

Current Report CR No 2 – Information on the results achieved by the Issuer in the 4th quarter of 2023 (confidential information disclosed on 23 February 2024, at 15:53 hrs.).

In connection with the Individual Reporting Standards adopted by Stalprodukt S.A. ('Issuer', 'Company'), the Company's Management Board, hereby, discloses to the public the information on the results achieved by the Stalprodukt Group in the 4th quarter of 2023, which show some significant deviations from the average figures achieved in the analogical periods in the recent 2 years. The criterion of materiality adopted by the Company stands for the deviation of +/- 25 % in relation to the base value.

Significant changes in relation to the average figure over the past 2 years have occurred in the following items:

1. Consolidated revenues from the sale of products, goods and materials that in 4th quarter 2023 amounted to PLN 1,000,201 thousand (compared to the amount of PLN 1,359,883 thousand, which is the average revenue for fourth quarter of 2021 and 2022).
2. Revenues of the Electrical Sheets Segment, which in 4th quarter 2023 amounted to PLN 253,001 thousand (compared to the amount of PLN 407,878 thousand, which is the average revenue for fourth quarter of 2021 and 2022).
3. Revenues of the Profiles Segment, which in 4th quarter 2023 amounted to PLN 153,221 thousand (compared to the amount of PLN 208,989 thousand, which is the average revenue for fourth quarter of 2021 and 2022).
4. Consolidated operating profit (operating loss), which in 4th quarter of 2023 amounted to (PLN -27,729 thousand) compared to the amount of PLN 99,905 thousand, which is the average of the results from the 4th quarter of 2021 and 2022.
5. Consolidated net profit (net loss), which in 4th quarter of 2023 amounted to (PLN -9,068 thousand) compared to the amount of PLN 77,758 thousand, which is the average of the results from the fourth quarter of 2021 and 2022.

Significant declines in sales revenues were the result of a decline in product prices of all operating segments of the Stalprodukt S.A. Group, which - apart from the poor economic situation - was the main reason for the Stalprodukt Capital Group incurring a loss in the fourth quarter of 2023. Additionally, the Zinc Segment recorded price declines and slight declines sales volumes.

Moreover, the Issuer's Management Board would like to draw attention to the particularly unfavorable situation in the Electrical Sheets Segment, in which the results were significantly influenced by both significant declines in prices and sales volumes, which resulted from the following market conditions:

- constantly growing excess production capacity of Chinese producers of transformer sheets,
- the Chinese government's export-oriented policy (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 species) of EUR 1,536/t (and customs duties 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 Company's Management Board also emphasizes that the above data were prepared as part of the ongoing consolidation procedures. The consolidated quarterly report for the fourth quarter of 2023 will be made public in accordance with the deadlines for submitting periodic reports in 2024 specified in current report No. 1/2024 of January 26, 2024, i.e. February 29, 2024.

Legal basis: Art. 17 par. 1 of the Market Abuse Regulation of the European Parliament and the (EU) Council No 596/2014 as of 16 April 2014 r. (Market Abuse Regulation MAR) repealing the Directive 2003/6/EC of the European Parliament and the Council as well as Directives of the EU Commission 2003/124/EC, 2003/125/EC and 2004/72/EC.