



STALPRODUKT S.A.

Abridged Consolidated Financial Report for the 4th Quarter of 2023

Bochnia, February 2024

I. Consolidated Financial Report for the 4th quarter of 2023

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EUR	
	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022
I. Net sales of products, goods and materials	4 610 385	5 904 372	1 018 105	1 259 384
II. Operating profit (loss)	110 499	611 229	24 401	130 373
III. Profit (loss) before taxation	128 290	598 220	28 330	127 599
IV. Net profit (loss)	86 792	480 522	19 166	102 494
- attributable to shareholders of the parent company	88 127	474 239	19 461	101 154
- net profit attributed to non-controlling interests	-1 335	6 283	-295	1 341
V. Net cash flow from operating activities	750 637	339 993	165 762	72 519
VI. Net cash flow from investment activities	-121 635	-31 151	-26 860	-6 644
VII. Net cash flow from financial activities	-122 804	-195 371	-27 119	-41 672
VIII. Total net cash flow	506 198	113 471	111 783	24 203
IX. Total assets	4 829 360	5 181 355	1 110 708	1 104 790
X. Long-term liabilities	421 984	480 718	97 052	102 500
XI. Short-term liabilities	582 515	864 345	133 973	184 299
XII. Shareholders' equity	3 824 861	3 836 292	879 683	817 990
- equity attributable to shareholders of the parent	3 714 619	3 722 684	854 328	793 766
- equity attributed to non-controlling interests	110 242	113 608	25 355	24 224
XIII. Share capital	10 799	11 161	2 484	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)	16,07	86,11	3,55	18,37
XVI. Weighted average number of shares	5 399 598	5 524 271	5 399 598	5 524 271
XVII. Diluted profit (loss) per ordinary share (PLN)	16,07	86,98	3,55	18,55
XVIII. Book value per share (PLN)	708,36	687,47	162,92	146,59
XIX. Diluted book value per share (PLN)	708,36	694,44	162,92	148,07
XX. Declared or paid-out dividend for one share in (PLN/EUR)	15,00	12,00	3,31	2,56

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 December 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 29th December 2023 and amounting to PLN 4.3480 and PLN 4.6899 for this 30th 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 4.5284 for 4 quarters of 2023 and PLN 4.6883 for 4 quarters of 2022.
3. For profit-per-share calculation the number of 5,399,598 shares was adopted.
5. 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)			
	31.12.2023	30.09.2023	31.12.2022	30.09.2022
Assets				
I. Fixed assets	2 213 387	2 278 129	2 321 464	2 390 247
1. Intangible assets other than goodwill	53 048	101 007	37 278	93 795
2. Goodwill	0	0	0	0
3. Tangible fixed assets	1 960 172	1 986 865	2 035 023	2 060 959
4. Right to use assets (incl. right of perpetual usufruct of land)	105 935	93 419	91 148	91 132
5. Investment real estate	57 434	57 745	64 074	39 000
6. Long-term financial assets	16 733	16 963	16 393	16 650
7. Other long-term financial assets	12 934	12 953	12 953	20 037
8. Long-term receivables	735	1 019	942	1 244
9. Deferred tax assets	114	200	56 043	59 879
10. Long-term prepayments	6 282	7 958	7 610	7 551
II. Current Assets	2 615 973	2 784 490	2 859 891	2 839 121
<i>Current assets other than assets held for sale</i>	<u>2 615 973</u>	<u>2 784 490</u>	<u>2 859 891</u>	<u>2 839 121</u>
1. Stocks	832 252	1 007 731	1 253 113	1 316 981
2. Receivables due to supplies and services and other receivables	664 865	821 213	973 462	960 185
3. Cash and cash equivalents	1 111 923	945 209	605 725	524 182
4. Other short-term investments	6 933	10 337	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	4 829 360	5 062 619	5 181 355	5 229 368
Liabilities				
I. Equity capital	3 824 861	3 853 564	3 836 292	3 705 593
I.1 Equity attributed to shareholders of the parent company	3 714 619	3 742 982	3 722 684	3 606 794
1. Share capital	10 799	10 799	11 161	11 161
2. Capital from the surplus of the issue price above the nominal value / agio /	8 416	8 416	8 416	8 416
3. Provision for cash flow hedges / revaluation reserve /	372	-3 893	-27 853	-90 081
4. Provision for exchange rate differences resulting from translation	11 083	33 406	42 837	51 578
5. Retained earnings / including uncovered losses /	3 683 949	3 694 254	3 688 123	3 625 720
I.2 Non-controlling interests / Equity attributable to minority shareholders /	110 242	110 582	113 608	98 799
II. Long-term liabilities	421 984	408 231	480 718	556 379
1. Provision for deferred income tax	93 828	88 568	149 309	164 735
2. Long-term provisions / including employee benefits /	47 383	39 260	43 551	189 624
3. Other long-term liabilities	146	146	146	146
4. Long-term provision for the costs of decommissioning, rehabilitation and environmental repair costs	105 984	114 987	110 446	40 000
5. Accruals and deferred income classified as fixed	57 029	42 834	43 368	45 779
6. Credits and loans	1 276	2 391	5 736	7 031
7. Long-term liabilities due to leasing contracts	116 338	101 625	104 307	78 063

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8. Other long-term financial liabilities	0	18 420	23 855	31 001
III. Current liabilities	582 515	800 824	864 345	967 396
<i>Short-term liabilities other than those included in groups intended for sale</i>	<u>582 515</u>	<u>800 824</u>	<u>864 345</u>	<u>967 396</u>
1. Short-term provisions for liabilities	50 906	55 078	68 817	67 818
2. Credits and loans	5 492	12 795	20 201	22 901
3. Liabilities due to supplies and services	303 706	415 196	477 368	530 502
4. Current liabilities due to social insurance and taxes other than income tax	37 851	39 145	47 502	59 661
5. Other short-term non-financial liabilities	63 655	102 162	79 195	84 743
6. Short-term reserve for the costs of decommissioning, rehabilitation and environmental repair costs	78 437	70 913	78 031	0
7. Liabilities due to income tax	368	444	5 876	4 728
8. Liabilities due to leasing /including IFRS 16/	5 713	5 222	7 143	7 347
9. Other short-term financial liabilities	1 956	7 711	56 480	123 014
10. Accruals	34 431	92 158	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	1 004 499	1 209 055	1 345 063	1 523 775
Total Assets	4 829 360	5 062 619	5 181 355	5 229 368
Book value	3 824 861	3 853 564	3 836 292	3 705 593
Number of shares	5 399 598	5 399 598	5 580 267	5 580 267
Book value per share (PLN)	708,36	713,68	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 (PLN)	708,36	713,68	694,44	664,05

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period 01-10-2023 to 31-12-2023	thousand x PLN			
	IV quarter of 2023 - period from 01-10-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	IV quarter of 2022 - period from 01-10-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022
I. Net sales of products, goods and materials	1 000 201	4 610 385	1 404 606	5 904 372
II. Costs of products, goods and materials	1 003 419	4 273 508	1 246 816	5 043 355
III. Gross profit (loss) on sales	-3 218	336 877	157 790	861 017
IV. Selling costs	22 094	95 785	32 898	123 629
V. General and administrative costs	49 688	177 002	47 177	183 368
VII. Other operating incomes	125 494	335 875	92 833	382 344
VIII. Other operating costs	78 224	289 466	115 231	325 135
IX. Operating profit (loss)	-27 730	110 499	55 317	611 229
X. Financial incomes	7 039	42 502	-5 652	26 605
XI. Financial costs	3 682	25 052	6 350	39 768
XII. Profit from shares in associated entities	-229	341	-257	154
XIII. Profit (loss) before taxation	-24 602	128 290	43 058	598 220
XIV. Income tax	-15 534	41 498	11 683	117 698
Profit (loss) from continuing operations	-9 068	86 792	31 375	480 522
XV. Profit (loss) on discontinued operations	0	0	0	0

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XVI. Net profit (loss)	-9 068	86 792	31 375	480 522
1. Attributable to shareholders of the parent	-9 032	88 127	32 945	474 239
2. Attributed to non-controlling interests	-36	-1 335	-1 570	6 283

Book value	-9 068	86 792	31 375	480 522
Number of shares	5 399 598	5 399 598	5 580 267	5 580 267
Book value per share (PLN)	-1,68	16,07	5,62	86,11
Weighted average number of shares	5 399 598	5 399 598	5 524 271	5 524 271
Diluted book value per share (in PLN)	-1,68	16,07	5,68	86,98

Total comprehensive consolidated income	thousand x PLN			
	IV quarter of 2023 - period from 01-10-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	IV quarter of 2022 - period from 01-10-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022
Net result	-9 068	86 792	31 375	480 522
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:	-17 598	-1 108	58 368	113 864
The effective part of the cash flow hedging in accordance with IFRS 9	4 725	30 646	67 109	100 341
<i>including the effective portion of cash flow hedge in line with IFRS 9 attributable to minority interest</i>	463	2 425	4 930	7 575
<i>gains and losses on translating items in the financial statements of the foreign operations</i>	-22 323	-31 754	-8 741	13 523
<i>Gains and losses on the translation of items in the financial statements of the foreign operation attributable to non-controlling interests</i>	-129	-144	-118	34
Other comprehensive income	-17 598	-1 108	58 368	113 864
Total comprehensive income	-26 666	85 684	89 743	594 386
Comprehensive income attributable to equity holders of the parent	-27 090	84 598	86 432	580 525
Comprehensive income attributable to minority shareholders	424	1 086	3 311	13 861

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Statement of changes in equity for the period from 1st January to 31st December 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	-4 452	-85 446
Total comprehensive income for period 1.01 - 31.12.2023			28 225	-31 754	88 127	84 598	1 086	85 684
Other changes in equity	-362				-11 307	-11 669		-11 669
Change in equity	-362	0	28 225	-31 754	-4 174	-8 065	-3 366	-11 431
Balance as of 31.12.2023 (closing balance)	10 799	8 416	372	11 083	3 683 949	3 714 619	110 242	3 824 861

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
Error correction					-12 029	-12 029		-12 029
Balance on this 1.01.2022 after error correction	11 161	8 416	-120 616	29 314	3 322 484	3 250 759	108 425	3 359 184
Dividend					-66 963	-66 963	-8 678	-75 641
Total comprehensive income for period 1.01 - 31.12.20212			92 763	13 523	474 239	580 525	13 861	594 386
Other changes in equity					-41 637	-41 637		-41 637
Change in equity	0	0	92 763	13 523	365 639	471 925	5 183	477 108
Balance as of 31.12.2022 (closing balance)	11 161	8 416	-27 853	42 837	3 688 123	3 722 684	113 608	3 836 292

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CONSOLIDATED CASH FLOW ACCOUNT for the period	thousand x PLN	
	4 quarter(s) increasingly for the period from 01- 01-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01- 01-2022 to 31-12-2022
Cash flow from operating activities		
Gross profit (loss)	128 290	598 220
Income tax paid	-100 601	-116 931
Adjustments made to reconcile profit (loss)	722 948	-141 296
Adjustments for undistributed investment gains accounted for using the equity method	-341	-154
Amortization and depreciation adjustments	181 381	179 279
Adjustments due to unrealized gains (losses) on exchange differences	-1 484	1 503
Corrections for interest expense	6 712	9 044
Adjustments resulting from dividend income	0	0
Adjustments for losses (gains) on the sale of fixed assets	-14 469	13 322
Adjustments for provisions	-35 574	-23 796
Adjustments for the decrease (increase) in the value of inventories	407 268	-254 853
Adjustments resulting from a decrease (increase) in receivables	355 544	-62 087
Adjustments for the increase (decrease) in the value of liabilities	-166 795	-54 111
Other adjustments made to reconcile profit (loss) and deferred tax	-5 961	42 604
Deferred tax adjustment	-3 333	7 953
Cash flow from operating activities	750 637	339 993
Net cash flow from investment activities		
Proceeds from the sale of property, plant and equipment classified as investment activities	5 297	8 570
Proceeds from the sale or redemption of financial instruments classified as investment activities	41 594	233 411
Dividends received classified as investment activities	0	3
Repayment of long-term loans granted	0	225
Cash inflow from interest received classified as investment activities	1 387	1 126
Purchase of tangible fixed assets classified as investment activities	-136 171	-120 195
Acquisition of financial assets	-33 459	-167 588
Loans granted	0	
Other investment inflows and outflows	-283	13 297
Net cash flow from investment activities	-121 635	-31 151
Net cash flow from financial activities		
Purchase of own shares (shares)	0	-45 167
Proceeds from loans classified as financial activities	0	160
Other financial inflows / outflows	-6 797	-2 356
Paid dividends classified as financial activities	-85 496	-76 854

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Repayment of credits and loans	-19 169	-56 954
Payment of lease liabilities, classified as financial activity	-2 262	-4 013
Interest paid, classified as financial activity	-9 080	-10 187
Net cash flow from financial activities	-122 804	-195 371
Net cash flow	506 198	113 471
The effects of changes in exchange rates on cash and cash equivalents		
Increase (decrease) in cash and cash equivalents	506 198	113 471
Cash and cash equivalents at the beginning of the period	605 725	492 254
Cash and cash equivalents at the end of the period	1 111 923	605 725
Cash and cash equivalents subject to restrictions	23 803	11 269

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Selected Financial Data	thousand x PLN		thousand x EUR	
	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022
I. Net sales of products, goods and materials	1 968 741	2 719 250	434 754	580 008
II. Operating profit (loss)	48 599	336 452	10 732	71 764
III. Profit (loss) before taxation	237 255	464 831	52 393	99 147
IV. Net profit (loss)	219 648	398 121	48 505	84 918
V. Net cash flow from operating activities	356 208	229 231	78 661	48 894
VI. Net cash flow from investment activities	143 367	142 685	31 660	30 434
VII. Net cash flow from financial activities	-89 393	-151 019	-19 741	-32 212
VIII. Total net cash flow	410 182	220 897	90 580	47 117
IX. Total assets	2 705 274	2 670 230	622 188	569 358
X. Long-term liabilities	143 272	142 046	32 951	30 288
XI. Short-term liabilities	196 427	301 263	45 176	64 237
XII. Shareholders' equity	2 365 575	2 226 921	544 060	474 833
XIII. Share capital	10 799	11 161	2 484	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)	40,68	71,34	8,98	15,22
XVI. Weighted average number of shares	5 399 598	5 524 271	5 399 598	5 524 271
XVII. Weighted average number of shares	40,68	72,07	8,98	15,37
XVIII. Book value per share (PLN)	438,10	399,07	100,76	85,09
XIX. Diluted book value per share (PLN)	438,10	403,12	100,76	85,09
XX. Declared or paid-out dividend for one share in (PLN/EUR)	15,00	12,00	3,31	2,62

- 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 December 2022.
- 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 29th December 2023 and amounting to PLN 4.3480 and PLN 4.6899 for this 30th 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 4.5284 for 4 quarters of 2023 and PLN 4.6883 for 4 quarters of 2022.
- For profit-per-share calculation the number of 5,399,598 shares was adopted.
- 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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BALANCE SHEET	(thousand x PLN)			
	31.12.2023	30.09.2023	31.12.2022	30.09.2020
Assets				
I. Fixed assets	1 384 362	1 393 639	1 402 775	1 390 628
1. Intangible assets other than goodwill	1 577	4 000	1 783	3 939
2. Tangible fixed assets	687 318	695 466	725 582	747 093
3. Right to use assets (incl. right of perpetual usufruct of land)	45 181	43 092	43 489	30 849
4. Investment real estate	113 507	113 703	107 143	77 341
5. Long-term financial assets	511 851	511 851	511 851	511 851
6. Other long-term financial assets	24 928	25 527	12 927	12 927
7. Long-term receivables	0	0	0	0
8. Deferred tax assets	0	0	0	6 628
9. Long-term prepayments	0	0	0	0
II. Current Assets	1 320 912	1 437 771	1 267 455	1 311 932
<i>Current assets other than assets held for sale</i>	1 320 912	1 437 771	1 267 455	1 311 932
1. Stocks	273 137	375 131	483 371	520 128
2. Receivables due to supplies and services and	260 572	358 940	409 401	481 445
3. Cash and cash equivalents	784 041	701 300	373 859	308 981
4. Other short-term investments	3 162	2 400	824	1 378
<i>Assets held for sale</i>	0	0	0	0
Assets in total	2 705 274	2 831 410	2 670 230	2 702 560
Liabilities				
I. Equity capital	2 365 575	2 382 476	2 226 921	2 230 940
1. Share capital	10 799	10 799	11 161	11 161
2. Capital from the surplus of the issue price	8 416	8 416	8 416	8 416
3. Other capitals	0	0	0	180
4. Retained earnings (including uncovered losses)	2 346 360	2 363 261	2 207 344	2 211 183
II. Long-term liabilities	143 272	139 683	142 046	111 394
1. Provision for deferred income tax	59 120	58 738	61 036	73 281
2. Long-term reserves /including employee benefits/	6 189	5 900	5 900	5 332
3. Other long-term non-financial liabilities	0	0	0	0
4. Credits and loans	0	0	0	0
5. Long-term liabilities due to leasing contracts	77 963	75 045	75 110	32 781
III. Current liabilities	196 427	309 251	301 263	360 226
<i>Short-term liabilities other than those included in groups intended for sale</i>	196 427	309 251	301 263	360 226
1. Short-term provisions for liabilities	7 004	15 296	15 908	9 164
2. Credits and loans	0	0	0	0
3. Liabilities due to supplies and services	160 862	254 694	248 219	290 996
4. Current liabilities due to social security and taxes other than income tax	9 719	9 123	11 394	27 714
5. Other short-term non-financial liabilities	16 790	21 407	19 887	21 628
6. Liabilities due to income tax	0	0	0	3 418
7. Liabilities due to leasing	0	0	0	0
8. Other short-term financial liabilities	0	0	0	1
9. Short-term accruals	2 052	8 731	5 855	7 305
<i>Liabilities included in those intended for sale</i>	0	0	0	0
Total liabilities	339 699	448 934	443 309	471 620
Liabilities in total	2 705 274	2 831 410	2 670 230	2 702 560

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Book value	2 365 575	2 382 476	2 226 921	2 230 940
Number of shares	5 399 598	5 399 598	5 580 267	5 580 267
Book value per share (PLN)	438,10	441,23	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)	438,10	441,23	403,12	399,79

PROFIT AND LOSS ACCOUNT for the period	(thousand x PLN)			
	IV quarter of 2023 - period from 01-10-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	IV quarter of 2022 - period from 01-10-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022
I. Net sales of products, goods and materials, including:	402 659	1 968 741	635 407	2 719 250
II. Costs of products, goods and materials sold, including:	398 398	1 821 491	531 541	2 205 967
III. Gross profit (loss) on sales	4 261	147 250	103 866	513 283
IV. Selling costs	12 389	52 744	21 079	76 292
V. General and administrative costs	20 797	55 118	19 118	60 763
VI. Other operating incomes	25 712	62 974	35 711	58 637
VII. Other operating costs	13 514	53 763	50 969	98 413
VIII. Operating profit (loss)	-16 727	48 599	48 411	336 452
IX. Financial incomes	4 064	202 089	1 806	146 832
X. Financial costs	7 867	13 433	5 005	18 453
XI. Profit (loss) before taxation	-20 530	237 255	45 212	464 831
XII. Income tax	-3 629	17 607	4 063	66 710
XIII. Profit (loss) from continuing operations	-16 901	219 648	41 149	398 121
XIV. Profit (loss) on discontinued operations	0	0	0	0
XV. Net profit (loss)	-16 901	219 648	41 149	398 121
Weighted average number of ordinary shares	5 399 598	5 399 598	5 580 267	5 580 267
Profit (loss) per ordinary share (PLN)	-3,13	40,68	7,37	71,34
Weighted average predicted number of ordinary shares	5 399 598	5 399 598	5 524 271	5 524 271
Diluted profit (loss) per ordinary share (PLN)	-3,13	40,68	7,45	72,07

TOTAL COMPREHENSIVE INCOME for the period	(thousand x PLN)			
	IV quarter of 2023 - period from 01-10-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	IV quarter of 2022 - period from 01-10-2022 to 31-12-2022	4 quarter(s) increasingly for the period from 01-01-2022 to 31-12-2022
Net result	-16 901	219 648	41 149	398 121
Differences from evaluation			0	0
Total Comprehensive Income	-16 901	219 648	41 149	398 121

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Statement of changes in equity for the period from 1st January to 31st December 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 - 31.12.2023				219 648	219 648
Other changes in equity	-362			362	0
Balance on this 31.12.2023 (closing balance)	10 799	8 416	0	2 346 360	2 365 575
Balance on this 01.01.2022 (opening balance)	11 161	8 416	180	1 921 174	1 940 931
Adjustment due to the way of presentation			-180	180	0
Condition after conversion on 1.01.2022	11 161	8 416	0	1 921 354	1 940 931
Dividend				-66 964	-66 964
Total comprehensive income for period 1.01 - 31.12.2022				398 122	398 122
Other changes in equity				-45 168	-45 168
Balance on this 31.12.2022 (closing balance)	11 161	8 416	0	2 207 344	2 226 921

CASH FLOW ACCOUNT	thousand x PLN	
	4 quarter(s) increasingly for the period from 01- 01-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01- 01-2022 to 31-12-2022
A. Cash flow from operational activity		
Profit (loss) on the activity of accounts. before tax	237 254	464 832
Income tax paid	-40 692	-75 254
Total adjustments	159 646	-160 347
Depreciation,	54 457	53 025
(Gains) losses due to exchange rate differences	0	
Interest	4 601	5 339
Shares in profits (dividends)	-174 011	-143 362
Adjustments for losses (gains) on the sale of fixed assets	-14 048	-106
Adjustments for provisions	-10 530	-9 965
Adjustments for the decrease (increase) in the value of inventories	208 734	-24 387
Adjustments due to the increase (decrease) due to receivables	164 255	-56 024
Adjustments for the increase (decrease) in the value of other liabilities related to operating activities	-90 190	-19 941
Other adjustments made to reconcile profit (loss)	14 462	26 531
Adjustments due to deferred tax expense	1 916	8 543
Net cash flow from operating activities	356 208	229 231
B. Cash flow from investment activity		
Sale of intangible assets and tangible fixed assets	1 790	122
Sale of financial assets	5 259	
Dividends received classified as investing activities	174 011	143 362
Repayment of long-term loans granted	600	14 500
Cash inflow from interest received classified as investing activity	562	819
Purchase of intangible assets and tangible fixed assets	-23 755	-16 118
Acquisition of financial assets	0	
Loans granted	-15 100	
Other investment inflows and outflows	0	
Net cash flow from investment activities	143 367	142 685
C. Cash flow from financial activity		
Proceeds from loans classified as financial activities	0	
Other financial inflows / outflows	-3 150	-2 654
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	-86	-77
Interest paid, classified as financial activity	-5 163	-6 158

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Purchase of treasury shares	0	-45 167
Net cash flow from financial activities	-89 393	-151 019
Net cash flow (before currency effects)	410 182	220 897
The effects of changes in exchange rates on cash and cash equivalents		0
Increase (decrease) in cash and cash equivalents	410 182	220 897
Cash and cash equivalents at the beginning of the period	373 859	152 962
Cash and cash equivalents at the end of the period	784 041	373 859
Restricted cash and cash equivalents	13 384	3 498

II. 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.,
- non-ferrous metal ores mining and zinc and lead production – 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,
- trade activities:
 - Stalprodukt - Zamość Sp. z o.o.,
- other production- and services-related 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-Wamech 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.

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

In relation to the 4th Quarter of 2022, which is a comparable period to this Consolidated Financial Report, in the 4th 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.

The changes introduced in the distribution of the Profiles Segment products are aimed at improving the efficiency of finished goods warehouse management and reducing the costs related to the sales network, as well as increasing the segment's sales efficiency.

In the opinion of the Management Board, this decision does not constitute a discontinuation of operations in accordance with the International Accounting Standards.

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 October 2023 to 31 December 2023 with the use of the full consolidation method, considering all the Group's subsidiaries. The comparable data cover the period from 1 October 2022 to 31 December 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. In terms of changes in the group's policy, the following items were presented as adjustments to production costs: realized exchange rate differences, provisions for CO₂ emission allowances and certificates, and provisions for employee benefits.

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.

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

5. Estimated Values in the 4thQuarter 2023

- The provision for deferred tax was increased by PLN 6,460 thousand, and decreased by PLN 698 thousand.
- An inventory write-down was created in the amount of PLN 24,702 thousand, and it was resolved in the amount of PLN 27,219 thousand,

- A write-down for doubtful receivables was created in the amount of PLN 2,836 thousand (including PLN 1,852 thousand in the Zinc Segment), and resolved in the amount of PLN 907 thousand.
- A provision was created for employee benefits in the amount of PLN 31,725 thousand, and resolved in the amount of PLN 22,302 thousand (including retirement benefits in the amount of PLN 12,643 thousand, and PLN 8,180 thousand was resolved. For unused leaves a provision in the amount of PLN 9,520 thou. was created and it was resolved in the amount of PLN 8,777 thou.).
- A provision was created for certificates of origin for energy and CO₂ emission rights in the amount of PLN 7,553 thousand, and resolved in the amount of PLN 14,552 thousand.
- A provision was created for repairs settled over time in the amount of PLN 24,212 thousand and resolved in the amount of PLN 24,212 thousand (in the Zinc Segment).
- other provisions were created PLN 7,361 thousand. PLN /including the provision for the bonus fund, time-settled renovations and for the speedway(s) resolved in the amount of PLN 961,000,
- in the separate report of Stalprodukt S.A. an impairment loss was created on fixed assets /Project Demonstrator/ in the amount of PLN 11,149 thousand,
- there was no need to create write-offs for long-term financial assets.

Other operating income and expenses include received and redeemed free CO₂ emission rights in the amount of PLN 54,586 thousand.

As a continuation of the government program from 2022, in the fourth quarter of 2023, a government program was launched called "Assistance for the energy-intensive industry related to the prices of natural gas and electricity in 2023". The amount of financial assistance received totals PLN 57.3 million, including PLN 41.4 million for ZGH "Bolesław" S.A. and PLN 15.9 million for Stalprodukt S.A. The amount was recognized in the profit and loss statement at the level of other operating income.

In order to make the production costs of products realistic in the fourth quarter of 2023, ZGH "Bolesław" S.A. reduced the costs of purchasing electricity due to compensation for electricity prices in the amount of PLN 24,424 thousand. The total value of the reduction in compensation costs over the 12 months of 2023 is PLN 98,034 thousand. The provision for the liquidation of the Olkusz-Pomorzany mine in the fourth quarter of 2023 was used in the amount of PLN 2,238 thousand (total for the 4 quarters of 2023 PLN 9,376 thousand).

As at December 31, 2023, the provision for the liquidation of the "Olkusz-Pomorzany" mine is PLN 124,680 thousand (of which PLN 77,726 thousand is a provision for damages related to floodplains of forest areas).

Provisions were presented in the consolidated statement of financial position of the Capital Group in the following items: long-term provision for decommissioning, reclamation and environmental repair costs (PLN 105,984 thousand) and short-term provision for decommissioning, reclamation and environmental repair costs (PLN 18,696 thousand).

Additionally, as at December 31, 2023, in the above-mentioned item: short-term provision for the costs of decommissioning, recultivation and environmental repair costs, a provision was also presented for the amount claimed by PWIK Olkusz Sp. z o. o. in the amount of PLN 55,000 thousand (details related to the claim are described in item 8 of Other Information). Additionally, the provisions for the costs of liquidation, reclamation and environmental repair include the amount of provisions for land reclamation and removal of old sinkholes in the amount of PLN 4,740,000. PLN created in Gradir Montenegro d. o.o.

As at December 31, 2023, the impairment loss on the shares of the subsidiary GRADIR amounts to PLN 130,981 thousand (84.8% of the value of shares). In the fourth quarter of 2023, the write-down did not change (the write-down is included in the individual reports of ZGH "Bolesław" S.A.). The write-down on the loan granted to the subsidiary GRADIR as at December 31, 2023 is PLN 8,344 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 December 31, 2023 amounts to PLN 12,027 thousand. In the fourth quarter of 2023, the impairment loss did not change (consolidated report of the ZGH "Bolesław" Group).

III. Business Segments

Reporting by segments is presented based on IFRS 8 "Operating Segments". The principles of dividing the operations of the Stalprodukt Capital Group into operating segments and the accounting principles used for this reporting are provided in detail in the last published annual consolidated financial statements for 2022. In the fourth quarter of 2023, there were no changes in the basis for separating segments or measuring segment profit/loss compared to the last annual financial report.

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.

Abridged Consolidated Financial Report for the 4th Quarter of 2021

Information on Operating Segments for 4th quarter of 2023 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	253 001	153 221	509 396	84 583	1 000 201
Domestic	20 069	110 097	298 962	68 953	498 081
Export	232 932	43 124	210 434	15 630	502 120
Segment Costs	244 054	170 956	534 669	75 832	1 025 512
Segment Result	8 947	-17 735	-25 274	8 751	-25 311
Other Operating and Financial Revenues Non-Attributable to the Segment					132 305
Other General, Operating and Financial Costs Non-Attributable to the Segment					131 596
Gross Profit					-24 602
Income Tax					-15 534
Net Profit					-9 068
Segment Assets	1 337 596	905 040	2 133 553	453 056	4 829 246
Assets Non-Attributable to the Segment					114
Total Assets					4 829 360
Liabilities	213 236	168 812	415 836	62 194	860 078
Provision for decommissioning, recultivation and environmental repair costs			184 421		184 421
Total liabilities					1 004 499
Capital expenditures	6 351	1 653	25 044	10 009	43 057
Depreciation	10 356	5 074	25 002	4 570	45 002
Creation of an inventory write-down	6 549	12 365	3 412	2 376	24 702
Inventory write-down solution	2 176	3 875	2 679	18 489	27 219

In the fourth quarter of 2023, the largest sales were made to Italy and accounted for 8.73% of the Capital Group's sales (17.38% share in export sales) and Germany and accounted for 7.31% of the Capital Group's sales (14.56% share in sales in exports). The largest sales to a customer did not exceed 10% of the total sales.

Abridged Consolidated Financial Report for the 4th Quarter of 2021

Information on Operating Segments for 4th quarter of 2022 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	479 950	191 524	652 195	80 937	1 404 606
Domestic	29 731	135 383	377 043	69 575	611 732
Export	450 219	56 141	275 151	11 363	792 874
Segment Costs	367 498	208 026	636 121	68 068	1 279 714
Segment Result	112 452	-16 502	16 074	12 869	124 892
Other Operating and Financial Revenues Non-Attributable to the Segment					86 924
Other General, Operating and Financial Costs Non-Attributable to the Segment					168 758
Gross Profit					43 058
Income Tax					11 683
Net Profit					31 375
Segment Assets	1 389 794	905 504	2 240 421	490 774	5 026 493
Assets Non-Attributable to the Segment					41 157
Total Assets					5 067 650*
Liabilities	273 231	216 308	559 875	79 692	1 129 106
Contingent Liabilities			188 399		188 399
Total Liabilities					1 317 505
Investment Outlays	4 989	4 036	37 692	1 892	48 609
Depreciation	10 477	4 960	26 290	3 808	45 535
Creation of an inventory write-down	5 961	4 428	2 668	6 035	19 091
Inventory write-down solution	3 493	20 645	1 110	0	25 248

*In order to ensure comparability of the Segments, data regarding the Segments for the fourth quarter of 2022 are presented in accordance with the data published in the Condensed Consolidated Financial Statements for the fourth quarter of 2022. These data differ from the data presented in this Periodic Report in the "Selected Financial Data" table, in which the amount of assets and liabilities is disclosed in accordance with the Consolidated Financial Statements for 2022, after an audit by a certified auditor.

The largest sales were made in 2022 to Germany and accounted for 12.50 % of the Capital Group's sales (23.05 % share in export sales) and Italy and accounted for 7.68 % of the Capital Group's sales (14.17 % share in export sales). In addition, in the case of one client, sales exceeded 10 % of the share in the Capital Group's sales. The total value of revenues from this client is PLN 689,082 thousand. Sales mainly concerned the zinc segment and other activities.

IV. Evaluation of the results obtained and financial situation

In the fourth quarter of 2023, compared to the same period in 2022, the Stalprodukt S.A. Capital Group achieved sales revenues lower by PLN 404,405 thousand, i.e. by 28.8%. At the level of profit on sales, a loss was recorded - PLN 3,218 thousand, against a profit of PLN 157,790 thousand in the fourth quarter of 2022. At the level of operating profit, the loss amounted to PLN 27,730 thousand against a profit of PLN 55,317 thousand in the fourth quarter of 2022. In the fourth quarter of 2023, the Group recorded a net loss of PLN 9,068 thousand against a profit of PLN 31,375 thousand in the comparable period of 2022.

The **Electrical Sheets Segment** recorded a decrease in the sales volume of transformer sheets compared to the fourth quarter of 2022 by 21.9%. The decrease in sales revenues of the Segment compared to the fourth quarter of 2022 amounted to PLN 224,047 thousand, i.e. 46.7%. In addition to the significant drop in sales volumes, a significant factor was the strong price correction for the Segment's products, reaching up to 27.5%. In the Issuer's opinion, the price correction is caused by the aggressive trade policy of Asian competitors, in particular from China, who offer their products on European and world markets at very low prices. This trend intensified in the fourth quarter of 2023, 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 103,505 thousand, i.e. by 92%.

Additionally, the situation of producers in the European Union was still negatively affected by the high CO2 emission fee and higher energy and gas costs. These factors worsen the competitiveness of European production. Additional factors having a negative impact on the situation in the sheet metal segment are:

- constantly growing excess production capacity of Chinese producers of transformer sheets,
- the Chinese government's policy focused on export-oriented producers (in the face of a weaker domestic market),
- cost advantage of Chinese producers, which results in their better competitiveness and the ability to offer products at much lower prices than in the case of EU producers,
- asymmetry of the protective policy between the EU market and China, consisting in export duties to the Chinese market for EU producers of 46.3% and the minimum import price (for the lowest grades) in the amount of EUR 1,536/t (and customs duty in the case of the difference between the minimum price and the price of the imported product),
- Given the above and the significantly higher production costs of EU producers, EU policy currently lacks effective market protection.

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 is working on a restructuring program to reduce the operating costs of the plants in Bochnia and the Czech Republic.

In the fourth quarter of 2023, the share of HiB sheets in the plant in Bochnia amounted to 19% 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.

Extending the protection period for the European transformer sheets market for another 5 years

On January 14, 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 in the United States of America following an expiry review pursuant to Art. 11 sec. 2 of Regulation (EU) 2016/1036 of the European Parliament and of the Council.

The above Commission Regulation maintains the mechanism of minimum import prices and the price levels for individual product groups (differing in the level of magnetic core loss), as set out in the original Implementing Regulation, i.e. 2015/1953 of 29 October 2015.

The expiry review procedure was carried out at the request of the EUROFER Association, representing 2 European producers of grain oriented sheets, 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 an increase in quantitative sales compared to the fourth quarter of 2022 by 6.8%. Additionally, the segment's sales revenues were lower by PLN 38,017 thousand, i.e. by 19.9%. The reason for such declines is a significant weakening of demand for the segment's products and price drops compared to the fourth quarter of 2022. The decrease in average prices for the Segment's products compared to the fourth quarter of 2022 amounted to over 22%. The above had a negative impact on the segment's results. As a result, the Segment recorded a loss of PLN 17,735 thousand. The Issuer does not expect any significant improvement in the coming quarters related to the difficult macroeconomic situation in the industries in which its clients operate. In the fourth quarter of 2023, the net revenues of the Zinc Segment amounted to PLN 509,396 thousand and compared to the same period of the previous year, in which sales amounted to PLN 652,195

thousand, were lower by 21.9%, at the same time the Segment recorded a loss of PLN 25,274 thousand. The market situation for ZGH "Bolesław" is currently difficult and is mainly a consequence of reduced demand and the collapse of zinc prices. 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:

- decrease in the volume of zinc production in the ZGH Group by 2% YOY and sales by 5.7% YOY,
- a 28% decrease in zinc quotations in PLN this year from PLN 15,458/t (for the whole of 2022) to PLN 11,161/t (for 2023),
- 55% YOY increase in premiums on the sale of zinc and galvanized alloys at ZGH from \$301/t (for 12M '22) to \$466/t (for 12M '23), although the premiums realized in December '23 were lower than those from 2022,
- YOY decline in unit prices of energy factors (coke, coke and gas),
- in the ZGH Group, the quantitative consumption of coke and coke breeze in the processes decreased by nearly 9.8%, and in value by 34% (i.e. PLN 82,626.8 thousand). In turn, gas consumption increased by 3.3% following the test start-up of a cogeneration gas source at ZGH at the end of the year, but the value of gas consumption year on year is lower by PLN 70,878.7 thousand,
- the value of the "expensive" sulphide concentrate used at ZGH from stock in relation to current prices, which worsened the result on the Company's core operating activities by nearly PLN 47.0 million (in the entire year 2023),
- adjustment of product production costs at ZGH "Bolesław" S.A.

At the same time, the Zinc Segment recorded in the entire year 2023:

- reduction in the costs of purchasing electricity due to compensation for electricity prices in the amount of PLN 98,929.7 thousand. The Company will receive this subsidy on October 31, 2024,
- determining the costs of unused production capacity of the Mechanical Processing Department of ZGH "Bolesław" in the amount of PLN 20,825.2 thousand,
- grants obtained under the program entitled "Aid for the energy-intensive industry related to natural gas and electricity prices in 2023" - in the amount PLN 41,420.7 thousand (ZGH "Bolesław" S.A.),
- surplus of negative exchange rate differences over positive ones in the amount of PLN 10,820.8 thousand (ZGH) and in the amount of PLN 6,762.4 thousand (HCM), a total of PLN 18,569.0 thousand.

SALES OF THE ZINC SEGMENT:

- zinc sales for 12M '23 amounted to PLN 141.4 thousand tons (including 36.8 thousand tons in the fourth quarter of 2023) and was lower by 8.6 thousand tons (-5.7%) compared to sales recorded in 2022.

- sales of silver (Dore's metal) for 12M '23 amounted to PLN 482.0 thousand ounces (including 145.1 thousand ounces in the fourth quarter of 2023) and was lower by 86.0 thousand ounces (-15.1%) compared to sales recorded for 2022.
- sales of refined lead for 12M '23 amounted to PLN 9.2 thousand tons (including 1.9 thousand tons in the fourth quarter of 2023) and was lower by 993 tons (-9.8%) compared to sales in 2022.

Generally, since the beginning of 2023, the situation on the zinc market has been gradually deteriorating.

Demand on the European market decreased for the second year in a row, in 2023 it was lower by approximately 10% compared to 2021. In the last 3 years it amounted to: in 2021 - 2.4 million tons, in 2022 - 2.2 million tons and in 2023 - 2.04 million tons.

The decline in production in 2023 did not stop the downward trend in zinc premiums.

Average FCA Europe bonuses (CRU data):

Q1 – \$478.33/t

Q2 – \$426.67/t

Q3 – \$316.67/t

Q4 - \$275/t

As for the supply of zinc in Europe, the situation may change after the planned increase in production capacity at the Odda Norwegia (Boliden) smelter from 200,000 tons up to 350 thousand tons from mid-2024.

ZINC, LEAD AND SILVER MARKET

The price of zinc, converted into PLN, was PLN 11,161 per tonne and was 28% lower than in the 12 months of 2022, when it averaged PLN 15,458 per tonne.

The price of lead, converted into PLN, was PLN 8,989 per tonne and was 6% lower than in the 12 months of 2022, when it averaged PLN 9,560 per tonne.

The price of silver, converted into PLN, was PLN 3,117 per kg, and it was at a similar level and it was at a similar level YOY.

METAL PRODUCTION.

- zinc production for 12M'23 amounted to 152.3 thousand tons and was lower by 3.3 thousand tons (- 2.1%) compared to 12M'22.
- refined lead production for 12M'23 amounted to 15.9 thousand tons and was at a comparable level YOY.
- production of silver (Dore metal) for 12M '23 amounted to 591.2 thousand ounce and was lower by 71.9 thousand ounce (-12.2%) compared to 12M '22.

ZGH "Bolesław" S.A. In addition to concentrates from the processing of imported ore, it produces concentrates based on zinc-bearing waste. The production volume of these concentrates for 2023 amounted to 43.4 thousand tons of zinc and lead in total, and in the comparable period last year it was 49.3 thousand tons of metal in these concentrates. These concentrates constitute the input to the "Miasteczko Śląskie" Zinc Smelter.

In the 4th quarter, the market experienced a limited supply of steel dust. At ZGH "Bolesław", the share of zinc oxide in the feedstock was approximately 31% in the 4th quarter of 2023, and approximately 36% in the entire year 2023. Year to year, the processing of steel dust was lower by over 15 thousand tons (13%).

In December 2023, Nyrstar announced the suspension of production at the Budel steelworks /Netherlands/ (production capacity - 315.0 thousand tons per year). Production at the German Glencora-Nordenham steelworks is still suspended. This is justified by the high costs of energy factors in the European Union.

MACRO ENVIRONMENT

On the last day of December, the dollar (USD) was valued at 3.9350, while the euro (EUR) was priced at 4.3480. Since the beginning of the year, the euro rate has fallen by an impressive 7% and the dollar rate by 10%, i.e. 33 and 45 groszy, respectively. To sum up, 2023 was full of surprises on the financial markets. Decisions of central banks, political changes, as well as geopolitical events strongly influenced the valuations of individual currency pairs. First, in February, the highest price dynamics in Poland in 26 years (CPI - 18.4%), followed by an impressive disinflation process (6.2% year-on-year in December). The September rate cut by the Monetary Policy Council (by as much as 75 points - up to 6%), which was a temporary devastating blow to the PLN, after which we observed a strong appreciation of the PLN by the end of the year.

The highest price per ton of zinc (LME zinc cash-settlement) on the London Metal Exchange in 2023 it is \$3,509 (January 27) and the lowest is \$2,224 (25th of May). On the last day of December 2023, zinc stocks in warehouses registered on the LME amounted to over 225,000 tons.

As of the last day of December, the price of the metal used for galvanizing steel is \$2,640.50 per ton, which means a price drop of \$869 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 for 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 tons 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 decreased by over 400,000 tons.

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

In December 2023, for the first time since the beginning of the year, the downward trend in spot TC was stopped.

In 2023, the spot TC for zinc concentrates (53% Zn) CIF Chinese port was as follows:

Q1 – \$253.3/t

Q2 – \$200/t

Q3 – \$150/t

Q4 – \$88.3/t (November 2023 – \$70/t, December – \$85/t)

The benchmark TC for 2023 is \$274/t. Due to the expected shortage of zinc concentrates on the market, it is estimated that in 2024 the benchmark TC will be approximately \$200/t.

Energy factors market

Electricity (stock exchange data)

The average volume-weighted price on the DAM was in December 2023 at PLN 376.53/MWh, a decrease of PLN 95.10/MWh compared to the previous month, and also the lowest monthly price since June 2021.

The weighted average BASE price on the Day-Ahead Market was PLN 533.62/MWh in 2023, which means a decrease of PLN 262.55/MWh compared to 2022. In turn, on the futures market, the weighted average price of an annual contract with band delivery in 2024 (BASE_Y-24) amounted to PLN 642.19/MWh throughout 2023, which is a decrease of PLN 467.85/MWh compared to the price from contract quotations (BASE_Y-23) in 2022.

Gas (stock exchange data)

The weighted average price on the DAMiBg was PLN 213.94/MWh in 2023, which means a decrease of PLN 333.85/MWh compared to 2022. In turn, on the futures market, the weighted average price of the contract with delivery in 2024 (GAS_BASE_Y-24) was in 2023 at the level of PLN 267.65/MWh, i.e. PLN 278.73/MWh lower than the corresponding price quoted in the GAS_BASE_Y-23 contract in 2022.

Main factors influencing the results achieved by the segment:

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

V. 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 31 December 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 31 September 2023 they held the following 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 31.12.2023 r. PLN thousand					
Cash Flow Hedging	forward	\$ 5 500 000,00	502	502	risk from USD/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 31.12.2023 (lead) PLN thousand					
Cash Flow Hedging	swap	200	86	86	Price Change Risk Pb LME PLN

Explanations Referring to Balance Sheet Items Related to Derivative Instruments

Explanation Referring to the Item: Other long- and Short-Term Investments	PLN thousand	
	31.12.2023	31.12.2022
Long-Term investments	0	0
Short-Term Investments	6 271	26 541
TOTAL, including:	6 271	26 541
a) valuation of derivative transactions	644	18 799
b) securities	3 740	7 742
c) other claims arising from instruments	1 887	0

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Explanation to Item: Liabilities pertaining to hedging instruments	PLN thousand	
	31.12.2023	31.12.2022
Contracts for Hedging Transactions	0	3 003
Conclusions of Currency Option Transactions	56	56 430
Adjustment pertaining to the amount resulting from the closed transactions settlements with brokers	0	-1 904
TOTAL	56	57 529

Valuation of Derivative Transactions

Valuation of Derivative Transactions	PLN thousand			
	31.12.2023		31.12.20212	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Commodity Transactions - Zinc	0	0	18 336	10 962
Commodity Transactions - Lead	86	0	0	1 471
Currency Transactions - USD/PLN EUR/PLN	558	56	463	45 096
Commodity Transactions- Silver	0	0	0	0
Receivables from the Bank due to closed and unsettled transactions	1 887	0	0	0
Total	2 531	56	18 799	57 529

Division of Hedging Instruments

Division of Hedging Instruments	PLN thousand			
	31.12.2023		31.12.2022	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Hedging Instruments	644	56	2 702	39 843
Commodity Transactions - zinc	0	0	2 640	10 669
Commodity Transactions - lead	86	0	0	1 471
Currency Transactions - USD/PLN, EUR/PLN	558	56	62	27 703
Commodity Transactions - Silver	0	0	0	0
Trade Instruments	1 887	0	16 097	17 686
Commodity Transactions- zinc	0	0	15 696	293
Commodity Transactions - lead	0	0	0	0
Currency Transactions - USD/PLN, EUR/PLN	0	0	401	17 393
Commodity Transactions - silver	0	0	0	0
other receivables relating to instruments	1 887	0	0	0
Total	2 531	56	18 799	57 529

Financial Report Presentation of Applied Derivative Instruments

Derivative Transactions Presented in the Profit and Loss Account:	PLN thousand	
	31.12.2023	31.12.2022
Sales of Products Adjustment	-7 575	-178 315
Sales of Goods Adjustments	0	0
Revaluation of Investments	1 590	967
Gains/Loss on Sale of Investments	-2 411	-19 934
Total	-8 396	-197 282

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Cash Result from Reconciliation of Derivative Instruments:	PLN thousand	
	31.12.2023	31.12.2022
Commodity Transactions	18 744	-124 421
Currency Transactions	-30 652	-77 023
Total	-11 908	-201 444

Sales of Products Adjustment Related to Application of Hedging Instruments:	PLN thousand	
	31.12.2023	31.12.2022
Sales Increase	6 491	4 138
Sales Decrease	-14 066	-182 453
TOTAL	-7 575	-178 315

Status of Capital from Revaluation Related to Application of Hedge Accounting (excluding Deferred Tax)	PLN thousand	
	31.12.2023	31.12.2022
Valuation of Open Hedging Instruments:	588	-37 140
- Zn	0	-8 029
- Pb	86	-1 471
- USD/PLN	502	-27 416
- Ag	0	0
- EUR/PLN	0	-224
Result from the realization of instruments retained in capital until the hedged item is realized:	0	0
- Zn	0	0
- Pb	0	0
- USD/PLN	0	0
TOTAL	588	-37 140

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 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	
	31.12.2023	31.12.2022
Investment fund participation units:	3 741	7 743
- Quercus Ochrony Kapitału	108	2 065
- Quercus Obligacje Skarbowe	106	2 465
- Generali Aktywny Dochodowy	127	0
- Quercus Dłużny Krótkoterminowy	106	3 096
- Generali Korona Obligacje	1 106	1

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- Generali Korona Dochodowy	1 091	1
- Generali Korona Oszczędnościowy FL	0	0
- Generali Korona Oszczędnościowy	1 097	1
- Unioszczędnościowy FL	0	0
- Unioszczędnościowy	0	0
- Unikatowy Pieniężny	0	0
- Generali Aktywny Dochodowy	0	114
TOTAL	3 741	7 743

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 have any assets in Ukraine. The Stalprodukt company conducts very limited commercial activities with customers in Ukraine and Russia. The share of these customers in the Company's sales structure is insignificant. The main source of supplies of input materials for the Transformer Sheet Segment are steelworks belonging to the ArcelorMittal concern, 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 of the moment of submitting this report, there are no significant disruptions caused by the war in Ukraine, directly affecting: reduced revenues, loss of customers or shortage of employees. (the reasons for the deterioration of results were presented by the Issuer's Management Board: in point V. Assessment of the results obtained and financial situation). Solvency, liquidity and collectability of receivables also remain unchanged, and price fluctuations in the case of the Zinc Segment are secured in the form of futures 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 effects that may occur in the long term. In the opinion of the Issuer, these values are not material items and

do not have a negative impact on 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 fourth quarter of 2023, no impact on the operations of operating segments was observed.

Other Information

1. In the 4th 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:
 - guarantees of good workmanship concerning the production and assembly of road barriers totaling PLN 25,222 thousand,
 - guarantees and sureties (avals) granted by ZGH "Bolesław" amounting to PLN 16,889 thousand,
 - ZGH "Bolesław" S.A. issued a promissory note in connection with the contract concluded with the National Center for Research and Development for the amount of PLN 60.5 million for co-financing investment projects,
 - 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 9,582.1 thousand. 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 hedging's securing the financing banks in respect of the signed credit agreements, which were disclosed in the 2022 report, were subject to change.
3. The pending bankruptcy and composition proceedings cover the Group's receivables totaling PLN 9,117 thousand, wherein Stalprodukt's share amounts to PLN 1,414 thousand and ZGH "Bolesław"'s - PLN 7,703 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 100,010 shares, accounting for 1.85%-share in the 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 shares, accounting for 3.70%-share in the 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 the capital and 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:

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a) Transactions that the parent company concluded with subsidiaries in the period from 01.10.2023 to 31.12.2023 - these transactions were eliminated in the consolidated statements - and from 01.10.2023 to 31.12.2023 are presented in the tables below (these transactions are excluded in the consolidated statements of the Capital Group):

Items the 4th quarter of 2023	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.	26	66	56	80
Huta Cynku "Miasteczko Śląskie" S.A.	2		4	54
Boltech Sp. z o.o.		1	0	4
Anew Institute sp. z o.o. - in liquidation	2		3	0
Stalprodukt-Wamech sp. z o.o.	737	9 980	952	8 236
Stalprodukt-Zamość sp. z o.o.	1 689	158	2 122	132
Stalprodukt-Ochrona sp. z o.o.	37	1 924	82	1 572
STP Elbud sp. z o.o.	462	3 624	725	5 955
Cynk-Mal S.A.	6 199	1 169	5 040	951
GO STEEL a.s.	15 378		47 220	9 137
Hotel Ferreus sp. z o.o.	2		4	0
PTZ Sp. z o.o.	2		4	0
Stalprodukt-Centrostal Kraków Sp. z o.o. - in liquidation			0	0

Items the 4th quarter of 2022	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.	8	39	7	56
Huta Cynku "Miasteczko Śląskie" S.A.	6	39	4	77
Boltech Sp. z o.o.		3		2
Anew Institute sp. z o.o.	3		3	433
Stalprodukt-Wamech sp. z o.o.	371	7 753	789	7 677
Stalprodukt-Zamość sp. z o.o.	1 826	22	2 576	73
Stalprodukt-Ochrona sp. z o.o.	27	1 001	67	1 280
STP Elbud sp. z o.o.	358	3 308	782	6 876
Cynk-Mal S.A.	3 807	1 339	12 467	3 386
GO STEEL a.s.	18 727	341	61 063	1 215
Hotel Ferreus sp. z o.o.	2	0	4	0
PTZ Sp. z o.o.	1	0	3	0
Stalprodukt-Centrostal Kraków Sp. z o.o. - in liquidation	36	0	38	0

b) The total value of the Issuer's transactions with associated companies in the period from 01.10.2023 to 31.12.2023 and in the comparable period from 01.10.2022 to 31.12.2022 is presented in the Table below.

Associated entities:

Items the 4th quarter 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 4th quarter 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 01.10.2023 to 31.12.2023 and in the comparable period from 01.10.2022 to 31.12.2022 is presented in the Table below.

Items the 4th quarter of 2023	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	receivables	liabilities	revenues	costs
Stalprodukt-Profil S.A.	1		3	0
STP Investment S.A.	1		3	0

Items the 4th quarter of 2022	PLN thousand			
	Mutual settlements		Mutual income and costs	
	receivables	liabilities	revenues	costs
Stalprodukt-Profil S.A.			3	
STP Investment S.A.			3	

7. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 43,057 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:

- a. 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;
- b. 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 a cassation appeal was filed with the Supreme Court in Warsaw through the Court of Appeal in Kraków.

The Supreme Court in Warsaw by a decision of January 27, 2021, ZGH refused "Bolesław" S.A. to accept a cassation appeal for examination. In this state, the case will be re-examined 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 received, binding 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. sent a letter to the Court with a request for the obligation of PWiK sp.z o.o. to submit to the Court and to the requesting party documents and information related to the technical operation of the water supply network. District Court, by order of 10/12/2021, granted the application and obliged PWiK sp.z o.o. to submit such information or submit a letter that they 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 approximately PLN 10 million and is now seeking a compensation of PLN 54,838,732.96.

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.

On February 28, 2022, ZGH Bolesław S.A. submitted their position on the matter. In this letter, a motion to dismiss the claim was filed, as well as formal and evidentiary motions were submitted. The basis for filing a motion to dismiss the claim is an indication that PWiK sp. z o.o. did not suffer damage in the civil sense, i.e. there was no loss of property. Further, allegations were made that the possible damage cannot be the own outlay incurred for the investment, and there is no damage in the scope of the so-called stage II, where no expenses were incurred, and their incurring is not a foregone conclusion and is not justified. On March 17, 2022, PWiK sp. z o.o. submitted another letter. On April 5, 2022, the District Court in Kraków 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 procedural document was delivered to the District Court in Kraków - an evidentiary request regarding the evidence from the opinion of the ZGH "Bolesław" S.A. institute. In a letter of November 8, 2022, the District Court called on the parties' representatives to indicate further proposals for the entity that would prepare the opinion. At the request of the Court, ZGH "Bolesław" S.A. in a letter of December 14, 2022, he indicated the Silesian University of Technology in Gliwice, Faculty of Environmental Engineering and Energy. Department of Water and Wastewater Engineering. In turn, PWiK Sp. z o. o. suggested 3 universities. The information portal of the District Court in Krakow shows that a letter from the Court was sent to the Silesian University of Technology in Gliwice, Faculty of Environmental Engineering and Energy, Department of Water and Sewage Engineering, requesting the loan of the case files for a period of one 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. Correspondence with the mediator is currently being exchanged. The parties to the process submit requests to extend the mediation. In the belief of the parties and the mediator, mediation may be effective at the earliest after the local elections scheduled for April 7, 2024.

As at December 31, 2022, 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 in "the short-term provision for the costs of 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. 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. 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 was 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. As a result of the settlement of the first tranche of the purchase of shares offered in response to the "Offer to purchase shares of Stalprodukt S.A." (the "Offer"), announced on September 1, 2022, and the second tranche announced on November 16, 2022, the ownership was transferred and the Company acquired 180,669 own shares. The transfer of ownership of shares between shareholders and the Company took place outside the regulated market through Dom Maklerski BDM S.A. based in Bielsko-Biała and settled within the deposit 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 acquisition of own shares by the Company for the purpose of 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.

13. 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:
- fluctuations of charge prices and demand for Stalprodukt's products, especially for transformer sheets,
 - price developments for zinc concentrate,
 - fluctuations of the LME zinc and lead prices and LBM silver prices ,
 - fluctuations of currency exchange rates
 - prices of electricity and energy raw materials,
 - price formation and gas availability,
 - prices of CO₂ emission allowances.
14. During the reporting period and following 31.12.2023 until the preparation of the Abridged Consolidated Report for the 4th 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.
15. 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 4th Quarter of 2023".
16. No additional information was appended to the Abridged Consolidated Financial Report for the 4th quarter of 2023 as, during the reporting period, no other events, concerning the separate report, took place, apart from the ones referred to herein.
17. This Abridged Consolidated Financial Report for the 4th quarter of 2023 was approved for publication by parent Company's Management Board on 29.02.2024.

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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