

## JSW Group's operating activity in Q2 2024

In Q2 2024, total coal production in the JSW Group was 2.87 million tons and coke production was 0.73 million tons.

YTD 2024 total coal production was 6.00 million tons and coke production was 1.56 million tons.

Its operating results are depicted in the table below:

Production ratios		Quarter		
		Q2 2023	Q1 2024	Q2 2024
<b>(a+b) Total coal production:</b>	million tons	<b>3.32</b>	<b>3.13</b>	<b>2.87</b>
a) coking coal production		2.70	2.40	2.31
b) steam coal production		0.62	0.73	0.56
<b>(a+b) Total coal sales:</b>		<b>3.13</b>	<b>3.06</b>	<b>2.61</b>
a) coking coal sales		2.64	2.59	2.27
<i>including internal sales</i>		1.14	1.13	0.95
b) steam coal sales		0.49	0.47	0.34
Total coke production	million tons	0.85	0.83	0.73
Sales of coke		0.88	0.99	0.76

### Coal and coke production in the JSW Group

The operating results of the coal segment in Q2 2024 were as follows:

- **total coal production** was 2.87 million tons, down by approx. 8.5% compared to Q1 2024 and down by approx. 13.6% compared to Q2 2023;

*In Q2 this year, the reconstruction of mining fronts was carried out after previous events resulting in the need to suspend the operation of some longwalls. Two new longwalls were commissioned in the second half of May, while four new longwalls were commissioned in June. Currently, JSW S.A. mines operate 23 longwalls.*

- **coking coal production** was approx. 2.31 million tons, down by approx. 4.1% compared to Q1 2024 and down by approx. 14.4% compared to Q2 2023;
- **steam coal production** was approx. 0.56 million tons, down by approx. 23.0% compared to Q1 2024 and down by approx. 9.8% compared to Q2 2023;
- **total coal sales** were approx. 2.61 million tons, down by approx. 14.8% compared to Q1 2024 and down by approx. 16.7% compared to Q2 2023;
- **coking coal sales** were approx. 2.27 million tons, down by approx. 12.2% compared to Q1 2024 and down by approx. 14.1% compared to Q2 2023;
  - **incl.: internal sales** were approx. 0.95 million tons, down approx. 15.9% compared to Q1 2024 and down approx. 16.3% compared to Q2 2023;

*Sales of coking coal were adjusted to the level and structure of production.*

- **steam coal sales** were approx. 0.34 million tons, down by approx. 28.9% compared to compared to Q1 2024 and down by approx. 31.1% compared to Q2 2023;
- **coal sales to external customers** in Q2 2024 accounted for approx. 63% of the total volume.

The operating results of the coke segment in Q2 2024 were as follows:

- **total coke production** in Q2 2024 was 0.73 million tons, down by approx. 12.3% compared to Q1 2024 and down approx. 14.7% compared to Q2 2023;

*Reduced coke production was a consequence of lower supply of JSW coal.*

- **total coke sales** in Q2 2024 were 0.76 million tons, down by approx. 22.9% compared to Q1 2024 and down by approx. 13.9% compared to Q2 2023.

### **Market conditions in Q2 2024**

- Coal segment<sup>1</sup>
  - the average price of The Steel Index (TSI) in January 2024 – May 2024 affecting JSW's prices in Q2 2024 was USD 280 per ton. Compared to the average TSI value in October 2023 – February 2024 affecting JSW's prices in Q1 2024, it decreased by approx. 15%,
  - the estimated average PLN-per-ton price of coking coal sold by JSW to external buyers in Q2 2024 versus the previous quarter dropped by approx. 11%. Converted into USD at the National Bank of Poland's average exchange rate in the pertinent quarter, the decrease was also approx. 11%,
  - the ratio of the average price of JSW's coking coal sold to external buyers to the average TSI price in January 2024 – May 2024 was 84%. Compared to the previous quarter, it increased by 4 percentage points,
  - the Polish Steam Coal Market Index (PSCMI1) in sales to the commercial and industrial energy sector stood at PLN 497.37 per ton in Q2 2024 (data for April and May 2024) rose by approx. 1% compared to the previous quarter,
  - the average price of steam coal sold by JSW in Q2 2024 in relation to the previous quarter decreased by approx. 1%.
- Coke segment<sup>2</sup>
  - the prices of blast-furnace coke in the European market in Q1 2024 were USD 360 per ton, up by approx. 3% compared to Q4 2023,
  - the average PLN/t total contract price of coke sold by the JSW Group in Q2 2024 remained at a comparable level compared to Q1 2024. After conversion into USD at the National Bank of Poland's average exchange rate from the respective quarter, it was also at a comparable level.

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

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<sup>1</sup>JSW sets prices with its customers on the basis of benchmark prices based on the daily prices of Australian premium hard coking coal grades, in most cases by calculating their mean values by using two methods:

- the 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 Q-1 method – quarterly benchmark prices calculated on the basis of the average prices in the previous quarter;

the above means that 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)

<sup>2</sup>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 average price in the previous quarter.