

JSW Group's operating activity in Q4 2024

In Q4 2024, total coal production in the JSW Group was 3.20 million tons and coke production was 0.69 million tons.

YTD 2024 total coal production was 12.25 million tons and coke production was 3.06 million tons.

Its operating results are depicted in the table below:

Production ratios		Quarter		
		Q4 2023	Q3 2024	Q4 2024
(a+b) Total coal production:	million tons	3.39	3.05	3.20
a) coking coal production		2.69	2.50	2.71
b) steam coal production		0.70	0.55	0.49
(a+b) Total coal sales:		3.36	2.90	3.05
a) coking coal sales		2.64	2.45	2.51
<i>including internal sales</i>		1.18	1.05	1.02
b) steam coal sales		0.72	0.45	0.54
Total coke production	million tons	0.87	0.81	0.69
Sales of coke		0.79	0.74	0.74

Coal and coke production in the JSW Group

The operating results of the coal segment in Q4 2024 were as follows:

- **total coal production** was 3.20 million tons, up by approx. 4.7% compared to Q3 2024 and down by approx. 5.7% compared to Q4 2023;
- **coking coal production** was roughly 2.71 million tons, up by approx. 8.0% compared to Q3 2024 and up approx. 0.6% compared to Q4 2023;
- **steam coal production** was approx. 0.49 million tons, down by approx. 10.7% compared to Q3 2024 and down by approx. 29.9% compared to Q4 2023;
- **total coal sales** were approx. 3.05 million tons, up by approx. 5.1% compared to Q3 2024 and down by approx. 9.3% compared to Q4 2023;
- **coking coal sales** were approx. 2.51 million tons, up by approx. 2.3% compared to Q3 2024 and down by approx. 5.1% compared to Q4 2023;
 - **incl.: internal sales** were approx. 1.02 million tons, down approx. 3.4% compared to Q3 2024 and down approx. 14.1% compared to Q4 2023;
- **steam coal sales** were approx. 0.54 million tons, up by approx. 20.0% compared to compared to Q3 2024 and down by approx. 24.5% compared to Q4 2023;
- **coal sales to external customers** in Q4 2024 accounted for approx. 67% of the total volume.

The operating results of the coke segment in Q4 2024 were as follows:

- **total coke production** in Q4 2024 was 0.69 million tons, down by approx. 14.5% compared to Q3 2024 and down approx. 20.6% compared to Q4 2023;
- **total coke sales** in Q4 2024 were 0.74 million tons, up approx. 0.5% compared to Q3 2024 and down approx. 6.1% compared to Q4 2023.

Market conditions in Q4 2024

- Coal segment¹
 - the average price of The Steel Index (TSI) in July 2024 – November 2023 affecting JSW's prices in Q4 2024 was USD 208 per ton. Compared to the average TSI value in April 2024 – August 2024 affecting JSW's prices in Q3 2024, it decreased by approx. 11%,
 - the estimated average PLN-per-ton price of coking coal sold by JSW to external buyers in Q4 2024 versus the previous quarter dropped by approx. 13%. Converted into USD at the National Bank of Poland's average exchange rate in the pertinent quarter, the decrease was approx. 16%,
 - the ratio of the average price of JSW's coking coal sold to external buyers to the average TSI price in July 2024 – November 2024 was 89%. Compared to the previous quarter, it fell by 5 percentage points,
 - the Polish Steam Coal Market Index (PSCMI1) in sales to the commercial and industrial energy sector stood at PLN 469.48 per ton in Q4 2024 (data for October and November 2024) decreased by approx. 2% compared to the previous quarter,
 - the average price of steam coal sold by JSW in Q4 2024 in relation to the previous quarter decreased by approx. 9%.

- Coke segment²
 - JSW Group's coke prices in Q4 2024 were influenced by the prices from Q3 and Q4 2024. The prices of blast-furnace coke on the European market in Q3 2024 amounted to USD 360 per ton, down approx. 6% from Q2 2024, in Q4 2024 the downward trend continued, prices fell from Q3 2024 by approx. 6% to USD 340 per ton,
 - the average PLN-per-ton total contract price of coke sold by the JSW Group in Q4 2024 decreased by approx. 13% compared to Q3 2024. After conversion into USD at the National Bank of Poland's average exchange rate from the respective quarter, the decline was approx. 16%.

Data source: Platts, Coke & Anthracite Market Report, polskirynekwegla.pl

¹Since Q3 2024, JSW has been setting prices with customers based usually on two models:

- quarterly prices – based on average quotations from the previous quarter;
- monthly prices – based on the average quotations from the previous month (in place of the previously used Nippon-Steel method – a quarterly benchmark price calculated as the average of the first two months of the current quarter and the last month of the previous quarter,

The change of the Nippon-Steel model to monthly prices does not affect the reference period for prices set by JSW: the average price of coking coal in a given quarter is influenced by prices over five months (from the previous quarter and the first two months of the current quarter).

² Coke prices are set at the turn of each quarter to reflect the market terms in negotiations. The optimal approach is to compare the prices obtained in a given quarter with the price in the previous and current quarter.