



STALPRODUKT S.A.

Abridged Consolidated Financial Report for the 4th Quarter of 2024

Bochnia, February 2025

I. Consolidated Financial Report for the 4th quarter of 2024

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EUR	
	4 quarter(s) increasingly for the period from 01-01-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023
I. Net sales of products, goods and materials	3 832 099	4 609 962	890 316	1 018 011
II. Operating profit (loss)	29 387	109 204	6 828	24 115
III. Profit (loss) before taxation	54 834	127 133	12 740	28 075
IV. Net profit (loss)	31 976	87 175	7 429	19 251
- attributable to shareholders of the parent company	28 434	88 442	6 606	19 531
- net profit attributed to non-controlling interests	3 542	-1 267	823	-280
V. Net cash flow from operating activities	245 507	750 076	57 039	165 638
VI. Net cash flow from investment activities	-159 422	-120 751	-37 039	-26 665
VII. Net cash flow from financial activities	-85 243	-123 039	-19 805	-27 171
VIII. Total net cash flow	842	506 286	196	111 802
IX. Total assets	4 905 196	4 836 270	1 147 951	1 112 298
X. Long-term liabilities	422 678	420 371	98 918	96 681
XI. Short-term liabilities	702 319	584 251	164 362	134 372
XII. Shareholders' equity	3 780 199	3 831 648	884 671	881 244
- equity attributable to shareholders of the parent	3 667 488	3 721 339	858 293	855 874
- equity attributed to non-controlling interests	112 711	110 309	26 377	25 370
XIII. Share capital	10 799	10 799	2 527	2 484
XIV. Number of shares	5 399 598	5 399 598	5 399 598	5 399 598
XV. Profit (loss) for one ordinary share (in PLN)	5,92	16,14	1,38	3,57
XVI. Weighted average number of shares	5 257 415	5 399 598	5 257 415	5 399 598
XVII. Diluted profit (loss) per ordinary share (PLN)	6,08	16,14	1,41	3,57
XVIII. Book value per share (PLN)	700,09	709,62	163,84	163,21
XIX. Diluted book value per share (PLN)	719,02	709,62	168,27	163,21
XX. Declared or paid-out dividend for one share in (PLN/EUR)		15,00		3,31

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 2023. Other comparable data is presented for the period from 1st January 2023 to 31st December 2023.
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 31st December 2024 and amounting to PLN 4.273 and PLN 4.348 for this 29th December 2023.
 - 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 4.3042 for 4 quarters of 2024 and PLN 4.5284 for 4 quarters of 2023.
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 2024 and 2023 by the Issuer.

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CONSOLIDATED BALANCE SHEET	(thousand x PLN)			
	31.12.2024	30.09.2024	31.12.2023	30.09.2023
Assets				
I. Fixed assets	2 140 543	2 213 816	2 214 571	2 278 129
1. Intangible assets other than goodwill	35 446	80 668	54 474	101 007
2. Goodwill	0	0	0	0
3. Tangible fixed assets	1 901 844	1 929 786	1 960 296	1 986 865
4. Right to use assets (incl. right of perpetual usufruct of land)	110 070	109 009	105 935	93 419
5. Investment real estate	56 376	56 639	57 434	57 745
6. Long-term financial assets	17 553	17 702	16 733	16 963
7. Other long-term financial assets	12 933	12 933	12 933	12 953
8. Long-term receivables	798	1 018	735	1 019
9. Deferred tax assets	0	0	0	200
10. Long-term prepayments	5 523	6 061	6 031	7 958
II. Current Assets	2 764 653	2 627 449	2 621 699	2 784 490
<i>Current assets other than assets held for sale</i>	<u>2 764 653</u>	<u>2 627 449</u>	<u>2 621 699</u>	<u>2 784 490</u>
1. Stocks	948 971	884 521	837 614	1 007 731
2. Receivables due to supplies and services and other receivables	677 493	778 628	665 141	821 213
3. Cash and cash equivalents	1 112 853	925 707	1 112 011	945 209
4. Other short-term investments	25 336	38 593	6 933	10 337
<i>Assets held for sale</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Assets in total	4 905 196	4 841 265	4 836 270	5 062 619
Liabilities				
I. Equity capital	3 780 199	3 723 486	3 831 648	3 853 564
I.1 Equity attributed to shareholders of the parent company	3 667 488	3 612 848	3 721 339	3 742 982
1. Share capital	10 799	10 799	10 799	10 799
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 /	-244	-165	372	-3 893
4. Provision for exchange rate differences resulting from translation	786	1 109	11 048	33 406
5. Retained earnings / including uncovered losses /	3 647 731	3 592 689	3 690 704	3 694 254
I.2 Non-controlling interests / Equity attributable to minority shareholders /	112 711	110 638	110 309	110 582
II. Long-term liabilities	422 678	432 690	420 371	408 231
1. Provision for deferred income tax	94 520	98 126	92 211	88 568
2. Long-term provisions / including employee benefits /	48 464	47 160	47 383	39 260
3. Other long-term liabilities	146	146	146	146
4. Long-term provision for the costs of decommissioning, rehabilitation and environmental repair costs	101 888	106 284	105 984	114 987
5. Accruals and deferred income classified as fixed	54 394	58 343	57 029	42 834
6. Credits and loans	0	0	1 276	2 391
7. Long-term liabilities due to leasing contracts	123 266	91 589	116 342	101 625
8. Other long-term financial liabilities	0	31 042	0	18 420

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III. Current liabilities	702 319	685 089	584 251	800 824
<i>Short-term liabilities other than those included in groups intended for sale</i>	<u>702 319</u>	<u>685 089</u>	<u>584 251</u>	<u>800 824</u>
1. Short-term provisions for liabilities	50 324	43 600	51 182	55 078
2. Credits and loans	9 001	16 088	5 492	12 795
3. Liabilities due to supplies and services	432 432	379 526	304 582	415 196
4. Current liabilities due to social insurance and taxes other than income tax	38 074	37 024	38 313	39 145
5. Other short-term non-financial liabilities	62 971	68 148	64 495	102 162
6. Short-term reserve for the costs of decommissioning, rehabilitation and environmental repair costs	79 014	71 421	78 130	70 913
7. Liabilities due to income tax	5 045	575	17	444
8. Liabilities due to leasing /including IFRS 16/	4 353	2 104	5 709	5 222
9. Other short-term financial liabilities	3 067	2 689	1 956	7 711
10. Accruals	18 038	63 914	34 375	92 158
<i>Liabilities included in those intended for sale</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	1 124 997	1 117 779	1 004 622	1 209 055
Total Assets	4 905 196	4 841 265	4 836 270	5 062 619
Book value	3 780 199	3 723 486	3 831 648	3 853 564
Number of shares	5 399 598	5 399 598	5 399 598	5 399 598
Book value per share (PLN)	700,09	689,59	709,62	713,68
Weighted average number of shares	5 257 415	5 391 408	5 399 598	5 399 598
Diluted book value per share (PLN)		690,63	709,62	713,68

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period 01-10-2024 to 31-12-2024	thousand x PLN			
	IV quarter of 2024 - period from 01-10-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01-01-2024 to 31-12-2024	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
I. Net sales of products, goods and materials	1 003 487	3 832 099	1 000 201	4 609 962
II. Costs of products, goods and materials	857 474	3 538 074	1 003 419	4 272 638
III. Gross profit (loss) on sales	146 013	294 025	-3 218	337 324
IV. Selling costs	21 059	78 498	22 094	96 251
V. General and administrative costs	47 677	182 937	49 688	178 944
VII. Other operating incomes	66 349	227 546	125 494	335 126
VIII. Other operating costs	78 103	230 749	78 224	288 051
IX. Operating profit (loss)	65 523	29 387	-27 730	109 204
X. Financial incomes	9 353	36 473	7 039	42 503
XI. Financial costs	4 108	11 845	3 682	24 915
XII. Profit from shares in associated entities	-149	819	-229	341
XIII. Profit (loss) before taxation	70 619	54 834	-24 602	127 133
XIV. Income tax	13 422	22 858	-15 534	39 958
Profit (loss) from continuing operations	57 197	31 976	-9 068	87 175
XV. Profit (loss) on discontinued operations	0	0	0	0
XVI. Net profit (loss)	57 197	31 976	-9 068	87 175
1. Attributable to shareholders of the parent	55 083	28 434	-9 032	88 442
2. Attributed to non-controlling interests	2 114	3 542	-36	-1 267

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Book value	57 197	31 976	-9 068	87 175
Number of shares	5 399 598	5 399 598	5 399 598	5 399 598
Book value per share (PLN)	10,59	5,92	-1,68	16,14
Weighted average number of shares	5 257 415	5 257 415	5 399 598	5 399 598
Diluted book value per share (in PLN)	10,88	6,08	-1,68	16,14

Total comprehensive consolidated income	thousand x PLN			
	IV quarter of 2024 - period from 01-10-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01-01-2024 to 31-12-2024	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
Net result	57 197	31 976	-9 068	87 175
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:	-443	-12 018	-17 598	-1 144
The effective part of the cash flow hedging in accordance with IFRS 9	-120	-1 756	4 725	30 645
<i>including the effective portion of cash flow hedge in line with IFRS 9 attributable to minority interest</i>	-44	-1 140	463	2 425
<i>gains and losses on translating items in the financial statements of the foreign operations</i>	-323	-10 262	-22 323	-31 789
<i>Gains and losses on the translation of items in the financial statements of the foreign operation attributable to non-controlling interests</i>	-10	-35	-129	-144
Other comprehensive income	-443	-12 018	-17 598	-1 144
Total comprehensive income	56 754	19 958	-26 666	86 031
Comprehensive income attributable to equity holders of the parent	54 681	17 556	-27 090	84 878
Comprehensive income attributable to minority shareholders	2 073	2 402	424	1 153

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Statement of changes in equity for the period from 1st January to 31st December 2024 and 2023	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 1.01.2024 (opening balance)	10 799	8 416	372	11 048	3 690 704	3 721 339	110 309	3 831 648
Dividend						0		0
Total comprehensive income for period 1.01 - 31.12.2024			-616	-10 262	28 434	17 556	2 402	19 958
Other changes in equity					-71 407	-71 407	0	-71 407
Change in equity	0	0	-616	-10 262	-42 973	-53 851	2 402	-51 449
Balance as of 31.12.2024 (closing balance)	10 799	8 416	-244	786	3 647 731	3 667 488	112 711	3 780 199

Balance on this 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	-31 789	88 442	84 878	1 153	86 031
Other changes in equity	-362				-4 867	-5 229	0	-5 229
Change in equity	-362	0	28 225	-31 789	2 581	-1 345	-3 299	-4 644
Balance as of 31.12.2023 (closing balance)	10 799	8 416	372	11 048	3 690 704	3 721 339	110 309	3 831 648

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CONSOLIDATED CASH FLOW ACCOUNT for the period	thousand x PLN	
	4 quarter(s) increasingly for the period from 01- 01-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01- 01-2023 to 31-12-2023
Cash flow from operating activities		
Gross profit (loss)	54 834	127 133
Income tax paid	-898	-105 183
Adjustments made to reconcile profit (loss)	191 571	728 126
Adjustments for undistributed investment gains accounted for using the equity method	-819	-341
Amortization and depreciation adjustments	183 908	181 379
Adjustments due to unrealized gains (losses) on exchange differences	-1 682	-1 484
Corrections for interest expense	6 131	6 932
Adjustments resulting from dividend income	0	0
Adjustments for losses (gains) on the sale of fixed assets	3 230	-16 673
Adjustments for provisions	-11 867	-39 932
Adjustments for the decrease (increase) in the value of inventories	-112 844	408 347
Adjustments resulting from a decrease (increase) in receivables	-11 913	360 008
Adjustments for the increase (decrease) in the value of liabilities	127 260	-165 968
Other adjustments made to reconcile profit (loss) and deferred tax	12 963	-4 752
Deferred tax adjustment	-2 796	610
Cash flow from operating activities	245 507	750 076
Net cash flow from investment activities		
Proceeds from the sale of property, plant and equipment classified as investment activities	2 433	5 297
Proceeds from the sale or redemption of financial instruments classified as investment activities	74 268	41 376
Dividends received classified as investment activities	1	0
Repayment of long-term loans granted	0	0
Cash inflow from interest received classified as investment activities	605	1 403
Purchase of tangible fixed assets classified as investment activities	-141 681	-135 304
Acquisition of financial assets	-94 175	-33 458
Loans granted	0	0
Other investment inflows and outflows	-873	-65
Net cash flow from investment activities	-159 422	-120 751
Net cash flow from financial activities		
Purchase of own shares (shares)	-73 641	0
Proceeds from loans classified as financial activities	7 199	0
Other financial inflows / outflows	-702	-6 740
Paid dividends classified as financial activities	-1 968	-85 496

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Repayment of credits and loans	-4 967	-19 169
Payment of lease liabilities, classified as financial activity	-3 340	-2 319
Interest paid, classified as financial activity	-7 824	-9 315
Net cash flow from financial activities	-85 243	-123 039
Net cash flow	842	506 286
The effects of changes in exchange rates on cash and cash equivalents		
Increase (decrease) in cash and cash equivalents	842	506 286
Cash and cash equivalents at the beginning of the period	1 112 011	605 725
Cash and cash equivalents at the end of the period	1 112 853	1 112 011
Cash and cash equivalents subject to restrictions	27 823	23 818

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Selected Financial Data	thousand x PLN		thousand x EUR	
	4 quarter(s) increasingly for the period from 01-01-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023	4 quarter(s) increasingly for the period from 01-01-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01-01-2023 to 31-12-2023
I. Net sales of products, goods and materials	1 465 435	1 968 741	340 466	434 754
II. Operating profit (loss)	-14 154	48 600	-3 288	10 732
III. Profit (loss) before taxation	7 901	237 255	1 836	52 393
IV. Net profit (loss)	2 265	219 648	526	48 505
V. Net cash flow from operating activities	61 842	356 208	14 368	78 661
VI. Net cash flow from investment activities	-53 152	143 367	-12 349	31 660
VII. Net cash flow from financial activities	-79 512	-89 393	-18 473	-19 741
VIII. Total net cash flow	-70 822	410 182	-16 454	90 580
IX. Total assets	2 725 358	2 705 274	637 809	622 188
X. Long-term liabilities	149 838	143 272	35 066	32 951
XI. Short-term liabilities	281 321	196 427	65 837	45 176
XII. Shareholders' equity	2 294 199	2 365 575	536 906	544 060
XIII. Share capital	10 799	10 799	2 527	2 484
XIV. Number of shares	5 399 598	5 399 598	5 399 598	5 399 598
XV. Profit (loss) per ordinary share (PLN)	0,42	40,68	0,10	8,98
XVI. Weighted average number of shares	5 257 415	5 399 598	5 257 415	5 399 598
XVII. Weighted average number of shares	0,43	40,68	0,10	8,98
XVIII. Book value per share (PLN)	424,88	438,10	99,43	100,76
XIX. Diluted book value per share (PLN)	436,37	438,10	102,12	100,76
XX. Declared or paid-out dividend for one share in (PLN/EUR)		15		3,31

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 2023. Other comparable data is presented for the period from 1st January 2023 to 31st December 2023.
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 31st December 2024 and amounting to PLN 4.273 and PLN 4.348 for this 29th December 2023.
 - 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 4.3042 for 4 quarters of 2024 and PLN 4.5284 for 4 quarters of 2023.
3. For profit-per-share calculation the number of 5,399,598 shares was adopted.
4. In the item XX the amount of the dividend for 1 share to paid out in 2024 and 2023 by the Issuer.

Abridged Consolidated Financial Report for the 4th Quarter of 2024

BALANCE SHEET	(thousand x PLN)			
	31.12.2024	30.09.2024	31.12.2023	30.09.2023
Assets				
I. Fixed assets	1 394 393	1 403 187	1 384 362	1 393 639
1. Intangible assets other than goodwill	1 013	3 314	1 577	4 000
2. Tangible fixed assets	695 998	699 219	687 319	695 466
3. Right to use assets (incl. right of perpetual usufruct of land)	44 975	45 112	45 181	43 092
4. Investment real estate	117 688	118 432	113 507	113 703
5. Long-term financial assets	521 791	524 183	523 851	511 851
6. Other long-term financial assets	12 928	12 927	12 927	25 527
7. Long-term receivables	0	0	0	0
8. Deferred tax assets	0	0	0	0
9. Long-term prepayments	0	0	0	0
II. Current Assets	1 330 965	1 282 081	1 320 912	1 437 771
<i>Current assets other than assets held for sale</i>	<i>1 330 965</i>	<i>1 282 081</i>	<i>1 320 912</i>	<i>1 437 771</i>
1. Stocks	361 877	328 709	273 137	375 131
2. Receivables due to supplies and services and	253 085	286 525	260 572	358 940
3. Cash and cash equivalents	713 219	665 185	784 041	701 300
4. Other short-term investments	2 784	1 662	3 162	2 400
<i>Assets held for sale</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Assets in total	2 725 358	2 685 268	2 705 274	2 831 410
Liabilities				
I. Equity capital	2 294 199	2 258 809	2 365 575	2 382 476
1. Share capital	10 799	10 799	10 799	10 799
2. Capital from the surplus of the issue price	8 416	8 416	8 416	8 416
3. Other capitals	0	0	0	0
4. Retained earnings (including uncovered losses)	2 274 984	2 239 594	2 346 360	2 363 261
II. Long-term liabilities	149 838	151 795	143 272	139 683
1. Provision for deferred income tax	57 944	60 234	59 120	58 738
2. Long-term reserves /including employee benefits/	6 548	6 189	6 189	5 900
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	85 346	85 372	77 963	75 045
III. Current liabilities	281 321	274 664	196 427	309 251
<i>Short-term liabilities other than those included in groups intended for sale</i>	<i>281 321</i>	<i>274 664</i>	<i>196 427</i>	<i>309 251</i>
1. Short-term provisions for liabilities	5 650	6 671	7 004	15 296
2. Credits and loans	0	0	0	0
3. Liabilities due to supplies and services	241 671	227 518	160 862	254 694
4. Current liabilities due to social security and taxes other than income tax	9 973	8 145	9 719	9 123
5. Other short-term non-financial liabilities	17 333	17 340	16 790	21 407
6. Liabilities due to income tax	1 903	0	0	0
7. Liabilities due to leasing	0	0	0	0
8. Other short-term financial liabilities	0	0	0	0
9. Short-term accruals	4 791	14 990	2 052	8 731
<i>Liabilities included in those intended for sale</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

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Total liabilities	431 159	426 459	339 699	448 934
Liabilities in total	2 725 358	2 685 268	2 705 274	2 831 410

Book value	2 294 199	2 258 809	2 365 575	2 382 476
Number of shares	5 399 598	5 399 598	5 399 598	5 399 598
Book value per share (PLN)	424,88	418,33	438,10	441,23
Diluted number of shares	5 257 415	5 391 408	5 399 598	5 399 598
Diluted book value per share (in PLN)	436,37	418,96	438,10	441,23

PROFIT AND LOSS ACCOUNT for the period	(thousand x PLN)			
	IV quarter of 2024 - period from 01-10-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01-01-2024 to 31-12-2024	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
I. Net sales of products, goods and materials, including:	363 670	1 465 435	402 659	1 968 741
II. Costs of products, goods and materials sold, including:	300 778	1 392 692	398 398	1 821 491
III. Gross profit (loss) on sales	62 892	72 743	4 261	147 250
IV. Selling costs	10 494	39 077	12 389	52 743
V. General and administrative costs	13 590	51 982	20 797	55 118
VI. Other operating incomes	17 197	43 701	25 712	62 974
VII. Other operating costs	19 475	39 539	13 514	53 763
VIII. Operating profit (loss)	36 530	-14 154	-16 727	48 600
IX. Financial incomes	5 963	28 699	4 064	202 088
X. Financial costs	2 580	6 644	7 867	13 433
XI. Profit (loss) before taxation	39 913	7 901	-20 530	237 255
XII. Income tax	4 523	5 636	-3 629	17 607
XIII. Profit (loss) from continuing operations	35 390	2 265	-16 901	219 648
XIV. Profit (loss) on discontinued operations	0	0	0	0
XV. Net profit (loss)	35 390	2 265	-16 901	219 648
Weighted average number of ordinary shares	5 399 598	5 399 598	5 399 598	5 399 598
Profit (loss) per ordinary share (PLN)	6,55	0,42	-3,13	40,68
Weighted average predicted number of ordinary shares	5 257 415	5 257 415	5 399 598	5 399 598
Diluted profit (loss) per ordinary share (PLN)	6,73	0,43	-3,13	40,68

TOTAL COMPREHENSIVE INCOME for the period	(thousand x PLN)			
	IV quarter of 2024 - period from 01-10-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01-01-2024 to 31-12-2024	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
Net result	35 390	2 265	-16 901	219 648
Differences from evaluation				0
Total Comprehensive Income	35 390	2 265	-16 901	219 648

Abridged Consolidated Financial Report for the 4th Quarter of 2024

Statement of changes in equity for the period from 1st January to 31st December 2024 and 2023	(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 01.01.2024 (opening balance)	10 799	8 416	0	2 346 360	2 365 575
Dividend					0
Total comprehensive income for period 1.01 - 31.12.2024				2 265	2 265
Other changes in equity				-73 641	-73 641
Balance on this 31.12.2024 (closing balance)	10 799	8 416	0	2 274 984	2 294 199
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

CASH FLOW ACCOUNT	thousand x PLN	
	4 quarter(s) increasingly for the period from 01- 01-2024 to 31-12-2024	4 quarter(s) increasingly for the period from 01- 01-2023 to 31-12-2023
A. Cash flow from operational activity		
Profit (loss) on the activity of accounts. before tax	7 901	237 254
Income tax paid	16 653	-40 692
Total adjustments	37 288	159 646
Depreciation,	54 987	54 457
(Gains) losses due to exchange rate differences	0	0
Interest	4 432	4 601
Shares in profits (dividends)	-5 000	-174 011
Adjustments for losses (gains) on the sale of fixed assets	-274	-14 048
Adjustments for provisions	-2 171	-10 530
Adjustments for the decrease (increase) in the value of inventories	-87 388	208 734
Adjustments due to the increase (decrease) due to receivables	-13 419	164 255
Adjustments for the increase (decrease) in the value of other liabilities related to operating activities	83 689	-90 189
Other adjustments made to reconcile profit (loss)	1 256	14 461
Adjustments due to deferred tax expense	1 176	1 916
Net cash flow from operating activities	61 842	356 208
B. Cash flow from investment activity		
Sale of intangible assets and tangible fixed assets	180	1 790
Sale of financial assets	0	5 259
Dividends received classified as investing activities	5 000	174 011
Repayment of long-term loans granted	2 744	600
Cash inflow from interest received classified as investing activity	915	562
Purchase of intangible assets and tangible fixed assets	-61 010	-23 755
Acquisition of financial assets	-496	
Loans granted	-485	-15 100
Other investment inflows and outflows	0	
Net cash flow from investment activities	-53 152	143 367
C. Cash flow from financial activity		
Proceeds from loans classified as financial activities	0	0
Other financial inflows / outflows	-421	-3 150
Paid dividends classified as financial activities	0	-80 994
Repayment of credits and loans	0	0
Payment of lease liabilities, classified as financial	-103	-86
Interest paid, classified as financial activity	-5 347	-5 163

Purchase of treasury shares	-73 641	0
Net cash flow from financial activities	-70 822	410 182
Net cash flow (before currency effects)		
The effects of changes in exchange rates on cash and cash equivalents	0	0
Increase (decrease) in cash and cash equivalents	-70 822	410 182
Cash and cash equivalents at the beginning of the period	784 041	373 859
Cash and cash equivalents at the end of the period	713 219	784 041
Restricted cash and cash equivalents	9 749	13 384

II. Introductory Information

1. The basic data

Apart from the parent company, the Stalprodukt S.A. Capital Group embraces 8 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 94.99 % 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,
- 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.
 - 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 2023, which is a comparable period to this Consolidated Financial Report, in the 4th Quarter of 2024 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.

- As a result of the settlement of the acquisition transaction on 25.07.2024, 9,818 shares of the subsidiary ZGH "Bolesław" S.A. from an individual shareholder, the share of Stalprodukt S.A. in the share capital of this company increased to 94.99%.
- The Ordinary Shareholders' Meeting of ANEW INSTITUTE Sp. z o.o. with its registered office in Kraków on 31.10.2023 adopted a resolution to dissolve the company. In 2022, the parent company made write-offs on the value of shares, therefore, at the time of adopting the resolution on liquidation, the amount of write-offs constituted 100% of the value of the shares held. The value of assets held by the subsidiary is mostly related to the costs of development works, patents and design and implementation documentation regarding the designed wind turbines with a vertical axis of rotation. On 23 December 2024, the liquidation process was completed. The company was deleted from the Register of Entrepreneurs of the National Court Register as of 27 January 2025.

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 2024 to 31 December 2024 with the use of the full consolidation method, considering all the Group's subsidiaries. The comparable data cover the period from 1 October 2023 to 31 December 2023 referring to the profit and loss account and the cash flow statement, the balance sheet values reflect the status as of 31 December 2023.

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 2023.

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

2. The changes introduced into the standards and interpretations issued by the International Financial Reporting Standards Council and International Financial Reporting Standards Interpretation Committee, applicable since 1 January 2024 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 2023.

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 4th Quarter 2024

- A provision for inventory revaluation was created in the amount of PLN 22,312 thousand, and PLN 16,855 thousand was released.
- A provision for doubtful receivables was created in the amount of PLN 402 thousand, and PLN 1,601 thousand was released.
- The deferred tax provision was decreased by PLN 4,657 thousand.
- A provision for employee benefits was created in the amount of PLN 25,249 thousand, and PLN 24,821 thousand was released (including: Provision for retirement and disability benefits, Provision for unused leave, Provision for remuneration, Provision for bonuses and awards).
- A provision for certificates of origin of energy and CO₂ emission rights was created in the amount of PLN 6,852 thousand, and PLN 6,406 thousand was released (in the zinc segment).
- A provision for time-settled repairs was created in the amount of PLN 21,265 thousand, and was released in the amount of PLN 22,011 thousand (in the zinc segment).
- A provision for land reclamation was created in the amount of PLN 1,785 thousand (including PLN 1,715 thousand in the zinc segment).
- Other provisions were created in the amount of PLN 9,768 thousand, and was released in the amount of PLN 2,122 thousand (including: Provision for certificates and guarantees, Provision for inclusion in costs, Provision for fees for water and sewage disposal, Provision for fixed costs due to standstill, Provision for bonus fund).
- The balance of the impairment write-off of the loan granted to the subsidiary GRADIR decreased by PLN 637.4 thousand (unconsolidated report of ZGH "Bolesław" S.A.).

In order to make the costs of manufacturing products realistic in the fourth quarter of 2024, ZGH "Bolesław" S.A. reduced the costs of purchasing electricity due to compensation for electricity prices by PLN 31,102 thousand. The total amount of compensation accrued for the 4 quarters of 2024 amounts to PLN 103,736 thousand. Additionally, in the Zinc segment, Huta Cynk Miasteczko Śląskie made the costs realistic in the amount of PLN 18,356 thousand. In the Transformer Sheets Segment, the compensation recognized amounted to PLN 27,072 thousand.

The reserve for the liquidation of the Olkusz-Pomorzany mine in the fourth quarter of 2024 was used in the amount of PLN 2,565 thousand.

The reserve for the liquidation of the "Olkusz-Pomorzany" mine as at December 31, 2024 amounts to PLN 119,144 thousand (of which PLN 82,238 thousand is a reserve for damage related to flooding of forest areas, which was updated in the fourth quarter by PLN 4,513 thousand). The provisions are presented in the consolidated statement of financial position of the Capital Group in the following items: long-term reserve for liquidation costs, reclamation and environmental remediation costs (amount of PLN 101,888 thousand) and short-term reserve for liquidation costs, reclamation and environmental remediation costs

(amount of PLN 17,256 thousand). Additionally, as at December 31, 2024, in the above-mentioned item: short-term reserve for liquidation costs, reclamation and environmental remediation costs, a reserve for the amount of the claim of PWIK Olkusz Sp. z o.o. in the amount of PLN 55,000 thousand (details related to the claim are described in point 8 of Other information). Additionally, in the provisions for liquidation costs, reclamation and environmental remediation costs, the amount of the provision for land reclamation and liquidation of old sinkholes in the amount of PLN 6,758 thousand was presented, created mainly in Gradir Montenegro d. o.o. and for the reclamation of dolomite mine areas.

The impairment loss on the value of shares in the GRADIR subsidiary as at 31.12.2024 amounts to PLN 130,981 thousand (84.8% of the value of shares). In the fourth quarter of 2024, the impairment loss did not change (the loss is included in the individual report of ZGH "Bolesław" S.A.). The write-down on the loan granted to the GRADIR subsidiary as at 31 December 2024 amounts to PLN 1,688 thousand (the write-down is included in the standalone statements of ZGH "Bolesław" S.A.). The write-down on the fixed assets of the GRADIR subsidiary as at 31 December 2024 amounts to PLN 12,027 thousand. In the 4th quarter of 2024, the write-down did not change (consolidated statements of the ZGH "Bolesław" CG).

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 2023. In the fourth quarter of 2024, 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 2024 (PLN thousand)

Itemization	Operating Segments				Total
	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	
Segment Revenues	248 142	133 023	541 038	81 284	1 003 487
Domestic	14 270	101 174	327 121	65 340	507 905
Export	233 872	31 849	213 917	15 944	495 582
-to EU countries	160 100	30 449	158 603	12 568	361 720
-to other countries	73 772	1 400	55 314	3 376	133 862
Segment Costs	188 344	137 376	483 971	68 842	878 533
Segment Result	59 798	-4 353	57 067	12 442	124 954
Other Operating and Financial Revenues Non-Attributable to the Segment	0	0	0	0	75 553
Other General, Operating and Financial Costs Non-Attributable to the Segment	0	0	0	0	129 888
Gross Profit	0	0	0	0	70 619
Income Tax	0	0	0	0	13 422
Net Profit	0	0	0	0	57 197
Segment Assets	1 255 397	934 142	2 163 527	552 130	4 905 196
Assets Non-Attributable to the Segment					0
Total Assets					4 905 196
Liabilities	245 532	194 379	432 571	71 613	944 095
Provision for decommissioning, recultivation and environmental repair costs			180 902		180 902
Total liabilities					1 124 997
Capital expenditures	2 116	1 465	18 193	10 898	32 672
Depreciation	10 217	5 071	26 963	4 051	46 302
Creation of an inventory write-down	4 237	10 489	309	7 282	22 318
Inventory write-down solution	2 740	11 226	1 287	1 608	16 862

The segment results include the received recommendations.

The largest sales outside the Capital Group were made in 4th quarter of 2024 to Germany and accounted for 9.51% of the Capital Group's sales (19.26% share in export sales) and Italy and accounted for 6.51% of the Capital Group's sales (13.19% share in export sales). Additionally, in the case of one customer, the sales exceeded 10% of the Capital Group's sales. The total value of revenues from this customer was PLN 123,926 thousand. The sales mainly concerned the zinc segment and other activities.

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

Abridged Consolidated Financial Report for the 4th Quarter of 2021

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.

IV. Evaluation of the results obtained and financial situation

In the 4th quarter of 2024, compared to the same period of 2023, the Stalprodukt S.A. Capital Group achieved sales revenues higher by PLN 3,286 thousand. At the level of gross profit on sales, a profit of PLN 146,013 thousand was recorded, compared to a loss of PLN 3,218 thousand in the 4th quarter of 2023. At the level of operating profit, a profit of PLN 65,523 thousand was recorded, compared to a loss of PLN 27,730 thousand in the fourth quarter of 2023. In the fourth quarter of 2024, the Group recorded a net profit of PLN 57,197 thousand, compared to a loss of PLN 9,068 thousand in the comparable period of 2023. The improvement in results compared to the comparative period was influenced by the improvement of the environment in the sheet metal and zinc segments, as well as the settlement of compensation related to high energy costs.

The Electrical Sheets Segment recorded an increase in the sales volume of transformer sheets compared to Q4 2023 by 1.5%. The decrease in the Segment's sales revenue compared to Q4 2023 amounted to PLN 4,859 thousand, i.e. 1.8%. Despite the improvement in pricing conditions compared to H1 2024 by several percent, prices in Q4 2024 did not reach the price level from Q4 2023 and were still lower by less than 4%.

In the Issuer's opinion, the factor that continues to negatively affect the segment's operating conditions is the aggressive trade policy of Asian competitors, in particular from China. At the same time, in H2 2024 there was a slight improvement in pricing conditions compared to H1 2024. As a result of the above and due to the receipt and settlement of compensation for high energy costs, the segment recorded a positive result in the fourth quarter of 2024 of PLN 59,798 thousand.

The Issuer emphasizes that 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 that have 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.

In the fourth quarter of 2024, the share of HiB sheets in the plant in Bochnia amounted to 30% of the production volume.

The Company constantly analyses the situation on the sheet metal market and in the event of deterioration of pricing conditions and a reversal of the improving trend observed in the second half of 2024, resulting in a significant decline in the profitability of sheet metal production in 2025, the Management Board assumes the need to implement a restructuring programme in order to reduce the operating costs of the plants in Bochnia and the Czech Republic.

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 Profiles Segment recorded a decrease in sales volume compared to Q4 2023 by 8.2%. The segment achieved lower sales revenues by PLN 20,198 thousand, i.e. by 13.18%. Additionally, the decrease in average prices for the Segment's products compared to Q4 2023 amounted to over 5.5%. Despite the above, the Segment reduced the loss

compared to Q4 2023. The Segment's result amounted to PLN -4,353 thousand. The Issuer continues to see a negative and difficult macroeconomic situation in the industries in which the segment's customers operate.

In Q4 2024, **the Zinc Segment's** net revenues amounted to PLN 541,038 thousand and compared to the same period of the previous year, when sales amounted to PLN 509,396 thousand were higher by 6.2%, at the same time, unlike the fourth quarter of 2023, in which the Segment recorded a loss, the result in the fourth quarter of 2024 was positive. The Segment recorded a positive result of PLN 57,067 thousand.

When analyzing the dynamics of the profit and loss account items, which allow us to determine the direction and intensity of changes in factors influencing the results achieved in the current year, attention should be paid to:

- comparable year-on-year price of zinc in PLN: PLN 11,161/t (in 2023) and PLN 11,050/t (in 2024),
- 45% decrease in the premium on sales of zinc and galvanizing alloys in ZGH from USD 466/t (in 2023) to USD 254/t (in 2024),
- consumption in ZGH "Bolesław" of 75,411 MWh of electricity produced in a cogeneration source in 2024,
- changes in the structure of consumption of energy factors in production processes. In the ZGH Capital Group, consumption (electricity, gas and coke) was higher in value by PLN 16.8 million compared year-on-year.
 - o realignment of product manufacturing costs at ZGH "Bolesław" - in 2024, the company: reduced the costs of purchasing electricity as compensation in the amount of PLN 103,735.8 thousand,
 - o separated the unused production capacity of the Mechanical Processing Department of ZGH "Bolesław" in the amount of PLN 10,255.3 thousand.

SALES OF THE ZINC SEGMENT:

- zinc sales for 12M '24 amounted to PLN 148.5 thousand tons (including 35.8 thousand tons in the fourth quarter of 2024) and was lower by 7.1 thousand tons (-5.7%) compared to sales recorded in 2023.
- sales of silver (Dore's metal) for 12M '24 amounted to 17,770 kg (including 4,543 kg in the fourth quarter of 2024) and was lower by 2,778 kg (+18.5%) compared to sales recorded for 2023.
- sales of refined lead for 12M '24 amounted to PLN 9.8 thousand tons (including 2.1 thousand tons in the fourth quarter of 2024) and was lower by 0.6 thousand tons (+6.4%) compared to sales in 2023.

ZINC, LEAD AND SILVER MARKET

Zinc prices on the LME in Q4 2024 increased by almost 10% compared to the previous quarter:

- Q4 2024: 3,050 USD/t
- Q3 2024: 2,778 USD/t
- Q2 2024: 2,833 USD/t
- Q1 2024: 2,449 USD/t

An increase was also recorded in the case of premiums for zinc and zinc alloys, which in Q4 reached 235 USD/t, compared to 192 USD/t in Q3. The average premium on sales of ZGH zinc products (zinc + zinc alloys) for the whole of 2024 amounted to 254 USD/t.

METAL PRODUCTION.

- zinc production for 12M '24 amounted to 153.8 thousand tons and was higher by 1,478 tons compared to 12M '23.
- refined lead production for 12M '24 amounted to 14.8 thousand tons and was lower by 1,070 tons compared to 12M '23.
- silver production (Dore's metal) for 12M '24 amounted to 18,051 kg and was higher by 1,906 kg (+11.8%) compared to 12M '23.

ZGH "Bolesław" S.A. produces concentrates based on zinc-bearing waste. The production volume of these concentrates for the 12 months of 2024 amounted to 75.7 thousand tons of dry weight, and in the comparable period of the previous year it was 71.5 thousand tons. These concentrates are mainly input for the "Miasteczko Śląskie" Zinc Smelter.

In 2024, the global zinc market recorded a deficit of around 35 thousand tons, which was mainly the result of an over 3% decrease in metallurgical production. The key factor in the reduction in production was the decrease in extraction and the related shortage of concentrates. Demand for zinc in 2024 fell in most countries, except for China, where it remained stable. Despite the weakened demand, global zinc reserves remain at historically low levels. In Europe, zinc smelter production in 2024 amounted to 2.1 Mt, down 0.6% compared to 2023 and 400 thousand tons compared to the record level in 2018 (2.58 Mt). At the beginning of 2024, pessimistic sentiment dominated the market, as exemplified by the suspension of production in mid-January at the Budel smelter (Netherlands, owner: Trafigura) with a capacity of 315 thousand tons of zinc per year. Production was resumed in May after reaching an agreement with the government on temporary compensation for the increase in energy costs. At the end of the first quarter, the Nordenham smelter (Germany, owner: Glencore) with a capacity of 165 thousand tons of zinc per year also resumed operations after a 17-month break. In turn, the owner of the Odda smelter in Norway, Boliden, postponed the launch of an investment to increase the plant's capacity by 150 thousand tons from Q4 2024 to the end of Q1 2025. Currently, due to ongoing work,

the Odda smelter produces less zinc than its previous annual capacity of approximately 200,000 tons.

MACRO ENVIRONMENT

The Polish złoty strengthened in Q1 2024 against some key currencies to levels not seen for several years. In Q2, the Polish currency was relatively calm, mainly due to stable Eurodollar quotations, which oscillated in the range of 1.06-1.09. In Q3 2024, the US dollar exchange rate weakened significantly against the Polish currency. The USD/PLN currency pair closed the third quarter at PLN 3.8193, testing the lowest levels since July 2021. The fourth quarter, in turn, saw an extreme weakening of the złoty against the dollar (USD/PLN - 4.1012 as of 31.12.2024). The złoty weakened against the dollar mainly due to the weakness of EUR/USD, which was still 1.11 at the end of September and 1.03 at the end of the year. The highest price per ton of zinc (LME zinc cash-settlement) on the London Metal Exchange in the period 1 January - 31 December 2024 was USD 3,237.50 (October 24), and the lowest was USD 2,285.50 (February 14). On the last day of December, zinc stocks in warehouses registered on the LME amounted to 235 thousand tons, compared to 223 thousand tons at the beginning of the year. On the last day of December, the price of the metal used for galvanizing steel was USD 2,974.00 per ton, which means an increase of USD 688.50 compared to the lowest price in February.

Energy factors market

Electricity (stock exchange data)

The year 2024 was full of dynamic changes in the electricity market in Poland. We can highlight records in energy production from renewable energy sources (PV + Wind), a record number of hours with a negative price and, very importantly, in June there was a significant change in the regulations on the PSE balancing market, among others, shortening the imbalance settlement period to 15 minutes and introducing the role of a balancing service provider.

Gas (stock exchange data)

The weighted average price on the RDNiBg in 2024 was PLN 178.16/MWh, which means a decrease of PLN 35.78/MWh compared to 2023. In turn, on the futures market, the weighted average price of the contract with delivery in 2025 was PLN 180.44/MWh in 2024, which is PLN 87.21/MWh lower than the corresponding price from the contract quotations in 2023.

Main factors influencing the results achieved by the segment:

- demand and the amount of zinc premium in Europe,
- availability of primary sulphide concentrates,
- TC level for primary sulphide concentrates,
- formation of zinc quotations,
- strengthening/weakening of the Polish złoty,
- formation of electricity, coke and gas prices,

- prices of CO₂ emission allowances,
- geopolitical situation.- prices of CO₂ emission allowances.

V. Financial instruments and risk management assessment

The activities of the parent company and its subsidiaries are exposed to various types of financial risks, including changes in the market prices of debt and equity instruments, fluctuations in exchange rates and interest rates, and changes in commodity prices. The Issuer's general financial risk management program focuses on the unpredictability of financial markets and seeks to minimize their potential negative impact on the Company's financial results. Financial risk management in the parent company is carried out by the Finance and Risk Management Department located in the CFO's division. The main objective is to minimize the negative effects of external changes on the Company's results. Depending on the type of risk and its size, the Company uses appropriate instruments to identify, estimate and hedge it. As at December 31, 2024, the subsidiaries included in the Zinc Segment applied cash flow hedge accounting to commodity and currency derivatives in accordance with the principles described in the annual report. Historical prices and the related volatility of electricity and gas prices on the market caused the ZGH Group to decide to analyze the further effectiveness and correctness of the current business strategy in terms of market risk management. The significant increase in energy prices and their forecasts made it impossible to reliably plan zinc production costs. This resulted in the difficulty and uncertainty in estimating the so-called sales margin. Currently, ZGH and HCM are in the process of verifying the "Hedging Strategy" and until the new policy is approved, they will not open any hedging transactions. As of December 31, 2024, they did not have any active currency or commodity hedges.

Explanations Referring to Balance Sheet Items Related to Derivative Instruments

Explanation Referring to the Item: Other long- and Short-Term Investments	PLN thousand	
	31.12.2024	31.12.2023
Long-Term investments	0	0
Short-Term Investments	24 952	6 271
TOTAL, including:	24 952	6 271
a) valuation of derivative transactions	1 803	644
b) securities	23 149	3 740
c) other claims arising from instruments	0	1 887

Explanation to Item: Liabilities pertaining to hedging instruments	PLN thousand	
	31.12.2024	31.12.2023
Contracts for Hedging Transactions	0	0
Conclusions of Currency Option Transactions	1 590	56
Adjustment pertaining to the amount resulting from the closed transactions settlements with brokers	-299	0
TOTAL	1 291	56

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Valuation of Derivative Transactions

Valuation of Derivative Transactions	PLN thousand			
	31.12.2024		31.12.2023	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Commodity Transactions - Zinc	1 772	0	0	0
Commodity Transactions - Lead	0	0	86	0
Currency Transactions - USD/PLN EUR/PLN	31	1 590	558	56
Commodity Transactions- Silver	0	0	0	0
Receivables from the Bank due to closed and unsettled transactions	0	-299	1 887	0
Total	1 803	1 291	2 531	56

Division of Hedging Instruments

Division of Hedging Instruments	PLN thousand			
	31.12.2024		31.12.2023	
	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
Hedging Instruments	0	0	644	56
Commodity Transactions - zinc	0	0	0	0
Commodity Transactions - lead	0	0	86	0
Currency Transactions - USD/PLN, EUR/PLN	0	0	558	56
Commodity Transactions - Silver	0	0	0	0
Trade Instruments	1 803	1 291	1 887	0
Commodity Transactions- zinc	1 772	0	0	0
Commodity Transactions - lead	0	0	0	0
Currency Transactions - USD/PLN, EUR/PLN	31	1 291	0	0
Commodity Transactions - silver	0	0	0	0
other receivables relating to instruments	0	0	1 887	0
Total	1 803	1 291	2 531	56

Financial Report Presentation of Applied Derivative Instruments

Derivative Transactions Presented in the Profit and Loss Account:	PLN thousand	
	31.12.2024	31.12.2023
Sales of Products Adjustment	350	-7 575
Sales of Goods Adjustments	0	0
Revaluation of Investments	213	1 590
Gains/Loss on Sale of Investments	-1 482	-2 411
Total	-919	-8 396

Cash Result from Reconciliation of Derivative Instruments:	PLN thousand	
	31.12.2024	31.12.2023
Commodity Transactions	-5	18 744
Currency Transactions	-1 776	-30 652
Total	-1 781	-11 908

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Sales of Products Adjustment Related to Application of Hedging Instruments:	PLN thousand	
	31.12.2024	31.12.2023
Sales Increase	576	6 491
Sales Decrease	-226	-14 066
TOTAL	350	-7 575

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	
	31.12.2024	31.12.2023
Corporate bonds:	9 881	0
PKO Leasing S.A.	9 881	0
Investment fund participation units:	13 268	3 741
- Quercus Ochrony Kapitału	0	108
- Quercus Obligacje Skarbowe	0	106
- Generali Aktywny Dochodowy	2 327	127
- Quercus Dłużny Krótkoterminowy	0	106
- Generali Korona Obligacje	1 788	1 106
- Generali Korona Dochodowy	7 971	1 091
- Generali Oszczędnościowy	1 182	1 097
TOTAL	23 149	3 741

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 PKO) 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. Stalprodukt Company conducts very limited commercial activity with customers in Ukraine. The share of these customers in the Company's sales structure is insignificant. The main direction of supply of input materials for the Transformer Sheet Segment are steel mills 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 2024, no impact on the operations of operating segments was observed.

Other Information

1. In the 4th quarter of 2024 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 27,697 thousand,
 - guarantees and sureties (avals) granted by ZGH "Bolesław" amounting to PLN 16,102 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 2023 report, were subject to change.
3. The pending bankruptcy and composition proceedings cover the Group's receivables totaling PLN 8,966 thousand, wherein Stalprodukt's share amounts to PLN 1,412 thousand and ZGH "Bolesław"'s - PLN 7,554 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 4,375,691 votes, accounting for 37.94 % 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 4,419,498 votes, accounting for 38.32 % of the total number of votes at the General Meeting;

- FABIOS S.A. holding 125,010 shares, accounting for 2.32%-share in the capital and 625,050 votes, accounting for 5.42% of the total number of votes at the General Meeting and through FCASE Sp. z o. o. Sp. k. 175,010 shares, accounting for 3.24%-share in the capital and 875,050 votes, accounting for 7.59% 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/ supervisory persons:

None of the supervisory persons holds any shares in Stalprodukt S.A.

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

5. Apart from the typical and routine transactions, concluded in line with market conditions, with the capital group- associated companies, resulting from the on-going operating activities, neither the Stalprodukt Company, nor its subsidiaries concluded any other transactions with associated companies during the reporting period.
6. Issuer's transactions with related entities:
 - a) Transactions that the parent company concluded with subsidiaries in the period from 01.10.2024 to 31.12.2024 - 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):

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Items the 4th quarter of 2024	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.	18	31	15	79
Huta Cynku "Miasteczko Śląskie" S.A.	0	0	2	57
Boltech Sp. z o.o.	0	0	0	1
Anew Institute sp. z o.o. - in liquidation	0	0	2	0
Stalprodukt-Wamech sp. z o.o.	589	7 362	937	7 809
Stalprodukt-Zamość sp. z o.o.	1 500	51	2 058	105
Stalprodukt-Ochrona sp. z o.o.	40	1 414	84	1 733
STP Elbud sp. z o.o.	427	3 311	725	5 841
Cynk-Mal S.A.	5 303	1 960	7 442	2 217
GO STEEL a.s.	24 668	3 349	40 528	10 383
Hotel Ferreus sp. z o.o.	2	0	4	0
PTZ Sp. z o.o.	0	0	0	0

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	0	47 220	9 137
Hotel Ferreus sp. z o.o.	2		4	0
PTZ Sp. z o.o.	2		4	0

b) The total value of the Issuer's transactions with associated companies in the period from 01.10.2024 to 31.12.2024 and in the comparable period from 01.10.2023 to 31.12.2023 is presented in the Table below.

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Associated entities:

Items the 4th quarter of 2024	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 2023	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 01.10.2024 to 31.12.2024 and in the comparable period from 01.10.2023 to 31.12.2023 is presented in the Table below.

Items the 4th quarter of 2024	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	receivables	liabilities	revenues	costs
Stalprodukt-Profil S.A.	1	0	3	0
STP Investment S.A.	1	0	3	0

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

7. In the reporting period the Group made investment outlays on the purchase and formation of tangible fixed assets amounting to PLN 32,672 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 April 2018, the District Court in Kraków, 9th Commercial Division (joined cases, file reference number IX GC 543/13) issued judgments in the following cases concerning ZGH "Bolesław" S.A.:

- 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.

On 21.05.2024, the last mediation meeting took place. During the meeting, mediation took place without concluding a mediation agreement. It should be noted that the positions of

the parties were very divergent and the mediation attempts did not lead to their rapprochement. After the mediation was completed, on 28.05.2024, PWiK sp. z o.o. filed a motion for the issuance of a partial judgment and awarding it the amount of PLN 10,629 thousand with interest from the date of filing the lawsuit to the date of payment. The amount stated is the amount of the plaintiff's own contribution to the investment consisting in the constructed water supply system increased by an amount of over PLN 5,000 thousand constituting the VAT settled by the plaintiff. In the letter, the plaintiff also indicated the candidacies of further potential experts to conduct an expert opinion on the necessity of the so-called Stage II of the water supply system. In response to the above letter from ZGH "Bolesław" S.A. replied in a letter dated June 17, 2024.

In this letter, the Plants:

- a. Expressed interest in a partial judgment.
- b. In the scope of a possible partial judgment, they accepted the claim of PWiK sp. z o.o., in the amount of PLN 2 million.
- c. They indicated that the settlement of the currently constructed system constitutes a resolution to the claim for the amount of PLN 23,808.951. This is the amount at which the plaintiff originally valued the scope of work performed. Consequently, they requested the dismissal of the claim for the amount of PLN 21,808,951.
- d. They challenged the initial date from which interest should be calculated.
- e. As regards the claim for an award of over PLN 10 million, it was indicated that PWiK sp. z o.o. is not entitled to demand a second payment of VAT by ZGH "Bolesław" S.A., because it has been settled. Next, the value of funds from the sale of redundant assets, i.e. the Water Treatment Plant in Olkusz, should be deducted from the actual net expenditure incurred by the plaintiff in the amount of PLN 5,225,804.61. This value should then be reduced by the value of the investment that was repaid in water prices. The value should then be reduced by the expenditure related not so much to obtaining water, but to water supply technology.
- f. The previous evidentiary motions were repeated in the scope of the indicated allegations.

The Court called on the parties to propose an expert to prepare an opinion in the case. In response to the above motion, ZGH "Bolesław" S.A. indicated that the best solution was to appoint separate experts in the field of demography, hydrogeology and in the broadly understood field of water supply and sanitary technology. In turn, PWiK sp. z o.o. proposed experts in the persons of other universities. According to the information obtained from the Court, the Wrocław University of Science and Technology expressed its interest in preparing an opinion. It can therefore be assumed that she will be tasked with preparing the opinion. By the end of 2024, the expert has not made any moves. The Management Board of ZGH "Bolesław" S.A. intends to propose a partial settlement, under which the Plants will cover the value of net expenditures incurred by PWiK sp. z o.o. on the currently functioning water

supply system in the amount of PLN 5,225,704.61 with interest. The settlement is to indicate that the remaining issues remain disputed and will be further processed. The case is ongoing.

As of December 31, 2024, the amount of reserves in the subsidiary and at the level of the consolidated financial statements covers 100% of the amount from the lawsuit. The amount was presented in the statement of financial position under the item "short-term reserve for liquidation costs, reclamation and environmental remediation 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. On March 28, 2024, Stalprodukt filed an application for compensation for energy-intensive sectors and subsectors based on the provisions of the Act of July 19, 2019 on the compensation system for energy-intensive sectors and subsectors (consolidated text: Journal of Laws of 2023, item 1393, as amended) for the transfer of costs of purchasing emission allowances within the meaning of the Act of June 12, 2015 on the greenhouse gas emission allowance trading system. The requested amount of compensation is PLN 23,093 thousand. Additionally, based on the same provisions, on July 18, 2024, the Company filed an application for the so-called additional compensation in the amount of PLN 3,973 thousand. Furthermore, based on the above regulations, the company of the Zinc Segment - Huta Cynku "Miasteczko Śląskie" S.A. - submitted an application for compensation in the amount of PLN 15,062 thousand. On 30/10/2024, the Issuer received compensation in the amount of: for Stalprodukt S.A. PLN 27,072 thousand, for HCM S.A. PLN 18,356 thousand. The amount of compensation is higher because it includes the payment of the so-called additional compensation. The compensation amounts were included in the result for Q4 2024.
12. On August 1, 2024, as a result of the settlement of the transaction to acquire shares offered in response to the "Invitation to submit offers for the sale of shares in Stalprodukt Spółka Akcyjna" (the "Invitation"), announced on July 1, 2024, there was a transfer of ownership and settlement of the acquisition by the Company of 306,837 (in words: three hundred six thousand eight hundred thirty-seven) treasury shares at a fixed price of PLN 240 per share. The transfer of ownership of shares between the shareholders and the Company took place outside the regulated market through Dom Maklerski BDM S.A. with its registered office in Bielsko-Biała and settled within the depository and settlement system of the National Depository for Securities S.A. The basis for the acquisition of shares was the authorization granted by the Ordinary General Meeting of Stalprodukt S.A. on 26 June 2024 (Resolution No. XLIII/16/2024 of 26 June 2024 on the acquisition by the Company of its own shares for the purpose of

redemption). The purpose of the share buyback is to redeem them and reduce the Company's share capital. The nominal value of the acquired shares is PLN 613,674, and their share in the Issuer's share capital is 5.68%. The acquired shares entitle to exercise 337,533 votes at the Issuer's general meeting, which constitutes 2.93% of all votes at the general meeting of Stalprodukt S.A. Before the settlement of the above-mentioned transaction, the Company did not hold any treasury shares.

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 31.12.2024 until the preparation of the Abridged Consolidated Report for the 4th quarter 2024 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 2024".

16. No additional information was appended to the Abridged Consolidated Financial Report for the 4th quarter of 2024 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 2024 was approved for publication by parent Company's Management Board on 28.02.2025.

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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