

Semi-Annual Report
on Stalprodukt S.A.
Capital Group's Activities
For the period from 1.01.2025 to 30.06.2025

Bochnia, September 2025

Contents:

- 1. Capital Group's Structure**
- 2. Selected financial data. Assessment of Economic and Financial Standing Sales of Basic**
- 3. Information on financial instruments**
- 4. Information on own shares**
- 5. Sales of particular operating segments. Indication of the factors and events, including the non-typical ones, affecting the Abridged Interim Consolidated Financial Report.**
 - 5.1 Electrical Sheets Segment**
 - 5.2 Profiles Segment**
 - 5.3 The Zinc Segment**
 - 5.4 Group's Other Activities Segment**
 - 5.5 The Group's Sales Structure as divided into operational segments**
- 6. A concise description of the Issuer's important accomplishments or failures in the reporting period, including the list of the most important events relating to the Issuer**
- 7. Basic threats and risks related to the remaining months of the financial year**
- 8. Basic threats and risks related to the remaining months of the financial year**
- 9. Indication of the Shareholders, holding directly or indirectly through the subsidiary companies, at least 5% of the general number of votes at the Issuer's General Meeting as of the Semi-Annual Report's date of issue, as well as indication of changes in the shareholding structure in respect of the Issuer's substantial blocks of shares in the period pending from the submission day of the previous periodic report.**
- 10. Compilation the Issuer's shareholding status or entitlements thereto exercised by the Issuer's managing or supervising officers as of the Semi-Annual Report's date of issue accompanied by the changes in the shareholding structure, in the period pending from the submission day of the previous periodic report, separately for each of the persons concerned**
- 11. Indication of significant proceedings pending in court, agency proper for arbitration proceedings, or public administration agency, related to the liabilities or receivables of the Company or its subsidiary.**
- 12. Information on a transaction or many transactions concluded by the Issuer or the Issuer's subsidiary with associated companies if such transactions were based on conditions other than market conditions.**
- 13. Information on credit or loan sureties or guarantees granted by the Issuer or the Issuer's subsidiary – jointly to one entity or a subsidiary controlled by the entity if the total value of the existing sureties or guarantees is significant.**
- 14. Other information that, in the Issuer's opinion, are essential for the assessment of the situation in the area of human resources, property and financial standing, financial result and changes thereof, as well as information that are essential for the assessment of the Issuer's capacity to settle its liabilities.**
- 15. The factors, that in the Issuer's assessment, are likely to affect its results in the perspective of, at least, the next quarter.**
- 16. Composition of Management Board's and Supervisory Board**

1. Capital Group's Structure

The Stalprodukt S.A. Capital Group embraces the Parent Company and 8 Subsidiary Companies involved in the below-mentioned segments of activity:

- **Stalprodukt-Wamech sp. z o.o.** - production of steel constructions, spare parts and rendering alteration services, road construction and maintenance, erection of road safety,
- **Stalprodukt-Zamość sp. z o.o.** - production of construction joinery and trade in steel products,
- **STP Elbud sp. z o.o.** – production of steel constructions and galvanizing services,
- **Stalprodukt-Ochrona sp. z o.o.** - personal and property security services,
- **Cynk-Mal S.A.** - production of galvanized hoop iron and wire,
- **ZGH “Bolesław” S.A.** - excavation of non-ferrous metal ores and zinc and lead production,
- **GO Steel a.s.** - production of electrical transformer sheets and cold-rolled sheets,
- **STPower Sp. z o.o.** - electricity storage.

The Level of Parent Company's Shareholding in Subsidiary Companies is as follows (data as of June 30, 2024):

- **in ZGH “Bolesław” – 94.99 %**
- **in other companies – 100 % shares each.**

The parent company has one branch, which is a branch for the production of cold-formed sections, i.e. Stalprodukt S.A. Branch of Bent Profiles P4, Al. Piaskowa 122, 33-100 Tarnów.

The Parent Company's main object of activity is the manufacture of highly processed steel products, i.e. electrical and transformer sheets and strips, cold formed profiles, road safety barriers, toroidal cores and hot- and cold-rolled steel sheets and strips.

The Parent Company and all the Capital Group's Subsidiary Companies were subject to consolidation.

Pursuant to art. 55 of the Accountancy Act as of 29.09.1994 (consolidated text Journal of Laws as of 2018, item 395), the Issuer prepares consolidated financial reports in reference to the periods beginning as of 1 January 2005 in accordance with IFRS.

Additionally, as of 30.06.2025 ZGH “Bolesław” had shareholdings in the following subsidiary companies (in brackets, ZGH’ shareholding in share capital of those companies):

- Zinc Smelter - Huta Cynku “Miasteczko Śląskie” S.A. (92.82 %) – production of rectified zinc, lead and cadmium,
- Bol-Therm Sp. z o.o. (100 %) – 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. (99.61 %) – zinc ores mining and concentrate production,
- Agencja Ochrony Osób i Mienia “Karo” Sp. z o.o. (100 %) – bodyguard and property security services,
- ZGH OZE Sp. z o.o. (100%) - electricity storage.

1.1 Change of the Capital Group's organizational structure during the 1st half of 2025

- The Ordinary Shareholders' Meeting of Anew Institute Sp. z o.o. with its registered office in Kraków on 31.10.2023 adopted a resolution to dissolve the company. In 2022, the parent company made write-offs on the value of shares, therefore, at the time of adopting the resolution on liquidation, the amount of write-offs constituted 100% of the value of the shares held. 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 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.

**Semi-Annual Report on Stalprodukt S.A. Capital Group's Activities for the period
from 1.01.2025 to 30.06.2025**

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.

2. Selected financial data. Assessment of Economic and Financial Standing

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	

In the first half of 2025, compared to the same period of 2024, Stalprodukt S.A. Capital Group achieved sales revenues higher by PLN 112,927 thousand, i.e. by 6.0%. Gross profit on sales was PLN 126,896 thousand, compared to PLN 91,884 thousand in the first half of 2024, which represents an

increase of 38.1%. However, at the operating profit level, a loss of PLN 19,467 thousand was recorded, 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 and was PLN 8,828 thousand higher than the one achieved in the first half of 2024. With the exception of the Zinc Segment, the other segments recorded a positive result in the first half of 2025.

Information regarding the results of individual operating segments is presented in section 5 of this report.

3. Information on financial instruments

Detailed information on financial instruments in the scope of:

- a) risks: related to changing prices, loan, major obstructions to cash flow and cash flow loss, to which the entity is exposed,
- b) goals and financial risk management methods adopted by the entity, including hedging methods for crucial types of intended transactions to which hedge accounting is applied

have been included in the Stalprodukt S.A. Financial Statement (page 32. "Financial Instruments and Risk Management Assessment").

4. Information on own shares

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%. 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.

**Semi-Annual Report on Stalprodukt S.A. Capital Group's Activities for the period
from 1.01.2025 to 30.06.2025**

5. Sales of particular operating segments. Indication of the factors and events, including the non-typical ones, affecting the Abridged Interim Consolidated Financial Report.

OPERATING SEGMENTS the Stalprodukt Capital Group		1st half of 20243	1st half of 2025	Change (2025/2024)
Electrical Sheets Segment				
Segment Revenues	<i>thousand x PLN</i>	456 062	523 911	14,9%
Segment Result	<i>thousand x PLN</i>	-17 585	84 029	
Segment margin	%		16,0%	
Profiles Segment				
Segment Revenues	<i>thousand x PLN</i>	266 095	287 746	8,1%
Segment Result	<i>thousand x PLN</i>	-338	79	
Segment margin	%		0,0%	
Zinc Segment				
Segment Revenues	<i>thousand x PLN</i>	1 011 145	1 003 408	-0,8%
Segment Result	<i>thousand x PLN</i>	58 510	-18 553	
Segment margin	%	5,8%	-1,8%	
Other Activities Segment of Capital Group				
Segment Revenues	<i>thousand x PLN</i>	137 907	169 071	22,6%
cSegment Result	<i>thousand x PLN</i>	11 630	18 574	59,7%
Segment margin	%	8,4%	11,0%	
Operating segments together				
Segments Revenues	<i>thousand x PLN</i>	1 871 209	1 984 136	6,0%
Segments Result	<i>thousand x PLN</i>	52 217	84 129	61,1%
Segments margin	%	0,03%	4,2%	

5.1 Electrical Sheets Segment

Electrical Sheets Segment embraces the sales of electrical transformer sheets and cores pursued by Stalprodukt S.A., and also sales of transformer sheets pursued by GO Steel a.s.

The Electrical Sheets Segment recorded transformer sheet sales volumes similar to those in the first half of 2024 (an increase of 0.5% compared to the previous year). At the same time, this segment's revenue 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, unlike in the first half of 2024, recorded a positive result of PLN 84,029,000. This improvement was achieved both at the Transformer Sheets Department in Bochnia and at its 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. In the Issuer's opinion, this will negatively impact sales volumes and prices in the second half of this year.

The prices offered by Chinese suppliers for conventional and HIB sheets are dangerously close to the MIP (minimal import prices) levels specified in the European Commission's implementing regulation, described later in this report. These 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 and Trade Agreement) (i.e., the price level of CO₂ emission certificates).

These unfavorable conditions are undermining the competitiveness of European production. Additional factors negatively impacting the situation in the sheet metal segment include:

- the steadily growing overcapacity of Chinese transformer sheet producers,
- the Chinese government's policy aimed at supporting exports (in the face of a weaker domestic market),
- the cost advantage of Chinese producers, resulting in their higher competitiveness and the ability to offer products at significantly lower prices than EU producers,
- the asymmetry of the protective policy between the EU and China markets, consisting of export duties to the Chinese market for EU producers of 46.3% and a minimum import price (for the lowest grades) to the EU market of EUR 1,536/tonne (and a duty on the difference between the minimum price and the price of the imported product),
- considering the above and the significantly higher production costs of EU producers, EU policy currently lacks effective market protection.

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

The Issuer notes a slight improvement in pricing terms in contracts concluded for the first half of 2025, but simultaneously 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 for the second half of the year. Therefore, optimization activities and processes are being carried out at both plants owned by the Issuer to adapt production to market conditions and reduce the segment's manufacturing and operating costs.

If the scenario resulting in a significant decline in the profitability of sheet metal production in 2025 is realized in accordance with previous forecasts, the Management Board assumes the need to implement a restructuring program in order to reduce the operating costs of the plants in Bochnia and the Czech Republic.

Market Situation

The company consistently emphasizes that, from a European and global perspective, the recent trade landscape has been influenced most by the actions of Asian producers, primarily Chinese. During the first five months of 2025, as much as 85,000 tons of GOES sheets were imported to Europe, including 57,400 tons from China, at prices significantly different from those offered by European producers (a difference of several hundred euros/tonne). For comparison, in 2019, 7,400 tons of GOES sheets were imported from China to Europe throughout the year, while in 2024, this volume reached nearly 97,000 tons of Chinese imports.

The main factors driving the grain-oriented transformer sheet market are the growing demand for energy-efficient transformers and the increasing emphasis on integrating renewable energy. The future of the global GOES electrical steel market therefore looks promising thanks to opportunities in the transformer markets, particularly for the Asia-Pacific region, where this growth is expected to be the highest.

The GOES industry is undergoing dramatic changes based on a number of key trends that are shaping its dynamics and future growth patterns. These trends are driven by the global emphasis on sustainability, the use of new technologies, and the evolving needs of various end-user industries, including:

- the growing demand for energy-efficient transformers, resulting from the increasing emphasis on reducing energy losses during power transmission and distribution, is driving demand for grain-oriented electrical steel with excellent magnetic properties. High-efficiency transformers using new GOES grades reduce energy losses during voltage transformation, resulting in cost savings and environmental benefits. This trend is exacerbated by stringent energy efficiency standards worldwide.
- the integration of smart grid technologies; The creation and implementation of smart grid infrastructure requires advanced electrical devices that can manage variable power flows and ensure grid stability. Grain-oriented electrical steel is crucial in transformers and other magnetic devices used in smart grids to ensure efficient and effective energy management. Growing investment in smart grid projects worldwide is driving demand for this specialized steel.
- emphasis on green and sustainable technologies.

Furthermore, the development of new technologies, such as smart grid systems, the electric vehicle (EV) industry, and modern data centers, is expected to drive new demand for specialized power transformers.

However, Asian producers (China, Japan, and Korea) remain the dominant players in the electrical steel market. European and American producers can only adapt to the leading producers, but for many months now, the price differential (and, for our company, quality differential) has become difficult to overcome.

Aggressive actions by Asian competitors, including massive Chinese imports into the European market, and the European conditions for GOES sheet production (high costs and a lack of real and effective market protection) were the primary arguments for requesting a review of the safeguard measures. However, the Commission rejected the request as presented by the EU industry, so further action was taken. Despite the undisputed arguments of the entire European GOES sheet industry and the increase in protectionist measures worldwide (primarily triggered by Donald Trump's actions), effective measures to protect the European market have not been implemented for the past eighteen months.

The minimum import prices (MIPs) established by the European Commission over a decade ago no longer reflect current production costs. The sharp increase in cheap imports is having a devastating impact on the EU market and threatening the profitability of EU producers.

The easily accessible European market for GOES sheets is very attractive for Asian producers, and Chinese methods of operation, also observed in other industries, are very effective – returning customers from Chinese suppliers may be very difficult, if not impossible, even after the implementation of protection.

5.2 Profiles Segment

The Profiles Segment embraces the sales of cold formed profiles (tubes and sections) road safety barriers and hot-rolled and cold-rolled steel sheets and strips (products of steel service centers). These activities are pursued by the Stalprodukt S.A. production plants localized in Bochnia and Tarnów.

The Profiles Segment recorded a 21.3% increase in sales volume compared to the first half of 2024. As a result, the segment achieved sales revenues higher 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 drop compared to the first half of 2024. Another significant factor in assessing the segment's results is the fact that the segment achieved a positive result of PLN 6,307,000 in the second quarter.

The main factors that influenced the improved segment result were increased sales as well as 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 in the domestic and export markets. The volume increase was 72%.

At the same time, the Issuer is conducting ongoing activities aimed at optimizing its current asset management. The goal is to further improve results by increasing sales of products in this segment, 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 its

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.

Market Situation

Metal Expert estimates include a significantly broader group of producers than those of HIPH. The very fact that data from such a large group of producers demonstrates how the dynamics of this market in Poland have changed in recent years.

According to preliminary data from the Ukrainian website, production of small- and medium-diameter welded pipes in Poland reached approximately 452,000 tons in the first half of 2025, representing a 23% decrease compared to the same period last year. Given the large group of domestic producers and the competitively priced imports of sections and pipes, competing effectively in the market amid weak end-user demand is a significant challenge.

Imports

In the first half of 2025, approximately 247,000 tons of imported medium- and small-diameter welded pipes entered the Polish market, roughly unchanged year-on-year. Due to the decline in domestic production, the share of imports in consumption increased by 10 percentage points to 46%.

Italy remained the largest source of imports, although volumes decreased by 3% to 65,000 tons. Supplies from Ukraine increased significantly (+34% to 32,000 tons) thanks to Metinvest, which increased sales through its warehouse in southern Poland while maintaining competitive prices. Romania continues to ship significant volumes, including pipes of Turkish origin. Bulgarian suppliers have reduced their presence (-11% to 20,000 tons) due to weaker profitability.

Steel Production in the First Half of 2025

According to data from **the World Steel Association (worldsteel)**, **global crude steel production from January to June 2025 reached 934.3 million tons, a 2.2% decrease compared to the first half of 2024.**

Asia and Oceania had the largest share in crude steel production by region, accounting for 693.9 million tons (74%), while **China** accounted for 514.8 million tons, a 3% decrease compared to the first half of 2024.

India, the world's second-largest steel producer, recorded a 9.2% year-on-year increase in production to 80.9 million tons in the first six months of this year.

In Japan, the world's third-largest steel producer, production fell by 5% to 40.6 million tons in the first six months of 2025.

Production in the EU (27) in the first six months of 2025 reached 65.4 million tons, a 3.3% decrease compared to the same period in 2024. This means that EU (27) production accounted for only 7% of total global crude steel production.

Germany, the only European country in the world's top ten steel producers (ranking eighth), saw its production decline by 11.6% to 17.1 million tons in the first half of this year.

The largest rebound in production among the world's top ten steel producers occurred in the first half of 2025 in India, with the largest decline in Germany.

Crude steel production in Poland in the first half of 2025 reached 3.876 million tons, a 7.6% increase compared to the first half of 2024.

Situation in the European Steel Market

The current decline in apparent steel consumption in the EU – reflecting weak demand conditions – began in the second quarter of 2022, driven by war-related disruptions as well as unprecedented increases in energy prices and production costs. The economic downturn has persisted to date, leading to a third consecutive annual recession in 2024.

Demand conditions deteriorated significantly from the second half of 2022, and this negative cycle continued into the third quarter of 2024, primarily as a result of growing global economic uncertainty, higher interest rates (before interest rate cuts), and a general weakening of production. The devastating effects of the conflict in Ukraine and the energy shock to the steel-using industry, along with the deterioration of the overall economic outlook, triggered a severe recession (-8%) already in 2022. These prolonged downward factors further impacted apparent steel consumption in 2023, resulting in two consecutive annual declines in 2023 and 2024 (-6% and -1.1%, respectively).

In 2025, contrary to earlier expectations of a more favorable industrial outlook and improved steel demand, apparent steel consumption is now expected to decline again (-0.9%). This downward revision is largely due to the anticipated impact—though difficult to quantify—of U.S. tariffs and the resulting uncertainty and trade disruptions.

Apparent steel consumption is expected to finally recover (+3.4%) in 2026, provided the industry outlook develops positively and global tensions, which remain unpredictable at this stage, ease.

The overall evolution of steel demand remains subject to significant uncertainty. No improvement in steel consumption is expected before the first quarter of 2026, and consumption volumes will remain significantly lower than before the pandemic.

5.3 The Zinc Segment

The Zinc Segment embraces the operational scope of ZGH “Boleslaw” S.A. along with its subsidiary companies, i.e. excavation of zinc and lead ores, zinc and lead production as well as related activities.

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 items, which allows us to determine the direction and intensity of changes in the factors influencing the current year's results, it is important to note:

- a 1% increase in the Polish zloty zinc price in the first half of 2025, from PLN 10,519/tons in the first half of 2024 to PLN 10,648/tons,

Semi-Annual Report on Stalprodukt S.A. Capital Group's Activities for the period from 1.01.2025 to 30.06.2025

- a 17% increase in the Polish zloty zinc price in the first half of 2025. A decrease in the premium on sales of zinc and galvanizing alloys at ZGH "Bolesław" 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 source at ZGH "Bolesław,"
- A year-on-year decrease in unit prices of energy sources and changes in their consumption structure (energy, electricity, and gas),
- Realignment of product manufacturing costs at ZGH "Bolesław" S.A. In H1 2025, the Company reduced electricity purchase costs due to compensation for electricity prices by PLN 35,775.8 thousand (compared to PLN 48,387.5 thousand in H1 2024),
- An excess of negative exchange rate differences over positive exchange rate differences in financial costs by PLN 11,704.3 thousand at ZGH "Bolesław" and PLN 4,815.4 thousand at HCM in the consolidated financial statements.

ZGH Group Sales:

- Zinc sales in the first half of 2025 amounted to 72.5 thousand tonnes, which was 2.6 thousand tonnes (i.e., 3%) lower than sales recorded in the same period of 2024;
- Silver (Dore metal) sales in the first half of 2025 amounted to 9.073 tonnes, which was 0.195 tonnes (i.e., 2%) higher than sales recorded in the first half of 2024;
- Refined lead sales in the first half of 2025 amounted to 3.9 thousand tonnes, which was 1.366 thousand tonnes lower. t (i.e., 26%) compared to sales in the same period of 2024.

Smelter production:

- Zinc production in the first half of 2025 amounted to 72.7 thousand tons, which was 3.9 thousand tons (i.e., 5.1%) lower than in the first half of 2024.
- Refined lead production in the first half of 2025 amounted to 4.2 thousand tons, which was 3.6 thousand tons (i.e., 46.0%) lower than in the first half of 2024.
- Silver production (Doré metal) in the first half of 2025 amounted to 8.388 tons, a level comparable to the same period of 2024.

ZGH "Bolesław" S.A. produces concentrates based on zinc-bearing waste. Production of these concentrates for the first six months of 2025 amounted to 41,200 tons dry weight, compared to 37,900 tons in the same period last year. These concentrates serve as feedstock for both zinc smelters.

Macro Environment

The dollar is weakening in global markets, which is impacting the strength of the Polish złoty. On July 1, 2025, the dollar was trading below PLN 3.60, the lowest exchange rate for the American currency against the Polish złoty in four years.

Forecasts for the next three 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 tonne of zinc (LME zinc cash-settlement) on the London Metal Exchange between January 1 and June 30, 2025, was USD 2,966 (March 14), and the lowest was USD 2,521

(April 17). At the end of June 2025, zinc inventories in warehouses registered on the LME totaled 117,000 tonnes.

As of the last day of June 2025, the price of the metal used for galvanizing steel was USD 2,764 per tons, 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 in the zinc concentrates market

Sulphide concentrates

ZGH "Bolesław" has contracted approximately 108,000 tons of zinc concentrates for 2025, of which 27% is covered by benchmark conditions. The benchmark for 2025 zinc concentrates was 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 2025 benchmark, 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. Energy factor market. In June 2025, the volume-weighted average price on the day-ahead market was PLN 350.58/MWh, 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) in June 2025 was PLN 419.47/MWh, representing an increase of PLN 6.72/MWh compared to the same price of this contract in the previous month. Weekdays in June 2025 averaged PLN 370/MWh, Saturdays slightly over PLN 340/MWh, and Sundays slightly over PLN 251/MWh. The most expensive hour (9:00 PM) on June 2 cost PLN 1,911.70/MWh, while at 3:00 PM on June 19, it was negative at -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.

5.4 Segment of other activities of the Group

The segment of the Group's other activities does not constitute a separate segment in accordance with IFRS 8, it is only a supplement to the profit and loss account in terms of revenues from other sources of activity, apart from the 3 reported operating segments. It covers the sale of products, goods and services by the following entities: STP Elbud sp. z o.o., Cynk-Mal S.A., Stalprodukt-Zamość sp. z o.o. and Stalprodukt-Wamech sp. z o.o.

The revenues of the Other Activities Segment increased by 22.6% in the reporting period to PLN 169,071 thousand, and its result increased by 59.7 %, i.e. to PLN 18,574 thousand.

5.5 The Group's Sales Structure as divided into operational segments

Product range	the first half of 2024		the first half of 2025	
	value (PLN thousand)	share (%)	Value (PLN thousand)	share (%)
Electrical Steel Segment	456 062	24,4	523 911	26,4%
Profiles Segment	266 095	14,2	287 746	14,5%
Zinc Segment	1 011 145	54,0	1 003 408	50,6%
CG's other activities	137 907	7,4	169 071	8,5%
Total	1 871 209	100,0	1 984 136	100,0%

The sales structure of the Group's individual operating segments included a slight increase in the share of sales of products from the Electrical Sheets Segment (from 24.4% to 26.4%), a maintained share of sales from the Profiles Segment, and a decrease in the share of sales from the Zinc Segment (from 54.0% to 50.6%). A slight increase in the share of Group sales was recorded by the Other Business of the Capital Group (from 7.4% to 8.5%).

Other data on the Group's operating segments (including assets, liabilities, capital expenditures) are included on page 26 of the consolidated half-year report.

6. A concise description of the Issuer's important accomplishments or failures in the reporting period, including the list of the most important events relating to the Issuer

Published on February 17, 2023 by the Management Board of the Company, the assumptions of the directions of strategic activities of the Stalprodukt S.A. Capital Group for the years 2023-2030 covered several areas, mainly those related to improving energy efficiency and reducing CO₂ emissions. It is the high energy costs, as well as the costs of CO₂ emissions that negatively affect the competitiveness of both the dominant entity (Electrical Sheets Segment) and the 2nd key operating segment, i.e. the Zinc Segment.

The investments and activities planned and presented in the "Directions of strategic activities" allow for a significant reduction of these risks, the most important of which are:

- possible restrictions in the supply of electricity and raw materials;
- the risk of significant increases in the costs of purchasing electricity and natural gas;
- further tightening of regulations regarding climate policy, especially the introduction of a new greenhouse gas emission reduction target (by 62% for sectors covered by the EU ETS by 2030) is a serious challenge for energy-intensive entities such as ZGH and HCM in the coming years, and meeting its requirements guarantees further functioning of this business segment;
- effects of the so-called border carbon tax (CBAM), including withdrawal of free CO₂ emission allowances.

The status of the implementation of the decarbonization and energy efficiency improvement plan

Stalprodukt and two key companies in the Zinc Segment (ZGH "Bolesław" S.A. and HCM S.A.) are successfully implementing investments related to the decarbonization strategy and energy efficiency improvement. In particular:

Stalprodukt and two key companies in the Zinc Segment (ZGH "Bolesław" S.A. and HCM S.A.) are successfully implementing investments related to their decarbonization strategy and improving energy efficiency. In particular:

- A cogeneration system with a total electrical capacity of 12.9 MWe was launched at ZGH "Bolesław" S.A. in the third quarter of 2023;
- Advanced work is underway at Stalprodukt S.A. on the construction of a 42 MWp photovoltaic farm located in the immediate vicinity of the Bochnia Plant. Furthermore, as a result of expanding the development area, the farm's capacity will soon be increased by an additional 5 MWp;
- Construction permits for a facility for the production of "green hydrogen" produced through electrolysis are underway. This facility will be powered by renewable energy sources (RES), i.e., energy generated by the photovoltaic farm;
- To improve the efficiency of the photovoltaic installation, Stalprodukt plans to build four industrial energy storage facilities with a total capacity of 40 MW and a capacity of 160 MW. A Stalprodukt Group company, STPower (formerly Hotel Ferreus Sp. z o.o.), has applied to the National Fund for Environmental Protection and Water Management for funding for these energy storage facilities under the program "Electricity storage facilities and related infrastructure to improve the stability of the Polish power grid." A newly established company in the Zinc

Segment, ZGH OZE Sp. z o.o., has similar plans to obtain funding for the construction of energy storage facilities.

- Stalprodukt is also implementing a project to install electric and gas boilers for the Transformer Sheet Department, eliminating the coal-fired boiler plant. The administrative procedure for obtaining a building permit has been initiated, design work is underway, and a supplier of equipment for the installation has been selected. Commissioning is planned for the turn of the second and third quarters of 2026.

Commercial Construction Projects

- As part of the Group's expansion into commercial construction, construction work began on an office and retail building at 14 Wadowicka Street in Krakow in the fall of 2024. The facility is scheduled for completion in Q1 2027.
- Furthermore, the design phase was completed and a building permit application was submitted for one of the three buildings planned for construction as part of the hotel development project, with conference and other services.

7. Description of basic threats and risks related to the remaining months of the financial year

Production costs, especially those related to the purchase of input materials and energy carriers (especially electricity and gas), will continue to constitute a serious risk for the Stalprodukt Group. In the case of the Zinc Segment, the costs of purchasing energy (electrolysis process in Huta Bolesław) and gas and coke (ISP process in Miasteczko Śląskie) are particularly important.

Natural gas is also used in the processes used by Stalprodukt S.A. and GO Steel a.s. in the production of transformer sheets. To a large extent, the results of the second half of the year in the operations of the Stalprodukt Group will also be influenced by market conditions, in particular the weaker demand for products of the Sheets and Profiles Segments.

8. Management Board's Standpoint on Potential Realization of Previously Published Forecasts

The Capital Group does not publish any forecasts of financial results.

9. Indication of the Shareholders, holding directly or indirectly through the subsidiary companies, at least 5% of the general number of votes at the Issuer's General Meeting as of the Semi-Annual Report's date of issue, as well as indication of changes in the shareholding structure in respect of the Issuer's substantial blocks of shares in the period pending from the submission day of the previous periodic report.

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,

**Semi-Annual Report on Stalprodukt S.A. Capital Group's Activities for the period
from 1.01.2025 to 30.06.2025**

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.

10. Compilation the Issuer's shareholding status or entitlements thereto exercised by the Issuer's managing or supervising officers as of the Semi-Annual Report's date of issue accompanied by the changes in the shareholding structure, in the period pending from the submission day of the previous periodic report, separately for each of the persons concerned

a) Managerial Officers

Name and surname	Updated number of shares of Stalprodukt S.A. (as of 29.08.2025)	Number of previously held shares of Stalprodukt S.A. (as of 30.04.2024)	Changes in the Issuer's Ownership Structure
Piotr Janeczek	115 053	115 053	Did not occur
Łukasz Mentel	100	100	Did not occur

b) Supervisory Officers - as at the date of submission of this report, members of the Issuer's Supervisory Board did not hold any shares in Stalprodukt S.A.

11. Indication of significant proceedings pending in court, agency proper for arbitration proceedings, or public administration agency, related to the liabilities or receivables of the Company or its subsidiary.

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 "Bolesław" 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.

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 S.A. 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.

12. Information on a transaction or many transactions concluded by the Issuer or the Issuer's subsidiary with associated companies if such transactions were based on conditions other than market conditions.

The transactions with associated companies in the 1st half of 2025 are concerned with:

- c) sales of products and goods to the companies within the Stalprodukt Capital Group,
- d) rendering services to Stalprodukt S.A. by its subsidiary companies.

Detailed data was disclosed in the financial statements

It should be stressed that these were typical and routine transactions, arising from the on-going operating activities and rendered on a continuous basis. These transactions are based on market conditions.

13. Applications for compensation for energy-intensive sectors

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 21 March 2025 submitted an application for compensation in the amount of PLN 15,488 thousand, and on 09 July 2025 submitted an application for additional compensation in the amount of PLN 2,669 thousand.

14. Information on credit or loan sureties or guarantees granted by the Issuer or the Issuer's subsidiary – jointly to one entity or a subsidiary controlled by the entity if the total value of the existing sureties or guarantees is significant.

During the first half of 2025, Stalprodukt S.A. did not grant any loans, loan sureties, or guarantees to its subsidiaries.

On April 29, 2025, Stalprodukt S.A. granted STPower sp. z o. o. a loan of PLN 1,185,000 to finance the development of comprehensive design documentation for the construction of four industrial energy storage facilities with a total capacity of 40 MW and a capacity of 160 MW.

15. Other information that, in the Issuer's opinion, are essential for the assessment of the situation in the area of human resources, property and financial standing, financial result and changes thereof, as well as information that are essential for the assessment of the Issuer's capacity to settle its liabilities.

All the information essential for the assessment of the staffing, property and financial standing, financial result and changes thereof and essential for the assessment of the Group's capacity to settle its liabilities, are included herein or in the „Additional Information” sheet.

16. The factors, that in the Issuer's assessment, are likely to affect its results in the perspective of, at least, the next quarter.

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

- fluctuations of charge prices and demand for Stalprodukt's products,
- fluctuations of the LME zinc and lead prices and LBM silver prices ,
- fluctuations of currency exchange rates
- prices of electricity and energy raw materials,
- price formation and gas availability,
- prices of CO₂ emission allowances.

17. Composition of Management Board's and Supervisory Board

Management Board Composition

In the period from 1 January 2025 to 30 June 2025, the Stalprodukt Management Board was composed of:

Piotr Janeczek	- President of the Board
Łukasz Mentel	- Member of the Board

Supervisory Board Composition

In the period from 1 January 2025 to 30 June 2025, the Stalprodukt Supervisory Board was composed of:

Piotr Tomasz Janeczek	- Chairman of the Supervisory Board
Sanjay Samaddar	- Vice-Chairman of the Supervisory Board
Magdalena Janeczek	- Secretary
Agata Sierpińska-Sawicz	- Member
Romuald Talarek	- Member

The present Report on the Activities of the Stalprodukt S.A. Capital Group was approved for publication by the parent company's Management Board on 28.08.2025.

.....
Łukasz Mentel
Member of the Management Board
– Financial Director

.....
Piotr Janeczek
President of the Management Board – CEO