

Forecast of selected consolidated financial and operating results for the year 2024

The Management Board of Grupa Kęty S.A. (hereinafter referred to as the Issuer) discloses in public a forecast of the selected financial and operating results of the Issuer's Capital Group for the year 2024.

| Consolidated data (PLN million) | IF2023 ⁽¹⁾ | F2024 | Change (%) F2024/IF2023 ⁽¹⁾ |
|---|-----------------------|--------------|---|
| Sales revenue, of which: | 5,200 | 5,269 | +1% |
| <i>EPS</i> | 2,106 | 2,136 | +1% |
| <i>ASS</i> | 2,359 | 2,459 | +4% |
| <i>FPS</i> | 1,202 | 1,147 | -5% |
| EQUITY of which: | 852 | 945 | +11% |
| <i>EPS</i> | 284 | 315 | +11% |
| <i>ASS</i> | 408 | 430 | +5% |
| <i>FPS</i> | 195 | 224 | +15% |
| Net profit on operating activities | 673 | 742 | +10% |
| Net profit | 536 | 567 | +6% |

(1) IF2023 – data compliant with the estimates of 19 December 2023. The final data for the year 2023 will be presented in the consolidated annual financial statements for 2023.

The Management Board of Grupa Kęty S.A. assumes gradual improvement of situation on the main markets of the Capital Group operations in the subsequent quarters of 2024. The assumption is based on:

- the expected GDP increases and downturn in inflation y/y in most of the European countries;
- continued trends in higher demand for aluminium products in construction and automotive sectors (improvement of buildings energy efficiency and CO₂ emissions reduction in automotive and forwarding sectors by way of reducing the weight of vehicles and increasing the number of electric vehicles);
- possible support for investment projects in Poland financed from the National Reconstruction Plan. The above factors should result in higher demand and limited pressure on margin, which were clearly visible in 2023. In effect, the Capital Group Segments assume slight percentage increases in sales volumes (2% at the FPS, 6% at the ASS and 7% at the EPS).

In the production and organisational area, the Capital Group companies will run activities to increase productivity and cost effectiveness. There have been planned a series of initiatives to set off the higher costs of operating activities.

In effect, the Capital Group plans to generate PLN 945 million EBITDA and PLN 742 million profit on operating activities in 2024. The assumed financial costs shall amount to PLN 78 million (comprising mainly interest on loans). The costs of income tax cover for PLN 37 million additional income from the recognition of deferred tax asset due to the investment projects carried out which are covered with allowances.

As a result, the consolidated net profit attributable to owners of the parent shall amount to PLN 567 million and will be by 6% higher than the value estimated for 2023.

Main macroeconomic assumptions of the 2024 forecast:

- GDP in Poland: 3.0%; GDB in the eurozone: 1.0%;
- inflation in Poland: 6.6%;
- average aluminium price: USD 2,300 per ton;

- average USD/PLN exchange rate: 4.18;
- average EUR/PLN exchange rate: 4.58.

Sales revenue increase by approximately 1% is a result of higher volumes and the assumed lower materials prices, as well as other factors affecting the price policy of the particular Segments.

Total operating costs will be lower by about 1%, partly due to the assumed lower prices of basic materials and energy, and will reach PLN 4,527 million, of which:

- depreciation: PLN 203 million (+13%);
- costs of materials: PLN 2,925 million (-3%);
- costs of energy: PLN 217 million (-8%);
- costs of employee benefits: PLN 743 million (+9%);
- costs of third party services: PLN 399 million (+7%).

The 2023 forecast covers for the payment of dividend amounting to 85% of the consolidated net profit for the year 2023, which complies with the binding dividend policy. The recommendation of the Company Management Board in that regard will be submitted for opinion to the Supervisory Board in 2024, based on the assessment of the current and expected standing of Grupa KĘTY. The final decision will be made by the AGM of Grupa KĘTY S.A.

The estimated 2024 capital expenditure will amount to PLN 304 million, including roughly PLN 82 million on projects commenced or planned in 2023. In effect of the performance of main development projects at the Extruded Products Segment, by the end of the first half of the year there will be launched the second of the planned presses, whereas at the Aluminium Systems Segments a new plant manufacturing architectural systems is planned to be opened in Złotów in the first half of the year.

The forecast net debt level at the end of 2024 will be PLN 1,111 million, and the net debt/EBITDA ratio will reach 1.2.

Non-financial objectives have also been set for 2024, including:

- reduction of greenhouse gas emissions by 20% compared to the base year 2016;
- 72% share of aluminium scrap in low-emission LOW CARBON KĘTY billets;
- share of the manufactured packaging films and laminates fit for recycling higher by 4% compared to the base year 2020;
- increase by 55% in the number of buildings constructed of Aluprof-systems with environmentally-friendly certificates compared to the base year 2020;
- performance of 50 social projects within the 'Together with the Group' programme;
- improvement of occupational health and safety by bringing the Total Recordable Incident Rate (TRIR) below 1.12;
- reduction of the staff turnover rate by 5% compared to 2023.

It has been assumed that in 2024 business conditions will not change significantly, specifically as regards legal, tax and administrative regulations.

The 2024 forecast does not assume the occurrence of extraordinary one-off events, which may not be foreseen on the forecast publication date.

The Issuer is going to assess the capability of accomplishing the 2024 forecast and make any appropriate adjustments on a quarterly basis and any time a major event affecting the forecast occurs.

The figures for 2023 presented in this current report are only estimations and may change by the time of publication of the annual consolidated financial statements for 2023.

The 'EBITDA' parameter applied in this disclosure represents the total profit on operating activities (an item of the profit and loss account for the respective reporting period) and depreciation (an item of the profit and loss account for the respective reporting period). The 'EBITDA' parameter is a measure presenting the capability of the Company to generate cash on basic activities. The 'EBITDA' ratio calculated in accordance with the above mentioned guidelines amounted to PLN 1,031.4 million in the consolidated financial statements for 2022.

The 'net debt' parameter applied in this disclosure represents the total of long-term loan payables and long-term lease liabilities (items of the balance-sheet equity/liabilities), plus short-term loan payables and short-term lease liabilities (items of the balance-sheet equity/liabilities), less the value of cash and cash equivalents (an item of the balance-sheet assets). The 'net debt' ratio presents the value of bank loans and other interest-bearing liabilities, in consideration of the cash available, which may be allocated to the debt repayment. In the consolidated financial statements for 2022, the 'net debt' ratio calculated in accordance with the above mentioned guidelines amounted to PLN 1,056.3 million as at 31 December 2022.

The presentation of the aforesaid parameters in this disclosure by the Company results from their general application in financial analysis and valuation of the Issuer's Capital Group by the Company stakeholders.