

PROPOSED USE OF THE 2022 BALANCE SHEET PROFIT

Celje, 18 April 2023

On 18 April 2023, with the adoption of the 2022 Annual Report, the Management Board and the Supervisory Board established a balance sheet profit of EUR 25,014,391.39. Of this, the balance sheet profit, which was generated from the net profit for 2022, amounts to EUR 24,930,232.80. The remainder, up to EUR 25,014,391.39, represents the profit carried forward from the year before last financial year.

The Management Board and the Supervisory Board will propose to the General Meeting that the 2022 balance sheet profit remains unallocated.

Explanation:

In 2023, the Company is a beneficiary of aid under the Act on aid to the economy to mitigate the effects of the energy crisis (ZPGOPEK), according to which the consequences apply to the cases defined in Article 16(12). According to the cited provision, a beneficiary (company) that has claimed economic aid under this Act, if it has, since the entry into force of this Act in 2023 or for the year 2023, made a payment of profits, purchases of its own shares or its own business holdings, payments of bonuses to the management or part of the performance-related salaries to the management, must notify the competent authority thereof no later than two months after the payment. It must repay the funds received within 30 days of notification of the decision issued by the competent authority, together with statutory interest at the statutory rate of interest from the date of expiry of the time limit for repayment of the aid received until the date of repayment.

As a consequence of the fact that the loss of the aid would mean greater material damage to the Company (currently the projected amount of the annual aid is EUR 5-7 million), the Management Board and the Supervisory Board weighed the rights of the shareholders on the one hand and the interests of the Company on the other hand. Management Board and the Supervisory Board came to the conclusion that the interests of the Company prevailed in this case. The loss of those funds would also have an impact on the economic situation of the shareholders. The Management Board and the Supervisory Board propose, in accordance with the judgement of a sound economist, that, in the light of the situation presented, it is necessary not to distribute the balance sheet profit to the shareholders.

The Management Board and the Supervisory Board have formulated their proposal on the basis of the circumstances currently existing and outlined above. Should these circumstances change, they will communicate this to the public and, if necessary, convene a General Meeting.

President of the Management Board
Cinkarne Celje, d. d.
Aleš Skok

President of the Supervisory Board
Cinkarna Celje, d. d.
Mario Gobbo