

PRELIMINARY ESTIMATED FINANCIAL RESULTS OF IZOSTAL S.A. FOR 9 MONTHS 2023

The Management Board of Izostal S.A. (Company) hereby announces information on selected estimated financial results of the Company for 9 months 2023. The results presented are estimates and are subject to change until the publication of the semi-annual report for Q3 2023, which the Company intends to publish on 16.11.2023.

Standalone data of Izostal S.A. (PLN thousand)	Q3			9 months		
	2023	2022	Y/Y change	2023	2022	Y/Y change
Sales revenue	157 156	279 141	-44%	563 018	875 075	-36%
Gross profit on sales	10 684	23 774	-55%	49 711	58 653	-15%
EBITDA*	6 046	11 113	-46%	28 196	24 552	15%
Net profit	2 678	5 712	-53%	8 676	13 419	-35%

*EBITDA – operating profit plus depreciation and amortization

The Company's estimated results for 9 months 2023 show a 36% decrease in revenue and a 35% decrease in net profit compared to the same period last year.

The period of Q3 2023 brought a further, expected but, in our opinion, temporary stagnation in the gas market.

The gas market shows significant potential, as evidenced by the plans of both O.G.P. Gaz-System S.A., Polska Spółka Gazownictwa sp. z o.o. and other industry players, both domestic and foreign. In the domestic market, however, there is a delay in the implementation of investments, which is influenced, among other things, by the withholding of EU funds from the National Reconstruction Plan. Consequently, for the first seven months of 2023, there was a 15% year-on-year decrease in the open consumption of steel tubes, as shown by available data from the Steel Chamber of Commerce and Industry.

In the 9 months of 2023, the Company achieved a gross profit margin on sales of 9%, higher than in the same period last year.

For the 9-month period 2023, there was a significantly higher level of financial expenses. Higher interest rates and the use of external financing had the most significant impact on the increase in financing costs.

The presented preliminary results for Q3 2023 take into account the valuation of the Company's inventory holdings as of September 30, 2023 to their current market value.

These factors translated into the Company's net profit for the 9 months of 2023 being 35% lower than in the same period last year.