

JSW Group's operating activity in Q1 2025

1. Production and sales volumes

In Q1 2025, total coal production in the JSW Group was 2.86 million tons and coke production was 0.70 million tons.

Coal Segment

Production and sales – coal segment (millions of tons)			
	Q1 2024	Q4 2024	Q1 2025
(a+b) Total coal production:	3.13	3.20	2.86
a) coking coal production	2.40	2.71	2.32
b) steam coal production	0.73	0.49	0.54
(a+b) Total coal sales:	3.06	3.05	3.01
a) coking coal sales	2.59	2.51	2.49
<i>including internal sales</i>	<i>1.13</i>	<i>1.02</i>	<i>0.88</i>
b) steam coal sales	0.47	0.54	0.52

The operating results of the coal segment in Q1 2025 were as follows:

- **total coal production** was 2.86 million tons, down by approx. 10.5% compared to Q4 2024 and down by approx. 8.7% compared to Q1 2024;
- **coking coal production** was approx. 2.32 million tons, down by approx. 14.3% compared to Q4 2024 and down by approx. 3.6% compared to Q1 2024;
- **steam coal production** was approx. 0.54 million tons, up by approx. 10.6% compared to Q4 2024 and down by approx. 25.7% compared to Q1 2024;
- **total coal sales** were approx. 3.01 million tons, down by approx. 1.5% compared to Q4 2024 and down by approx. 1.8% compared to Q1 2024;
- **coking coal sales** were approx. 2.49 million tons, down by approx. 0.6% compared to Q4 2024 and down by approx. 3.7% compared to Q1 2024;
 - **of which: internal sales** were approx. 0.88 million tons, down by approx. 13.1% compared to Q4 2024 and down by approx. 22.2% compared to Q1 2024;
- **steam coal sales** were approx. 0.52 million tons, down by approx. 5.3% compared to Q4 2024 and up by approx. 8.8% compared to Q1 2024;
- **coal sales to external customers** in Q1 2025 accounted for approx. 71% of the total volume.

Coke segment

Production and sales – coke segment (millions of tons)			
	Q1 2024	Q4 2024	Q1 2025
Total coke production	0.83	0.69	0.70
Total coke sales	0.99	0.74	0.74

The operating results of the coke segment in Q1 2025 were as follows:

- **total coke production** in Q1 2025 was 0.70 million tons, up by approx. 1.3% compared to Q4 2024 and down approx. 15.2% compared to Q1 2024;
- **total coke sales** in Q1 2025 were 0.74 million tons, up approx. 0.2% compared to Q4 2024 and down approx. 24.8% compared to Q1 2024.

Internal drivers of production levels in Q1 2025

- Force majeure event announced on 29 January 2025 in connection with the events that occurred on 22 January 2025 in the Szczygłowice Section of the Knurów-Szczygłowice mine, where methane ignited and the endangered area had to be sealed off using stoppings (Current Report 11/2025);
- persisting effects of the force majeure events announced in previous periods, the impact of which on the 2025 production will be presented in a separate current report after the completion of ongoing analyses.

2. Market conditions and estimated prices in Q1 2025

Coking coal prices fell much below the expectations of analysts in Q1 2025. The following factors had a negative impact on the quoted prices of coking coal and coke:

- poor demand and low margins in the steel market, intense price competition from imported steel and coke from Asian countries,
- improving coal supply in the absence of demand growth,
- increasing market uncertainty due to escalating market protectionism, tariffs implemented or announced by the US, including on steel and automobiles, and retaliatory tariffs introduced by China on US coal,
- an increase in secondary resale transactions of purchased coal on the spot market, which increased supply.

Market quotes in Q1 2025

- the benchmark price¹ for coking coal in Q1 2025 was 197.99 USD/t, which signifies a 4.8% decrease vs. Q4 2024 and a 40.0% decrease vs. Q1 2024.
- in Q1 2025, the average quoted price of blast-furnace coke on the European market was 326.67 USD/t, which marks a 3.9% decrease vs. Q4 2024 and a 9.3% decrease vs. Q1 2024.
- in Q1 2025, the average quoted price of blast-furnace coke (65/64 CSR) imported into Europe on a CIF ARA basis was 260.67 USD/t, a decrease of 5.4% compared to Q4 2024 and 26.8% compared to Q1 2024.
- the average quoted price of Chinese coke (62 CSR) in Q1 2025 was 224.00 USD/t, which signifies a 13.9% decrease vs. Q4 2024 and a 28.9% decrease vs. Q1 2024.
- the average quote of the Polish Steam Coal Market Index (PSCMI1) in sales to the commercial and industrial energy sector stood at 363.71 PLN/t in Q1 2025 (data for January and February 2025) decreasing by approx. 21.8% compared to the previous quarter, while the decrease vs. Q1 2024 was 25.9%.

Estimated average contract prices received from sales of JSW Group products:

- **the estimated average contract price of coking coal in sales to external customers in Q1 2025 was 746.40 PLN/t (i.e., 186.74 USD/t²);** compared to Q4 2024, it was up by 0.2%, and compared to Q1 2024, it was down by approx. 29.5%;
- **the estimated average contract price of steam coal in sales to external customers in Q1 2025 was 311.75 PLN/t;** compared to Q4 2024, it was down by 24.3%, and compared to Q1 2024, it was down by approx. 35.3%;
- **the estimated average contract price of coke in sales to external customers in Q1 2025 was 1,053.26 PLN/t (i.e., 263.51 USD/t²);** compared to Q4 2024, it was down by 7.1%, and compared to Q1 2024, it was down by approx. 23.2%.

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

¹ JSW sets coking coal 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.

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 The price was converted to USD using weighted average exchange rates of the NBP: cumulative USD/PLN for the period of January-March 2025.