



The Stalprodukt S.A. Capital Group

Consolidated Financial Report for the 1st half of 2025

Prepared in compliance with the International Financial Reporting Standards
(IFRS) approved by the European Union

Bochnia, August 2025

Contents:

Selected Financial Data

Abridged Consolidated Financial Report for 1st half of 2025

- Consolidated balance sheet for 30.06.2025
- Consolidated profit and loss account for the period 01.01.2025 -30.06.2025
- Total comprehensive consolidated income for the period 01.01.2025-30.06.2025
- Statement of changes in consolidated equity for the period 01.01.2025 – 30.06.2025
- Consolidated cash flow account for the period 01.01.2025-30.06.2025
- Abridged Financial Report for the 1st half of 2025

Selected Financial Data

- Balance sheet for 30.06.2025
- Profit and loss account for the period 01.01.2025-30.06.2025
- Total comprehensive income for the period 01.01.2025-30.06.2025
- Statement of changes in equity for the period 01.01.2025-30.06.2025
- Cash flow account for the period 01.01.2025-30.06.2025

The Management Board's opinion on the qualified conclusion contained in the Auditing Company's Report on the Abridged Interim Consolidated Financial Report of the Stalprodukt S.A. Capital Group

Additional Information (Abridged Consolidated Financial Report for 1st half of 2025)

Introductory Information

- The basic data
- Changes in the in the Issuer's and its Capital Group's structure
- Subsidiary companies and other companies
- The basic principles of preparation of the condensed interim consolidated financial statements

Accounting Principles (Policy)

- Estimated Values
- Operating Segments
- The evaluation of achieved results and the financial standing
- Financial instruments and risk management assessment
- Other Information

Consolidated Financial Report for the 1st half of 2025

Selected Financial Data

SELECTED FINANCIAL DATA	thousand x PLN		thousand x EUR	
	1st half 2025 increasingly for the period from 01-01-2025 to 30-06-2025	1st half 2024 increasingly for the period from 01-01- 2024 to 30-06- 2024	1st half 2025 increasingly for the period from 01-01-2025 to 30-06-2025	1st half 2024 increasingly for the period from 01-01-2024 to 30-06-2024
I. Net sales of products, goods and materials	1 984 136	1 871 209	470 085	434 065
II. Operating profit (loss)	-19 467	-30 079	-4 612	-6 977
III. Profit (loss) before taxation	-14 214	-11 676	-3 368	-2 708
IV. Net profit (loss)	-28 209	-19 381	-6 683	-4 496
- attributable to shareholders of the parent company	-24 324	-21 103	-5 763	-4 895
- net profit attributed to non-controlling interests	-3 885	1 722	-920	399
V. Net cash flow from operating activities	-18 764	-11 441	-4 446	-2 654
VI. Net cash flow from investment activities	-124 685	-93 303	-29 541	-21 636
VII. Net cash flow from financial activities	2 023	-9 526	479	-2 217
VIII. Total net cash flow	-141 426	-114 270	-33 507	-26 507
IX. Total assets	4 987 809	4 907 769	1 175 843	1 148 553
X. Long-term liabilities	417 998	422 112	98 540	98 786
XI. Short-term liabilities	843 613	703 503	198 876	164 639
XII. Shareholders' equity	3 726 198	3 782 154	878 427	885 128
- equity attributable to shareholders of the parent	3 618 221	3 669 151	852 972	858 683
- equity attributed to non-controlling interests	107 977	113 003	25 455	26 446
XIII. Share capital	10 799	10 799	2 546	2 527
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)	-5,22	-3,59	-1,24	0,83
XVI. Weighted average number of shares	5 090 771	5 257 415	5 090 771	5 257 415
XVII. Diluted profit (loss) per ordinary share (PLN)	-5,54	-3,59	-1,31	0,83
XVIII. Book value per share (PLN)	690,09	700,45	162,68	163,92
XIX. Diluted book value per share (PLN)	731,95	719,39	172,55	168,36
XX. Declared or paid-out dividend for one share in (PLN/EUR)	6,00		1,42	

- 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 2024. Other comparable data is presented for the period from 1st January 2024 to 30th June 2024.
- EUR exchange rates according to the following principles were used for the conversion of the currency into PLN:
 - the assets and liabilities items of the balance sheet were converted into EUR according to the average rate announced by the National Bank of Poland for this 30th June 2025 and amounting to PLN 4.2419 and PLN 4.273 for this 31st December 2024.
 - 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 4.2208 for 1st half 2025 and PLN 4.3109 for 1st half of 2024.
- 5,399,598 shares were used to calculate earnings per ordinary share.
- Item XX presents the amount of the dividend per share declared by the Issuer for 2024. As of the date of this report, the dividend was paid. In 2024, the Issuer did not pay any dividend for 2023.

Consolidated Financial Report for the 1st half of 2025

Consolidated balance sheet for 30.06.2025

CONSOLIDATED BALANCE SHEET	(thousand x PLN)		
	30.06.2025	31.12.2024	30.06.2024
Assets			
I. Fixed assets	2 257 159	2 140 886	2 238 918
1. Intangible assets other than goodwill	99 118	35 790	117 868
2. Goodwill	0	0	0
3. Tangible fixed assets	1 954 342	1 901 843	1 917 414
4. Right to use assets (incl. right of perpetual usufruct of land)	109 177	110 070	109 964
5. Investment real estate	57 258	56 376	56 903
6. Long-term financial assets	17 574	17 553	16 764
7. Other long-term financial assets	12 933	12 933	12 933
8. Long-term receivables	906	798	1 021
9. Deferred tax assets	0	0	0
10. Long-term prepayments	5 851	5 523	6 051
II. Current Assets	2 730 650	2 766 883	2 738 598
<u>Current assets other than assets held for sale</u>	<u>2 730 650</u>	<u>2 766 883</u>	<u>2 738 598</u>
1. Stocks	940 262	949 379	809 187
2. Receivables due to supplies and services and other	794 892	679 297	896 602
3. Cash and cash equivalents	971 445	1 112 871	997 741
4. Other short-term investments	24 051	25 336	35 068
<u>Assets held for sale</u>	<u>0</u>	<u>0</u>	<u>0</u>
Assets in total	4 987 809	4 907 769	4 977 516
Liabilities			
Equity capital	3 726 198	3 782 154	3 808 009
I. Equity attributed to shareholders of the parent company	3 618 221	3 669 151	3 696 129
1. Share capital	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
3. Provision for cash flow hedges / revaluation reserve /	-244	-244	-125
4. Provision for exchange rate differences resulting from translation	3 414	786	5 162
5. Retained earnings / including uncovered losses /	3 595 836	3 649 394	3 671 877
II. Non-controlling interests / Equity attributable to	107 977	113 003	111 880
I. Long-term liabilities	417 998	422 112	432 607
1. Provision for deferred income tax	88 685	93 954	97 967
2. Long-term provisions / including employee benefits /	48 464	48 464	47 160
3. Other long-term liabilities	146	146	146
4. Long-term provision for the costs of decommissioning, rehabilitation and environmental repair costs	101 899	101 888	106 196
5. Accruals and deferred income classified as fixed	54 313	54 394	58 507
6. Credits and loans	0	0	0
7. Long-term liabilities due to leasing contracts	124 491	123 266	89 495
8. Other long-term financial liabilities	0	0	33 136
II. Current liabilities	843 613	703 503	736 900
Short-term liabilities other than those included in groups intended for sale	<u>843 613</u>	<u>703 503</u>	<u>736 900</u>
1. Short-term provisions for liabilities	42 845	50 680	42 473
2. Credits and loans	18 851	9 001	4 815

Consolidated Financial Report for the 1st half of 2025

3. Liabilities due to supplies and services	457 644	434 096	402 402
4. Current liabilities due to social insurance and taxes other than income tax	42 167	37 926	38 475
5. Other short-term non-financial liabilities	77 253	62 762	71 920
6. Short-term reserve for the costs of decommissioning, rehabilitation and environmental repair costs	71 724	78 651	74 119
7. Liabilities due to income tax	4 180	4 872	523
8. Liabilities due to leasing	3 063	4 353	2 466
9. Other short-term financial liabilities	33 420	3 067	2 954
10. Accruals	92 466	18 095	96 753
Liabilities included in those intended for sale	0	0	0
Total Liabilities	1 261 611	1 125 615	1 169 507
Total Assets	4 987 809	4 907 769	4 977 516

Book value	3 726 198	3 782 154	3 808 009
Number of shares	5 399 598	5 399 598	5 399 598
Book value per share (PLN)	690,09	700,45	705,24
Weighted average number of shares	5 090 771	5 257 415	5 399 598
Diluted book value per share (in PLN)	731,95	719,39	705,24

Consolidated profit and loss account for the period 01.01.2025 - 30.06.2025

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the period	thousand x PLN	
	1st half 2025 increasingly for the period from 01-01-2025 to 30-06-2025	1st half 2024 increasingly for the period from 01-01-2024 to 30-06-2024
I. Net sales of products, goods and materials	1 984 136	1 871 209
II. Costs of products, goods and materials	1 857 240	1 779 325
III. Gross profit (loss) on sales	126 896	91 884
IV. Selling costs	42 767	39 667
V. General and administrative costs	91 712	90 891
VI. Other operating incomes	104 453	117 990
VII. Other operating costs	116 337	109 395
VIII. Operating profit (loss)	-19 467	-30 079
IX. Financial incomes	21 746	23 083
X. Financial costs	16 514	4 710
XI. Profit from shares in associated entities	21	30
XII. Profit (loss) before taxation	-14 214	-11 676
XIII. Income tax	13 995	7 705
XIV. Profit (loss) from continuing operations	-28 209	-19 381
XV. Profit (loss) on discontinued operations	0	0
XVI. Net profit (loss)	-28 209	-19 381
1. Attributable to shareholders of the parent company	-24 324	-21 103
2. Attributed to non-controlling interests	-3 885	1 722
Book value	-28 209	-19 381
Number of shares	5 399 598	5 399 598
Book value per share (PLN)	-5,22	-3,59
Weighted average number of shares	5 090 771	5 399 598
Diluted book value per share (in PLN)	-5,54	-3,59

Consolidated Financial Report for the 1st half of 2025

Total comprehensive consolidated income for the period 01.01.2025-30.06.2025

TOTAL COMPREHENSIVE CONSOLIDATED INCOME for the period	thousand x PLN	
	1st half 2025 increasingly for the period from 01-01- 2025 to 30-06-2025	1st half 2023 increasingly for the period from 01-01- 2024 to 30-06-2024
Net result	-28 209	-19 381
Other comprehensive income that will not be reclassified to profit or loss, after tax	0	0
Other comprehensive income that will be reclassified to profit or loss, after tax, including:	1 487	-6 471
The effective part of the cash flow hedging in accordance with IFRS 9	-1 141	-585
<i>including the effective portion of cash flow hedge in line with IFRS 9 attributable to minority interest</i>	-8	-83
<i>gains and losses on translating items in the financial statements of the foreign operations</i>	2 628	-5 886
Gains and losses on the translation of items in the financial statements of the foreign operation attributable to non-controlling interests	-8	-15
Other comprehensive income	1 487	-6 471
Total comprehensive income together	-26 722	-25 852
Comprehensive income attributable to equity holders of the parent	-21 696	-27 486
Comprehensive income attributable to minority shareholders	-5 026	1 634

Consolidated Financial Report for the 1st half of 2025

Statement of changes in consolidated equity for the period 01.01.2025 – 30.06.2025

Statement of changes in equity for the period from 1st January to 30th June 2025 and 2024	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 1.01.2025 (opening balance)	10 799	8 416	-244	786	3 649 394	3 669 151	113 003	3 782 154
Dividend					-30 534	-30 534		-30 534
Total comprehensive income for 2025				2 628	-24 324	-21 696	-5 026	-26 722
Other changes in equity					1 300	1 300	0	1 300
Change in equity	0	0	0	2 628	-53 558	-50 930	-5 026	-55 956
Balance as of 31.06.2025 (closing balance)	10 799	8 416	-244	3 414	3 595 836	3 618 221	107 977	3 726 198

Balance on this 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 2024			-497	-5 886	-21 103	-27 486	1 634	-25 852
Other changes in equity					2 276	2 276	-63	2 213
Change in equity	0	0	-497	-5 886	-18 827	-25 210	1 571	-23 639
Balance as of 31.06.2024 (closing balance)	10 799	8 416	-125	5 162	3 671 877	3 696 129	111 880	3 808 009

Consolidated Financial Report for the 1st half of 2025

Consolidated cash flow account for the period 01.01.2025-30.06.2025

CONSOLIDATED CASH FLOW ACCOUNT	thousand x PLN	
	1st half 2025 increasingly for the period from 01-01- 2025 to 30-06-2025	1st half 2023 increasingly for the period from 01-01- 2024 to 30-06-2024
A. Cash flow from operational activity		
Gross profit (loss)	-14 214	-11 676
Income tax paid	-17 285	-8 476
Adjustments made to reconcile profit (loss)	12 735	8 711
Adjustments for undistributed investment gains accounted for using the equity method	-21	-30
Amortization and depreciation adjustments	88 327	91 575
Adjustments due to unrealized gains (losses) on exchange differences	487	-730
Corrections for interest expense	3 320	2 912
Adjustments resulting from dividend income	-247	0
Adjustments for losses (gains) on the sale of fixed assets	-6 097	188
Adjustments for provisions	-18 248	-8 340
Adjustments for the decrease (increase) in the value of inventories	16 917	27 819
Adjustments resulting from a decrease (increase) in receivables	-60 793	-165 392
Adjustments for the increase (decrease) in the value of liabilities	-27 931	60 248
Other adjustments made to reconcile profit (loss) and deferred tax	11 591	-1 729
Deferred tax adjustment	5 430	2 190
Cash flow from operating activities	-18 764	-11 441
B. Cash flow from investment activity		
Sale of intangible assets and tangible fixed assets	2 693	1 822
Sale of financial assets	24 366	20 089
Dividends received classified as investing activities	0	0
Repayment of long-term loans granted	0	0
Cash inflow from interest received classified as investing activity	179	322
Purchase of intangible assets and tangible fixed assets	-132 137	-64 357
Loans granted	-19 707	-50 384
Acquisition of financial assets	0	0
Other investment inflows and outflows	-79	-795
Net cash flow from investment activities	-124 685	-93 303
C. Cash flow from financial activity		
Purchase of own shares	-919	0
Proceeds from loans classified as financial activities	11 126	905
Other financial inflows / outflows	-694	-2 164
Paid dividends classified as financial activities	-24	-72
Repayment of credits and loans	-1 276	-2 858

Consolidated Financial Report for the 1st half of 2025

Payment of lease liabilities, classified as financial activity	-2 450	-1 540
Interest paid, classified as financial activity	-3 740	-3 797
Net cash flow from financial activities	2 023	-9 526
Net cash flow	-141 426	-114 270
The effects of changes in exchange rates on cash and cash equivalents		
Increase (decrease) in cash and cash equivalents	-141 426	-114 270
Cash and cash equivalents at the beginning of the period	1 112 871	1 112 011
Cash and cash equivalents at the end of the period	971 445	997 741
Restricted cash and cash equivalents	14 718	13 673

Consolidated Financial Report for the 1st half of 2025

Abridged Financial Report for the 1st half of 2025

Selected Financial Data

Selected Financial Data	thousand x PLN		thousand x EUR	
	1st half 2025 increasingly for the period from 01-01-2025 to 30- 06-2025	1st half 2024 increasingly for the period from 01-01-2024 to 30- 06-2024	1st half 2025 increasingly for the period from 01-01-2025 to 30- 06-2025	1st half 2024 increasingly for the period from 01-01-2024 to 30- 06-2024
I. Net sales of products, goods and materials	819 462	724 066	194 149	167 962
II. Operating profit (loss)	28 199	-42 349	6 681	-9 824
III. Profit (loss) before taxation	72 980	-24 589	17 291	-5 704
IV. Net profit (loss)	65 901	-25 702	15 613	-5 962
V. Net cash flow from operating activities	-4 741	-62 049	-1 123	-14 394
VI. Net cash flow from investment activities	-91 448	-16 410	-21 666	-3 807
VII. Net cash flow from financial activities	-4 144	-2 927	-982	-679
VIII. Total net cash flow	-100 333	-81 386	-23 771	-18 879
IX. Total assets	2 829 020	2 725 345	666 923	637 806
X. Long-term liabilities	147 787	149 839	34 840	35 066
XI. Short-term liabilities	352 586	281 307	83 120	65 834
XII. Shareholders' equity	2 328 647	2 294 199	548 963	536 906
XIII. Share capital	10 799	10 799	2 546	2 527
XIV. Number of shares	5 399 598	5 399 598	5 399 598	5 399 598
XV. Profit (loss) per ordinary share (PLN)	12,20	-4,76	2,89	-1,10
XI. Weighted average number of shares	5 090 771	5 399 598	5 090 771	5 399 598
XII. Diluted profit (loss) per ordinary share	12,95	-4,76	3,07	-1,10
XIII. Book value per share (PLN)	431,26	424,88	101,67	99,43
XIX. Diluted book value per share (PLN)	457,43	436,37	107,83	102,12
XX. Declared or paid-out dividend for one share in (PLN/EUR)	6,00		1,42	

- 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 2024. Other comparable data is presented for the period from 1st January 2024 to 30th June 2024.
- EUR exchange rates according to the following principles were used for the conversion of the currency into PLN:
 - the assets and liabilities items of the balance sheet were converted into EUR according to the average rate announced by the National Bank of Poland for this 30th June 2025 and amounting to PLN 4.2419 and PLN 4.273 for this 31st December 2024.
 - 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 4.2208 for 1st half 2025 and PLN 4.3109 for 1st half of 2024.
- 5,399,598 shares were used to calculate earnings per ordinary share.
- Item XX presents the amount of the dividend per share declared by the Issuer for 2024. As of the date of this report, the dividend was paid. In 2024, the Issuer did not pay any dividend for 2023.

Consolidated Financial Report for the 1st half of 2025

Balance sheet for 30.06.2025

BALANCE SHEET	thousand x PLN		
	30.06.2025	31.12.2024	30.06.2024
Assets			
I. Fixed assets	1 465 717	1 394 393	1 384 707
1. Intangible assets other than goodwill	4 872	1 013	5 617
2. Tangible fixed assets	756 919	695 998	677 888
3. Right to use assets (incl. right of perpetual usufruct of land)	45 272	44 975	45 249
4. Investment real estate	122 749	117 688	119 175
5. Long-term financial assets	522 977	521 791	523 851
6. Other long-term financial assets	12 928	12 928	12 927
7. Long-term receivables	0	0	0
8. Deferred tax assets	0	0	0
9. Long-term prepayments	0	0	0
II. Assets	1 363 303	1 330 952	1 381 879
<u>Current assets other than assets held for sale</u>	<u>1 363 303</u>	<u>1 330 952</u>	<u>1 381 879</u>
1. Stocks	409 629	361 877	279 711
2. Receivables due to supplies and services and other receivables	339 206	253 072	397 369
3. Cash and cash equivalents	612 886	713 219	702 655
4. Other short-term investments	1 582	2 784	2 144
<u>Assets held for sale</u>	<u>0</u>	<u>0</u>	<u>0</u>
Assets in total	2 829 020	2 725 345	2 766 586
Liabilities			
I. Shareholders' Equity	2 328 647	2 294 199	2 339 873
1. Share capital	10 799	10 799	10 799
2. Capital from the surplus of the issue price above the nominal value	8 416	8 416	8 416
3. Other capitals	0		0
4. Retained earnings (including uncovered losses)	2 309 432	2 274 984	2 320 658
II. Long-term liabilities	147 787	149 839	151 821
1. Provision for deferred income tax	53 591	57 945	60 234
2. Long-term reserves	6 548	6 548	6 190
3. Other long-term non-financial liabilities	0	0	0
4. Credits and loans	0	0	0
5. Long-term liabilities due to leasing contracts	87 648	85 346	85 397
III. Current liabilities	352 586	281 307	274 892
<u>Short-term liabilities other than those included in groups intended for sale</u>	<u>352 586</u>	<u>281 307</u>	<u>274 892</u>
1. Short-term provisions for liabilities	5 554	5 650	6 671
2. Credits and loans	0	0	0
3. Liabilities due to supplies and services	269 138	241 671	230 835
4. Current liabilities due to social insurance and taxes other than income tax	9 615	9 973	7 718
5. Other short-term non-financial liabilities	20 212	17 264	18 459
6. Liabilities due to income tax	3 633	1 902	0
7. Short-term liabilities due to leasing agreements	0		0
8. Other short-term financial liabilities	30 534		0
9. Short-term accruals	13 900	4 847	11 209
<u>Liabilities included in those intended for sale</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	500 373	431 146	426 713
Total Assets	2 829 020	2 725 345	2 766 586

Consolidated Financial Report for the 1st half of 2025

Book value	2 328 647	2 294 199	2 339 873
Number of shares	5 399 598	5 399 598	5 399 598
Book value per share (PLN)	431,26	424,88	433,34
Weighted average number of shares	5 090 771	5 257 415	5 399 598
Diluted book value per share (in PLN)	457,43	436,37	433,34

Profit and loss account for the period 01.01.2025-30.06.2025

PROFIT AND LOSS ACCOUNT for the period	thousand x PLN	
	1st half 2025 increasingly for the period from 01-01- 2025 to 30-06-2025	1st half 2024 increasingly for the period from 01-01- 2024 to 30-06-2024
I. Net sales of products, goods and materials	819 462	724 066
II. Costs of products, goods and materials	734 706	726 898
III. Gross profit (loss) on sales	84 756	-2 832
IV. Selling costs	23 060	20 158
V. General and administrative costs	30 038	25 335
VI. Other operating incomes	19 114	23 805
VII. Other operating costs	22 573	17 829
VIII. Operating profit (loss)	28 199	-42 349
IX. Financial incomes	52 158	20 457
X. Financial costs	7 377	2 697
XI. Profit (loss) before taxation	72 980	-24 589
XII. Income tax	7 079	1 113
XIII. Profit (loss) from continuing operations	65 901	-25 702
XIV. Profit (loss) on discontinued operations	0	0
XV. Net profit (loss)	65 901	-25 702
Weighted average number of ordinary shares	5 399 598	5 399 598
Profit (loss) per ordinary share (PLN)	12,20	-4,76
Weighted average predicted number of ordinary shares	5 090 771	5 399 598
Diluted profit (loss) per ordinary share (PLN)	12,95	-4,76

Total comprehensive income for the period 01.01.2025-30.06.2025

TOTAL COMPREHENSIVE INCOME for the period	thousand x PLN	
	1st half 2025 increasingly for the period from 01-01-2025 to 30-06-2025	1st half 2024 increasingly for the period from 01- 01-2024 to 30-06-2024
Net result	65 901	-25 702
		0
Total Comprehensive Income	65 901	-25 702

Consolidated Financial Report for the 1st half of 2025

Statement of changes in equity for the period 01.01.2025-30.06.2025

Statement of changes in equity for the period from 1st January to 30th December 2025 and 2024	thousand x PLN				
	Share capital	Capital from the surplus of the issue price above the nominal value	Others capitals	Retained profit	Equity in TOTAL
Condition after conversion on 1.01.2025	10 799	8 416	0	2 274 984	2 294 199
Dividend				-30 534	-30 534
Total comprehensive income for period 1.01 - 30.06.2025				65 901	65 901
Other changes in equity				-919	-919
As of 30.06.2025 (End of Period)	10 799	8 416	0	2 309 432	2 328 647
As of 01.01.2024 (Beginning of Period)	10 799	8 416	0	2 346 360	2 365 575
Dividend					0
Total comprehensive income for period 1.01 - 30.06.2024				-25 702	-25 702
Other changes in equity					0
As of 30.06.2024 (End of Period)	10 799	8 416	0	2 320 658	2 339 873

Consolidated Financial Report for the 1st half of 2025

Cash flow account for the period 01.01.2024-30.06.2024

CONSOLIDATED CASH FLOW ACCOUNT	thousand x PLN	
	1st half 2025 increasingly for the period from 01-01- 2025 to 30-06-2025	1st half 2024 increasingly for the period from 01-01- 2024 to 30-06-2024
A. Cash flow from operational activity		
Profit (loss) on the activity of accounts, before tax	72 980	-24 589
Income tax paid	-9 702	-3 616
Total adjustments	-68 019	-33 844
Depreciation,	27 624	27 449
(Gains) losses due to exchange rate differences	0	0
Interest	1 802	2 203
Shares in profits (dividends)	-43 109	0
Adjustments for losses (gains) on the sale of fixed assets	3	601
Adjustments for provisions	-4 450	779
Adjustments for the decrease (increase) in the value of inventories	-47 165	-4 855
Adjustments due to the increase (decrease) due to receivables	-87 695	-135 520
Adjustments for the increase (decrease) in the value of other liabilities related to operating activities	71 205	81 138
Other adjustments made to reconcile profit (loss)	9 413	-4 526
Adjustments due to deferred tax expense	4 353	-1 113
Net cash flow from operating activities	-4 741	-62 049
Sale of intangible assets and tangible fixed assets	1	157
Sale of financial assets	0	0
Dividends received classified as investing activities	0	0
Repayment of long-term loans granted	1 200	1 200
Cash inflow from interest received classified as investing activity	387	475
Purchase of intangible assets and tangible fixed assets	-91 851	-17 757
Loans granted	0	0
Acquisition of financial assets	-1 185	-485
Other investment inflows and outflows	0	0
Net cash flow from investment activities	-91 448	-16 410
Proceeds from loans classified as financial activities	0	0
Other financial inflows / outflows	-980	-198
Paid dividends classified as financial activities	0	0
Repayment of credits and loans	0	0
Payment of lease liabilities, classified as financial activity	-56	-51

Consolidated Financial Report for the 1st half of 2025

Interest paid, classified as financial activity	-2 189	-2 678
Purchase of own shares	-919	0
Net cash flow from financial activities	-4 144	-2 927
Net cash flow (before currency effects)	-100 333	-81 386
The effects of changes in exchange rates on cash and cash equivalents		0
Increase (decrease) in cash and cash equivalents	-100 333	-81 386
Cash and cash equivalents at the beginning of the period	713 219	784 041
Cash and cash equivalents at the end of the period	612 886	702 655
Restricted cash and cash equivalents	6 018	6 105

Introductory Information - The basic data

Apart from the Parent Company, the Stalprodukt S.A. Capital Group embraces 8 entities which constitute subsidiary companies. As of 30.06.2025, Stalprodukt S.A. held 100% shares in its subsidiary companies except for Zakłady Górniczo-Hutnicze „Bolesław” S.A., where it holds 94.99% of shares.

Stalprodukt S.A., as the parent company in the group, sets directions for the activities and development of subsidiaries established as part of restructuring and taken over to expand production, trade and service activities.

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

- production of electrical transformer sheets – parent company Stalprodukt S.A., GO Steel a.s.
- production of cold formed profiles, road safety barriers as well as cut-to-length cold- and hot-rolled sheets and strips – parent company Stalprodukt S.A.,
- production of zinc and lead and recycling of zinc-bearing waste – ZGH “Bolesław” S.A. along with its subsidiary companies:
 - Huta Cynku “Miasteczko Śląskie” S.A. (Zinc Smelter) – 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. – mining of zinc ores and zinc 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 lightning conductors and wire, as well as galvanized 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.,
 - electricity storage – STPower Sp. z o.o. (Hotel Ferreus Sp. z o.o. company suspended until 21/03/2025, resuming operations from 22/03/2025 under a changed name and with a changed business profile to electricity storage) and ZGH OZE Sp. z o.o. Detailed explanation in point 2 Changes in the structure of the Issuer and the Capital Group.

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

- 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. On 23 December 2024, the liquidation process was completed and the relevant documents were submitted to the National Court Register in order to delete Anew Institute Sp. z o.o. On 27.01.2025, the Company was deleted from the National Court Register. As a result of the liquidation of Anew Institute Sp. z o.o., Stalprodukt S.A. took over all assets of the Company with a total value of PLN 232 thousand by notarial deed No. 5905/2024 dated 23.12.2024. (included in the individual result of Stalprodukt S.A. in 2024).
- On 21.03.2025, Stalprodukt decided to resume the business activity of Hotel Ferreus Sp. z o.o., and then change: the company name (to STPower Sp. z o.o.), its registered office and the scope of activity. The company's core business is currently electricity storage (PKD 35.16.Z). As of 11.04.2025, these changes were entered into the National Court Register.

On 29 April 2025, a loan agreement was signed with Stalprodukt S.A. in the amount of PLN 1,185 thousand, in order to finance the development of comprehensive design documentation for the development of 4 industrial energy storage facilities with a total capacity of 40 MW and a capacity of 160 MW. On 29.04.2025, the company's Extraordinary General Meeting adopted a resolution on an increase in the share capital of STPower Sp. z o.o. from PLN 500 thousand to PLN 20,500 thousand, provided that funding is received from the National Fund for Environmental Protection and Water Management from the program called "Electricity storage facilities and related infrastructure to improve the stability of the Polish power grid". In addition, also on 29.04.2025, the Extraordinary General Meeting of Shareholders STPower Sp. z o.o. adopted a resolution on granting consent to conclude a long-term loan agreement with Stalprodukt S.A. for the amount of PLN 82,000 thousand. This agreement is also conditional in nature, and its signing is dependent on obtaining funding from the aforementioned NFOŚiGW Program. These resolutions were adopted after prior corporate consents were obtained. The financing structure results from the fact that Stalprodukt S.A. as a DSO operator cannot implement energy storage facilities.
- ZGH OZE Sp. z o.o. was established by ZGH "Bolesław" S.A. as the sole shareholder on April 15, 2025. The share capital of this company was set at PLN 50,000 and is divided into 1,000 shares. On May 15, 2025, this company was entered into the National Court Register. This company was established for the purpose of constructing energy storage facilities and then conducting business based on these facilities. The establishment of this company and the definition of its scope of activities are the result of the

Consolidated Financial Report for the 1st half of 2025

implementation of the strategy for decarbonization and improving energy efficiency by ZGH "Bolesław" S.A. By Resolution No. 1 of the Extraordinary General Meeting of Shareholders of ZGH OZE sp. z o.o. of May 16, 2025, the share capital was increased by PLN 1,450,000. All new shares were covered by a cash contribution and acquired by the Company's sole shareholder, Zakłady Górniczo-Hutnicze "Bolesław" S.A., based in Bukowno. As a result of the increase, the share capital of ZGH OZE sp. z o.o., based in Bukowno, amounts to PLN 1,500,000. In May 2025, ZGH OZE sp. z o.o. and STPower sp. z o.o. submitted applications for funding under the "Electricity Storage and Related Infrastructure to Improve the Stability of the Polish Power Grid" program, announced by the National Fund for Environmental Protection and Water Management. It is expected that after obtaining any funding and meeting the condition of own funds representing at least 15% of the eligible investment costs, the share capital of ZGH OZE sp. z o.o. will be increased to PLN 15,000,000.

Subsidiaries and other entities

In the reporting year, the Stalprodukt Capital Group embraced the following subsidiary companies and companies consolidated at the level of ZGH "Bolesław" S.A. Additionally, the Parent Company and its subsidiaries also hold shares in the entities, over which they do not hold control, joint control or over which they do not exert significant influence, as determined pursuant to IFRS 10, IFRS11 and IAS 28.

No	Name (company) of the unit, indicating its legal form	Seat	Object of the enterprise	Nature of the relation (subsidiary, interdependent unit, associate, with specification of direct and indirect relations)	The applied method of consolidation/ equity valuation method, or indication that the unit is not subject to consolidation/ equity valuation method	Date of take-over of control/ joint control/ obtaining a significant impact	Percentage of capital held	Share of the total number of votes at a general meeting	Shareholding of the parent company
1.	Stalprodukt-Wamech sp. z o.o.	Bochnia	production of spare parts and repair services	subsidiary	full consolidation	05.12.1997	100.00	100.00	100.00
2.	Stalprodukt-Zamość sp. z o.o.	Zamość	woodwork production and trade of metallurgical products	subsidiary	full consolidation	09.12.1997	100.00	100.00	100.00
3.	Stalprodukt-Ochrona sp. z o.o.	Bochnia	protection of property and persons	subsidiary	full consolidation	06.10.2000	100.00	100.00	100.00
4.	STP Elbud sp. z o.o.	Kraków	manufacture of structures and galvanizing services	subsidiary	full consolidation	01.06.2005	100.00	100.00	100.00
5.	Cynk-Mal S.A.	Legnica	hoop iron production and lightning protection wire and galvanizing services	subsidiary	full consolidation	01.10.2008	100.00	100.00	100.00

Consolidated Financial Report for the 1st half of 2025

6.	ZGH "Bolesław" SA	Bukowno	non-ferrous metals mining and zinc and lead production	subsidiary	full consolidation	31.12.2012	94.93	94.93	94.93
7.	Go Steel a.s.	Frydek-Mistek	production of electrical transformer sheets	subsidiary	full consolidation	01.03.2018	100.00	100.00	100.00
8.	Hotel Ferreus Sp. z o.o.	Kraków	hotel services	subsidiary	full consolidation	09.03.2021	100,00	100,00	100,00
9.	BOLTECH Sp. z o.o.	Bukowno	heat supplies, alterations/ repair services, production of zinc product dolomite aggregate zinc products, transport- & equipment-related services.	ZGH "Bolesław" S.A. subsidiary company	full consolidation at the level of ZGH Capital Group	01.03.2004	100.00	100,00	94.93
10.	Karo Sp. z o.o.	Bukowno	Investigative, detective and security-related activities	ZGH "Bolesław" S.A. subsidiary company	full consolidation at the level of ZGH Capital Group	01.03.2004	100.00	100.00	94.93
11.	Huta Cynku Miasteczko Śląskie S.A.	Miasteczko Śląskie	production and sales of zinc, lead and alloys of these metals	ZGH "Bolesław" S.A. subsidiary company	full consolidation at the level of ZGH Capital Group	29.09.2010	92.82	92.82	88.11
12.	Gradir Montenegro d.o.o. Niksic	Novaka Ramowa	zinc and lead mining and production of metal concentrates	ZGH "Bolesław" S.A. subsidiary company	full consolidation at the level of ZGH Capital Group	11.07.2011	99.61	99.61	94.56
13.	Polska Technika Zabezpieczeń sp. z o.o.	Warszawa	distribution of construction woodwork	Stalprodukt Zamość Sp. z o.o. subsidiary company	full consolidation	31.12.2015	96.00	97.14	93.25
14.	ZGH OZE Sp. z o.o.	Bukowno	electricity storage	subsidiary of ZGH "Bolesław" S.A.	full consolidation at the level of the ZGH capital group	15.04.2025	100	100	100
15.	StalNet Sp. z o.o.	Kraków	Internet commerce	shares held by Stalprodukt S.A./personal links	by means of equity method	31.01.2018	28.00	28.00	28.00

Related entities

No	Name (company) of the unit, indicating its legal form	Seat	Object of the enterprise	nature of the relation (subsidiary, interdependent unit, associate, with specification of direct and indirect relations)	the applied method of consolidation/ equity valuation method, or indication that the unit is not subject to consolidation/ equity valuation method	date of take-over of control/ joint control/ obtaining a significant impact	percentage of capital held	share of the total number of votes at a general meeting	shareholding of the parent company
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Consolidated Financial Report for the 1st half of 2025

1.	Stalprodukt-Profil S.A.	Bochnia	financial activity	shares held by Stalprodukt S.A./personal links	not applicable	not applicable	19.51	19.51	19.51
2.	F&R Finance Sp. z o.o.	Myślenice, Jawornik	financial activity	personal	not applicable	not applicable	0.00	0.00	0.00
3.	STP Investment S.A.	Bochnia	financial activity	significant shareholder	not applicable	not applicable	0.00	0.00	0.00
4.	FCASE Sp. z o.o. Sp. k.	Myślenice, Jawornik	producer of edible casings	significant shareholder	not applicable	not applicable	0.00	0.00	0.00
5.	FABIOS S.A.	Białka	producer of collagen casings	significant shareholder	nie dotyczy	nie dotyczy	0,00	0,00	0,00
6.	ArcelorMittal Sourcing a société en commandite par actions	Luxembor	financial activity	significant shareholder	not applicable	not applicable	0.00	0.00	0.00

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 January 2025 to 30 June 2025 with the use of the full consolidation method, considering all the Group's subsidiaries. The comparable data cover the period from 1 January 2024 to 30 June 2024 referring to the profit and loss account and the cash flow statement, the balance sheet values reflect the status as of 31 December 2024.

The Group's reporting year is equivalent to the calendar year.

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 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 25.02.2025 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 202025, item 275 as amended).

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.

Accounting Principles (Policy)

1. In the semi-annual 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 2024.
In the reporting period no important changes were introduced into the accounting principles (policy), nor any adjustments were made in respect of the fundamental errors and adopted appraised 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 2025 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 2024.

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.

Estimated values

The estimates for the first half of 2024 refer to the consolidated financial statements:

- A write-down of PLN 35,395 thousand was created for inventories, and PLN 24,887 thousand was reversed.
- A write-down of PLN 473 thousand was created for doubtful receivables, and PLN 250 thousand was reversed.

Consolidated Financial Report for the 1st half of 2025

- The deferred tax provision increased by PLN 9,275 thousand, and PLN 8,010 thousand was decreased.
- A provision for employee benefits was created in the amount of PLN 6,134 thousand, and PLN 5,569 thousand was reversed (including: a provision for retirement and disability benefits, a provision for unused vacation time, and a provision for salaries).
- A provision for energy certificates and CO₂ emission allowances was created in the amount of PLN 8,598 thousand, and PLN 8,661 thousand was reversed (in the zinc segment).
- A provision for mine and sinkhole closures was utilized in the amount of PLN 6,927,000 (in the zinc segment).
- A provision for deferred repairs was created in the amount of PLN 44,669,000 and released in the amount of PLN 44,669,000 (in the zinc segment).
- A provision for land reclamation was created in the amount of PLN 21,000 (in the zinc segment).
- Other provisions were created in the amount of PLN 8,193,000 and released in the amount of PLN 16,607,000 (including, among others: a provision for certificates and guarantees, a provision for deductions, a provision for water and sewage disposal fees, a provision for fixed costs due to downtime, and a provision for the bonus fund).
- The impairment loss on the loan granted to the subsidiary GRADIR increased by PLN 117,000 (individual report of ZGH "Bolesław" S.A.).

To bring product manufacturing costs into line with the actual figures for the second quarter of 2025, ZGH "Bolesław" S.A. reduced electricity purchase costs by PLN 17,888,000 as compensation for electricity prices. The total amount of compensation accrued for the first half of 2025 is PLN 35,776,000.

The provision for the decommissioning of the Olkusz-Pomorzany mine in the first half of 2025 was utilized in the amount of PLN 6,927,000.

The provision for the decommissioning of the Olkusz-Pomorzany mine as of June 30, 2025, amounted to PLN 112,217,000 (of which PLN 82,238,000 is a provision for damages related to flooding of forest areas). Provisions were presented in the consolidated statement of financial position of the Capital Group under the following items: long-term provision for decommissioning, reclamation, and environmental remediation costs (PLN 101,899 thousand) and short-term provision for decommissioning, reclamation, and environmental remediation costs (PLN 10,318 thousand). In addition, as of June 30, 2025, the aforementioned item: short-term provision for decommissioning, reclamation, and environmental remediation costs included a provision for 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") and a provision for land reclamation in the amount of PLN 4,406 thousand established by Gradir Montenegro d. o.o. and a provision for the reclamation of dolomite mine areas in the amount of PLN 2,000 thousand, recognized in Boltech Sp. z o. o.

The impairment loss on shares in the GRADIR subsidiary as of June 30, 2025, amounted to PLN 130,981 thousand (84.8% of the share value). In the first half of 2025, the impairment loss remained unchanged (the impairment loss is recognized in the separate financial statements of ZGH "Bolesław" S.A.). The impairment loss on the loan granted to the GRADIR subsidiary as of June 30, 2025, amounted to PLN 1,589 thousand (the impairment loss is recognized in the separate financial statements of ZGH "Bolesław" S.A.). The impairment loss on fixed assets of the GRADIR subsidiary as at 30 June 2025 amounts to PLN 12,027 thousand. In the first half of 2025, the impairment loss did not change (consolidated statements of the ZGH "Bolesław" Capital Group).

Business Segments

The segment-based reporting was based on IFRS 8 "Operating Segments". The rules governing the Stalprodukt Capital Group's division into operating segments and accounting principles applied in this kind of reporting are following:

According to IFRS 8, an operating segment forms a part of an entity:

- which organizes the business, in connection with which revenues can be obtained and costs incurred,
- the results of which are subject to regular review and assessment by the main body in the entity responsible for decision making and using these results while deciding on the allocation of resources to segments,
- for which there is separate financial information available.

IFRS 8 requires disclosure of operating segments based on internal reports used in managerial accounting.

Using the management approach to segment reporting in Stalprodukt, there are two operating segments distinguished:

- Electrical Sheets Segment DB,
- Profiles Segment DP,
- Zinc Segment.

For these segments, there is separate financial information drawn up for the Parent Company that the Management Board of the Company uses to evaluate the results of both segments for the purpose of bonus system, based on coverage margin, and for the purpose of the allocation of resources to a given segment.

Profiles segment includes the following products: cold formed profiles and tubes, road safety barriers and hot and cold rolled sheets and strips.

The segment of electrotechnical sheets includes transformer sheets and toroidal cores, as well as the sale of hydrogen. The zinc segment covers the scope of activity of ZGH "Bolesław" S.A.

Consolidated Financial Report for the 1st half of 2025

together with subsidiaries, i.e. mining of zinc-lead ores and production of zinc and lead, as well as related activities. Due to the fact that the share in the total revenues of the Capital Group has decreased, the goods segment has been combined with other activities.

Segment revenues apply only to sales to external customers. Revenues of other segments in the consolidated financial statements are excluded.

Segment costs include the own cost of sales, including the cost of sales resulting from the operations of the segment. Segment costs do not include other operating costs, which can not be directly attributed (attributed) to the segment, general overheads costs, finance costs and income tax.

Segment result (profit/loss of the segment) is the difference between revenues and costs of the segment.

Segment assets (liabilities) are operating assets (operating liabilities) used by a segment (resulting) in operating activities, which are directly attributable to the segment (intangible assets, tangible fixed assets, inventories, receivables from customers, amounts due to suppliers) or allocated to the segment based on a reasonable basis e.g. share of the segment in sales, profit (other assets and liabilities).

In the first half of 2025, there were no changes in the basis for separating segments or the measurement of segment profit/loss compared to the last annual financial statements. Revenues presented by operating segments include only revenues from external customers. There are no transactions between the 3 operating segments (electrical sheet metal segment, profile segment and zinc segment). As part of the accounting policy (principles), the item "other activities" was separated in order to balance the results of the Capital Group. The scope of "other activities" includes assembly, maintenance, security, galvanizing, etc. These services are provided by the Capital Group companies for external customers and for the needs of individual segments, which in the Issuer's opinion does not constitute transactions between operating segments. At the same time, taking into account the principles of consolidation, revenues from sales under "other activities" made to the operating segments, as realized within the Capital Group, were excluded from consolidation. The tables below present data in PLN thousands.

Information on Operating Segments for 1st half of 2025 (PLN Thousand)

Itemization the first half of 2025	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	Total Consolidated Value
Segment Revenues	523 911	287 746	1 003 408	169 071	1 984 136
Domestic	25 702	223 977	591 314	141 527	982 520
Export	498 209	63 769	412 094	27 544	1 001 616
- to EU countries	331 825	61 766	326 725	21 270	741 586

Consolidated Financial Report for the 1st half of 2025

- other exports	166 384	2 003	85 369	6 274	260 030
Segment Costs	439 882	287 667	1 021 961	150 497	1 900 007
Segment Result	84 029	79	-18 553	18 574	84 129
Other Operating and Financial Revenues Non-Attributable to the Segment					126 220
Other General, Operating and Financial Costs Non-Attributable to the Segment					224 563
Gross Profit					-14 214
Income Tax					13 995
Net Profit					-28 209
Segment Assets	1 285 862	953 999	2 153 866	594 082	4 987 809
Assets Non-Attributable to the Segment					0
Total Assets					4 987 809
Liabilities	285 454	225 984	493 293	83 257	1 087 988
Provision for decommissioning, recultivation and environmental repair costs			173 623		173 623
Total Liabilities					1 261 611
Investment Outlays	48 977	18 523	24 368	42 033	133 901
Depreciation	19 935	10 151	50 302	7 939	88 327
Creation of an inventory write-down	5 164	10 483	9 353	10 395	35 395
Inventory write-down solution	1 734	10 489	4 859	7 805	24 887

The largest sales in the first half of 2025 were to Germany, representing 7.25% of the Group's sales (14.36% share in export sales), and to Italy, representing 6.01% of the Group's sales (11.9% share in export sales). Additionally, one customer's sales exceeded a 10% share of the Group's sales. Total revenue from this customer amounted to PLN 217,221,000. Sales primarily related to the zinc segment and other operations.

Information on Operating Segments for 1st half of 2024 (PLN Thousand)

Itemization the first half of 2025	Electrical Sheets Segment	Profiles Segment	Zinc Segment	Other Activities	Total Consolidated Value
Segment Revenues	456 062	266 095	1 011 145	137 907	1 871 209
Domestic	23 091	188 103	542 331	108 357	861 882
Export	432 971	77 992	468 814	29 550	1 009 327
- to EU countries	344 337	76 259	420 511	26 307	867 414
- other exports	88 634	1 733	48 303	3 243	141 913
Segment Costs	473 647	266 433	952 635	126 277	1 818 992
Segment Result	-17 585	-338	58 510	11 630	52 217

Consolidated Financial Report for the 1st half of 2025

Other Operating and Financial Revenues Non-Attributable to the Segment					141 103
Other General, Operating and Financial Costs Non-Attributable to the Segment					204 996
Gross Profit					-11 676
Income Tax					7 705
Net Profit					-19 381
Segment Assets	1 174 302	909 015	2 214 524	679 675	4 977 516
Assets Non-Attributable to the Segment					0
Total Assets					4 977 516
Liabilities	238 846	189 086	491 597	69 663	989 192
Provision for decommissioning, recultivation and environmental repair costs			180 315		180 315
Total Liabilities					1 169 507
Investment Outlays	3 711	2 738	28 024	13 087	47 560
Depreciation	20 572	10 097	52 091	8 815	91 575
Creation of an inventory write-down	1 806	11 226	4 604	6 601	24 237
Inventory write-down solution	8 517	13 609	6 482	2 724	31 332

The largest sales were made in the first half of 2024 to Germany and accounted for 10.88% of the Group's sales (20.17% share in sales in exports) and Italy and accounted for 10.43% of the Group's sales (19.33% share in sales in export). In addition, in the case of one customer, sales exceeded 10% of the share in the sales of the Capital Group. The total value of revenues from this client is PLN 233,912 thousand. Sales mainly concerned the zinc segment and other activities.

Assessment of obtained results and financial situation

In the first half of 2025, compared to the same period in 2024, the Stalprodukt S.A. Capital Group achieved sales revenues higher by PLN 112,927 thousand, or 6.0%. Gross profit on sales reached PLN 126,896 thousand, compared to PLN 91,884 thousand in the first half of 2024, representing a 38.1% increase. Operating profit, however, was a loss of PLN 19,467 thousand, compared to PLN 30,079 thousand in the first half of 2024. Net loss in the first half of 2025 amounted to PLN 28,209 thousand. With the exception of the Zinc Segment, the other segments recorded positive results in the first half of 2025.

The Electrical Sheets Segment recorded transformer sheet sales volumes at a similar level compared to the first half of 2024. The difference was only 0.5%, favoring 2025. At the same time, revenues increased by PLN 67,849,000, or 14.9%, driven by significantly higher average prices for the segment's products. As a result, the segment recorded a positive result of PLN 84,029,000 compared to the first half of 2024. This improvement was observed both at the Transformer Sheets Department in Bochnia and at the subsidiary GO Steel a.s.

The Issuer emphasizes that the positive price correction occurred despite the persistently aggressive trade policies of Asian competitors, particularly from China, who continue to offer their products at very low prices in European and global markets. Chinese producers are increasing exports to the EU, which, according to EU import data, increased by almost 100% in the first half of 2025 compared to the comparative period. The Issuer believes this will negatively impact sales volumes and prices in the second half of the year.

The prices offered by Chinese suppliers for conventional and HiB sheets are dangerously close to the MIP (minimal import prices) specified in the European Commission's implementing regulation, described later in this report. Minimum import prices were established in 2015 and have not changed since then, despite completely different market conditions, particularly those related to rising energy and gas prices and the ETS (European Trade Union) (ETS) price level for CO₂ emission certificates.

These unfavorable conditions are worsening the competitiveness of European production. Additional factors negatively impacting the situation include:

- the constantly growing excess production capacity of Chinese transformer sheet metal producers,
- the Chinese government's policy focused on export-oriented producers (in the face of a weaker domestic market),
- the 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,
- the asymmetry of the protective policy between the EU market and China consisting of export duties to the Chinese market for EU producers at 46.3% and the minimum import price (for the lowest grades) at EUR 1,536/t (and duty in the case of the difference between the minimum price and the price of the imported product),
- taking into account the above and the significantly higher production costs of EU producers, the EU policy currently lacks actual market protection.

In the first half of 2025, the share of HiB-grade sheets at the Bochnia plant was 28% of production volume. Throughout the period, the segment maintained the organizational, production, and financial capacity to conduct operational activities, both at the Bochnia plant and in Frydek-Mistek. A contract for the supply of an inductor for induction heating of sheets in line B1 is being implemented at the Bochnia plant. This investment is aimed at further improving quality, particularly for HiB-grade sheets.

The Issuer notes a slight improvement in pricing terms in contracts concluded for the first half of 2025, but also highlights the risk of deterioration in terms in the second half of 2025, caused by a significant increase in imports from China and the level of supply of this material to its customers based on contracts concluded in the second half of the year. Therefore, optimization efforts and processes are underway at both plants owned by the Issuer to adapt production to market conditions and reduce production and operating costs in the segment.

If the scenario resulting in a significant decline in sheet metal production profitability in 2025 is realized as previously forecasted, the Management Board assumes the need to implement

a restructuring program to reduce operating costs at the plants in Bochnia and the Czech Republic.

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

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

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

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

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

According to Axel Eggert, CEO of EUROFER: "The EU's energy security and climate goals can only be achieved by maintaining a viable European GOES industry." He also added that GOES is a strategic top-shelf product, and the European Union cannot be dependent on foreign steel mills located in Asia, Russia or the United States in terms of supplies.

The Profiles Segment recorded a 21.3% increase in sales volume compared to the first half of 2024. As a result, the segment's sales revenue increased by PLN 21,651,000, or 8.1%. Thanks to both increased orders and lower costs, the segment recorded a positive result despite a significant price decline compared to the first half of 2024. The fact that the segment achieved a positive result of PLN 6,307,000 in the second quarter is also significant for assessing the segment's results.

The main factors contributing to the improved segment result were increased sales and the diversification of feedstock supply sources. The first half of the year saw a significant increase in road barrier sales volume compared to the first half of 2024, both domestically and export-wise. The volume increase was 72%.

At the same time, the Issuer is continuously optimizing its current asset management. The goal is to further improve results by increasing sales of the segment's products, including through the introduction of new products, as exemplified by the development and implementation of panel bases for photovoltaic farms.

The Issuer reports that it is successfully using base systems developed, manufactured, and installed by entities within its capital group in an investment related to the construction of its own photovoltaic farm. The company has also begun offering systems to external clients.

The Issuer does not expect a significant improvement in the coming quarters due to the difficult macroeconomic situation in the industries in which its clients operate.

Consolidated Financial Report for the 1st half of 2025

In the first half of 2025, **the Zinc Segment's** net revenue amounted to PLN 1,003,408 thousand, a 0.8% decrease compared to the same period of the previous year, when sales amounted to PLN 1,011,145 thousand. At the same time, unlike in the first half of 2024, the Segment recorded a loss of PLN 18,553 thousand.

When analyzing the dynamics of the profit and loss account, which allows us to determine the direction and intensity of changes in factors influencing the current year's results, it is important to note:

- a 1% increase in the Polish złoty price of zinc in H1 2025, from PLN 10,519/t (in H1 2024) to PLN 10,648/t (in H1 2025);
- a 17% decrease in the premium on sales of zinc and galvanizing alloys at ZGH from USD 270/t (in H1 2024) to USD 223/t (in H1 2025);
- consumption of 38,216 MWh of electricity generated in a cogeneration plant at ZGH "Bolesław";
- a year-on-year decrease in unit prices of energy sources and changes in their consumption structure (energy, electricity, gas);
- realignment of product manufacturing costs at ZGH "Bolesław" S.A. In the first half of 2025, the Company reduced its electricity purchase costs due to compensation for electricity prices by PLN 35,775.8 thousand (compared to PLN 48,387.5 thousand in the first half of 2024).
- the excess of negative exchange rate differences over positive exchange rate differences in financial costs amounted to PLN 11,704.3 thousand at ZGH and PLN 4,815.4 thousand at HCM in the consolidated financial statements.

SALE OF THE ZGH GROUP

- sales of zinc in the first half of 2025 amounted to 72.5 thousand tons and was lower by 2.6 thous. tones (- 3%) compared to sales recorded in the first half of 2024,
- silver (Dore metal) sales for the first half of 2025 amounted to 9,073 kilograms and were higher by 0,195 kilograms (+2%) compared to sales recorded for the first half of 2024,
- sales of refined lead in the first half of 2025 amounted to 3.9 thousand tons and was lower by 1.366 thous. tones (- 26%) compared to the same period in 2024.

SMELTERS' PRODUCTION

- **zinc production** in the first half of 2025 amounted to 72.7 thousand tons and was lower by 3.9 tons (-5,1%) compared to the 1st half of 2024.
- **production of refined lead** in the first half of 2025 amounted to 4.2 thousand tons and was lower by 3.6 thousand tons (46,0%) compared to the 1st half of 2024.
- **silver production** (Dore metal) in the first half of 2025 amounted to 8.388 tons and was at a comparable level year on year.

ZGH "Bolesław" S.A. produces concentrates based on zinc-bearing waste. The production volume of these concentrates for the 6 months of 2025 amounted to 41.2 thousand tons of dry weight, and in the comparable period of the previous year it was 37.9 thousand tons. These concentrates constitute the feedstock for both zinc smelters.

MACRO ENVIRONMENT

The dollar's weakening continues in global markets, which translates into the strength of the Polish złoty. On July 1st, the dollar was trading below PLN 3.60, the lowest exchange rate for the American currency paired with the Polish złoty in four years.

Forecasts for the next 1-3 months are mixed—from dollar weakening (PLN 3.45) to a slight strengthening (PLN 3.75). In the longer term, most forecasts point to an exchange rate between PLN 3.50 and PLN 3.90, depending on further changes in interest rates and global sentiment.

On the last day of June, the dollar (USD) was valued at PLN 3.6164, while the euro (EUR) was trading at PLN 4.2419.

The highest price per tons of zinc (LME zinc cash-settlement) on the London Metal Exchange during the period January 1st - June 30th, 2025, was USD 2,966 (March 14th), and the lowest was USD 2,521 (April 17th). At the end of June 2025, zinc inventories in warehouses registered on the LME totaled 117,000 tons.

As of the last day of June, the price of the metal used for galvanizing steel was USD 2,764 per tonne, a USD 202 drop from the maximum price.

Converted into PLN, the average annual zinc price was PLN 10,648/tons, 1% higher than in the same period in 2024, when it reached PLN 10,519/tons.

Converted to PLN, the average annual lead price was PLN 7,318/t, which was 15% lower than in the same period of 2024, when it reached PLN 8,654/t.

Converted to PLN, the average annual silver price was PLN 4,070/kg, which was 10% higher than in the same period of 2024, when it reached PLN 3,701/kg.

SITUATION ON THE ZN CONCENTRATE MARKET

Sulphide concentrates

ZGH "Bolesław" has contracted approximately 108,000 tons of zinc concentrates for 2025, 27% of which are covered by benchmark conditions. The benchmark for zinc concentrates for 2025 has been set at a historically low level of USD 80/t.

The TC value for most spot contracts concluded in March of this year ranged between USD 15-35/t, the highest value since April 2024.

In November 2024, the TC was negative, ranging from -USD 40/t to -USD 60/t.

Currently, the spot TC is only approximately USD 20/t lower than the benchmark for 2025, the smallest difference since 2019. Only in 2009 was the spot TC higher than the benchmark TC. Spot contracts in June were concluded at a TC level of USD 50-70/t CIF China, and in May at USD 50-60/t.

The current increase in TC is related to the increased availability of concentrates, due to increased production on the one hand, and constraints in smelting production on the other.

Oxide Concentrates

In the second quarter of 2025, 28,142 tons of dust (7,980 tons of Zn) were imported, compared to 27,535 tons (7,718 tons of Zn) in the first quarter.

Consolidated Financial Report for the 1st half of 2025

ENERGY FACTOR MARKET

In June 2025, the volume-weighted average price on the Day-Ahead Market was PLN 350.58/MWh, which is a decrease of PLN 65.70/MWh compared to May of this year. On RTPE, the weighted average price of the annual contract with baseload delivery in 2026 (BASE_Y-26) was PLN 419.47/MWh in June 2025, which is a PLN 6.72/MWh increase compared to the same price of this contract in the previous month. Weekdays in June 2025 cost on average PLN 370/MWh, Saturdays slightly over PLN 340/MWh, and Sundays slightly over PLN 251/MWh.

The most expensive hour (21st) on June 2nd cost PLN 1,911.70/MWh, while at 15th on June 19th it was negative and amounted to PLN 500/MWh.

Gas (stock exchange data)

Gas prices rose for most of June, directly related to geopolitical tensions in the Middle East, particularly concerns about an escalation of the conflict between Iran and Israel. Prices rose from around €35/MWh to €42/MWh, primarily due to market speculation about the possible closure of the Strait of Hormuz—a key energy transport route. Fortunately, this scenario proved unlikely, and the political situation quickly stabilized, leading to an equally dynamic downward price correction.

FACTORS AFFECTING THE SEGMENT'S RESULTS.

Main factors influencing the results achieved by the Segment:

- demand and amount of zinc premium in Europe,
- TC level for zinc concentrates,
- formation of zinc prices,
- further strengthening of the Polish złoty,
- formation of electricity, coke and gas prices,
- prices of CO₂ emission allowances.

NET SALES FROM CONTRACTS WITH CUSTOMERS	in PLN thousand		
	1st half of 2025	1st half of 2024	1st half of 2023
Revenues: Transformer Sheet Segment	523 911	456 062	861 529
Opening and closing balance			
1. receivables	162 306	116 799	168 844
2. assets under contracts			
3. contract liabilities			
4. revenues recognised in the reporting period concerning liabilities			
Revenues: Profile Segment	287 746	266 095	369 496
Opening and closing balance			
1. receivables	83 327	74 226	78 113

Consolidated Financial Report for the 1st half of 2025

2. assets under contracts			
3. contract liabilities			
4. revenues recognised in the reporting period concerning liabilities			
Revenues: Zinc Segment	1 003 408	1 011 145	1 145 983
Opening and closing balance			
1. receivables	223 458	250 455	210 639
2. assets under contracts			
3. contract liabilities			
4. revenues recognised in the reporting period concerning liabilities			

Financial instruments and risk management assessment

Characteristics of financial instruments and rules for their valuation

Under IFRS 9 a Financial Instrument is any contract that gives rise to a financial asset in one entity and a financial liability or an equity instrument in another. Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised from the accounting books when the rights to receive cash flows from financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

The main financial instruments used by the Group include bank credits and short-term deposits, as well as derivative instruments recognized in accordance with the hedging policy. The main purpose of these instruments is to raise funds for business activities and to hedge cash flows. The companies also have other financial instruments, such as cash, trade payables that arise directly in the course of their operations and long-term loans. In addition, the Companies hold shares in other entities, which constitute long-term investments.

Financial instruments at the time of entry into accounting books are measured at a cost (purchase price), which is the fair value of the payment made. Transaction costs directly attributable to the transaction are recognized at the initial cost of the financial instruments.

After initial recognition at fair value, financial instruments are classified into one out of three categories and measured as follows:

- 1) financial instruments measured at amortised cost,
- 2) financial instruments measured at fair value, and revaluation gains/losses are recognized in profit or loss.
- 3) financial instruments valued at the fair value through financial result.

Re 1) Financial instruments measured at amortised cost using the effective interest rate method to calculate interest. These instruments are held to maturity and include investments with fixed or determinable payments and fixed maturity that the company intends and has the ability to hold to maturity (receivables, loans). Impairment losses are recognised in accordance with the accounting policy and presented in a note to the financial statements.

Trade credit risk is mitigated by actions related to the selection of counterparties with good creditworthiness, setting credit limits for them, payment hedging policy and their ongoing

monitoring in accordance with the applicable procedures. Therefore, the exposure of the Capital Group companies to the risk of bad debts is insignificant. Credit risk should be properly assessed by making appropriate bad debt provisions in the books.

The Company and entities from the capital group classify customers into risk groups on the basis of the adopted classification, based on the adopted methods of division into risk groups. Groups determine the level of risk from low (group 10) to the highest (group 0). Write-offs on items measured at amortised cost are determined on the basis of historical data according to the division into groups, grouped probability of credit risk and past customer behaviour.

Re 2) Financial instruments measured at fair value, and revaluation gains/losses are recognized in profit or loss. The method of valuation is applied in the case of financial assets whose cash flows constitute only payments from capital and interest, are maintained in order to collect contractual cash flows and for the purpose of sale, and which are measured at fair value. Interest income on such financial assets is calculated using the effective interest rate method. Impairment losses are recognised in accordance with the adopted accounting principles.

Re 3) Financial assets valued at the fair value by financial result. Assets that do not meet the criteria to be measured at amortised cost (item 1) and at fair value by other income (item 2) are measured by profit or loss. Gains or losses on fair value measurement of investments are recognized in profit or loss. These include trade receivables subject to factoring for liquidity management purposes when the terms of a factoring contract result in the discontinuation of the recognition of receivables or loans that do not meet the SPPI test.

A financial instrument is derecognised from the balance sheet when the entity loses control over the contractual rights constituting the financial instrument; this is usually the case when the instrument is sold or when all cash flows attributable to the instrument are transferred to an independent third party.

As at each balance sheet date, the Company assesses whether there are objective premises for impairment of a given component of financial assets or a group of financial assets. Such indications include, but are not limited to, serious financial difficulties of the debtor, the disappearance of an active market for a given financial instrument, adverse changes in the economic, legal and market environment of the issuer of a financial instrument, and persistence of a significant decline in the fair value of the instrument. When such evidence exists, the impairment loss should be estimated and an impairment loss should be recognized.

Derivative financial instruments are initially recognized in the books at cost and then measured at fair value. Changes in the fair value of derivative financial instruments are recognized immediately in the statement of total income, as the Parent Company does not use instruments that would qualify as hedge accounting. The Group companies, on the other hand, due to the specific nature and nature of their business model use hedge accounting.

The financial instruments used by the Parent Company are forward currency contracts related to sales and purchase contracts. The Company also occasionally uses forward currency contracts and currency options to protect against currency risk. Fair value of derivatives traded on

Consolidated Financial Report for the 1st half of 2025

regulated markets and securities available for sale is determined on the basis of quoted market prices as at the balance sheet date.

In order to estimate the fair value of derivatives whose prices are not quoted on regulated markets and other financial instruments, the Companies apply various methods and assumptions based on market conditions prevailing at each balance sheet date. Normally, market quotes or dealers' quotes are used for specific or similar instruments. Other techniques, such as option pricing models or the discounted value of future estimated cash flows, are used to determine the fair value of other instruments.

The main types of risk arising from financial instruments are interest rate risk, liquidity risk, credit risk and currency risk.

As regards foreign currency receivables and liabilities, the Parent Company uses hedging against natural currency risk, as sales in particular currencies are offset by purchases, any open position (short or long) closes within two to three weeks and its value is insignificant in relation to total turnover. Given the stable financial situation and the predominance of financing with own funds and trade liabilities, the liquidity risk is low. The Company's objective is to maintain a balance between continuity and flexibility of financing by the selection and use of various sources of financing.

Item	Category acc. to IFRS 9	30.06.2025	31.12.2024	30.06.2024
<i>Shares and stocks</i>	<i>fair value through financial result</i>	125	125	125
Trade receivables (net)	<i>amortised cost</i>	543 250	485 596	615 801
<i>Other receivables (without public-law)</i>	<i>amortised cost</i>	11 768	8 989	13 392
<i>Loans given</i>	<i>amortised cost</i>	0	0	0
<i>Securities</i>	<i>fair value</i>	23 669	23 149	34 546
<i>Including: Treasury bonds</i>		0	0	0
<i>Corporate bonds</i>		9 897	9 881	19 869
<i>Investment fund shares</i>		13 772	13 268	14 677
<i>Cash and cash equivalents</i>	<i>fair value through financial result</i>	971 445	1 112 871	997 741
Total financial assets		1 550 257	1 630 730	1 661 605
<i>Trade liabilities</i>	<i>amortised cost</i>	457 644	434 096	402 402
<i>Credits and loans</i>	<i>amortised cost</i>	18 851	9 001	4 815
Total financial liabilities		476 495	443 097	407 217

Classification of financial instruments using the fair value hierarchy

The fair value hierarchy of financial instruments is comprised of the following levels: Level 1 - quoted prices in an active market for identical assets or liabilities, Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. based on prices), Level 3 - inputs for the asset or liability that are

not based on observable market data (unobservable inputs). Under this classification, 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 and corporate bonds.

The purpose and policy of risk management and measurement methods.

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

The main assumption of the ZGH "Bolesław" S.A. strategy with respect to hedging is to reduce the sensitivity of revenues to a decrease in the price of zinc, lead and silver and the USD exchange rate. The smaller the level of security for the Company's exposure, the more sensitive it is to price drops. The lack of hedge results in full discovery of the change in the exchange price of zinc, lead, silver and the exchange rate of the dollar, and in the event of a drop in the price to the level below the break-even point, significant losses, difficult to cover from any funds, especially in the period of longer maintenance of the low price level.

The strategy of ZGH "Bolesław" S.A. is based on the use of financial instruments offered by banks and allowing to hedge prices on the commodity market and exchange rate on the currency market. ZGH "Bolesław" S.A. uses hedging consisting in the transfer of risk through the use of short hedge method, which provides protection against the drop of metal prices and USD exchange rate. The derivatives used differ according to the type of market risk being hedged.

The main risks associated with the operations of the Capital Group companies are as follows:

- a) credit and contractual risk,
- b) liquidity risk,
- c) market risk, including:
 - interest rate risk,
 - currency risk.

Credit and contractual risk

The credit risk in the Company is limited by the current examination of the creditworthiness of the counterparties, by accepting appropriate collaterals (bank guarantees, letters of credit, bills of exchange, sureties) and by constant monitoring of overdue receivables. For the purpose of ongoing control, the sales and finance departments are required to apply the rules set forth in the credit and debt recovery procedures. These procedures determine the selection of counterparties, setting credit limits and the procedure in case of overdue receivables.

Consolidated Financial Report for the 1st half of 2025

As part of the classification test for the purposes of IFRS 9, in order to calculate expected credit losses (ECL) and forecast the amount of impairment losses on receivables, the Company uses i.a. the following parameters:

- Counterparty Rating - it is subject to verification in terms of the availability of a rating published by an external rating agency.
- Curve of cumulative PD parameters (probability of default parameter used for the calculation of expected credit loss) for a given borrower, determined on the basis of market curves of Credit Default Swap (CDS) contracts obtained from Reuters, which quantify market expectations regarding the potential possibility of default for a given rating

In accordance with the adopted classification criteria, based on the Fitch Ratings rating, the client is classified into one of the three risk groups as in the table below:

Risk group	Rating	Risk level
I	AAA	low
	AA+	
	AA	
	AA-	
	A+	
	A	
	A-	
II	BBB+	average
	BBB	
	BBB-	
	BB+	
	BB	
	BB-	
	B+	
	B	
	B-	
III	CCC+	high
	CCC	
	CCC-	
	CC	
	C	
	D	

Group's share in sales revenues of operating segments in the 1 st half of 2025					
Segment	Group I	Group II	Group III	Others	Total
Electrotechnical sheets	67%	33%	0%	0%	100%
Profiles	98%	2%	0%	0%	100%
Zinc	100%	0%	0%	0%	100%

Consolidated Financial Report for the 1st half of 2025

Due to the consistent credit risk management policy, the predominant share in the balance of receivables and sales of low risk groups I and II, maintaining a high level of collateral for the granted limits, the amount of the expected credit loss based on the above assumptions is PLN 574 thousand and is immaterial in relation to the scale of the business. The amount exposed to risk is equal to the balance sheet value of short-term receivables increased by the issued guarantees and sureties, fair value of derivative instruments transactions and adjusted by accepted hedges (only in the form of bank guarantees of payments and letters of credit), as well as receivables from related companies. This amount amounts to PLN 536,627 thousand. It should be noted that the average value of the overdue receivables ratio for the parent company (excluding subsidiaries) for 6 months 2025 (calculated as the ratio of overdue receivables to the total balance of trade receivables) for the Company amounts to 6,2%.

The table below presents all the collateral adopted in connection with the credit risk management policy pursued.

THE HEDGINGS ADOPTED			thousand x USD/EUR/PLN					
			30.06.2025			30.06.2024		
No.	Hedging type	Risk type	Amount	Currency	PLN	Amount	Currency	PLN
1	Bank guarantees and letters of credit	credit /contractual	690	PLN	690	1 690	PLN	1 690
2	Bank guarantees and letters of credit	credit /contractual	9 450	EUR	40 086	9 830	EUR	42 397
3	Bank guarantees and letters of credit	credit/contractual	1 637	USD	5 920	0	USD	0
4	Sureties	credit/contractual	0	PLN	0	0	PLN	0
5	Sureties	credit/contractual	18 900	EUR	80 172	20 300	EUR	87 554
6	Sureties	credit/contractual	2 000	USD	7 233	0	USD	0
7	Pledges and mortgages	credit/contractual	11 528	PLN	11 528	11 528	PLN	11 528
8	Pledges and mortgages	credit/contractual	38 560	PLN	38 560	36 710	PLN	36 710
	Total value of securities in PLN				184 189			179 879

It should be stated that the majority of recipients of Capital Group companies are clients with whom there has been a continuous cooperation for many years. At present, the companies do not have any restructured receivables, i.e. receivables towards the customers with whom it has agreed to postpone payment. Taking into consideration the above, the credit quality of the trading book should be described as good.

Contractual risk arises when a contract for the sale of goods under specified delivery conditions is concluded with the customer, which results in a liability on the part of the supplier towards the counterparty to release a given batch of goods, but, at the same time, to fulfil this liability the supplier must commence the production before full payment is made. The resulting

situation is followed by the risk being borne by the supplier that the finished goods will not be collected by the counterparty.

The contractual risk occurs in the Companies generally only in the case of accepting orders for non-standard products and is assessed by the person accepting the order. It is limited by accepting appropriate securities, either by accepting partial or full prepayment for the ordered goods, before commencing production.

Liquidity risk

Liquidity risk management refers to the control over financial flows and securing external funding opportunities, in particular: receivables collection and security in the form of credit lines.

In the current financial standing of the Parent Company, with a clear advantage of financing with own funds, liquidity risk is minimized at wide range. However, keeping in mind the substantial capital expenditures, with the aim of protection, the Parent Company maintains granted limits on working capital loans, based on agreements reached with cooperating banks. All credit lines which were described in a detailed fashion in the last consolidated financial report for 2024 are active and are extended by banks within relevant time limits.

Market Risk

Exchange Rates Risk

The exchange rate risk can be defined as the unfavourable impact of exchange rates on the Group's results. The following balance sheet positions are exposed to this kind of risk: granted loans, cash deposits and interest-bearing external financing sources.

The decrease of interest rates will result in the decrease of revenue from the interest on the granted loans and free cash flow. This will be accompanied by the reduction of costs related to external financing. The increase of interest rates will stimulate the increase of proceeds from the granted loans and free cash flow. This will be accompanied by the increase of costs related to external financing.

Both the loans, cash and the investment credit are based on variable interest rate (WIBOR, WIBID).

Currency Risk

EUR is the main currency used both in the exports and intra-community transactions. Considering the risk from EUR/PLN currency fluctuations, the Parent Company uses natural hedging as its sales from individual periods are balanced by the purchases expressed or denominated in EUR. Additionally, the currency position is being constantly monitored. It happens that during a 2-3-week period it is open (short or long), however, its value is insignificant in relation to the turnover.

USD is another currency in which settlements are made. The currency position is being constantly monitored.

The Capital Group currently has no open currency risk hedging relationships.

Risk from Changing Raw Material Prices

As of June 30, 2025, due to the update of the hedging policy, the subsidiary ZGH "Bolesław" S.A. did not have any concluded contracts for the sale of raw materials.

ZGH "Bolesław" S.A. and its Subsidiaries' Exposure to Market Risks

The GK Bolesław's exposure to market risks in 2025 is as follows:

- Zinc - approx. 72 500 tons
- Lead - approx. 7 800 tons
- Silver - approx. 495 000 Ozs
- Currency - approx. USD 248 000 000

Currency exposure is closely connected with the price levels of metals (original exposure) and may be subject to fluctuations in case of their changes. Apart from the metal prices, currency exposure contains premiums achieved on the market when selling zinc, zinc alloys, and lead. The above mentioned exposures are based on budget estimations for 2025, i.e. \$3000 LME Zn, \$2000 LME Pb, \$30/ozs LBM, usd/PLN 4.00.

Security accounting,

The Parent Company does not keep security accounting. The balance sheet values of particular financial instruments should be considered fair because their valuation carried out by amortized cost (amortized purchase price), using the effective valuation method, showed insignificant differences.

Whereas considering the nature of the pursued activities, the subsidiary company ZGH "Bolesław" S.A. applies hedge accounting based on the internal procedures prepared in compliance with the International Accounting Standards. The risk management policy is based on the decisions issued by the Risk Committee. The details are defined in the ZGH "Bolesław" S.A.'s Hedging Policy, approved by the Management Board with the Resolution 2/2011 dated 14 January 2011. In order to hedge itself against metal price fluctuations, the Company concludes swap transactions, options or option strategies and forward contracts. The market risk management details are clearly defined in the risk management procedure. The Financial Division is divided into two main blocks, i.e. the Front Office with its executive unit – Risk Management Department, supervising officer – Financial Director and the Back Office with its executive unit – Hedge Accounting Department with Chief Accountant as a supervising officer.

Historical prices and the related volatility of the electricity and gas 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.

Consolidated Financial Report for the 1st half of 2025

Explanations Referring to Balance Sheet Items Related to Derivative Instruments

Explanation Referring to the Item: Other long- and Short-Term Investments	PLN thousand	
	30.06.2025	30.06.2024
Long-Term investments	0	0
Short-Term Investments	23 669	34 752
TOTAL, including:	23 669	34 752
a) valuation of derivative transactions	0	163
b) securities	23 669	34 546
c) other receivables from instruments	0	43

Explanation to Item: Liabilities pertaining to hedging instruments	PLN thousand	
	30.06.2025	30.06.2024
- contracts for Hedging Transactions	0	0
- conclusion of financial transactions, due to exchange rate differences from settled transactions and correction of settlements with brokers	0	126
- adjustment pertaining to the amount resulting from the closed transactions settlements with brokers	0	0
TOTAL	0	126

Valuation of Derivative Transactions	PLN thousand			
	30.06.2025		30.06.2024	
	Financial Assets	Financial Liabilities (Payables)	Financial Assets	Financial Liabilities (Payables)
Commodity Transactions - Zinc	0	0	0	31
Commodity Transactions - Lead	0	0	0	0
Currency Transactions - USD/PLN EUR/PLN	0	0	163	49
Commodity Transactions- Silver	0	0	0	0
Amounts due from the Bank for closed but unsettled transactions	0	0	43	46
Total	0	0	206	126

Division of Hedging Instruments	PLN thousand			
	30.06.2025		30.06.2024	
	Financial Assets	Financial Liabilities (Payables)	Financial Assets	Financial Liabilities (Payables)
Hedging Instruments	0	0	163	49
Commodity Transactions - zinc	0	0	0	0
Commodity Transactions - lead	0	0	0	0
Currency Transactions - USD/PLN, EUR/PLN	0	0	163	49
Commodity Transactions - Silver	0	0	0	0
Trade Instruments	0	0	43	77
Commodity Transactions- zinc	0	0	0	31
Commodity Transactions - lead	0	0	0	0
Currency Transactions - USD/PLN, EUR/PLN	0	0	0	0
Commodity Transactions - silver	0	0	0	0
other receivables from instruments	0	0	43	46
Total	0	0	206	126

Consolidated Financial Report for the 1st half of 2025

Presentation of realized derivative instruments in the financial statements.

Derivative Transactions Presented in the Profit and Loss Account:	PLN thousand	
	30.06.2025	30.06.2024
Sales of Products Adjustment	0	110
Sales of Goods Adjustments	0	0
Revaluation of Investments	-213	0
Gains/Loss on Sale of Investments	4 411	0
Total	4 198	110

Cash Result from Reconciliation of Derivative Instruments:	PLN thousand	
	30.06.2025	30.06.2024
Commodity Transactions	4 611	2 006
Currency Transactions	142	39
Total	4 753	2 045

Sales of Products Adjustment Related to Application of Hedging Instruments:	PLN thousand	
	30.06.2025	30.06.2024
Sales Increase	0	323
Sales Decrease	0	-213
TOTAL	0	110

Status of Capital from Revaluation Related to Application of Hedge Accounting (excluding Deferred Tax)	PLN thousand	
	30.06.2025	30.06.2024
Valuation of Open Hedging Instruments:	0	114
- Zn	0	0
- Pb	0	0
- USD/PLN	0	114
- Ag	0	0
- EUR/PLN	0	0
Result from the Application of Hedging Instruments Capital-Retained until the Realization of the Hedged Item:	0	0
- Zn	0	0
- Pb	0	0
- USD/PLN	0	0
TOTAL	0	114

The result from the valuation of hedging instruments in the part considered as effective hedging is transferred to the revaluation reserve. In the case of Asian options designated for hedging, changes in time value are recognized as financial costs or income. The result from the valuation of commercial instruments is recognized in financial costs or income. The result from the implementation of hedging instruments adjusts the hedged item (sales revenues). The result from the implementation of commercial instruments is recognized as financial costs or income.

Consolidated Financial Report for the 1st half of 2025

Securities

Securities	w tys. zł	
	30.06.2025	30.06.2024
Obligacje Skarbu Państwa (Kupon) FL	0	0
Obligacje Skarbu Państwa (Zero-Kupon) FL	0	0
Obligacje (Zero-Kupon)	0	0
Corporate bonds:	9 897	19 869
-PKO Bank Hipoteczny S.A	0	0
-PEKAO Faktoring S.A	0	0
-PKO Leasing S.A	9 897	19 869
-PKO Faktoring S.A	0	0
Shares in Investment Funds:	13 772	14 677
- Quercus Ochrony Kapitału	0	0
- Quercus Obligacje Skarbowe	0	0
- Generali Aktywny Dochodowy	2 414	2 141
- Quercus Dłużny Krótkoterminowy	0	0
- Generali Korona Obligacje	1 871	5 640
- Generali Korona Dochodowy	8 264	5 756
- Generali Oszczędnościowy FL	0	0
- Generali Oszczędnościowy	1 223	1 140
- Unioszczędnościowy FL	0	0
- Unioszczędnościowy	0	0
- Unikatowy Pieniężny	0	0
- Generali Aktywny Dochodowy	0	0
TOTAL	23 669	34 546

Fair value hierarchy

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

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

Stalprodukt S.A. and the companies of the Capital Group do not own any assets in Ukraine. The Stalprodukt company conducts a very limited commercial activity with customers in Ukraine and Russia. The share of these customers in the Company's sales structure is insignificant. The main direction of supply of input materials for the Segment of transformer sheets are steel mills belonging to the ArcelorMittal group, located in Poland and Western Europe.

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

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

At the same time, the Management Board declares that as of the date of submission of this report, there are no significant disruptions caused by the war in Ukraine that would directly affect: reduced revenues, loss of customers or staff shortages. (The Management Board of the Issuer presented the reasons for the deterioration of results in the section Assessment of the results achieved and financial situation). Solvency, liquidity or debt collection also remain unchanged, and price fluctuations are hedged in the case of the Zinc Segment in the form of forward transactions.

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

Other Information

1. In the first half of 2025, the effects of seasonality did not occur in the Capital Group. In the reporting period, there were also no other items significantly influencing assets, liabilities, equity, net profit and cash flows, which would be unusual due to their type, size or frequency.
2. As of the balance sheet day, the Stalprodukt S.A. Capital Group holds the below mentioned off-balance-sheet contingent liabilities:
 - guarantee of good workmanship concerning the production and assembly of road barriers totaling PLN 28,672 thousand
 - guarantees and sureties (avals) granted by ZGH "Bolesław" amounting to PLN 11,335 thousand,
 - ZGH "Bolesław" S.A. issued a bill of exchange in connection with the agreement concluded with the National Center for Research and Development, amounting to PLN 60.5 million for subsidizing the project,
 - ZGH "Bolesław" S.A. in the IV quarter of 2019 established in the form of bank guarantees a collateral for claims of the waste holder in favour of the Marshal of the Małopolska Province in the total amount of PLN 9,582,100. The collateral in the amount of PLN 9,111.0 thousand applies to the installation of rotary kilns used for the production of zinc concentrate from waste zinc-bearing materials in a roll down process. The second collateral in the amount of PLN 21.1 thousand applies to installations used for the production of electrolytic zinc and its alloys. The third, in the amount of PLN 450 thousand includes an installation for the processing of waste in the recovery process.

Consolidated Financial Report for the 1st half of 2025

- no bank collaterals, which were disclosed in the 2024 report, were subject to change in respect of the banks financing the credit agreements.
3. The pending bankruptcy and composition proceedings cover the Group's receivables totalling PLN 8,936 thousand, wherein Stalprodukt's share amounts to PLN 1,382 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 directly 125,010 registered preference shares, accounting for 2.32 %-share in 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 registered preference shares accounting for 3.240 %-share in 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 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.

Consolidated Financial Report for the 1st half of 2025

b/ supervision officers:

None of the supervisory persons hold any shares in Stalprodukt.

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 ongoing operating activities, neither the Stalprodukt Company, nor its subsidiaries concluded any other transactions with associated companies during the reporting period.

6. Transactions with related parties

a) The total value of the Issuer's transactions with associated companies in the period from 01.01.2025 to 30.06.2025 and in the comparable period from 01.01.2024 to 30.06.2024 is presented in the Table below.

Items the first half of 2025	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.				157
Huta Cynku "Miasteczko Śląskie" S.A.			4	109
Boltech sp. z o.o.				2
Stalprodukt-Wamech sp. z o.o.	402	7 462	1 838	14 311
Stalprodukt-Zamość sp. z o.o.	2 525	141	5 636	140
Stalprodukt-Ochrona sp. z o.o.	26	1 561	151	3 496
STP Elbud sp. z o.o.	536	4 500	1 692	12 273
Cynk-Mal S.A.	7 265	242	15 965	3 325
GO Steel a.s.	28 288	3 150	111 057	25 668
STPower Sp. z o.o. (Hotel Ferreus Sp. z o.o.)	4		9	
PTZ sp. z o.o.				

Items the first half of 2024	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	Receivables	Liabilities	Revenues	Costs
ZGH "Bolesław" S.A.		33		122
Huta Cynku "Miasteczko Śląskie" S.A.			2	109
Boltech sp. z o.o.				1
Anew Institute sp. z o.o. in liquidation	1		4	
Stalprodukt-Wamech sp. z o.o.	488	7 171	1 744	13 106

Consolidated Financial Report for the 1st half of 2025

Stalprodukt-Zamość sp. z o.o.	2 442	153	5 435	216
Stalprodukt-Ochrona sp. z o.o.	25	2 007	148	3 175
STP Elbud sp. z o.o.	630	4 250	2 114	11 493
Cynk-Mal S.A.	8 049	1 602	15 457	3 607
GO Steel a.s.	29 790	8 207	86 220	15 844
Hotel Ferreus sp. z o.o.	2		8	
PTZ sp. z o.o.			3	

b) The total value of the Issuer's transactions with associated companies in the period from 01.01.2025 to 30.06.2025 and in the comparable period from 01.01.2024 to 30.06.2024 is presented in the Table below.

Associated entities:

Items the first half of 2025	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	receivables	liabilities	revenues	costs
Stalnet Sp. z o.o.	5	15	24	72

Items the first half of 2024	PLN thousand			
	Mutual settlements		Mutual income and costs	
	receivables	liabilities	revenues	costs
Stalnet Sp. z o.o.	5	15	24	72

c) The total value of the Issuer's transactions with Entities with joint control or significant influence over the entity in the period from 01.01.2025 to 31.12.2025 and in the comparable period from 01.01.2024 to 31.12.2024 is presented in the Table below.

Entities with joint control or significant influence over the entity:

Items the first half of 2025	PLN thousand			
	Mutual settlements		Mutual revenues and costs	
	receivables	liabilities	revenues	costs
Stalprodukt-Profil S.A.	1		6	
STP Investment S.A.	1		5	

Items the first half of 2024	PLN thousand			
	Mutual settlements		Mutual income and costs	
	receivables	liabilities	revenues	costs
Stalprodukt-Profil SA.	1		6	
STP Investment SA	1		5	

7. In the reporting period, the Group incurred capital expenditure for the purchase and production of property, plant and equipment in the amount of PLN 133,901 thousand. During the reporting period, no significant item of fixed assets was sold.
8. An important proceeding in court is a lawsuit filed by Przedsiębiorstwo Wodociągów i Kanalizacji sp. z o.o. in Olkusz against the ZGH "Bolesław" S.A. Company for payment of mining damages in the amount of PLN 64,015,224.00 (file reference number IX GC 99/14).

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

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

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

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

On July 28, 2020, the company ZGH "Bolesław" S.A. filed a cassation appeal against the above judgment. The Supreme Court in Warsaw By a decision of January 27, 2021, refused ZGH "Bolesław" S.A. accepting a cassation appeal for examination.

Consolidated Financial Report for the 1st half of 2025

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

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

On December 10, 2021, a pleading from PWiK Sp. z o.o. was received. It does not contain the information requested by ZGH "Bolesław" S.A. in a letter of November 15, 2021.

On February 28, 2022, ZGH Bolesław S.A. submitted their position on the matter. The letter contained a motion to dismiss the claim, as well as formal and evidentiary motions. The basis for submitting a motion to dismiss the claim is the indication that PWiK sp.z o.o. has not suffered any damage in terms of civil law, i.e. there has been no financial loss. Further allegations were raised, boiling down to the fact that the possible damage may not be the own expenditure on the investment made, and there is no damage in the scope of the so-called stage II, where no expenses were incurred, and their incurring is not settled and justified. On March 17, 2022, PWiK sp.z o.o. submitted another letter in the case. On April 5, 2022, the District Court in Krakow called on the parties to the dispute to consider mediation in the case.

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

Despite the search for an expert who would provide an opinion in this case for about 2 years, subsequent scientific entities (universities or institutes) refuse to allow the court to conduct it. In this state, the District Court issued a decision of June 23, 2023, in which it referred the case to mediation at the Arbitration Court at the Solicitor General of the Republic of Poland, and the

court set a mediation duration of 3 months. Both parties to the case did not oppose mediation, but the plaintiff (PWiK) expressed skepticism.

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. ZGH "Bolesław" S.A. responded to the above letter in a letter dated 17 June 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 that the claim be dismissed in 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. Then, from the value of the actual net outlays incurred by the plaintiff in the amount of PLN 5,225,804.61, the value of funds from the sale of redundant assets, namely the Water Treatment Plant in Olkusz, should be deducted. 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 outlays related not so much to obtaining water, but to water supply technology.
- f. In the scope of the indicated allegations, the earlier evidentiary motions were repeated.

The court requested the parties to propose an expert to prepare an expert opinion in the case. In response to this request, ZGH Bolesław S.A. indicated that the best solution would be to appoint separate experts in the fields of demography, hydrogeology, and broadly defined water and sanitation technology. PWiK Sp. z o.o., in turn, proposed experts from other universities. Information obtained from the court indicates that Wrocław University of Science and Technology has expressed interest in preparing the opinion. Therefore, it can be assumed that it will be commissioned to prepare the opinion. By the end of 2024, the expert had not taken any action. The Management Board of ZGH Bolesław SA intends to propose a partial settlement, under which the company will cover the net costs incurred by PWiK Sp. z o.o. for the current

water supply system, amounting to PLN 5,225,704.61, plus interest. The settlement indicates that the remaining issues remain disputed and will be further investigated.

In reference to the information above, it should be noted that Wrocław University of Science and Technology withdrew its request to provide a comprehensive expert opinion in this case. The court requested the parties to propose additional experts. In response, PWIK proposed additional institutes specializing in sanitary engineering, while ZGH Bolesław S.A. reiterated its requests from approximately three years ago and proposed conducting several separate expert opinions: a demographic expert, a hydrogeology expert, a sanitary engineering expert, a construction and cost estimation expert, an accounting expert, and a water tariff expert. At the same time, the company proposed experts who could provide opinions in the areas described above.

The case is ongoing.

A provision of PLN 55,000 was established for the entire amount of the claim. This provision was presented as a short-term provision for decommissioning, reclamation, and environmental remediation costs in the consolidated statement of financial position.

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 27, 2025, Stalprodukt submitted an application for compensation for energy-intensive sectors and subsectors under the provisions of the Act of July 19, 2019, on the compensation scheme 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 scheme. The requested compensation amount is PLN 21,054,000. Additionally, based on the same provisions, on July 15, 2025, the Company submitted an application for so-called additional compensation in the amount of PLN 4,381,000 (this amount is subject to change as it depends on the amount of the basic compensation).
Furthermore, based on the above regulations, the Zinc Segment company - Huta Cynku "Miasteczko Śląskie" S.A., on March 21, 2025, submitted an application for compensation in the amount of PLN 15,488 thousand, and on July 9, 2025, submitted an application for additional compensation in the amount of PLN 2,669 thousand.
12. 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:

- formation of input prices and prices and demand for Stalprodukt products,

Consolidated Financial Report for the 1st half of 2025

- formation of zinc and lead prices on the LME and silver prices on the LBM,
- formation of exchange rates,
- formation of electricity and energy raw material prices,
- formation of gas prices and availability,
- prices of CO₂ emission allowances.

13. On June 26, 2025, the General Meeting of Shareholders adopted a resolution on the payment of a dividend for the 2024 financial year:

- the amount allocated for the dividend payment was PLN 30,533,580.00,
- the dividend value per share was PLN 6 gross,
- the dividend covered 5,088,930 shares of the Company,
- the record date for the right to the dividend was July 3, 2025,
- the dividend was paid on July 16, 2025.

14.

- a) On May 30, 2025, the Annual Meeting of Shareholders of Stalnet Sp. z o.o. adopted a resolution on the distribution of the net profit generated by the Company in the 2024 financial year, of which PLN 840,000.00 (PLN 6,000.00 per share) was allocated to the payment of dividends, including PLN 234,000.00 to Stalprodukt S.A. The dividend was paid on July 30, 2025,
- b) On June 30, 2025, the General Meeting of GO Steel a.s. adopted a resolution on the distribution of the net profit generated by the Company in the 2024 financial year, of which CZK 250,000,000.00, which is the equivalent of PLN 42,875,000.00 (calculated based on the average exchange rate published by the National Bank of Poland on June 30, 2025), was allocated to the payment of a dividend to the Issuer, whose share in the Company's share capital is 100%. The dividend payment date was set for August 29, 2025.

The dividends were recognized in the parent company's results in the first half of 2025.

15. On March 28, 2025, as a result of the settlement of the share purchase transaction offered in response to the "Invitation to submit offers for the sale of shares in Stalprodukt Spółka Akcyjna" (the "Invitation") announced on March 5, 2025, a transfer of ownership and settlement of the Company's purchase of 3,831 (in words: three thousand eight hundred thirty-one) treasury shares took place at a fixed price of PLN 240 per share. The transfer of ownership of the 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 was settled within the depository and settlement system of the National Depository for Securities S.A. The basis for the share purchase was the authorization granted by the Annual General Meeting of Stalprodukt S.A. on 26 June 2024 (Resolution No. XLIII/16/2024 dated 26 June 2024 on the purchase of own shares for the purpose of redemption). The purpose of the purchase of own shares is their redemption and reduction of the Company's share capital. The nominal value of the purchased shares is PLN 7,662, and their share in the Issuer's share capital is 0.07%.

Consolidated Financial Report for the 1st half of 2025

The purchased shares entitle their holder to 18,251 votes at the Issuer's general meeting, which constitutes 0.16% of total votes at the general meeting of Stalprodukt S.A. Before settlement of the above-mentioned, Following the transaction, the Company held 306,837 treasury shares with a nominal value of PLN 613,674, representing 5.68% of the share capital and entitling to 337,533 votes at the General Meeting, which constituted 2.93% of the total votes at the General Meeting. In total, the Company currently holds 310,668 treasury shares with a nominal value of PLN 621,336, representing 5.75% of the Issuer's share capital and entitling to 355,784 votes, which constitutes 3.09% of the total votes at the General Meeting.

16. During the reporting period and following 30.06.2025 until the preparation of the Abridged Consolidated Report for the 1st half of 2025 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. 63, subpar. 1 of the Regulation of the Minister of Finance as of 6.03.2018 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 2025, item 755), the Issuer does not submit its separate the semi-annual standalone report. This Report constitutes a supplement to the Abridged Consolidated Report rendered as the „Stalprodukt S.A. Abridged Financial Report for the 1st half of 2025”.
16. No additional information was appended to the Abridged Consolidated Financial Report for the 1st half of 2025 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 1st half of 2025 was approved for publication by parent Company's Management Board on 28.08.2025.

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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