



Press Release

SIJ GROUP'S PERFORMANCE IN THE YEAR 2020

Ljubljana, 13 May 2021 – **Annual Report of SIJ Group and SIJ d.d. for 2020.**

Today SIJ d.d. published the audited Annual Report of SIJ Group and SIJ d.d. for 2020. The company's audited financial data shows that SIJ Group generated sales revenues of EUR 696.0 million (a 9.3 percent decline compared to 2019), with 84.4 percent of that amount generated in foreign markets. The EBITDA stood at 37.8 million EUR (down 35.8 percent compared to 2019), while the EBITDA margin was 5.4 percent (down 2.3 percent compared to 2019). SIJ Group recorded a loss of EUR 49.9 million. The majority of the loss came from impairments, the rest from operations. The SIJ d.d.'s Supervisory Board took note of SIJ Group's operational performance for 2020 at the meeting on 29 April 2021, when it discussed and adopted the Annual Report of SIJ Group and SIJ d.d for 2020.

"2020 was an exceptionally challenging year due to the effects of the COVID-19 pandemic. Thanks to our niche market focus, SIJ Group was able to navigate the crisis relatively well. We closed our financial year with a better bottom line than our competitors, which provided additional validation of our strategic focus. We retained our leading market shares in niche steel markets. We were able to remain a reliable business partner to our customers and our suppliers throughout this period, and we also saved jobs and successfully curbed the spread of the virus among our employees while helping our local communities get through the crisis by lending an ear to their needs and by acting responsibly. However, the fact is that the global situation had a profoundly negative impact on the metallurgy industry across the world. Despite our effective crisis management efforts and active and systematic risk management, cost optimisation across all levels of operations, and adjustments to our business plans, the pandemic has cut deep into our operations, as reflected in our operational results," said **Andrey Zubitskiy, President of the Management Board of SIJ Group.**

Even in times of crisis, SIJ Group was able to maintain stable financial operations and enjoyed the investors' trust: *"In July we repaid our liabilities to our investors and settled the SIJ5 bonds upon maturity with 51.2 million euros of our own capital. In November, we successfully finalised the fourth bond issue of SIJ7 bonds for the cumulative nominal value of EUR 26.1 million. The new bond issue partially replaced the SIJ5 bonds, and combined with December's seventh successful issue of corporate bonds in the amount of EUR 26.7 million, SIJ Group raised a total of EUR 52.8 million on the capital market this year. This ranks us as one of the most active and well-known companies on the domestic capital market, which has retained investors' trust even in these times of crisis. The funds raised helped us more easily implement our financial policies and investments strategy, which has been adjusted in response to the circumstances,"* noted **Igor Malevanov, Vice President and CFO**, referring to the Group's financial stability

Even in 2020, SIJ Group was already creating the conditions needed to effectively begin the recovery cycle once the crisis has passed. In the Steel Processing and Distribution Division, we collaborated with the company TPA to set up RSC Holding as a joint venture, which became a leading centre supporting the tooling industry in the region. Among its other projects, RSC Holding is also developing products using patented innovative technology of additive production. The patented MFT (Metal Fusion Technology) pushes the limits of product complexity allowed by conventional technologies.

In addition, they also became certified for the EN 9100 international quality standard, allowing it to penetrate the demanding market of high-quality technologically advanced products for use in the aircraft industry, space flight and other advanced industries. They are particularly proud of being listed as an official supplier of the Russian Agency for Quality Assurance in the ITER project, which is one of the world's largest, most ambitious, most advanced and most expensive projects currently underway.

Ever since the final quarter of last year, positive signals have been coming in from the markets, ushering in the recovery of the steel and other industries. Increased activity has been noted in all key export markets (Germany, Italy, USA, etc.) and in industries where SIJ Group's products have a market presence (such as the engineering industry, automotive industry, oil and gas industry, petrochemical industry, energy industry, and others), which was immediately reflected in SIJ Group's incoming orders, which have already returned to pre-crisis levels. The Group's production capacities are therefore fully booked for an extended period of time ahead.

Thus, the unaudited financial data shows that in the first quarter of 2021 SIJ Group generated sales revenues of EUR 212.3 million (a 10.1 percent increase compared to the same period last year). The EBITDA stood at 17.9 million EUR (up 29.4 percent compared to the same period last year). In 2021, SIJ Group allocated 15.0 million EUR for investments (twice as much as for the same period 2020). It is implementing investments in line with the 2025 strategy, including those postponed from 2020 to a later period due to the COVID-19 epidemic. In the first three months of 2021, SIJ Group operated positively and generated a profit of three million euros.

For more information, please contact:

SIJ – Slovenska industrija jekla, d.d.

mag. Sara Wagner, Head of Corporate Communications

Phone: +386 1 242 98 27

Mobile: +386 41 313 532

E-mail: sara.wagner@sij.si