454
VI. Other operating incomes	57 253	210 381	59 878	189 823
VII. Other operating costs	46 418	211 242	55 141	203 428
VIII. Operating profit (loss)	4 112	138 229	116 389	462 796
IX. Financial incomes	8 466	35 463	8 386	32 045
X. Financial costs	-4 754	21 370	12 794	41 959
XI. Profit from shares in associated entities	519	570	393	411
XII. Profit (loss) before taxation	17 851	152 892	112 374	453 293
XIII. Income tax	4 399	57 032	27 373	102 321
XIV. Profit (loss) from continuing operations	13 452	95 860	85 001	350 972
XV. Profit (loss) on discontinued operations	0	0	0	0
XVI. Net profit (loss)	13 452	95 860	85 001	350 972
1. Attributable to shareholders of the parent	13 576	97 159	88 803	354 615
2. Attributed to non-controlling interests	-124	-1 299	-3 802	-3 643

Book value	13 452	95 860	85 001	350 972
Number of shares	5 399 598	5 399 598	5 580 267	5 580 267
Book value per share (PLN)	2,49	17,75	15,23	62,90
Weighted average number of shares	5 399 598	5 399 598	5 580 267	5 580 267
Diluted book value per share (in PLN)	2,49	17,75	15,23	62,90

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Total comprehensive consolidated income for the period 01.01.2023-30.09.2023

Total comprehensive consolidated income	thousand x PLN			
	3rd quarter of 2023 - period from 01-07-2023 to 30-09-2023	3 quarters cumulative for the period from 01-01-2023 to 30-09-2023	3rd quarter of 2022- period from 01-07-2022 to 30-09-2022	3 quarters cumulative for the period from 01-01-2022 to 30-09-2022
Net result	13 453	95 860	85 001	350 972
Other comprehensive income that will not be reclassified to profit or loss, after tax	0	0	0	0
Other comprehensive income that will be reclassified to profit or loss, after tax, including:	229	16 490	17 392	55 494
The effective part of the cash flow hedging in accordance with IFRS 9	-6 202	25 921	409	33 230
<i>including the effective portion of cash flow hedge in line with IFRS 9 attributable to minority interest</i>	-654	1 962	93	2 645
<i>gains and losses on translating items in the financial statements of the foreign operations</i>	6 431	-9 431	16 983	22 264
Gains and losses on the translation of items in the financial statements of the foreign operation attributable to non-controlling interests	111	-15	116	152
Other comprehensive income	13 682	112 350	102 393	406 466
Total comprehensive income	13 682	112 350	102 393	406 466
Comprehensive income attributable to equity holders of the parent	14 451	111 688	106 052	407 414
Comprehensive income attributable to minority shareholders	-769	662	-3 658	-948

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Statement of changes in equity for the period from 1st January to 30th September 2023 and 2022	thousand x PLN							
	Share capital	Capital from the surplus of the issue price above the nominal value/Agio/	Reserve for cash flow hedges / capital from revaluation	Exchange differences from translation	Retained profits	Capital of the parent company	Minority capital	Equity TOTAL
Balance as of 1.01.2023 (opening balance)	11 161	8 416	-27 853	42 837	3 688 123	3 722 684	113 608	3 836 292
Dividend					-80 994	-80 994	-3 688	-84 682
Total comprehensive income for period 1.01 - 30.09.2023			23 960	-9 431	97 159	111 688	662	112 350
Other changes in equity	-362				-10 034	-10 396	0	-10 396
Change in equity	-362	0	23 960	-9 431	6 131	20 298	-3 026	17 272
Balance as of 30.06.2023 (closing balance)	10 799	8 416	-3 893	33 406	3 694 254	3 742 982	110 582	3 853 564

Balance on this 1.01.2022 (opening balance)	11 161	8 416	-120 616	29 314	3 334 513	3 262 788	108 425	3 371 213
Dividend					-66 963	-66 963	-8 678	-75 641
Total comprehensive income for period 1.01 - 30.09.2022			30 535	22 264	354 615	407 414	-948	406 466
Other changes in equity					3 555	3 555		3 555
Change in equity	0	0	30 535	22 264	291 207	344 006	-9 626	334 380
Balance as of 30.06.2022 (closing balance)	11 161	8 416	-90 081	51 578	3 625 720	3 606 794	98 799	3 705 593

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CONSOLIDATED CASH FLOW ACCOUNT for the period	thousand x PLN	
	3 quarters cumulative for the period from 01- 01-2023 to 30-09-2023	3 quarters cumulative for the period from 01- 01-2022 to 30-09-2022
Cash flow from operating activities		
Gross profit (loss)	453 293	448 946
Income tax paid	-88 957	-58 650
Adjustments made to reconcile profit (loss)	-174 051	-90 084
Adjustments for undistributed investment gains accounted for using the equity method	-411	208
Amortization and depreciation adjustments	133 744	132 343
Adjustments due to unrealized gains (losses) on exchange differences	3 534	331
Corrections for interest expense	6 544	
Adjustments resulting from dividend income		7 315
Adjustments for losses (gains) on the sale of fixed assets	13 351	-32 211
Adjustments for provisions	-17 889	-13 217
Adjustments for the decrease (increase) in the value of inventories	-316 592	-125 981
Adjustments resulting from a decrease (increase) in receivables	-94 800	-209 155
Adjustments for the increase (decrease) in the value of liabilities	87 516	192 214
Other adjustments made to reconcile profit (loss) and deferred tax	7 527	-36 621
Deferred tax adjustment	3 425	-5 310
Cash flow from operating activities	190 285	300 212
Net cash flow from investment activities		
Sale of intangible assets and tangible fixed assets	4 369	6 092
Sale of financial assets	35 547	232 504
Dividends received classified as investing activities	2	
Repayment of long-term loans granted	0	
Cash inflow from interest received classified as investing activity	989	1 073
Purchase of intangible assets and tangible fixed assets	-99 296	-93 796
Loans granted	-27 748	-164 691
Acquisition of financial assets	0	
Other investment inflows and outflows	-221	3 225
Net cash flow from investment activities	-86 358	-15 593
Net cash flow from financial activities		
Purchase of own shares	0	
Proceeds from loans classified as financial activities	0	568
Other financial inflows / outflows	-6 614	-4 056
Paid dividends classified as financial activities	-81 106	-74 955
Repayment of credits and loans	-10 751	-53 367
Payment of lease liabilities, classified as financial activity	-2 074	-3 454
Interest paid, classified as financial activity	-6 503	-7 500
Net cash flow from financial activities	-107 048	-142 764

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Net cash flow	339 484	31 928
The effects of changes in exchange rates on cash and cash equivalents	3 805	
Increase (decrease) in cash and cash equivalents	339 484	31 928
Cash and cash equivalents at the beginning of the period	605 725	492 254
Cash and cash equivalents at the end of the period	945 209	524 182
Cash and cash equivalents subject to restrictions	11 416	67 935

II. Abridged Financial Report for the 3rd quarter of 2023

Selected Financial Data	thousand x PLN		thousand x EUR	
	3 quarters cumulative for the period from 01- 01-2023 to 30-09- 2023	3 quarters cumulative for the period from 01- 01-2022 to 30-09- 2022	3 quarters cumulative for the period from 01- 01-2023 to 30-09- 2023	3 quarters cumulative for the period from 01- 01-2022 to 30-09- 2022
I. Net sales of products, goods and materials	1 566 082	2 083 844	342 141	444 506
II. Operating profit (loss)	65 326	288 043	14 272	61 443
III. Profit (loss) before taxation	257 785	419 620	56 318	89 509
IV. Net profit (loss)	236 549	356 973	51 679	76 146
V. Net cash flow from operating activities	306 826	122 150	67 032	26 056
VI. Net cash flow from investment activities	108 008	137 154	23 596	29 256
VII. Net cash flow from financial activities	-87 393	-103 286	-19 093	-22 032
VIII. Total net cash flow	327 441	156 018	71 536	33 280
IX. Total assets	2 831 410	2 670 230	610 797	569 358
X. Long-term liabilities	139 683	142 046	30 133	30 288
XI. Short-term liabilities	309 251	301 263	66 712	64 237
XII. Shareholders' equity	2 382 476	2 226 921	513 952	474 833
XIII. Share capital	10 799	11 161	2 330	2 380
XIV. Number of shares	5 399 598	5 580 267	5 399 598	5 580 267
XV. Profit (loss) per ordinary share (PLN)	43,81	63,97	9,57	13,65
XI. Weighted average number of shares	5 399 598	5 524 271	5 399 598	5 524 271
XII. Diluted profit (loss) per ordinary share	43,81	63,97	9,57	13,65
XIII. Book value per share (PLN)	441,23	399,07	95,18	85,09
XIX. Diluted book value per share (PLN)	441,23	403,12	95,18	85,95
XX. Declared or paid-out dividend for one share in (PLN/EUR)	15,00	12,00	3,28	2,62

5. Comparable financial data (item IX-XIV and XVI, XVIII, XIX) was presented pursuant to the requirements of the International Financial Reporting Standards according to the balance for this 31st December 2022. Other comparable data is presented for the period from 1st January 2022 to 30th September 2022.
6. EUR exchange rates according to the following principles were used for the conversion of the currency into PLN:
 - the assets and liabilities items of the balance sheet were converted into EUR according to the average rate announced by the National Bank of Poland for this 30th September 2023 and amounting to 4.6356 and 4.6899 for this 31st December 2022,
 - the profit and loss account items and the cash flow items were converted into EUR according to the rate being the simple average of the average EUR rates announced by the National Bank of Poland on the last day of each month included in the report and amounting to PLN 4.5773 for 3 quarters of 2023 and PLN 4.6880 for 3 quarters of 2022.
7. For profit-per-share calculation the number of 5 399 598 shares was adopted.
8. In the item XX the amount of the dividend for 1 share to paid out in 2023 and 2022 by the Issuer.

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CONSOLIDATED BALANCE SHEET	(thousand x PLN)			
	30.09.2023	30.06.2023	31.12.2022	30.09.2022
Assets				
I. Fixed assets	1 393 639	1 406 768	1 402 775	1 390 628
1. Intangible assets other than goodwill	4 000	6 580	1 783	3 939
2. Goodwill	695 466	704 577	725 582	747 093
3. Tangible fixed assets	43 092	43 224	43 489	30 849
4. Right to use assets (incl. right of perpetual	113 703	114 408	107 143	77 341
5. Investment real estate	511 851	511 851	511 851	511 851
6. Long-term financial assets	25 527	26 127	12 927	12 927
7. Other long-term financial assets	0	0	0	0
8. Long-term receivables	0	0	0	6 628
9. Deferred tax assets	0	0	0	0
10. Long-term prepayments	1 437 771	1 386 573	1 267 455	1 311 932
II. Current Assets	1 437 771	1 386 573	1 267 455	1 311 932
<i>Current assets other than assets held for sale</i>	375 131	433 748	483 371	520 128
1. Stocks	358 940	466 419	409 401	481 445
2. Receivables due to supplies and services and	701 300	484 603	373 859	308 981
3. Cash and cash equivalents	2 400	1 803	824	1 378
4. Other short-term investments	0	0	0	0
<i>Assets held for sale</i>	2 831 410	2 793 340	2 670 230	2 702 560
Assets in total				
Liabilities	2 382 476	2 306 696	2 226 921	2 230 940
I. Equity capital	10 799	11 161	11 161	11 161
1. Share capital	8 416	8 416	8 416	8 416
2. Capital from the surplus of the issue price	0	0	0	180
3. Other capitals	2 363 261	2 287 119	2 207 344	2 211 183
4. Retained earnings (including uncovered losses)	139 683	139 705	142 046	111 394
II. Long-term liabilities	58 738	58 738	61 036	73 281
1. Provision for deferred income tax	5 900	5 900	5 900	5 332
2. Long-term reserves	0	0	0	0
3. Other long-term non-financial liabilities	0	0	0	0
4. Credits and loans	75 045	75 067	75 110	32 781
5. Long-term liabilities due to leasing contracts	309 251	346 941	301 263	360 226
III. Current liabilities	309 251	346 941	301 263	360 226
Short-term liabilities other than those included	15 296	15 296	15 908	9 164
1. Short-term provisions for liabilities	0	0	0	0
2. Credits and loans	254 694	206 064	248 219	290 996
3. Liabilities due to supplies and services	9 123	9 530	11 394	27 714
4. Current liabilities due to social insurance and	21 407	22 430	19 887	21 628
5. Other short-term non-financial liabilities	0	0	0	3 418
6. Liabilities due to income tax	0	0	0	0
7. Short-term liabilities due to leasing	0	80 993	0	1
8. Other short-term financial liabilities	8 731	12 627	5 855	7 305
9. Short-term accruals	0	0	0	0
Liabilities included in those intended for sale	448 934	486 645	443 309	471 620
Total liabilities	2 831 410	2 793 340	2 670 230	2 702 560

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Book value	2 382 476	2 306 695	2 226 921	2 230 940
Number of shares	5 399 598	5 580 267	5 580 267	5 580 267
Book value per share (PLN)	441,23	413,37	399,07	399,79
Diluted number of shares	5 399 598	5 399 598	5 524 271	5 580 267
Diluted book value per share (in PLN)	441,23	427,20	403,12	399,79

PROFIT AND LOSS ACCOUNT for the period	(thousand x PLN)			
	3rd quarter of 2023 - period from 01-07-2023 to 30-09-2023	3 quarters cumulative for the period from 01-01-2023 to 30-09-2023	3rd quarter of 2022 - period from 01-07-2022 to 30-09-2022	3 quarters cumulative for the period from 01-01-2022 to 30-09-2022
I. Net sales of products, goods and materials, including:	445 911	1 566 082	651 154	2 083 844
II. Costs of products, goods and materials sold, including:	417 753	1 423 093	520 482	1 674 425
III. Gross profit (loss) on sales	28 158	142 989	130 671	409 419
IV. Selling costs	11 104	40 355	18 225	55 213
V. General and administrative costs	12 767	34 321	18 820	41 645
VI. Other operating incomes	2 733	37 262	5 524	22 926
VII. Other operating costs	2 940	40 249	2 726	47 444
VIII. Operating profit (loss)	4 080	65 326	96 425	288 043
IX. Financial incomes	70 660	198 025	141 051	145 026
X. Financial costs	-3 471	5 566	1 529	13 449
XI. Profit (loss) before taxation	78 211	257 785	235 947	419 620
XII. Income tax	2 430	21 236	19 716	62 647
XIII. Profit (loss) from continuing operations	75 781	236 549	216 231	356 973
XIV. Profit (loss) on discontinued operations	0	0	0	0
XV. Net profit (loss)	75 781	236 549	216 231	356 973

Weighted average number of ordinary shares	5 399 598	5 399 598	5 580 267	5 580 267
Profit (loss) per ordinary share (PLN)	14,03	43,81	38,75	63,97
Weighted average predicted number of ordinary shares	5 399 598	5 399 598	5 580 267	5 580 267
Diluted profit (loss) per ordinary share (PLN)	14,03	43,81	38,75	63,97

TOTAL COMPREHENSIVE INCOME for the period	(thousand x PLN)			
	3rd quarter of 2023 - period from 01-07-2023 to 30-09-2023	3 quarters cumulative for the period from 01-01-2023 to 30-09-2023	3rd quarter of 2022 - period from 01-07-2022 to 30-09-2022	3 quarters cumulative for the period from 01-01-2022 to 30-09-2022
Net result	75 781	236 549	216 231	356 973
Differences from evaluation				
Total Comprehensive Income	75 781	236 549	216 231	356 973

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Statement of changes in equity for the period from 1st January to 30th September 2023 and 2022	(thousand x PLN)				
	Share capital	Capital from the surplus of the issue price above the nominal value	Others capitals	Retained profit	Equity in TOTAL
Balance on this 01.01.2023 (opening balance)	11 161	8 416	0	2 207 344	2 226 921
Dividend				-80 994	-80 994
Total comprehensive income for period 1.01 - 30.09.2023				236 549	236 549
Other changes in equity	-362			362	0
Balance on this 30.09.2023 (closing balance)	10 799	8 416	0	2 363 261	2 382 476
Balance on this 01.01.2022 (opening balance)	11 161	8 416	180	1 921 174	1 940 931
Dividend				-66 964	-66 964
Total comprehensive income for period 1.01 - 30.09.2022				356 973	356 973
Other changes in equity					
Balance on this 30.09.2022 (closing balance)	11 161	8 416	180	2 211 183	2 230 940

CONSOLIDATED CASH FLOW ACCOUNT	thousand x PLN	
	3 quarters cumulative for the period from 01- 01-2023 to 30-09-2023	3 quarters cumulative for the period from 01- 01-2022 to 30-09-2022
A. Cash flow from operational activity		
Profit (loss) on the activity of accounts. before tax	257 785	419 620
Income tax paid	-30 175	-63 218
Total adjustments	79 216	-234 252
Depreciation,	40 749	39 656
(Gains) losses due to exchange rate differences	0	0
Interest	3 542	3 528
Shares in profits (dividends)	-126 701	-143 362
Adjustments for losses (gains) on the sale of fixed assets	-14 199	-4
Adjustments for provisions	-2 910	-5 032
Adjustments for the decrease (increase) in the value of inventories	109 953	-60 728
Adjustments due to the increase (decrease) due to receivables	39 867	-123 042
Adjustments for the increase (decrease) in the value of other liabilities related to operating activities	25 833	42 646
Other adjustments made to reconcile profit (loss)	784	9 160
Adjustments due to deferred tax expense	2 298	2 926
Net cash flow from operating activities	306 826	122 150
B. Cash flow from investment activity		
Sale of intangible assets and tangible fixed assets	1 771	65
Sale of financial assets	5 259	
Dividends received classified as investing activities	126 701	143 362
Repayment of long-term loans granted	0	
Cash inflow from interest received classified as investing activity	303	935
Purchase of intangible assets and tangible fixed assets	-11 026	-10 708
Loans granted	0	
Acquisition of financial assets	-15 000	
Other investment inflows and outflows	0	3 500
Net cash flow from investment activities	108 008	137 154
C. Cash flow from financial activity		
Proceeds from loans classified as financial activities	0	
Other financial inflows / outflows	-2 488	-1 828
Paid dividends classified as financial activities	-80 994	-66 963
Repayment of credits and loans	0	-30 000
Payment of lease liabilities, classified as financial	-65	-32
Interest paid, classified as financial activity	-3 846	-4 463

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Purchase of own shares	0	
Net cash flow from financial activities	-87 393	-103 286
Net cash flow (before currency effects)	327 441	156 018
The effects of changes in exchange rates on cash and cash equivalents		0
Increase (decrease) in cash and cash equivalents	327 441	156 018
Cash and cash equivalents at the beginning of the period	373 859	152 963
Cash and cash equivalents at the end of the period	701 300	308 981
Restricted cash and cash equivalents	3 936	55 340

III. Introductory Information

1. The basic data

Apart from the parent company, the Stalprodukt S.A. Capital Group embraces 9 associated entities accounting for subsidiary companies. Stalprodukt S.A. holds 100 % of shares in the subsidiary companies, except for Zakłady Górniczo-Hutnicze "Bolesław", where it holds 94.93 % of shares.

As the group's parent company, Stalprodukt S.A., provides operating and development guidelines for the associated entities formed within the framework of the Company's restructuring and expansion of its production, trade and services and organization of its own sales network.

The basic objects of operation of the capital group companies are:

- production of electrical transformer sheets – parent company Stalprodukt S.A., GO Steel a.s.,
- production of cold formed profiles, road safety barriers as well as cut-to-length cold- and hot-rolled sheets and strips – parent company Stalprodukt S.A.,
- production of zinc and lead and recycling of zinc-bearing waste – ZGH "Bolesław" S.A. along with its subsidiary companies:
 - Zinc Smelter - Huta Cynku "Miasteczko Śląskie" S.A. – production of rectified zinc, lead and cadmium,
 - Bol-Therm Sp. z o.o. – power supply-, laboratory-, mechanics and construction-related services, transport-equipment and forwarding services, production of dolomite aggregates, zinc products and zinc alloys,
 - Gradir Montenegro d.o.o. – zinc ores mining and concentrate production,
 - Agencja Ochrony Osób i Mienia "Karo" Sp. z o.o. – bodyguard and property security services,
- other production and service activities:
 - production of galvanized banding steel and wire, as well as steel strips - Cynk-Mal S.A.,
 - production of cold-rolled sheets – GO Steel a.s.
 - spare parts production and regeneration - Stalprodukt-Wamech Sp. z o.o.,
 - installation, repair/renovation and maintenance of machines - Stalprodukt-Serwis Sp. z o.o.,
 - structural steel production - STP Elbud Sp. z o.o., Stalprodukt-Wamech Sp. z o.o.,
 - galvanizing services - STP Elbud Sp. z o.o. and Cynk-Mal S.A.,

- roads and freeways construction and management – Stalprodukt-Wamech Sp. z o.o.
- bodyguard and property security – Stalprodukt-Ochrona Sp. z o.o.,
- production of construction joinery- Stalprodukt-Zamość Sp. z o.o.,
- designing equipment related to the use of renewable energy sources - Anew Institute Sp. z o.o., - in liquidation
- Hotel Ferreus Sp. z o.o. - hotel services (company in suspension).

2. Changes in the Issuer's and Capital Group's Ownership Structure

In relation to the 3rd Quarter of 2022, which is a comparable period to this Consolidated Financial Report, in the 3rd Quarter of 2023 the following changes in the structure of the Issuer's Capital Group took place:

- On September 29, 2021, the General Meeting of Shareholders of Stalprodukt - Centrostal Kraków Sp. z o.o. adopted a resolution to put the company into liquidation. This decision is a consequence of the optimization of the distribution channel started in 2018. On June 28, 2018, an agency agreement was signed with Stalprodukt - Centrostal Kraków Sp. z o.o. Pursuant to its terms, the purchases and sales were not made for the subsidiary's own account, but for and on behalf of Stalprodukt. At that time the first stage of reorganization of the distribution business also took place, i.e. the takeover of the warehouses from Stalprodukt-Centrostal Kraków and their inclusion in the structures of the Stalprodukt's marketing director division.

In turn, on October 1, 2021, Stalprodukt took over the commercial teams in their structures and the scope of their tasks, thus the activity of the subsidiary as an Agent was terminated.

On June 30, 2023, the liquidation process was completed and the relevant documents were submitted to the National Court Register to delete Stalprodukt-Centrostal Kraków Sp. z o. o. Stalprodukt-Centrostal Kraków in liquidation Sp. z o. o. was deleted from the National Court Register on September 5, 2023. As a result of the liquidation of this company, Stalprodukt S.A. took over on June 30, 2023 by notarial deed No. 2953/2023 of June 30, 2023 all assets of Stalprodukt-Centrostal Kraków Sp. z o. o. in liquidation with a total value of PLN 14,771 thousand PLN (settlement included in the result of the first half of 2023).

3. Fundamental Principles Governing the Preparation of the Abridged Interim Consolidated Financial Report

The presented Abridged Consolidated Financial Report was prepared in respect of the period from 1 July 2023 to 30 September 2023 with the use of the full consolidation method, considering all the Group's subsidiaries. The comparable data cover the period from

2022 to 30 September 2022 referring to the profit and loss account and the cash flow statement, the balance sheet values reflect the status as of 31 December 2022.

This Abridged Consolidated Financial Report was prepared in line with the International Financial Reporting Standards approved by the European Union and, in particular, with the International Accounting Standard No 34 "Interim Financial Reporting" and was based on the assumption that the Group will be continuing its activities in the predictable future. As of the Financial Report approval day, the Issuer's Management Board does not find any circumstances likely to threaten the continuation of activities pursued by the Capital Group.

The Interim Abridged Consolidated Financial Report does not contain all the information and disclosures required in the consolidated financial report and the additional information sheet mainly contains the explanations of events and changes indispensable for the understanding of the changes in the Group's financial standing and its performance results to have occurred since the end of the previous reporting year.

The Additional Information sheet embraces selected data explaining the facts required by the IAS 34 and the Regulation of the Minister of Finance as of 29.03.2018 r. on current and periodic information to be disclosed by issuers of securities and conditions for recognizing as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws 2018, item 757).

If the Additional Information sheet does not contain a description of some events, required by the above mentioned regulations, this shall mean that such events have not occurred during the reporting period.

4. Accounting Principles (Policy)

1. In the quarterly abridged consolidated financial report the accounting principles (policy) used, including the assets and liabilities, income and costs valuation methods as well as calculation methods adopted, were identical with the ones presented in detail in the Consolidated Report 2022.

In the reporting period no essential amendments were introduced into the accounting standards (policy), nor any adjustments were made in respect of the fundamental errors and adopted estimated values which would have significantly affected the Group's property and liquidity standing and its financial result.

2. The changes introduced into the standards and interpretations issued by the International Financial Reporting Standards Council and International Financial Reporting Standards Interpretation Committee, applicable since 1 January 2022 or later, either do not apply to the Stalprodukt Group, or do not significantly affect the heretofore applied accounting policy and assessment of its asset position and financial standing. The numerous changes introduced into the existing accounting standards and interpretation changes, referring to the existing standards, have already been adopted by

the International Financial Reporting Standards Council, but not approved by the EU yet and so the same shall take effect at later dates.

The Management Board does not expect the introduction of the above standards and interpretations to significantly affect the accounting principles (policy) applied by the Group, its financial standing and financial result, but the same may still require further additional or amended disclosures to be included in the report. The above mentioned changes were precisely described in the Additional and Explanatory Information sheet appended to the published Consolidated Financial Report for 2022.

3. The information contained in the Consolidated Financial Report was compiled in compliance with the principles pertaining to the assets and liabilities valuation and net financial result measurement, defined as of the balance sheet day, in compliance with IFRS adopted by the European Union and interpretations related thereto, announced in the form of the European Commission Regulations, with the principle of materiality observed.

Since January 2019, the Issuer applies IFRS 16 to recognize and present perpetual usufruct as a lease. The impact of the application of IFRS 16 was described in the consolidated and separate financial statements for 2019.

4. Estimated Values in the third quarter of 2023

- The provision for deferred tax was increased by PLN 605,000, and decreased by PLN 567 thousand.
- An inventory write-off was created in the amount of PLN 6,740 thousand, and PLN 15,887 thousand were resolved (including in the Zinc Segment an impairment loss of PLN 15,665 thousand was reversed).
- An impairment loss was created for doubtful receivables in the amount of PLN 2,137 thousand (including PLN 1,346 thousand in the Zinc Segment) and the write-off in the amount of PLN 289 thousand was reversed.
- A provision was created for employee benefits in the amount of PLN 2,457 thousand and resolved in the amount of PLN 7,169 thousand (including PLN 2,624,000 for bonuses), and PLN 5,355 thousand were resolved.
- A provision was created for energy certificates and emission rights in the amount of PLN 6,991 thousand and resolved in the amount of PLN 7,338 thousand.
- The reserve for the liquidation of mines and sinkholes was used in the amount of PLN 2,331 thousand.
- A reserve was created for the reclamation of post-mining areas - PLN 86,000.
- A provision was created for renovations settled over time in the amount of PLN 18,941 thousand, and resolved in the amount of PLN 18,941 thousand (in the Zinc Segment).
- Other provisions were created: PLN 3,691 thousand (including provision for the bonus fund, time-settled renovations and for the speedway).
- There was no need to create write-offs for fixed assets and long-term financial assets.

In order to make the costs of manufacturing products more realistic in the third quarter of 2023, ZGH "Bolesław" S.A. reduced the costs of purchasing electricity due to compensation for electricity prices in the amount of PLN 24,537 thousand. The total amount reducing the costs of purchasing electricity in the period of three quarters of 2023 is PLN 73,611 thousand.

The provision for the liquidation of the Olkusz-Pomorzany mine in the three quarters of 2023 was used in the amount of PLN 2,331 thousand (total for the third quarter of 2023 PLN 7,138 thousand).

As at 30 September 2023, the provision for the liquidation of the Olkusz-Pomorzany mine is PLN 126,359 thousand (of which PLN 73,499 thousand is a provision for damages related to floodplains of forest areas).

The reserves were presented in the consolidated statement of the financial situation of the Capital Group in the following items: long-term provision for the costs of liquidation, reclamation and environmental repair costs (the amount of PLN 114,987 thousand) and short-term provision for the costs of liquidation, reclamation and the costs of environmental repair (the amount of PLN 11 372 thousand). Additionally, as of September 30, 2023, in the above-mentioned item: short-term provision for the costs of liquidation, recultivation and environmental repair costs, a provision was also presented for the amount of the claim of PWIK Olkusz Sp. z o. o. in the amount of PLN 55,000 thousand (details related to the claim are described in point 8 of Other Information). Additionally, the provisions for the costs of liquidation, recultivation and the costs of environmental repair include the amount of the provision for land reclamation and removal of old sinkholes in the amount of PLN 4,541 thousand created in Gradir Montenegro d. o.o.

The balance of the impairment loss on the shares of the subsidiary GRADIR as of September 30, 2023 amounts to PLN 130,981 thousand (84.8% of the value of shares). In the third quarter of 2023, the impairment loss did not change (the impairment loss is included in the separate report of ZGH "Bolesław" S.A.). The impairment loss on the loan granted to the subsidiary GRADIR as at September 30, 2023 amounts to PLN 8,402 thousand (the copy is included in the separate report of ZGH "Bolesław" S.A.). The balance of the impairment loss on the fixed assets of the subsidiary GRADIR as at September 30, 2023 amounts to PLN 12,027 thousand. In the third quarter of 2023, the impairment loss did not change (consolidated report of the ZGH "Bolesław" Group).

IV. Business Segments

The segment-based reporting was based on IFRS 8 "Operating Segments". The rules governing the Stalprodukt Capital Group's division into operating segments and accounting principles applied in this kind of reporting were described in detail in the last published Consolidated Financial Report for 2022. In the third quarter of 2023, there were no changes in the basis

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for separating segments or measuring segment profit/loss compared to the last annual financial statement.

Revenues presented in the breakdown into operating segments include only revenues from external customers. There are no transactions between the 3 operating segments (electrical sheet segment, profiles segment and zinc segment). As part of the accounting policy (principles), the "other operations" item was separated to balance the results of the Capital Group. The scope of "other activities" includes assembly services, maintenance services, security, galvanizing services, production of cold rolled steel coils, etc. These services are carried out by the Capital Group companies for external customers and for the needs of individual segments, which in the Issuer's opinion is not a transaction between operating segments. At the same time, taking into account the consolidation principles, revenues from sales under "other activities" made for the benefit of operating segments as carried out within the Capital Group were excluded from consolidation.

Information on Operating Segments for 3rd quarter of 2023 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	328 230	147 584	492 755	96 668	1 065 237
Domestic	23 393	100 291	292 581	81 248	497 513
Export	304 837	47 293	200 174	15 420	567 724
- to EU countries	233 857	43 832	179 184	15 125	471 998
- other exports	70 980	3 461	20 990	295	95 726
Segment Costs	281 546	165 079	497 133	84 856	1 028 614
Segment Result	46 684	-17 495	-4 378	11 812	36 623
Other Operating and Financial Revenues Non-Attributable to the Segment					66 238
Other General, Operating and Financial Costs Non-Attributable to the Segment					85 010
Gross Profit					17 851
Income Tax					4 399
Net Profit					13 452
Segment Assets	1 423 172	952 250	2 213 129	474 068	5 062 619
Assets Non-Attributable to the Segment					0
Total Assets					5 062 619
Liabilities	290 346	229 857	418 269	84 683	1 023 155
Provision for decommissioning, recultivation and environmental repair costs			185 900		185 900

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Total Liabilities					1 209 055
Investment Outlays	832	1 295	16 011	2 119	20 257
Depreciation	10 369	5 041	25 503	4 621	45 534
Creation of an inventory write-down	444	0	4 552	1 745	6 741
Inventory write-down solution	0	0	15 665	222	15 887

The largest sales were made in 3rd quarter of 2023 to Italy and accounted for 10.37% of the Group's sales (19.46% share in sales in exports) and Germany and accounted for 7.53% of the Group's sales (14.13% share in sales in export). In addition, in the case of one customer, sales exceeded 10% of the share in the sales of the Capital Group. The total value of revenues from this client is PLN 126,945 thousand. Sales mainly concerned the zinc segment and other activities.

Information on Operating Segments for 3rd quarter of 2022 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	466 035	222 201	664 064	94 528	1 446 828
Domestic	32 485	153 995	420 564	66 751	673 795
Export	433 550	68 206	243 500	27 778	773 033
Segment Costs	320 490	219 017	672 124	75 250	1 286 881
Segment Result	145 545	3 184	-8 060	19 278	159 947
Other Operating and Financial Revenues Non-Attributable to the Segment					68 657
Other General, Operating and Financial Costs Non-Attributable to the Segment					116 230
Gross Profit					112 374
Income Tax					27 373
Net Profit					85 001
Segment Assets	1 333 201	970 727	2 303 205	562 356	5 169 489
Assets Non-Attributable to the Segment					59 879
Total Assets					5 229 368
Liabilities	293 350	232 236	872 628	85 561	1 483 775
Contingent Liabilities					40 000
Total Liabilities					1 523 775

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Investment Outlays	3 641	3 563	32 568	3 319	43 091
Depreciation	9 954	4 942	26 047	4 316	45 258

The largest sales were made in 3rd quarter of 2022 to Germany and accounted for 12.69% of the Group's sales (23.74% share in sales in export) and Italy and accounted for 8.35% of the Group's sales (15.62 share in sales in exports). In addition, in the case of one customer, sales exceeded 10% of the share in the sales of the Capital Group. The total value of revenues from this client is PLN 175,441 thousand. Sales mainly concerned the zinc segment and other activities.

V. Evaluation of obtained results and financial situation

In the third quarter of 2023, compared to the same period of 2022, the Stalprodukt S.A. Capital Group achieved sales revenues lower by PLN 381,591 thousand, i.e. by 26 %. At the level of profit on sales, PLN 58,188 thousand was achieved, against PLN 190,085 thousand in the third quarter of 2022, which means a decrease by 69.3 %. On the other hand, the level of operating profit PLN 4,112 thousand was achieved, against PLN 116,389 thousand in the third quarter of 2022, a decrease by PLN 112,277 thousand, i.e. 96.5 %. Net profit in the third quarter of 2023 amounted to PLN 13,452 thousand compared to the third quarter of 2022, when it amounted to PLN 85,001 thousand, which means a decrease by PLN 71,549 thousand, i.e. by 84.2 %.

The Electrical Sheets Segment recorded a decrease in the sales volume of transformer sheets compared to the third quarter of 2022 by 6.2%. The decrease in sales revenues of the Segment compared to the third quarter of 2022 amounted to PLN 137,805 thousand, i.e. 29.6%. The main factor was a strong price correction for the Segment's products, reaching up to 25%. In the Issuer's opinion, the price correction is caused by the aggressive trade policy of Asian competitors, in particular from China, who offers their products on European and world markets at very low prices. This trend intensifies in the fourth quarter of this year, and the offered prices for conventional and HIB sheets are dangerously close to the MIP (minimum import prices) level specified in the implementing regulation of the European Commission described later in this information. The above resulted in a decrease in the segment's result by PLN 98,861 thousand, i.e. by 67.9%.

Additionally, the situation of producers in the European Union is still negatively affected by the CO₂ emission fee and higher energy and gas costs. These factors worsen the competitiveness of European production compared to Asian production.

The Issuer informs that in the fourth quarter of 2023 there will be a continuation of price corrections on the transformer sheet market and a deepening decline in sold volumes, which will result in a narrowing of margins on the Segment's products and a negative impact on the Segment's results.

At the same time, due to the dynamic correction of prices of the Segment's products, unfavorable purchase prices of inputs for production, which are not correlated with declines in the prices of transformer sheets, as well as high prices of energy and natural gas, which translate into high production costs, the level of minimum import prices does not constitute a current period - in the Issuer's opinion - of effective protection of the European transformer sheet market.

The above may result in a significant decline in the profitability of sheet metal production in the first half of 2024, and in extreme cases - in achieving negative profitability on sheet metal sales. In this negative scenario, the Management Board does not rule out the introduction of a restructuring program in order to reduce the operating costs of the plants in Bochnia and the Czech Republic and maintain competitiveness on the transformer sheet market.

In the third quarter of 2023, the share of HiB sheets in the plant in Bochnia amounted to 20% of the production volume.

Throughout the entire period, the segment had the organizational, production and financial capacity to conduct operational activities, both in the plant in Bochnia and in Frydek-Mistek.

Extension of the protection period for the European transformer sheets market for another 5 years

On 14 January, 2022, the COMMISSION IMPLEMENTING REGULATION (EU) 2022/58 was published, imposing a definitive anti-dumping duty on imports of certain grain-oriented flat-rolled silicon electrical steel products originating in the People's Republic of China, Japan, the Republic of Korea, the Russian Federation and the United States of America, following the review of expiration of funds, pursuant to Art. 11 sec. 2 of the European Parliament and Council Regulation (EU) 2016/1036.

The above Commission Regulation maintains the mechanism of minimum import prices and price levels for individual product groups (differing in the level of magnetic loss), as set out in the original Implementing Regulation, i.e. No 2015/1953 of 29 October 2015.

The review of expiration of funds procedure was carried out at the request of the EUROFER Association, representing 2 European grain oriented sheet producers, i.e. ThyssenKrupp Electrical Steel and Stalprodukt S.A.

Grain-oriented electrical sheets are a key component in the production of transformer cores. They are also essential for the maintenance and expansion of the EU energy network and for the further development of the e-mobility sector.

According to Axel Eggert, CEO of EUROFER: "The EU's energy security and climate goals can only be achieved by maintaining a viable European GOES industry." He also added that GOES

is a strategic top-shelf product, and the European Union cannot be dependent on foreign steel mills located in Asia, Russia or the United States in terms of supplies.

The Profile Segment recorded a decrease in sales volume compared to the third quarter of 2022 by 8.6%. Additionally, the segment's sales revenues were lower by PLN 74,617 thousand, i.e. by 33.6%. The reason for such declines is a significant weakening of demand for the segment's products and price drops compared to the third quarter of 2022. The decrease in average prices for the Segment's products compared to the third quarter of 2022 amounted to over 26%. The above had a negative impact on the Segment's results. As a result, the Segment recorded a loss of PLN 17,495 thousand. The Issuer does not expect any significant improvement in the coming quarters due to the difficult macroeconomic situation in the industries in which its clients operate.

In the third quarter of 2023, the net revenues of **the Zinc Segment** amounted to PLN 492,755 thousand and compared to the same period of the previous year, in which sales amounted to PLN 664,064 thousand, were lower by 25.8%, at the same time the Segment renewed the loss of PLN 4,378 thousand.

When analyzing the dynamics of profit and loss account items, which allows determining the direction and intensity of changes in factors affecting the results achieved in the current year, attention should be paid to:

- a 28.2% decrease in the zinc price in PLN this year from PLN 15,962/t (for 9M '22) to PLN 11,462/t (for 9M '23),
- an increase in the premium on the sale of zinc and galvanizing alloys in ZGH in the third quarter of 2023, at the same time a decrease in the premium should be noted from the first half of 2023,
- y/y decline in unit prices of energy factors (coke, coke and gas),
- in the ZGH Group, the quantitative consumption in the coke and coke breeze processes decreased by 6%, and the value consumption by 31%,
- the value of the "expensive" sulphide concentrate used at ZGH from the stock compared to current prices was higher by PLN 19.8 million in the second quarter of 2023 and by another PLN 13.0 million in the third quarter of 2023,
- adjustment of product manufacturing costs at ZGH "Bolesław" S.A. Within 9 months of 2023, the company achieved: - reducing the costs of purchasing electricity due to compensation for electricity prices in the amount of PLN 73,611 thousand, including in the third quarter of 2023 in the amount of PLN 24,537 thousand - unused production capacity of the Mechanical Processing Department of ZGH "Bolesław" in the amount of PLN 15,091 thousand, including in the third quarter of 2023 in the amount of PLN 7,207 thousand.

SALE OF THE ZGH GROUP

- zinc sales for 9M '23 amounted to 104.6 thousand t (including 29.1 thousand t in the third quarter of 2023) and was lower by 8.8 thousand t (-7.7%) compared to sales recorded in the comparable period of 2022.
- sales of silver (Dore's metal) for 9M '23 amounted to 336.9 thousand ounces (including 97.1 thousand ounces in the third quarter of 2023) and was lower by 101.3 thousand ounces (-23.1%) compared to sales recorded in 9M 2022.
- sales of refined lead for 9M '23 amounted to 7.3 thousand t (including 2.8 thousand t in the third quarter of 2023) and was lower by 0.5 thousand t (-6.0%) compared to sales in the corresponding period of 2022.

The situation on the European zinc market in the third quarter of 2023 did not improve compared to the previous two quarters.

ZINC, LEAD AND SILVER MARKET

The price of zinc, converted into PLN, was PLN 11,462 per tonne and was 28% lower than in the 9 months of 2022, when it averaged PLN 15,962 per tonne.

The price of lead, converted into PLN, was PLN 9,075 per tonne and was 5% lower than in the 9 months of 2022, when it averaged PLN 9,504 per tonne.

The price of silver, converted into PLN, was PLN 3,185 per kg, and was 2% lower than in the 9 months of 2022, when it averaged PLN 3,103 per tonne.

Metallurgical production:

- zinc production for 9 months of 2023 amounted to 114.1 thousand tons and was lower by 3.6 thousand tons (-3.0%) compared to 9 months of 2022.
- production of refined lead for 9 months of 2023 amounted to 12.0 thousand tons and was at a comparable level y/y.
- silver production (Dore's metal) for 9 months of 2023 amounted to 375.1 per troy ounce and was lower by 79.3 per troy ounce (-17.5%) compared to 9 months of 2022.

Apart from concentrates from the processing of imported ore, ZGH "Bolesław" S.A. produces concentrates based on zinc-bearing waste. The volume of production of these concentrates in the first quarter of 2023 amounted to 12.5 thousand tons of zinc and lead in total, and in the comparable period of the previous year it was 12.2 thousand tons of metal in these concentrates. These concentrates are the feedstock to Huta Cynku "Miasteczko Śląskie".

Due to restrictions in steelworks production, the limited supply of steel dust is beginning to be felt on the market. At ZGH "Bolesław", the share of zinc oxide in the input amounted to approximately 32% in the third quarter of 2023, this situation will not change also in the fourth quarter of this year.

MACRO ENVIRONMENT

The US dollar exchange rate has had its best quarter in over 12 months. On the last day of September, the dollar (USD) was valued at 4.3697, while the euro (EUR) was valued at 4.6356. Currently, the most important question remains the further policy of the most

important central banks. After the September meetings, we already know that for fear of a possible recession, neither the European Central Bank, the Bank of Canada nor the Bank of England intend to continue their policy of increasing interest rates. Only the US Federal Reserve repeats the need to maintain high interest rates for a longer time, and does not even rule out a November increase if it turns out to be necessary in the fight against inflation. The highest price per ton of zinc (LME zinc cash-settlement) on the London Metal Exchange for 9 months of 2023 is USD 3,509 (January 27) and the lowest is \$2,224 (May 25). At the end of September 2023, zinc stocks in warehouses registered on the LME amounted to 103,000 tones. As of the last day of September, the price of the metal used for galvanizing steel is \$2,640.50 per ton, which means a price drop of USD 868 compared to the January maximum.

Situation on the Zn concentrates market

Since the beginning of 2023, there has been a visible trend of decreasing TC (TC - deductions due to processing costs for the Steelworks) caused by the increase in steel production in China and restrictions in mining production.

In September, the Portuguese company Aljustrel announced the cessation of Zn-Pb ore extraction in its mine by 2025. The mine produced approximately 110,000 t Zn (220 thousand tons of concentrate). Two months earlier, mining was suspended in the Irish Tara mine, owned by Boliden, producing approx. t Zn (220 thousand tons of concentrate). Hence, the availability of Zn concentrates on the European market will decrease by over 400 thousand tone.

Currently, the average level of profitability of mining in Zn-Pb mines declared on the market is approximately \$2,500/t.

The lack of availability of concentrates resulted in a further decline in spot TC below \$100/t. The purest concentrates are already offered for approximately \$40/t. Let us recall that in the first quarter of this year, spot TC was approximately \$250/t.

Energy factors market

Electricity (stock exchange data)

In September, the price of energy on the spot market increased on the Polish Power Exchange (TGE) and futures contracts became cheaper. In September '23, the average volume-weighted price of electricity on the Day Ahead Market (DAM) was PLN 530.79/MWh and is a decrease of PLN 20.14/MWh compared to the average price in June.

September turned out to be the fifth month in a row in which futures contracts lost value. On the Forward Market for Products with electricity delivery (RTPE), the weighted average price of an annual contract with band delivery in 2024 (BASE_Y-24) amounted to PLN

629.20/MWh in September 2023. This means a decrease of PLN 32.44/MWh compared to the corresponding price of this contract in June this year.

Gas (stock exchange data)

The average price weighted by the trading volume on the DAM was at the level of PLN 178.10/MWh, an increase of PLN 24.85/MWh compared to the price at the end of the second quarter of this year.

In turn, on RTPG, the weighted average price of the contract with delivery in 2024 (GAS_BASE_Y-24) was in September this year. PLN 258.48/MWh, i.e. PLN 15.03/MWh more than the corresponding price of this contract in June 2023.

The average temperature in September this year was higher than in June, which definitely had an impact on reducing demand (the drop in demand for gas in September was -28% compared to the 5-year average). At the beginning of October, gas prices on the SPOT market were around PLN 140/MWh, and deliveries today (October 17) are already PLN 240/MWh. Time will tell to what extent the drop in temperature will translate into price increases and how durable they will be.

The main factors influencing the results achieved by the segment:

- concerns about a potential global recession,
- development of zinc quotations,
- exchange rate developments,
- prices of electricity, coke and natural gas,
- prices of CO₂ emission allowances.

VI. Financial instruments and risk management assessment

The Parent Company is exposed to various types of financial risks - including changes in market prices of debt and equity instruments, fluctuations of currencies and interest rates. The overall financial risk management program of the Issuer focuses on the unpredictability of financial markets and seeks to minimize the potential negative effects on the Parent Company's financial results. The Department of Financial and Risk Management, supervised by the Finance Director, manages the risk in the Parent Company. The main objective is to minimize the negative effects of external changes on the results obtained by the Company. Depending on the type and size of risk, the Company complies with the appropriate instruments for the diagnosis, assessment and hedging.

As of 30 September 2023, the subsidiary companies belonging to the Zinc Segment were applying cash flow hedge accounting for commodity and currency swaps in accordance with the rules described in the Annual Report. As of 30 September 2023 they held the following

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hedging measures active (the connections have been planned for the period from April 2023 to October 2024):

1) Currency

Hedging Type	Description of Hedging Instrument	Nominal Amount	Fair Value of the Hedging Instrument as of the Balance Sheet Day	Effective Portion Taken to Capital Revaluation Reserve	Nature of the Risk Type Hedged Against
Active currency hedging instruments as of 30.09.2023 r.			PLN thousand		
Cash Flow Hedging	forward	\$ 7 600 000,00	-101 208	-101 208	risk from USD/PLN exchange rates
Cash Flow Hedging	forward	€ 0,00	0	0	risk from EUR/PLN exchange rates
Cash Flow Hedging	option strategies		0	0	risk from USD/PLN exchange rates
Cash Flow Hedging	option strategies (synthetic forward)	€ 300 000,00	-8	-8	risk from EUR/PLN exchange rates

2) raw material

Hedging Type	Description of Hedging Instrument	Nominal Amount	Fair Value of the Hedging Instrument as of the Balance Sheet Day	Effective Portion Taken to Capital Revaluation Reserve	Nature of the Risk Type Hedged Against
Active commodity hedging instruments as of 30.09.2023 (zinc)			PLN thousand		
Cash Flow Hedging	swap	1 200	-537	-537	Price Change Risk Zn LME PLN
Cash Flow Hedging	swap (USD)	0	0	0	Price Change Risk Zn LME USD
Cash Flow Hedging	option strategies (collar)	0	0	0	Price Change Risk Zn LME
Cash Flow Hedging	purchased put	0	0	0	Price Change Risk Zn LME
Cash Flow Hedging	issued call	0	0	0	Price Change Risk Zn LME
Active commodity hedging instruments as of 30.09.2023 (lead)			PLN thousand		
Cash Flow Hedging	swap	350	-340	-340	Price Change Risk Pb LME PLN
Cash Flow Hedging	swap (USD)	0	0	0	Price Change Risk Pb LME USD
Cash Flow Hedging	option strategies (collar)	0	0	0	Price Change Risk Pb LME
Cash Flow Hedging	purchased put	0	0	0	Price Change Risk Pb LME
Cash Flow Hedging	issued call	0	0	0	Price Change Risk Pb LME
Active commodity hedging instruments as of 30.09.2023 (silver)			PLN thousand		
Cash Flow Hedging	swap	0	0	0	Price Change Risk Ag LMBA

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Explanations Referring to Balance Sheet Items Related to Derivative Instruments

Explanation Referring to the Item: Other long- and Short-Term Investments	PLN thousand	
	30.09.2023	30.09.2022
Long-Term investments	0	6 813
Short-Term Investments	10 115	25 161
TOTAL, including:	10 115	31 974
a) valuation of derivative transactions	6 496	24 507
b) securities	3 618	7 467

Explanation to Item: Liabilities pertaining to hedging instruments	PLN thousand	
	30.09.2023	30.09.2022
Contracts for Hedging Transactions	31	31 001
Conclusions of Currency Option Transactions	7 710	121 254
Adjustment pertaining to the amount resulting from the closed transactions settlements with brokers	1 693	-2 221
TOTAL	9 434	150 034

Valuation of Derivative Transactions

Valuation of Derivative Transactions	PLN thousand			
	30.09.2023		30.09.2022	
	Financial Assets	Financial Liabilities (Payables)	Financial Assets	Financial Liabilities (Payables)
Commodity Transactions - Zinc	6 271	537	23 479	30 024
Commodity Transactions - Lead	0	340	0	1 637
Currency Transactions - USD/PLN EUR/PLN	225	8 557	1 028	118 373
Commodity Transactions- Silver	0	0	0	0
Total	6 496	9 434	24 507	150 034

Division of Hedging Instruments

Division of Hedging Instruments	PLN thousand			
	30.09.2023		30.09.2022	
	Financial Assets	Financial Liabilities (Payables)	Financial Assets	Financial Liabilities (Payables)
Hedging Instruments	10	3 567	13 167	133 344
Commodity Transactions - zinc	0	537	13 136	29 697
Commodity Transactions - lead	0	340	0	1 637
Currency Transactions - USD/PLN, EUR/PLN	10	2 690	31	102 010
Commodity Transactions - Silver	0	0	0	0
Trade Instruments	6 487	5 868	11 340	16 690
Commodity Transactions- zinc	6 271	0	10 343	327
Commodity Transactions - lead	0	0	0	0

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Currency Transactions - USD/PLN, EUR/PLN	216	5 868	997	16 363
Commodity Transactions - silver	0	0	0	0
Total	6 497	9 435	24 507	150 034

Presentation of realized derivatives in the financial statements

Derivative Transactions Presented in the Profit and Loss Account:	PLN thousand	
	30.09.2023	30.09.2022
Sales of Products Adjustment	-8 489	-149 491
Sales of Goods Adjustments	0	0
Revaluation of Investments	2 126	-2 794
Gains/Loss on Sale of Investments	-2 530	-17 537
Total	-8 893	-169 822

Cash Result from Reconciliation of Derivative Instruments:	PLN thousand	
	30.09.2023	30.09.2022
Commodity Transactions	13 141	-112 765
Currency Transactions	-24 942	-57 198
Total	-11 801	-169 963

Sales of Products Adjustment Related to Application of Hedging Instruments:	PLN thousand	
	30.09.2023	30.09.2022
Sales Increase	5 249	3 854
Sales Decrease	-13 738	-153 345
TOTAL	-8 489	-149 491

Status of Capital from Revaluation Related to Application of Hedge Accounting (excluding Deferred Tax)	PLN thousand	
	30.09.2023	30.09.2022
Valuation of Open Hedging Instruments:	-3 475	-120 177
- Zn	1 676	-16 561
- Pb	-340	-1 637
- USD/PLN	-4 803	-101 208
- Ag	0	0
- EUR/PLN	-8	-771
Result from the Application of Hedging Instruments Capital-Retained until the Realization of the Hedged Item:	0	0
- Zn	0	0
- Pb	0	0
- USD/PLN	0	0
TOTAL	-3 475	-120 177

The result of the hedging instruments valuation, in its portion recognized as 'effective hedging', is taken to the capital revaluation reserve. Asian options, aimed at hedging

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the Company against the change of time value, are taken to costs or to financial revenues. The trade instruments valuation result is taken to costs or financial revenues. The result from the application of hedging instruments is used to adjust the hedged item (sales). The result from the application of trade instruments is taken to costs or financial revenues.

Securities

Securities	w tys. zł	
	30.09.2023	30.09.2022
Obligacje Skarbu Państwa (Kupon) FL	0	0
Obligacje Skarbu Państwa (Zero-Kupon) FL	0	0
Obligacje (Zero-Kupon)	0	0
Obligacje korporacyjne:	0	0
-PKO Bank Hipoteczny S.A	0	0
-PEKAO Faktoring S.A	0	0
-PKO Leasing S.A	0	0
-PKO Faktoring S.A	0	0
Investment fund participation units:	3 618	7 468
- Quercus Ochrony Kapitału	105	2 027
- Quercus Obligacje Skarbowe	101	2 329
- Generali Aktywny Dochodowy	0	0
- Quercus Dłużny Krótkoterminowy	103	2 998
- Generali Korona Oblikacje	1 063	1
- Generali Korona Dochodowy	1 057	1
- Generali Oszczędnościowy FL	0	1
- Generali Oszczędnościowy	1 066	0
- Unioszczędnościowy FL	0	0
- Unioszczędnościowy	0	0
- Unikatyczny Pieniężny	0	0
- Generali Aktywny Dochodowy	123	111
TOTAL	3 618	7 468

Fair value hierarchy

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This category includes the valuation of securities (Generali and Quercus) and corporate bonds.

Information on the political and economic situation in Ukraine and its potential impact on the activities of the Issuer and its Capital Group.

Stalprodukt S.A. and the companies of the Capital Group do not own any assets in Ukraine. The Stalprodukt company conducts a very limited commercial activity with customers in Ukraine and Russia. The share of these customers in the Company's sales structure is insignificant. The main direction of supply of input materials for the Segment of transformer

sheets are steel mills belonging to the ArcelorMittal group, located in Poland and Western Europe.

The Issuer only makes additional purchases of feedstock from steelworks in Ukraine (this applies only to the Profile Segment).

The zinc segment does not import raw materials for the production of products from the above-mentioned countries, therefore it does not currently identify any risk regarding the inability to obtain raw materials for the production of its products.

At the same time, the Management Board declares that as at the time of submitting this report, there are no significant disruptions in the scope of: decreased revenues, loss of customers or shortage of employees. The solvency, liquidity and collection of receivables also remain unchanged, and price fluctuations in the case of the zinc segment are secured in the form of forward transactions.

As at the date of this report, these are the only effects of the political and economic situation in Ukraine that may affect the Issuer's operations. Due to the high dynamics of the development of the situation, it is difficult to predict other possible financial consequences that may occur in the long term. In the opinion of the Issuer, these values do not constitute material items and do not adversely affect the financial situation of the Stalprodukt S.A. Capital Group.

The impact of the coronavirus COVID-19 pandemic on the situation of the Company

When assessing the impact of the COVID-19 coronavirus on the Issuer's operations, it should be emphasized that in the 3rd quarter of 2023, no impact on the operations of operating segments was observed.

VII. Other Information

Other Information

1. In the 3rd quarter of 2023, the Capital Group did not experience any seasonality consequences. During the reporting period no other positions were recorded, significantly affecting the assets, liabilities, equity, net profit or cash flow, which would be untypical in terms of their kind, volume/size or frequency.
2. As of the balance sheet day, the Stalprodukt S.A. Capital Group holds the below mentioned off-balance-sheet contingent liabilities:
 - guarantee of good workmanship concerning the production and assembly of road barriers totaling PLN 26,721 thousand,
 - guarantees and sureties (avals) granted by ZGH "Bolesław" amounting to PLN 15,972 thousand,

- ZGH "Bolesław" S.A. issued a bill of exchange in connection with the agreement concluded with the National Center for Research and Development, amounting to PLN 60.5 million for subsidizing the project,
 - ZGH "Bolesław" S.A. in the IV quarter of 2019 established in the form of bank guarantees a collateral for claims of the waste holder in favour of the Marshal of the Małopolska Province in the total amount of PLN 9,582,100. The collateral in the amount of PLN 9,111.0 thousand applies to the installation of rotary kilns used for the production of zinc concentrate from waste zinc-bearing materials in a roll down process. The second collateral in the amount of PLN 21.1 thousand applies to installations used for the production of electrolytic zinc and its alloys. The third, in the amount of PLN 450 thousand includes an installation for the processing of waste in the recovery process.
 - no bank collaterals, which were disclosed in the 2022 report, were subject to change in respect of the banks financing the credit agreements.
3. The pending bankruptcy and composition proceedings cover the Group's receivables totaling PLN 9,721 thousand, wherein Stalprodukt's share amounts to PLN 1,959 thousand (including PLN 670,000 of receivables taken over after the completed liquidation of Stalprodukt Centrostal-Kraków Sp. z o. o. for which a full write-off was created) and ZGH "Bolesław" - PLN 7,762 thousand.

During the reporting period, no other essential proceedings were instituted or pending before the courts or government agencies, concerning any liabilities or receivables, which might exert a significant influence on the Group's future results and its financial standing.

4. As of the Report submission day, the shareholders holding at least 5% of the total number of votes at the General Meeting are:
- STP Investment S.A. holding 1,529,319 shares, accounting for a 28.32 %-share in capital and 5,575,691 votes, accounting for 48.35 % of the total number of votes at the General Meeting and through F&R Finanse sp. z o.o. 43,807 shares, accounting for 0.81 %-share in capital and 43,807 votes, accounting for 0.38 % of the total number of votes at the General Meeting, i.e. the total 1,573,126 shares, accounting for a 29.13 %-share in capital and 5,619,498 votes, accounting for 48.73 % of the total number of votes at the General Meeting,
 - FABIOS S.A. holding directly 100,010 registered preference shares, accounting for 1.85%-share in capital and 500,050 votes, accounting for 4.34 % of the total number of votes at the General Meeting and through FCASE Sp. z o. o. Sp. k. 200,010 registered preference shares accounting for 3.70 %-share in capital and 1,000,050 votes, accounting for 8.67 % of the total number of votes at the General Meeting, i.e. a total of 300,020 shares, accounting for 5.56%-share in capital and

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1 500 100 votes, accounting for 13.01 % of the total number of votes at the General Meeting ,

- Stalprodukt Profil S.A. holding 579,652 shares, accounting for 10.74 %-share in capital and 1,095,488 votes, accounting for 9.50 % of the total number of votes at the General Meeting,
- ArcelorMittal Sourcing a société en commandite par actions holding 1,066,100 shares, accounting for a 19.74 %-share in capital and 1,066,100 votes, accounting for a 9.24 % of the total number of votes at the General Meeting.

As of the Report submission day, the ownership statuses of management and supervision officers in respect of the Issuer's shares are as follows:

a/ management officers:

- Piotr Janeczek 115,053 shares of nominal value: PLN 230,106,
- Łukasz Mentel 100 shares of nominal value: PLN 200.

b/ supervision officers:

- Stanisław Kurnik 1,000 shares of nominal value: PLN 2,000.

In the period pending from the date of issuance of the previous periodic report, no changes occurred in respect of the shareholding status of the managing and supervising officers.

5. Apart from the typical and routine transactions, concluded in line with market conditions, with the capital group- associated companies, resulting from the on-going operating activities, neither the Stalprodukt Company, nor its subsidiaries concluded any other transactions with associated companies during the reporting period.

6. Issuer's transactions with related entities:

a) Transactions that the parent company concluded with subsidiaries in the period from 01.07.2023 to 30.09.2023 - these transactions were eliminated in the consolidated statements - and from 01.07.2022 to 30.09.2022 are presented in the tables below (these transactions are excluded in the consolidated statements of the Capital Group):

Items the 3rd quarter of 2023	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.	53	63	63	77
Huta Cynku "Miasteczko Śląskie" S.A.				54
Boltech sp. z o.o.				
Anew Institute sp. z o.o.	7		4	
Stalprodukt-Wamech sp. z o.o.	443	6 975	789	7 408
Stalprodukt-Zamość sp. z o.o.	1 241	14	1 720	22
Stalprodukt-Ochrona sp. z o.o.	24	1 231	61	1 537
STP Elbud sp. z o.o.	536	4 267	870	6 132

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Cynk-Mal S.A.	5 289	603	4 306	781
GO STEEL a.s.	38 329	523	57 067	2 733
Hotel Ferreus Sp. z o.o.	2		4	
PTZ Sp. z o.o.	2		4	
Stalprodukt-Centrostal sp. z o.o. in liquidation				

Items the 3rd quarter of 2022	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.		39		62
Huta Cynku "Miasteczko Śląskie" S.A.	7		13	46
Boltech sp. z o.o.		3		5
Anew Institute sp. z o.o.	1		4	
Stalprodukt-Wamech sp. z o.o.	476	5 675	906	6 197
Stalprodukt-Zamość sp. z o.o.	2 051	15	2 557	52
Stalprodukt-Ochrona sp. z o.o.	23	1 071	58	1 312
STP Elbud sp. z o.o.	271	5 170	751	8 739
Cynk-Mal S.A.	6 385	1 937	7 479	1 575
GO STEEL a.s.	44 906	322	79 411	16 477
Hotel Ferreus Sp. z o.o.	2		4	
PTZ Sp. z o.o.	1		3	
Stalprodukt-Centrostal sp. z o.o. in liquidation	6		14	

b) The total value of the Issuer's transactions with associated companies in the period from 01.07.2023 to 30.09.2023 and in the comparable period from 01.07.2022 to 30.09.2022 is presented in the Table below.

Associated entities:

Items the first half of 2023	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	receivables	liabilities	revenues	costs
Stalnet Sp. z o.o.	5	15	12	36

Items the first half of 2022	PLN thousand			
	Mutual settlements		Mutual income and costs	
	receivables	liabilities	revenues	costs
Stalnet Sp. z o.o.	5	15	12	36

c) The total value of the Issuer's transactions with Entities with joint control or significant influence over the entity in the period from 01.07.2023 to 30.09.2023 and in the comparable period from 01.07.2022 to 30.09.2022 is presented in the Table below.

Items the first half of 2023	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	receivables	liabilities	revenues	costs
Stalprodukt-Profil S.A.	1		3	
STP Investment S.A.	1		3	

Items the first half of 2022	PLN thousand			
	Mutual settlements		Mutual income and costs	
	receivables	liabilities	revenues	costs
Stalprodukt-Profil S.A.	2		2	
STP Investment S.A.	1		35	

7. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 20,257 thousand. No significant fixed asset components have been disposed of during the reporting period.
8. An important proceeding in court is a lawsuit filed by Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o.o. in Olkusz against the ZGH "Bolesław" S.A. Company for payment of mining damages in the amount of PLN 64,015,224.00 (file reference number IX GC 99/14).

On 25.04.2018, the Regional Court of Kraków, 9th Economic Department (joint case file No IX GC 543/13) issued judgments in both of the above mentioned cases:

1. regarding the suit brought by Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o.o. in Olkusz against the Company for the payment of compensation in the amount of PLN 64,015,224.00 (File No IX GC 99/14) issued a preliminary judgment, recognizing the action of PWiK sp. z o.o. in Olkusz as justified as a matter of principle. The potential amount of the compensation shall be subject to further proceedings and may total the maximum of PLN 64 million. In connection with the referenced lawsuit, already in 2015, the Company formed a provision amounting to PLN 15 million. The company appealed against the judgment.
2. regarding the suit brought by the Company against PWiK sp. z o.o. in Olkusz for declaratory action seeking to establish that the Company is not liable for the lack of water supplies resulting from the mine dewatering activities after the mine liquidation and that the Company is not liable for the pollution of the existing or former water intakes, PWiK sp. z o.o. (File No IX GC 543/13), issued a judgment dismissing the action. The company appealed against the judgment.

On 13.03.2020 the Court of Appeal in Kraków issued the judgement in the case with ref.no AGa 527/18, between ZGH "Bolesław" S.A. and Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o. o. in Olkusz, in which it dismissed the appeal of ZGH "Bolesław" S.A. against the judgement of the Regional Court in Krakow of 25.04.2018 to the case with reference number IX GC 543/13, as well as ordered that the ZGH "Bolesław" S.A. shall pay the costs of proceedings at law in the amount of PLN 8,100 for the benefit of Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o.o. Consequently, the ruling of the Regional Court is final and binding.

The above status means that at the moment it has been ruled by a legally-binding decision that ZGH "Boleslaw" S.A. is liable for damages to the Przedsiębiorstwo Wodociągów i Kanalizacji for the consequences in terms of water relations, connected to the future exclusion of the Mine Olkusz Pomorzany drainage and due to this, the discontinuation of water supply to their channels and for possible groundwater pollution.

On July 28, 2020, the company ZGH "Bolesław" S.A. filed a cassation appeal against the above judgment. The Supreme Court in Warsaw By a decision of January 27, 2021, refused ZGH "Bolesław" S.A. accepting a cassation appeal for examination. In this state, the case will be reviewed by the District Court, which will determine the amount of compensation.

On September 16, 2021, the Order of the District Court, IX Commercial Division in Kraków, of August 30, 2021, was submitted, obliging PWiK Sp. z o.o. to submit a pleading within one month from the delivery of a copy of this ordinance, and ZGH "Bolesław" S.A. to submit, within one month from the date of delivery of the copy of the pleading from PWiK Sp. z o.o.

On November 15, 2021. ZGH "Bolesław" S.A. issued a letter to the Court with a request to oblige PWiK sp.z o.o. to submit to the Court and the party documents and information related to the technical operation of the water supply network. The District Court, by order dated 10 December 2021, granted the request and obliged PWiK sp.z o.o. to submit such information or submit a letter that he will not submit it. From the substantive point of view, it is important that in the letter referred to above, PWiK sp.z o.o. limited the claim by approx. 10,000 thousand PLN and is currently demanding the amount of PLN 54 839 thousand.

On December 10, 2021, a pleading from PWiK Sp. z o.o. was received. It does not contain the information requested by ZGH "Bolesław" S.A. in a letter of November 15, 2021. In this state, the preparation of the pleading / pleadings containing the current position of ZGH "Bolesław" S.A. is underway.

On February 28, 2022, ZGH Bolesław S.A. submitted their position on the matter. The letter contained a motion to dismiss the claim, as well as formal and evidentiary motions. The basis for submitting a motion to dismiss the claim is the indication that PWiK sp.z o.o. has not

suffered any damage in terms of civil law, i.e. there has been no financial loss. Further allegations were raised, boiling down to the fact that the possible damage may not be the own expenditure on the investment made, and there is no damage in the scope of the so-called stage II, where no expenses were incurred, and their incurring is not settled and justified. On March 17, 2022, PWiK sp.z o.o. submitted another letter in the case. On April 5, 2022, the District Court in Krakow called on the parties to the dispute to consider mediation in the case.

On July 15, 2022, the District Court in Kraków issued a Decision on the admission of evidence from the Institute's opinion on the legitimacy and amount of the damage suffered so far by PWiK Sp. z o.o., as well as future planned expenses. On September 22, 2022 a pleading of ZGH "Bolesław" S.A. was delivered to the District Court in Krakow - a request for evidence in the field of evidence from the opinion of the Institute. In a letter of November 8, 2022, the District Court called on the parties' attorneys to indicate further proposals of the entity that would undertake the preparation of the opinion. At the request of the Court, ZGH "Bolesław" S.A. in the letter of December 14, 2022 indicated the Silesian University of Technology in Gliwice, Faculty of Environmental and Energy Engineering, Department of Water and Sewage Engineering. In turn, PWiK Sp. z o.o. proposed 3 universities. The information portal of the District Court in Kraków shows that a letter from the Court was sent to the Silesian University of Technology in Gliwice, Faculty of Environmental and Energy Engineering, Department of Water and Sewage Engineering requesting to loan of the case files for a month in order to prepare an opinion.

Despite the search for an expert who would provide an opinion in this case for about 2 years, subsequent scientific entities (universities or institutes) refuse to allow the court to conduct it. In this state, the District Court issued a decision of June 23, 2023, in which it referred the case to mediation at the Arbitration Court at the Solicitor General of the Republic of Poland, and the court set a mediation duration of 3 months. Both parties to the case did not oppose mediation, but the plaintiff (PWiK) expressed skepticism. In this state, it is difficult to assess the chances of success of mediation. It will certainly result in further court actions taking place at the turn of 2023/2024. Currently, mediation proceedings have been ongoing since August 2023. According to the knowledge of ZGH "Bolesław" S.A. at the beginning of October this year talks between the mediator and PWiK Olkusz sp. z o.o. took place. The mediator's talks with ZGH "Bolesław" S.A. took place on October 19, 2023. AT the moment, it is difficult to assess the final result of mediation. As at September 30, 2023, the amount of provisions in the subsidiary and at the level of the consolidated financial statements covers 100% of the amount from the lawsuit. The amount was presented in the statement of financial position under the item "short-term provision for decommissioning, recultivation and environmental repair costs".

9. Neither the Issuer nor its Capital Group's entities issued, redeemed or paid any debt or other capital securities, apart from the ones referred to herein.

10. During the reporting period and within the submission of the present quarterly report, neither the Parent Company, nor its subsidiaries, granted any sureties, loans, credits or guaranties, apart from the ones referred to herein.
11. The Ordinary Meeting of Shareholders of ANEW INSTITUTE Sp. z o. o. with its registered office in Kraków, on October 31, 2023, adopted a resolution to dissolve the company. This decision is the result of the takeover by Stalprodukt S.A. all works related to the implementation of the vertical axis wind turbine project.

In 2022, the parent company made write-downs on the value of the shares, therefore, at the time of adopting the resolution on liquidation, the amount of the write-offs represented 100% of the value of the shares held. The value of assets held by the subsidiary is mostly related to the costs of development work, patents and design and construction documentation relating to the designed vertical axis wind turbines.

12. On June 28, 2023, Stalprodukt S.A. granted a loan to the subsidiary STP ELBUD Sp. z o. o. in the amount of PLN 15 million to repay the loan liability under a multi-purpose line. The loan was granted for a period of 5 years, with straight-line amortization and on market terms.
13. On June 26, 2023, the Ordinary Meeting of Shareholders of Cynk-Mal S.A. adopted a resolution on the payment of a dividend in the amount of PLN 20,000 thousand. The dividend date was set for July 1, 2023. The dividend was recognized in the parent company's results in the third quarter of 2023.
14. On June 20, 2023, the Ordinary General Meeting of ZGH Bolesław S.A. adopted a resolution on the division of the net profit generated by the Company in the financial year 2022 in the amount of PLN 135,341,005.97 (in words: one hundred thirty-five million three hundred forty-one thousand five zlotys 97/100) in such a way that the amount of PLN 49,834,800.00 (in words: forty-nine million, eight hundred and thirty-four thousand, eight hundred zlotys 00/100) is allocated to the payment of dividend to Shareholders, and the amount of PLN 85,506,205.97 (in words: eighty-five million, five hundred and six thousand, two hundred and five zlotys, 97/100) is excluded from division among Shareholders and allocated entirely to the Company's supplementary capital. The dividend date is September 15, 2023. The dividend will be paid to Shareholders by the Company on December 8, 2023. The dividend will be recognized as a result of the parent company in the third quarter of 2023.
15. General Meeting of Shareholders of Stalprodukt S.A. on June 27, 2023, adopted a resolution on the payment of dividend for the financial year 2022:
 - the amount allocated for dividend payment was PLN 80,993,970.00.
 - the value of the dividend per share was PLN 15.00 gross.
 - the dividend covered 5,399,598 shares of the Company.
 - the date of determining the right to dividend was July 3, 2023.

- the dividend was paid on July 17, 2023.

16. As a continuation of the government program from 2022, in the fourth quarter of 2023, a government program was launched under the name "Assistance for the energy-intensive industry related to the prices of natural gas and electricity in 2023".

The aim of the program is to mitigate the negative effects of increasing prices of electricity and natural gas for enterprises in the mining and industrial processing industries. Stalprodukt and ZGH "Bolesław" S.A. signed agreements with the National Fund for Environmental Protection and Water Management (which is the program operator) and submitted appropriate applications for support under extended assistance. One of the basic conditions to benefit from assistance is obtaining at least 50% revenues from activities in one or more PKD subclasses included in sections B (mining and quarrying) and C (industrial processing). The funds are to be transferred in the form of an advance payment at the end of 2023, and their final settlement will take place in the first quarter of 2024. If funding is obtained, it will be settled in the results for 2023. The requested amount of financial assistance amounts to a total of PLN 57.3 million, including PLN 41.4 million for ZGH "Bolesław" S.A. and PLN 15.9 million for Stalprodukt S.A.

17. The Issuer informs that as a result of the settlement of the transaction of purchase of shares offered in response to the "Offer to purchase shares of Stalprodukt S.A." ("Offer"), announced on September 1, 2022, the ownership was transferred and the purchase of 165,801 own shares by the Company was settled. The transfer of ownership of shares between the shareholders and the Company took place outside the regulated market through Dom Maklerski BDM S.A. with its registered office in Bielsko-Biała and settled within the depository and settlement system of the National Depository for Securities S.A. The basis for the purchase of shares was the authorization granted by the Ordinary General Meeting of Stalprodukt S.A. on June 23, 2022 (Resolution No. XLI/14/2022 on the purchase by the Company of its own shares for redemption).

The purpose of the purchase of own shares was to redeem them and reduce the Company's share capital. On June 27, 2023, the Ordinary General Meeting of Stalprodukt S.A. adopted Resolution No. XLII/12/2023 on the redemption of own shares purchased by the Company and Resolution No. XLII/13/2023 on the reduction of the share capital. On September 28, 2023, the National Court Register issued a decision on the reduction of the share capital.

18. In the Issuer's assessment, the factors likely to affect the Group's results at least in the perspective of the coming quarter, shall be:

- development of input prices as well as prices and demand for Stalprodukt's products,
in particular for transformer sheets,
 - price developments for zinc concentrate,
 - developments in the prices of zinc and lead on the LME and silver on the LBM,
 - exchange rate developments,
 - price developments of electricity and energy raw materials,
 - price developments and availability of gas,
 - prices of CO₂ emission allowances.
16. During the reporting period and following 30.09.2023 until the preparation of the Abridged Consolidated Report for the 3rd quarter 2023 no other important events took place, apart from the ones mentioned herein, which might significantly affect the Group's standing and its financial results. The Issuer does not possess any other information, which, in his opinion, is essential for the assessment and changes in the Group's staffing level, assets structure and financial standing, or information essential for the assessment of its potential capacity to settle the liabilities incurred.
17. Pursuant to par. 62, subpar. 1 of the Regulation of the Minister of Finance as of 29.03.2018 on current and periodic information to be disclosed by issuers of securities and conditions for recognizing as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws 2018, item 757 with subsequent amendments), the Issuer does not submit its separate quarterly report. This Report constitutes a supplement to the Abridged Consolidated Report rendered as the "Stalprodukt S.A. Mid-Year Abridged Financial Report for the 3rd Quarter of 2023".
18. No additional information was appended to the Abridged Consolidated Financial Report for the 3rd quarter of 2023 as, during the reporting period, no other events, concerning the separate report, took place, apart from the ones referred to herein.
19. This Abridged Consolidated Financial Report for the 3rd quarter of 2023 was approved for publication by parent Company's Management Board on 15.11.2023.

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Łukasz Mentel
Member of the Management Board
– Financial Director

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Piotr Janeczek
President of the Management Board – CEO