

# BUSINESS REPORT

of SIJ Group and SIJ d.d. for the First Half of

2025

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# 01 INTRODUCTION

# SIJ Group at a Glance

## THE FIRST HALF OF 2025 IN FIGURES

**Sales revenue**  
(EUR million)

**518.0**

(2024: 582.1)

**EBITDA**  
(EUR million)

**20.6**

(2024: 42.2)

**CAPEX**  
(EUR million)

**17.1**

(2024: 35.8)

**NFD/EBITDA**

**10.7**

(2024: 5.8)

**Steel production**  
(thousand t)

**248.1**

(2024: 256.5)

**Share of exports**

**87.8 %**

(2024: 86.1 %)

**Employees**

**3,604**

(2024: 3,703)

**Sustainability**

We have  
successfully passed  
the Responsible-  
Steel control audit.

## BUSINESS STRATEGY IMPLEMENTATION

### Market Position in 2025

We ranked among the top four producers of tool steels in the EU.

We maintained our position as one of the top three producers of stainless steel quarto plates in the EU.

Our **vision** is to achieve sustainable growth and efficiency. Both are based on customer focus, higher added value products and employee engagement.

Our **mission** is to produce a broad selection of steels and steel products, while considering the needs of all key stakeholders.

## About SIJ Group

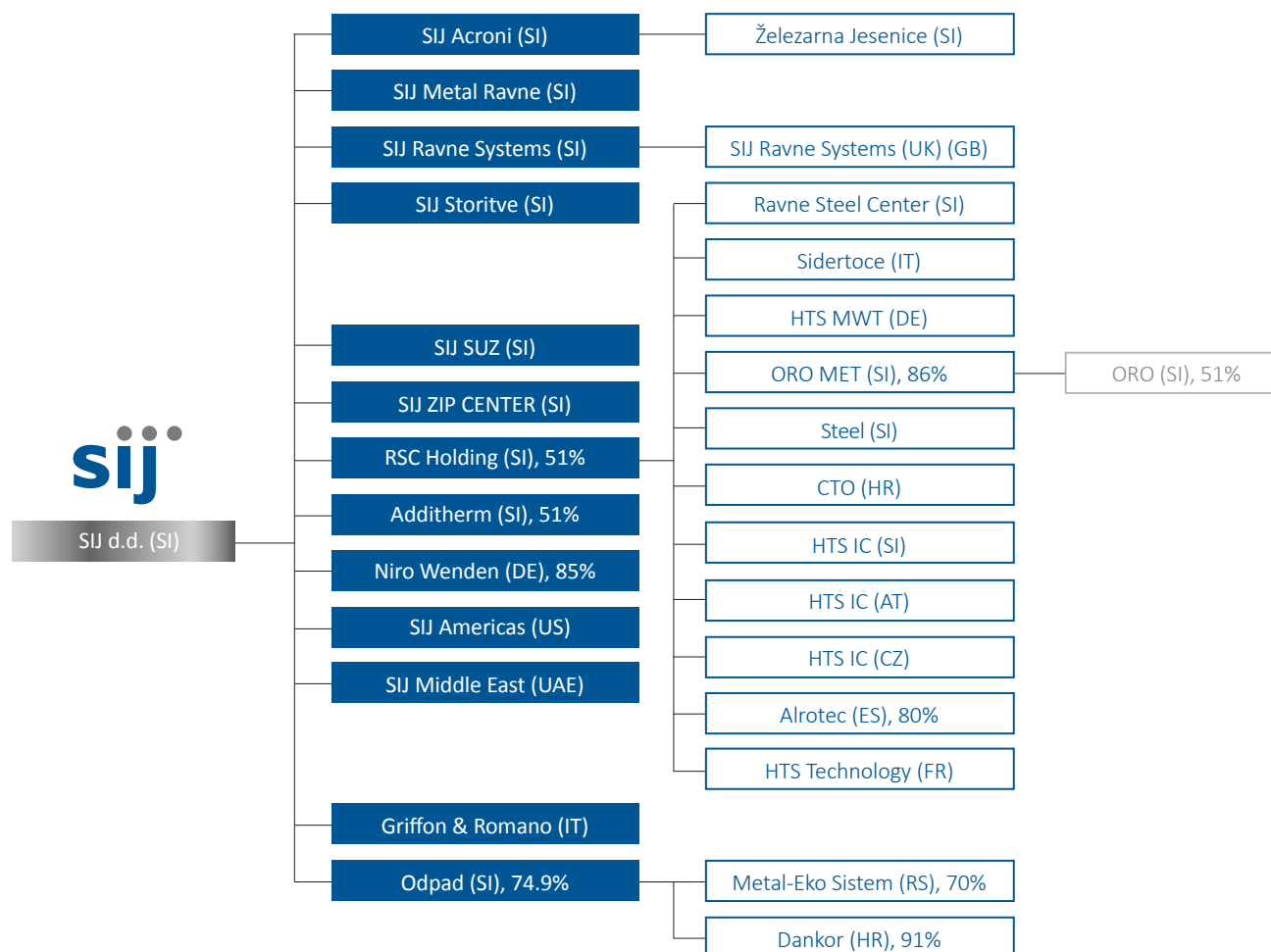
SIJ Group is comprised of 30 companies. SIJ d.d. is the parent company, founder and either the direct or indirect owner of the subsidiaries of SIJ Group, with no registered subsidiaries.

In accordance with the controlling agreement concluded between SIJ d.d. as the parent company and its directly controlled limited liability companies, the operations of the main production companies in Slovenia are under the control of the parent company. The Contract on the Governance and Organisation of the Contractual Group brings under the wing of the parent company SIJ d.d. the controlled companies SIJ Acroni, SIJ Metal Ravne, SIJ Storitve, SIJ SUZ, SIJ ZIP CENTER and SIJ Ravne Systems. As a rule, other controlled companies are either 100%-owned or under the prevalent influence of the parent company.

*Companies where no percentage of ownership is indicated are under 100%-ownership of either SIJ d.d. or its subsidiaries.*

*The winding-up of OOO SSG (RU) began in the first half of 2024, which is not finalised.*

## ORGANISATIONAL STRUCTURE



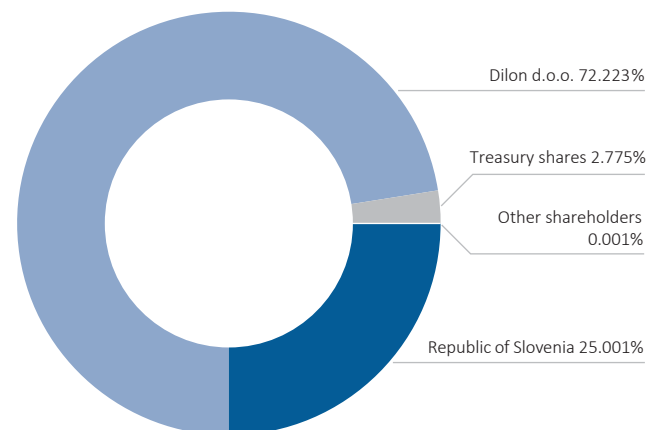


## Overview of the Parent Company SIJ d.d.

### Key Information

Company name:	SIJ – Slovenska industrija jekla, d.d.
Short Company Name:	SIJ d.d.
Registered address:	Gerbičeva ulica 98, 1000 Ljubljana, Slovenija
Core business:	70.100 Activities of head offices
Registered called-up capital:	EUR 145,266,065.76
Number of shares:	994,616 ordinary no-par-value shares

### Ownership Structure as of 30 June 2024





**Andrey Zubitskiy**, President of the Management Board

## MANAGEMENT AND SUPERVISORY BODIES

The Management Board of SIJ d.d. and its executive management team thus represents the management of the entire SIJ Group, which strategically manages, guides and supervises the operations of all SIJ Group companies, both in Slovenia and abroad.

### Management Board

President of the Management Board: Andrey Zubitskiy.



**Tibor Šimonka**, Senior Vice-President



**Viacheslav Korchagin**, Vice-President and CEO



**Igor Malevanov**, Vice-President and CFO

### Extended Executive Management Team

Although SIJ Group operates in an international business environment and on the global market, most executive team members are local to Slovenia. In accordance with corporate governance rules, the SIJ Group's management team consists of the extended executive management team, which includes the President of the Management Board, Vice-Presidents, Directors and Managers, with the latter two reporting directly either to the President of the Management Board or to the Vice-Presidents.

### Supervisory Board

President of the Supervisory Board: Evgeny Zverev.

Vice-President of the Supervisory Board: Miha Resman.

Members of the Supervisory Board: Maria Joye, Matej Bastič, Dmitry Davydov, and Richard Pochon.

On 1 January 2025, Helena Ploj Lajovic's term of office ended following her resignation, and the four-year terms of office of Maria Joye and Matej Bastič expired on 29 July 2025, after the accounting period. At the regular General Assembly held on 27 August 2025, Maria Joye was reappointed as a member of the Supervisory Board, and Matej Tomlje was appointed as a new member.

### Audit Committee

President of the Audit Committee: Miha Resman.

Members of the Audit Committee: Richard Pochon and mag. Alan Maher.

# 02 BUSINESS REPORT

## Notable Events and Achievements of the First Half of 2025

### February

#### **Agreement with the lending banks signed**

In February, some member companies of SIJ Group signed an agreement with major lending banks, which provides a stable basis for structuring, negotiating and implementing the comprehensive refinancing and optimising of the long-term capital structure. The agreement defines the terms and conditions under which additional funding may be provided to support SIJ Group's working capital needs, which have been increasing due to growing sales during the first quarter of 2025. The envisaged long-term capital structure would provide SIJ Group with the financial stability and liquidity needed to effectively address current and future geopolitical and macroeconomic uncertainties.

## Notable Business Events Following the Reporting Period

### July

#### **We successfully passed the ResponsibleSteel audit**

SIJ Group successfully passed the ResponsibleSteel control audit at the beginning of July. The Sustainable Steel Production Certificate, which addresses key topics of sustainable development – the Environment, Social Responsibility and Corporate Governance – was first awarded to SIJ Group in April 2024.

### August

#### **New members of the Supervisory Board appointed**

At the 47th General Meeting held on August 27, 2025, the shareholders appointed new members of the Supervisory Board for a four-year term. Maria Joye was reappointed, and Matej Tomlje was appointed as a new member.

#### **Additional financing agreement concluded**

Two largest production companies, SIJ Acroni and SIJ Metal Ravne, have reached an agreement with the banks NLB d.d., UniCredit Banka Slovenija d.d., OTP banka d.d. and SID - Slovenska izvozna in razvojna banka, d.d., Ljubljana, on securing additional liquidity in the amount of EUR 25 million in order to support the operations of the SIJ Group. The additional liquidity reflects the banks' confidence in the SIJ Group, indicating that despite the challenging business conditions that significantly affected its operations in the first half of 2025, the Group will continue negotiations toward a comprehensive long-term refinancing solution. It will be focused on ensuring a stable long-term financial platform for the Group and is necessary due to challenging and uncertain market conditions. The business viability of the SIJ Group, along with realistic prospects for stabilizing operations and achieving long-term success, has also been confirmed by independent advisors.

# Business Performance Analysis

## THE BUSINESS ENVIRONMENT AND ITS IMPACT ON THE RESULTS

The European steel industry, like other industries, has been facing difficulties in the business environment for an extended period of time. The industry is adversely affected by high energy costs, which have a significant impact on competitiveness, the cooling of the European economy, increased imports of surplus cheap steel from Asia into an unprotected European market, geopolitical instabilities, US trade restrictions and the costs associated with the Green Transition.

Ongoing uncertainty in the European and global steel market has triggered greater caution across the supply chain and a turn toward ad hoc purchasing.

While the Group met expectations in the first quarter of 2025, the effects of the tightened market environment began to emerge in the second quarter, primarily through declining selling prices, while raw material and energy costs remained largely unchanged. Compared to the first half of 2024, our sales revenue was down 11%, EBITDA was down 51.2%, and we ended the period with a negative net result of EUR 23.8 million.

## SIJ Group Key Performance Figures

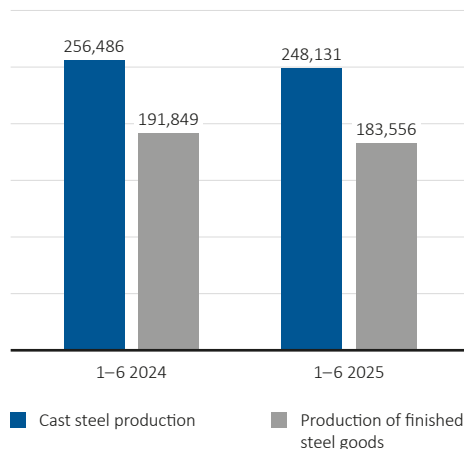
	Unit of Measure	1.– 6. 2024	1.–6. 2025
Cast steel production	t	256,486	248,131
Net sales revenue	EUR thousand	582,086	517,975
EBIT	EUR thousand	13,091	-9,186
EBIT margin	%	2.2	-1.8
Amortisation and depreciation	EUR thousand	28,352	29,174
EBITDA	EUR thousand	42,210	20,609
EBITDA margin	%	7.3	4.0
EBITDA per employee	EUR	11,399	5,718
Profit or loss before taxes	EUR thousand	2,134	-22,986
Net profit or loss	EUR thousand	1,617	-23,806
CAPEX	EUR thousand	35,813	17,061

	Unit of Measure	30 June 2024	30 June 2025
Total assets	EUR thousand	1,035,062	961,948
Equity	EUR thousand	419,855	347,378
Working capital	EUR thousand	179,125	177,211
<i>Inventories</i>	<i>EUR thousand</i>	<i>315,397</i>	<i>291,276</i>
<i>Trade receivables</i>	<i>EUR thousand</i>	<i>133,964</i>	<i>114,752</i>
<i>Trade payables for operating assets</i>	<i>EUR thousand</i>	<i>270,236</i>	<i>288,817</i>
Net financial debt	EUR thousand	262,075	285,682
<i>Non-current financial liabilities</i>	<i>EUR thousand</i>	<i>123,582</i>	<i>195,675</i>
<i>Current financial liabilities</i>	<i>EUR thousand</i>	<i>159,216</i>	<i>108,562</i>
<i>Cash and cash equivalents</i>	<i>EUR thousand</i>	<i>20,723</i>	<i>18,555</i>
NFD/EBITDA		5.8	10.7
Number of employees		3,703	3,604

## LOWER PRODUCTION VOLUMES

The Steel Division produced less cast steel and finished products in the first half of 2025. Production of cast steel was down 3.3% and finished products was down 4.3% compared to the same period of the previous year. The drop in production was most pronounced in the second quarter, as incoming orders declined amid growing market uncertainty.

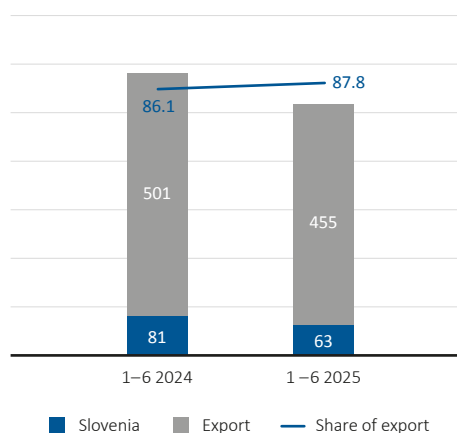
### Cast Steel and Finished Products Manufacturing (in tonnes)



## FOCUS ON EXPORTS AND CHANGES IN MARKET STRUCTURE

Net sales revenues were down 11% compared to the first half of 2024. During second quarter in particular, sales were affected by a decline in demand for steel. The decline was primarily driven by tightened market conditions, which we responded to by reducing sales prices and actively pursuing new customers and markets, which also contributed to a higher share of exports.

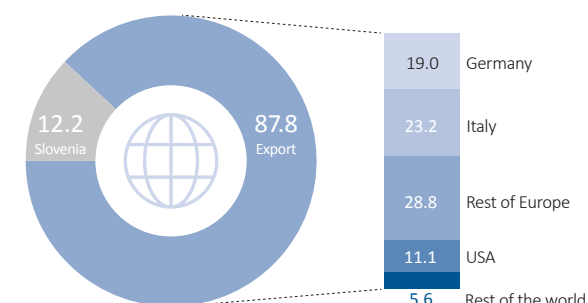
### Net Sales Revenues (in EUR Million) and Share of Exports (in percent)



SIJ Group thus remains one of Slovenia's top exporters. Despite challenging conditions in international trade, we increased our export share in the first half of 2025, with exports accounting for 87.8% of total net sales.

Germany, Italy, the United States, and other European countries continue to be our main export markets. Exports to Italy decreased slightly compared to the same period last year, although we successfully compensated for this by increasing sales in other markets. Exports to the US stand out in particular, with the share increasing from 8.9% in the first half of 2024 to 11.1% in the first half of 2025, representing a 9.9% increase in revenues generated. The revenue growth was driven partly by a higher share of sales from our stainless steel product range, and partly by price adjustments following the introduction of tariffs. The increase in the US market share is also attributed to increased sales at the beginning of the year, when steel tariffs had not yet been imposed and US buyers were building up safety stockpiles.

### Share of Net Sales Revenues by Market (in percent)



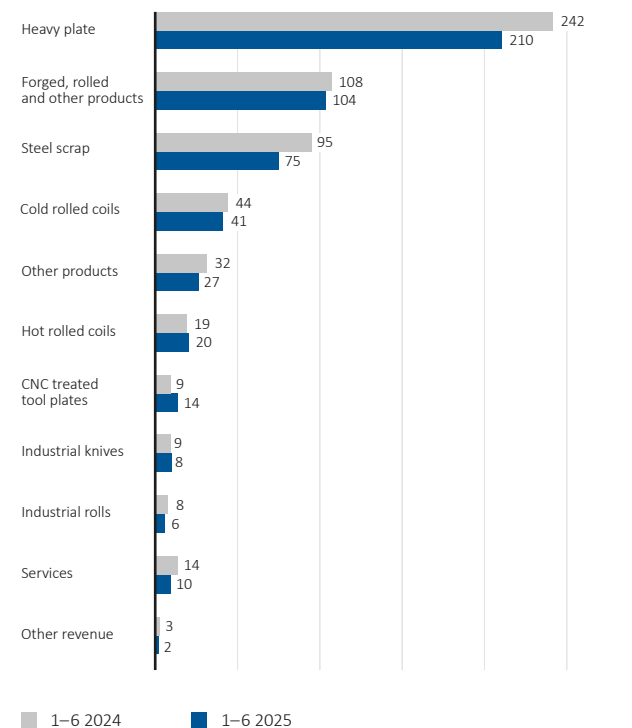


## ADAPTING TO THE MARKET

In view of the increased uncertainty on the global markets, we have increased our trade fair presence, we are accelerating the restructuring of our product portfolio to increase the share of our most advanced steels, and we are shifting our focus from sales to stockists and distributors to direct sales to end customers. We are actively making efforts to enter new, prospective market segments, such as the aviation industry, energy, heavy construction machinery and the construction of infrastructural facilities, engineering, medicine, recycling, e-mobility, and other areas of key importance for the transition to a low-carbon society. In a dynamic business environment, we are constantly adapting to market conditions and keeping up with the latest trends.

The largest decrease in sales revenues was recorded in the segments of stainless steel quarto plates and steel scrap, which is both the result of lower quantities and lower selling prices. On the other hand, CNC-machined tool plates and hot-rolled strips contributed to the growth in revenues, although this was not sufficient to fully compensate for the shortfall in the quarto plates segment. Despite these changes, the structure of sales by product group remains comparable to that seen last year.

Sales by Product Group (in EUR Million)

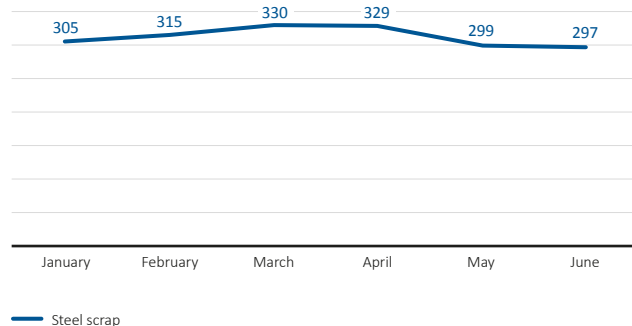


## STABLE PRICES OF STRATEGIC RAW MATERIALS

The slightly positive trend in the first quarter of 2025, compared to the second half of 2024, quickly subsided. Despite the complex relationships between supply and demand, geopolitical factors and technological innovation, there has been no shortage of strategic raw materials on the market. Occasional volatility was caused by changes in trade restrictions and logistical disruptions in supply. Increasing uncertainty has resulted in the reduction of production activity and consumption of steel raw materials in Europe. Overall, the prices of strategic raw materials remained stable in the first half of the year, and were at a relatively low level.

The prices of **steel scrap**, a basic raw material used in steel production, have been relatively stable this year with a slightly negative trend, although they are not decreasing as much as the price of steel products. Diminished economic activity is decreasing the flow of steel scrap into the market. Despite the low activity on the demand side, there is no surplus of steel scrap.

### Changes in the Price of Steel Scrap (in EUR per tonne)

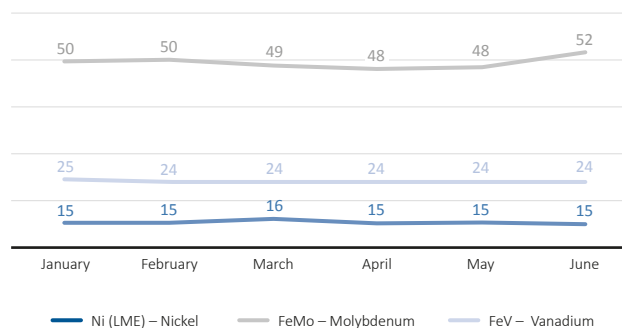


**Nickel** maintains a relatively low price level, fluctuating within a limited range. Indonesia maintains its global influence on supply, as the main supplier of this key raw material.

**Molybdenum** remains stable, although the fall to a lower level as a result of the expected increase in supply has not yet materialised. Demand for molybdenum remains stable.

**Vanadium** has remained stable at a relatively low price level. Supply remains higher than demand due to the weaker economic activity in the Chinese real estate sector and the associated demand for steel.

### Movement of Key Raw Material Prices for the Production of Stainless and Tool Steels (in USD per kilogramme)



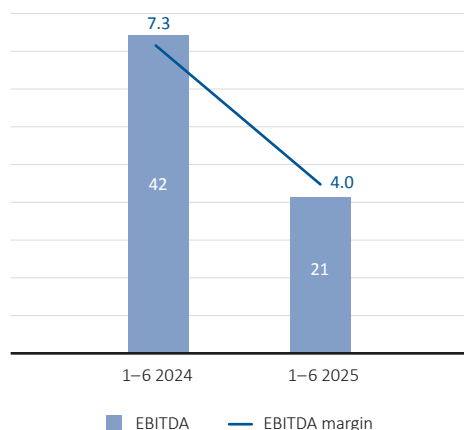
LME (London Metal Exchange)



## EBITDA WAS STRONGLY INFLUENCED BY THE ECONOMIC CONDITIONS

In response to lower sales prices, stable prices of key raw materials, still relatively high energy prices compared to the competition, increased steel imports from Asia and a constantly changing business environment, we have taken cost-cutting measures and put cost-cutting mechanisms in place to manage these challenges in the long term. Despite savings and improved cost efficiency, EBITDA is 51.2% lower compared to the same period of the previous year, which is also reflected in a lower EBITDA margin.

**EBITDA** (in EUR Million) **and EBITDA Margin** (in percent)



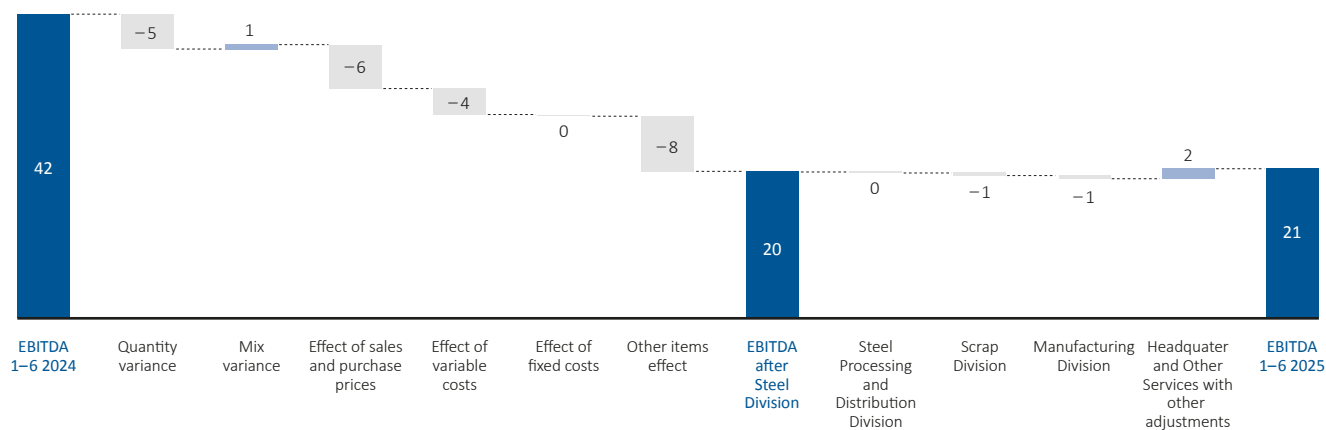
The Steel Division has the greatest impact on SIJ Group's EBITDA, its negative effect in the first half of 2025 being EUR 22.0 million. As previously mentioned, this is mainly due to lower sales volumes and selling prices, particularly in the second quarter. In addition, variable process costs remained high due to the continued increase in energy prices, which make up a significant portion of the cost structure. We have been able to keep fixed costs at 2024 levels, despite the increase in the minimum wage, which increased labour costs.

Several one-off events in 2024 had notable business impacts, such as the compensation received for damage to

the main engine of the rolling frame and the state aid paid out to businesses affected by the floods. No such funds were received in 2025, which further negatively impacted EBITDA.

Other divisions within the SIJ Group also had a negative impact on EBITDA. The Steel Processing and Distribution Division, the Scrap Division and the Manufacturing Division are also facing uncertain market conditions and pricing pressures from customers. On the other hand, the Headquarters and Other Services Division had a positive impact on EBITDA, mainly due to lower labour costs and an intra-Group inventory gain.

**EBITDA Bridge** (in EUR million)





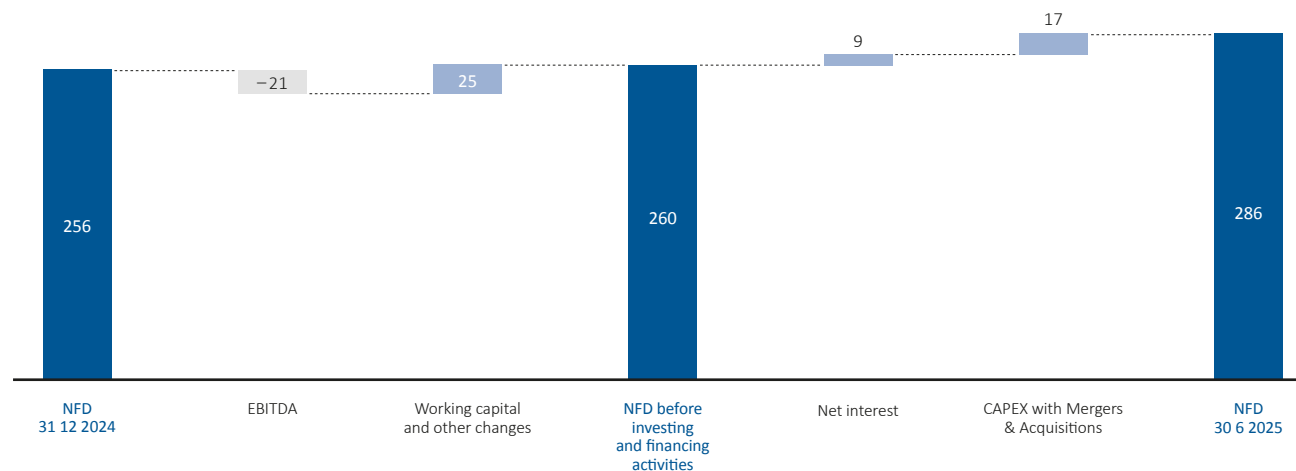
## NET FINANCIAL DEBT

In the first half of 2025, SIJ Group's net financial debt (NFD) increased by EUR 29.7 million and stood at EUR 285.7 million, mainly attributable to the increase in working capital and other adjustments, as a result of increased sales in the first quarter, and capital expenditure.

In February, the two largest member companies of SIJ Group signed an agreement with major lending banks, which will provide a stable basis for structuring and im-

plementing comprehensive refinancing and optimising the long-term capital structure. The agreement defines the terms and conditions under which additional funding may be provided to support SIJ Group's working capital needs, which have been increasing due to growing sales during the first quarter of 2025. The envisaged long-term capital structure will provide SIJ Group with the financial stability and liquidity to effectively address current and future geopolitical and macroeconomic uncertainties.

**NFD Bridge** (in EUR Million)

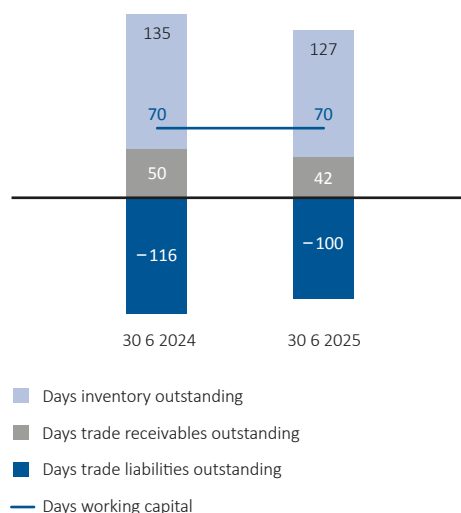


## WORKING CAPITAL MANAGEMENT

SIJ Group dedicates particular attention to the management of its working capital. Changes in working capital over the course of the year are managed by available revolving facilities and effective day-to-day monitoring of payables and receivables.

Working capital decreased by EUR 1.9 million compared to the same period last year, from EUR 179.1 million to EUR 177.2 million, while the days of working capital figure remained unchanged, at the level of 70 days compared to the same period in 2024. Working capital increased by EUR 22.3 million compared to the end of 2024, as a result of increased sales in the first quarter compared to the last quarter of 2024. Days in inventory have been reduced due to optimisation of production and the customers' demand for faster delivery of the materials ordered. Due to the tight macroeconomic situation and the reluctance of insurance companies to increase credit limits for suppliers, the trade payables were reduced by 16 days, down to 100 from 116. The days of sales outstanding were reduced by 8 days, from 50 to 42, mainly due to active collection of trade receivables. This is an indicator of a healthy portfolio of customers with good payment discipline.

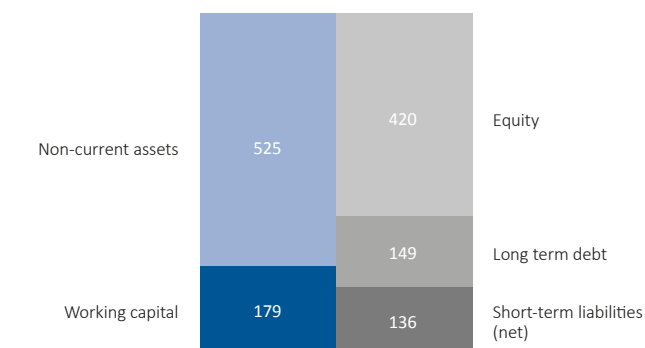
### Days of Working Capital as at 30 June



## HIGH SHARE OF CAPITAL AND LONG-TERM SOURCES

SIJ Group uses long-term financing for long-term development, while short-term sources of financing are used to balance seasonal fluctuations in working capital. By maintaining a financial policy based on a high share of equity and adequate long-term sources, we maintain a stable structure of assets and sources. Long-term sources cover all our non-current assets, and 33.4% of our working capital.

### Structure of Financial Position as at 30 June (in EUR million)

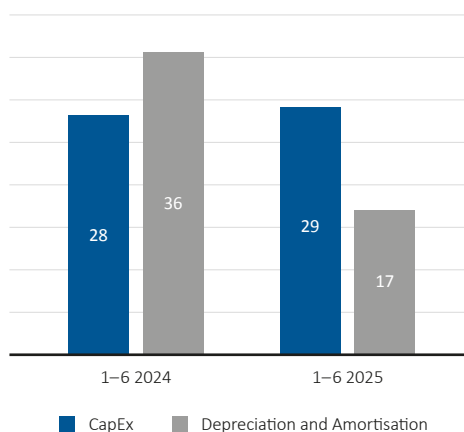


## PRUDENT CAPEX ACTIVITY

In the first half-year period of 2025, we dedicated EUR 17.1 million to capital expenditure, which is EUR 18.8 million less compared to the same period in 2024. In the second quarter, we once again carefully reviewed our planned capital expenditure and suspended those which could be pushed forward to later periods without any major consequences. The remaining capital expenditure will be carried out according to plan, to meet health and safety requirements and the reliability of the production processes.

Amortisation and depreciation remain high due to activation of extensive projects in the past and current periods.

### Costs of Depreciation and Amortisation and CAPEX (in EUR million)



## ALTERNATIVE PERFORMANCE INDICATORS

SIJ Group also reports its performance results based on alternative performance indicators defined by the European Securities and Markets Authority (ESMA). The Net Sales Revenue and Net Profit or Loss indicators are defined according to the International Financial Reporting Standards.

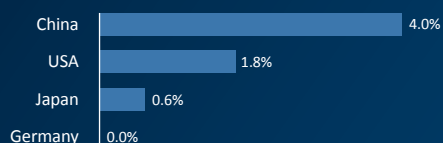
## Notes on the Performance Indicators

Indicator	Explanation of the calculation	Use
<b>Net sales revenue</b>	Net sales revenue in the statement of comprehensive income (Disclosure 1).	Net sales revenue is part of the EBITDA margin and share of exports indicators.
<b>Share of exports</b>	Non-domestic net sales revenue relative to overall net sales revenue in the statement of comprehensive income (Disclosure 1).	The share of exports indicator shows the level of integration in international exchanges and measures the share of exports of goods.
<b>EBIT</b>	Operating profit or loss in the statement of comprehensive income.	EBIT Shows the operating result and is part of the EBITDA indicator.
<b>EBITDA</b>	Operating profit or loss in the statement of comprehensive income before depreciation and amortisation (Disclosure 2) and impairments (profit/loss) of operating receivables in the statement of comprehensive income and impairment of tangible assets and impairment of inventories (Disclosure 3), and before accounting for extraordinary events.	EBITDA is one of the indicators of SIJ Group's performance, and it represents the average cash flows from its core business operations. A higher value means a higher operating cash flow, which translates to a lower risk for investors.
<b>EBITDA margin</b>	Share of EBITDA in net sales revenue in the statement of comprehensive income.	As a relative indicator, the EBITDA margin is used in comparative analyses with similar companies in the industry.
<b>Net profit or loss</b>	Net profit or loss for the period in the statement of comprehensive income.	Net profit and loss equals the mathematical difference of the total profit or loss, levied income tax and deferred taxes, and it represents the profit available for use.
<b>Net financial debt</b>	The sum total of non-current and current financial liabilities minus cash and cash equivalents on the balance sheet.	Net financial debt is part of the NFD/EBITDA indicator.
<b>NFD/EBITDA</b>	NFD/EBITDA	<p>The debt ratio which shows the ratio of net financial debt to EBITDA. A lower value of this indicator means that SIJ Group is able to repay its debts to a greater extent and faster, with a lower risk of default with regard to investors.</p> <p>For half-year data, the EBITDA for the past 12 months is used.</p>

## IMPACTS OF THE EXTERNAL ENVIRONMENT AND SIJ GROUP ACTIVITIES

### GLOBAL ECONOMIC OUTLOOK

#### Economic growth projections for 2025



#### Economic growth projections for 2024 and 2025



#### Observations and trends

**3.3%** global growth (GDP) in 2024

**2.8%** global growth (GDP) in 2025

#### Activities of SIJ Group

- Working closely with US customers in the face of unpredictable changes in trade policy
- Intensified development and sales activities in growing segments of the economy
- Improvements in the supply chain leading to the end buyers

### NEW STEEL DEMAND TRENDS

#### Projection of the growth in steel consumption



#### Projected growth in steel demand



#### Observations and trends

**1.1%** decline in EU steel demand (2024)

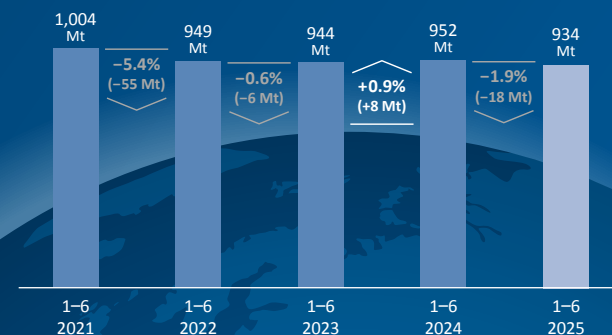
**0.9%** decline in EU steel demand (2025)

#### Activities of SIJ Group

- Efficient adjustment of SIJ Group's business operations to account for the declining market prices of steel products.
- Making adjustments and identifying opportunities in even more profitable niche products due to an overall decline in demand
- Keeping track of development-focused activities on the market and looking for new business opportunities leaning towards environmentally sustainable production of steel.

### SUSTAINABLE DEVELOPMENT AND GEOPOLITICAL CHALLENGES

#### Global steel production in the Jan-Jun period



#### Observations and trends

**3.3%** decline in steel production in the EU in the first six months of 2025

**1.9%** decline in global steel production in the first six months of 2025

#### Activities of SIJ Group

- Product mix optimisation
- Cost optimisation
- Strengthening and advancing existing customer relations

#### Sources:

1. European Commission. May 2025. European Economic Forecast, Spring 2025. Available [at this link](#). 19 May 2025
2. International Monetary Fund. World Economic Outlook (April 2025). Real GDP growth. Available [at this link](#). 19 May 2025
3. Macquarie. March 2025. Commodities Compendium 2025. Member data.
4. SMR – Steel and Metals Market Research. August 2025. Stainless steel quarto plates market data. Member data.
5. SMR – Steel and Metals Market Research. August 2025. Alloyed tool steels market data. Member data.
6. World Steel Association. July 2025. July constructsteel newsletter. Available [at this link](#). 23 July 2025



## Risk Management

SIJ Group's comprehensive risk management system provides structured and coordinated risk management both at the level of individual member companies and at the level of SIJ Group as a whole. The centralised system includes all subsidiaries belonging to the Steel and Manufacturing Division, along with the parent company. Timely identification and assessment of risks and opportunities at all levels, allows us to effectively pursue SIJ Group's strategic goals.

### ESCALATED AND STRATEGIC RISKS

When assessing risks, we take into account the speed and likelihood of the risk manifesting itself. Taking into account our vulnerability to a risk manifesting itself, we assess the consequences and options for resolving the situation. The consequences are assessed on two levels: from the perspective of the individual subsidiary and from the perspective of SIJ Group as a whole. Risk exposures which were identified in multiple subsidiaries are categorised under Group-level risk exposures, with an escalation allowance. Besides escalated operational risks, we also recognise, assess and manage strategic risks which potentially directly impact the activities, reputation and business operations of SIJ Group as a whole. Based on the assessed severity of identified risks, we put in place numerous systemic safeguards and take action to prevent or manage the risk.

## OVERVIEW OF KEY RISKS IN THE FIRST HALF OF 2025

### Economic and commercial risks

In 2025, commercial risks were identified as the highest at SIJ Group. High market volatility, cooling demand, intensified competitive pressures from Asia and high tariffs on exports to the US make it even more difficult to achieve adequate margins on orders. Uncertainty in the energy market is driving many market operators to optimise production, sourcing strategies and logistics flows, which also affects business dynamics in the steel industry.

### Production and operational technological risks

SIJ Group's second highest-rated risk in 2025 involves the limited availability of infrastructural resources and work equipment, mainly machinery. This risk is linked to limited possibilities in the past to upgrade and maintain non-critical infrastructure and equipment, and to possible unpredictable breakdowns and mechanical failures. Both can negatively impact the reliability of production processes and our ability to fill customer orders within the agreed timeframes.

### Financial Risks

Financial risks are described in the accounting section of the semi-annual report.

### Sustainability-related risks

The SIJ Group's sustainability-related risks are presented in more detail in the Annual Report of SIJ Group and SIJ d.d. 2024, available at [the following link](#). Sustainability risks remain unchanged in 2025.

# Sustainability

At SIJ Group, we are committed to a higher level of reporting on compliance with sustainability standards. We disclose financial and operational information in our annual reports, the sustainability section of which is prepared in accordance with the EU Directive 2022/2464 - CSRD (Corporate Sustainability Reporting Directive) and the application of the ESRS standards it requires, and in our half-year reports, which are prepared in accordance with the Financial Instruments Market Act. The present Half-Year Report therefore only includes financial and operational disclosures for the period from 1 January to 30 June 2025, while the sustainability targets achieved will be disclosed in the Annual Report of SIJ Group and SIJ d.d. for the year 2025.

# 03 FINANCIAL REPORT

for the Six-month Period  
Ending 30 June 2025

## Statement of Management's Responsibility

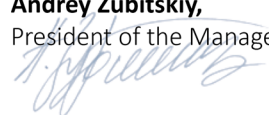
The Management Board is responsible for the preparation of the condensed consolidated financial statements of SIJ Group and the condensed financial statements of SIJ d.d. (hereinafter: condensed financial statements) for the six-month period ended 30 June 2025, together with accounting policies and notes, which give, to the best of its knowledge and belief, a fair view of the development and results of the Group's and the Company's operations and its financial position, including the description of material risks that the Group and the Company are exposed to.

The Management Board confirms that appropriate accounting policies have been applied consistently in the preparation of the condensed financial statements, that accounting estimates were prepared based on the principles of fair value, prudence and sound management and that the condensed financial statements give a true and fair view of the Group's and the Company's financial position and the results of their operations in the six-month period ending 30 June 2025.

The Management Board is also responsible for appropriate accounting and for taking adequate measures to protect the Group's and the Company's property and other assets, and confirms that the condensed financial statements, together with the notes thereto, have been prepared based on the going concern assumption and by applicable legislation and International Financial Reporting Standards as adopted by the European Union.

Anytime within 5 years after the end of the year in which the tax assessment should be made, the tax authorities can inspect the operations of the Group and the Company. This can result in the occurrence of additional tax liabilities, default interests and fines based on corporate income tax or other taxes and duties. No circumstance that could result in this type's possible liability is known to the Management Board.

**Andrey Zubitskiy,**  
President of the Management Board



Ljubljana, 19 September 2025

# Notes to the Condensed Consolidated Financial Statements of SIJ Group and Condensed Financial Statements of SIJ d.d.

## REPORTING ENTITY

SIJ – Slovenska industrija jekla, d. d. (hereinafter: SIJ d.d. or Parent Company or the Company) is a company with a registered office in Slovenia. The address of its registered office is Gerbičeva ulica 98, 1000 Ljubljana.

Given below are the condensed consolidated financial statements of SIJ Group and the condensed financial statements of SIJ d.d. for the six-month period ending 30 June 2025. The condensed financial statements include financial statements of the Parent Company and its subsidiaries.

The condensed financial statements for a selected group of subsidiaries are compiled by SIJ d.d. Consolidated financial statements for a broader group of subsidiaries are compiled by DILON Cooperatief U. A., the ultimate parent of SIJ d.d. DILON Cooperatief U. A. did not compile condensed financial statements for the six-month period ending 30 June 2025. The consolidated annual report for 2024 is available, when compiled, at the registered office of DILON Cooperatief U. A., John M. Keynesplein 10, 1066EP Amsterdam, the Netherlands.

## BASIS OF PREPARATION

### STATEMENT OF COMPLIANCE

The condensed financial statements for the six-month period ending 30 June 2025 have been prepared following the International Financial Reporting Standards (IFRS) with associated notes, adopted by International Accounting Standards Board (IASB), and the interpretations of the IFRS Interpretations Committee (IFRIC), adopted by the EU and in accordance with the Companies Act (ZGD).

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by SIJ d.d. during the six-month period ended 30 June 2025.

In the preparation of the condensed financial statements for the period ending 30 June 2025, the same accounting policies were considered as in the preparation of financial statements for 2024.

The condensed financial statements are presented in thousands of euros. Due to the rounding of the value amounts, there may be insignificant deviations to the sums given in tables.

### BASIS OF MEASUREMENT

The condensed financial statements have been prepared based on historical cost, except for the financial instruments which are measured at their fair value or amortised cost.

### FUNCTIONAL AND PRESENTATION CURRENCY

The condensed financial statements in this report are presented in thousands of euros. The euro is also the functional currency of the Parent Company.

### APPLICATION OF ESTIMATES AND JUDGMENTS

The preparation of condensed financial statements requires the management to make estimates based on judgments and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the

condensed financial statements. They also may affect the reported amounts of income and expenses during the reporting period.

The Management uses historical experience and all available information to make these estimates and regularly evaluates the judgements and assumptions used in its estimates. Due to the impact of future events and new data, the actual results can differ from those estimated.

The estimates and assumptions include:

- estimate of the useful life of assets subject to amortisation or depreciation;
- impairment test for goodwill;
- impairment test of assets;
- estimation of the fair value of assets;
- estimate of provisions for employee post-employment and other long-term benefits;
- estimate of the possibility for realisation of deferred tax assets.

The Group and the Company have reviewed the estimates and concluded that the accounting estimates used in the preparation of the condensed financial statements for the six-month period ending 30 June 2025 are consistent with those followed in the preparation of their annual financial statements for the year ended 31 December 2024. The estimates of provisions related to employee benefits are only determined annually and have not been evaluated in the condensed financial statements.

## NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS

The accounting policies adopted in the preparation of the condensed financial statements for the six-month period ending 30 June 2025 are consistent with those followed in the preparation of the Company's and the Group's annual financial statements for the year ended 31 December 2024. All applicable new standards and interpretations effective as of 1 January 2025 have been adopted. There was no significant impact.

## COMPOSITION OF THE GROUP OF RELATED PARTIES

The condensed consolidated financial statements of SIJ Group include the financial statements of the Parent Company and the financial statements of the companies in the Group. The group of companies in which the Parent Company holds financial investments includes the following:

in EUR thousand	Activity	% of voting rights as at 30 Jun. 2025	Value of assets as at 30 Jun. 2025	Value of equity as at 30 Jun. 2025	Profit (loss) for the period 1–6 2025
<b>Parent company of the Group</b>					
SIJ – Slovenska industrija jekla, d. d., Gerbičeva ulica 98, Ljubljana, Slovenia	Activities of head offices		369,965	229,576	(1,708)
<b>SIJ – subsidiaries</b>					
SIJ ACRONI, d.o.o., Cesta Borisa Kidriča 44, Jesenice, Slovenia	Steel production	100	456,232	172,374	(13,339)
SIJ METAL RAVNE d.o.o., Koroška cesta 14, Ravne na Koroškem, Slovenia	Steel production	100	249,055	37,443	(10,393)
SIJ STORITVE d.o.o., Koroška cesta 14, Ravne na Koroškem, Slovenia	Business and other management consultancy activities	100	1,748	104	332
SIJ SUZ d.o.o., Cesta Borisa Kidriča 44, Jesenice, Slovenia	Drawn wires production	100	13,216	4,518	(181)
SIJ ZIP CENTER d.o.o., Koroška cesta 14, Ravne na Koroškem, Slovenia	Education and training of the disabled	100	2,131	582	(105)
ODPAD d.o.o. Pivka, Velika Pristava 23, Pivka, Slovenia	Recovery of secondary raw materials from scrap	74.90	51,026	12,552	152
NIRO Wenden GmbH, Glück-Auf-Weg 2, Wenden, Germany	Steel cutting, engineering and trade	85	20,506	(514)	(424)
GRIFFON & ROMANO S.P.A., Via Dossetti 11, Loc. Casinello de Dosso, Italy	Heat processing and special steel trade	100	28,041	2,318	(1,152)

Continuation of the table →

Continuation of the table

in EUR thousand	Activity	% of voting rights as at 30 Jun. 2025	Value of assets as at 30 Jun. 2025	Value of equity as at 30 Jun. 2025	Profit (loss) for the period 1–6 2025
SIJ RAVNE SYSTEMS d.o.o., Koroška cesta 14, Ravne na Koroškem, Slovenia	Metallurgic machines production	100	38,628	3,777	(1,508)
SIJ AMERICAS Inc., 331 Newman Springs Road Suite, 104, Red Bank, New Jersey, USA	Trade	100	46,111	7,539	1,152
ADDITHERM d.o.o., Litostrojska cesta 60, Ljubljana, Slovenia	Scientific and technical research	51	5,750	5,554	(29)
RSC HOLDING d.o.o., Litostrojska cesta 60, Ljubljana, Slovenia	Holding company	51	57,810	50,679	(95)
SIJ MIDDLE EAST- FZCO, DSO-IFZA, IFZA Properties, Dubai Silicon Oasis, Dubai, United Arab Emirates	Trade	100	1,217	564	414
<b>SIJ ACRONI – subsidiary</b>					
ŽELEZARNA JESENICE, d.o.o., Cesta železarjev 8, Jesenice, Slovenia	Trading with own real estate	100	9,703	9,567	54
<b>ODPAD – subsidiaries</b>					
DANKOR, d.o.o., Vukovarska 436, Osijek, Croatia	Recovery of secondary raw materials from scrap	91	1,367	1,059	(12)
METAL-EKO SISTEM DOO JAGODINA, Put Kneza Mihaila 9, Jagodina, Serbia	Recovery of secondary raw materials from scrap	70	4,300	3,288	203
<b>RSC Holding – subsidiaries</b>					
Ravne Steel Center d.o.o., Litostrojska cesta 60, Ljubljana, Slovenia	Wholesale of metals and metal ores	100	19,282	10,144	736
SIDERTOCE S. p. A., Via XX. Settembre 198, C. P. 34, Gravellona Toce, Italy	Trade	100	15,230	6,381	60
HTS MWT GmbH, Celsiusstrasse 17, Landsberg am Lech, Germany	Trade	100	3,053	616	(46)
ORO MET d.o.o., Neverke 56, Košana, Slovenia	Manufacture of tools	86	21,100	15,903	655

Continuation of the table →

Continuation of the table

in EUR thousand	Activity	% of voting rights as at 30 Jun. 2025	Value of assets as at 30 Jun. 2025	Value of equity as at 30 Jun. 2025	Profit (loss) for the period 1–6 2025
HTS IC d.o.o., Litostrojska cesta 60, Ljubljana, Slovenia	Manufacture of metal constructions and their parts	100	8,734	5,791	0
HTS IC GmbH, Wienerbergstrasse 11/12A, Vienna, Austria	Production and trade	100	385	61	(7)
HTS IC s.r.o., Viktora Huga 377/4, Praga, Czech Republic	Trade	100	38	20	7
ALROTEC SL; Avada de les Punes – Nave 5 (Esquina calle dinamarca) Poligono, Industrial de Consanti, Tarragona, Spain	Production and trade	100	1,876	966	161
STEEL podporni center orodjarske industrije d.o.o., Litostrojska cesta 60, Ljubljana, Slovenia	Manufacture of metal constructions and their parts	100	5,019	1,750	45
CENTAR TOPLINSKE OBRADBE d.o.o., Slavonska avenija 22D, Zagreb, Croatia	Production and trade	100	1,800	761	50
HTS Technology, Lyon Plaza Part Dieu 93 Rue de la Vilette, Lyon, France	Trade	100	179	(192)	(24)
<b>ORO MET – subsidiary</b>					
ORO PRECIZNE CNC OBDELAVE d.o.o., Neverke 68, Košana, Slovenia	Production and trade	51	3,205	1,614	35
<b>SIJ RAVNE SYSTEMS – subsidiary</b>					
SIJ Ravne Systems (UK) Limited, 12 Conqueror Court, Sittingbourne, Kent, Great Britain	Trade	100	569	204	40

The winding up of SSG (RU) began in the first half of 2024.

# CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF SIJ GROUP

for the Period Ending 30 June 2025

# Condensed Consolidated Financial Statements of SIJ Group

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in EUR thousand	Note	1–6 2025	1–6 2024
Revenue	1	517,975	582,086
Cost of sales	2	(429,196)	(488,424)
<b>Gross profit</b>		<b>88,779</b>	<b>93,662</b>
Distribution costs	2	(45,164)	(32,776)
General and administrative expenses	2	(53,925)	(56,977)
Other operating income	3	2,296	10,708
Other operating expenses	3	(1,235)	(1,406)
Gain (loss) from impairment of trade receivables		63	(120)
<b>Operating (loss) profit</b>		<b>(9,186)</b>	<b>13,091</b>
Finance income	4	1,582	1,884
Finance expenses	4	(15,382)	(12,841)
<b>Net finance income (expenses)</b>		<b>(13,800)</b>	<b>(10,957)</b>
<b>(Loss) profit before tax</b>		<b>(22,986)</b>	<b>2,134</b>
Income tax	5	(820)	(517)
<b>(Loss) profit for the period</b>		<b>(23,806)</b>	<b>1,617</b>

Continuation of the table →

Continuation of the table

in EUR thousand	Note	1–6 2025	1–6 2024
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Fair value gains of financial assets at fair value through other comprehensive income		328	25
Income tax related to components of comprehensive income		(72)	(5)
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange rate difference in translating foreign operations		(872)	326
<b>Total other comprehensive income</b>		<b>(616)</b>	<b>346</b>
<b>Comprehensive income</b>		<b>(24,422)</b>	<b>1,963</b>
<b>Profit for the period, attributed to:</b>		<b>(23,806)</b>	<b>1,617</b>
Owners of the Parent Company		(24,762)	737
Non-controlling interest		956	880
<b>Comprehensive income attributed to:</b>		<b>(24,422)</b>	<b>1,963</b>
Owners of the Parent Company		(25,375)	1,080
Non-controlling interest		953	883

The notes to the condensed consolidated financial statements are an integral part of the condensed consolidated financial statements and should be read in conjunction with them.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR thousand	Note	30 Jun. 2025	31 Dec. 2024
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>516,199</b>	<b>530,694</b>
Intangible assets	6	27,253	28,361
Property, plant and equipment	7	391,161	406,509
Investment property		4,004	4,101
Financial assets at fair value through other comprehensive income		1,804	1,475
Financial receivables	9	65,269	64,000
Trade receivables		109	10
Other assets		3,695	3,576
Deferred tax assets		22,904	22,662
<b>Current assets</b>		<b>445,749</b>	<b>439,872</b>
Assets (groups) held for sale		30	30
Inventories	8	291,276	296,539
Financial receivables	9	48	407
Trade receivables	10	124,011	99,702
Income tax assets		1,710	1,968
Cash and cash equivalents	11	18,555	37,907
Contract assets		891	949
Other assets	12	9,228	2,370
<b>Total assets</b>		<b>961,948</b>	<b>970,566</b>

Continuation of the table →

Continuation of the table

in EUR thousand	Note	30 Jun. 2025	31 Dec. 2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>13</b>	<b>347,378</b>	<b>371,800</b>
<i>Equity attributed to the owners of the Parent Company</i>		<b>313,541</b>	<b>338,870</b>
Share capital		145,266	145,266
Capital surplus		11,461	11,461
Other equity reserves		8,838	8,838
Fair value reserves		(1,226)	(1,482)
Translation differences		(286)	584
Retained earnings		149,488	174,203
<b>Non-controlling interest</b>		<b>33,837</b>	<b>32,930</b>
<b>Non-current liabilities</b>		<b>228,082</b>	<b>89,271</b>
Employee benefits		14,959	14,901
Other provisions		465	417
Deferred income		16,355	16,649
Financial liabilities	14	195,675	56,472
Trade payables		213	214
Contract liabilities		415	615
Deferred tax liabilities		0	3
<b>Current liabilities</b>		<b>386,488</b>	<b>509,495</b>
Financial liabilities	14	108,562	237,334
Trade payables	15	248,818	255,497
Income tax liabilities		151	79
Contract liabilities		4,318	5,792
Other liabilities	16	24,639	10,793
<b>Total equity and liabilities</b>		<b>961,948</b>	<b>970,566</b>

The notes to the condensed consolidated financial statements are an integral part of the condensed consolidated financial statements and should be read in conjunction with them.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Consolidated Statement of Changes in Equity for the Period Ending 30 June 2025

in EUR thousand	Equity attributed to the owners of the Parent Company							Non-controlling interest	Total
	Share capital	Capital surplus	Other equity reserves	Fair value reserves	Actuarial losses	Translation differences	Retained earnings		
Balance as at 31 Dec. 2024	145,266	11,461	8,838	528	(2,010)	584	174,203	32,930	371,800
Dividends paid	0	0	0	0	0	0	0	0	0
Change of non-controlling interest	0	0	0	0	0	0	47	(47)	0
Total transactions with owners	0	0	0	0	0	0	47	(47)	0
Profit for the period	0	0	0	0	0	0	(24,762)	956	(23,806)
Other changes in comprehensive income	0	0	0	256	0	(870)	0	(2)	(616)
Total changes in comprehensive income	0	0	0	256	0	(870)	(24,762)	953	(24,422)
Balance as at 30 Jun. 2025	145,266	11,461	8,838	784	(2,010)	(286)	149,488	33,837	347,378

### Consolidated Statement of Changes in Equity for the Period Ending 30 June 2024

in EUR thousand	Equity attributed to the owners of the Parent Company							Non-controlling interest	Total
	Share capital	Capital surplus	Other equity reserves	Fair value reserves	Actuarial losses	Translation differences	Retained earnings		
Balance as at 31 Dec. 2023	145,266	11,461	8,838	399	(1,577)	26	222,150	31,329	417,892
Dividends paid	0	0	0	0	0	0	0	0	0
Purchase of non-controlling interest	0	0	0	0	0	0	52	(52)	0
Total transactions with owners	0	0	0	0	0	0	52	(52)	0
Profit for the period	0	0	0	0	0	0	737	880	1,617
Other changes in comprehensive income	0	0	0	19	0	324	0	3	346
Total changes in comprehensive income	0	0	0	19	0	324	737	883	1,963
Balance as at 30 Jun. 2024	145,266	11,461	8,838	418	(1,577)	350	222,939	32,160	419,855

The notes to the condensed consolidated financial statements are an integral part of the condensed consolidated financial statements and should be read in conjunction with them.

## CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousand	Note	1–6 2025	1–6 2024
<b>Cash flow from operating activities</b>			
(Loss) profit before tax		(22,986)	2,134
Adjusted for:			
Depreciation and amortisation	2	29,174	28,352
Interest income	4	(1,282)	(1,552)
Interest expenses	4	9,942	8,964
Impairment of assets		684	647
Accrual of allowances and provisions		1,836	2,175
Net other finance and operating expenses (income)		3,205	(6,610)
<b>Operating cash flow before working capital adjustments</b>		<b>20,573</b>	<b>34,110</b>
<b>Total working capital adjustments</b>			
Increase in trade receivables		(32,344)	(69,517)
Decrease (increase) in inventories		4,883	(4,298)
Increase in trade payables		6,740	49,831
Decrease in taxes other than income tax		(1,861)	(1,486)
<b>Total working capital adjustments</b>		<b>(22,582)</b>	<b>(25,470)</b>
Receipts from government grant		240	5,248
Payments for retirement benefits and loyalty bonuses		(920)	(793)
Income tax (paid) received		(303)	2,681
<b>Net cash flow (used in) generated from operating activities</b>		<b>(2,992)</b>	<b>15,776</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment		(14,307)	(32,054)
Receipts from property, plant and equipment		126	3,971
Payments for intangible assets		(570)	(401)
Loans issued		(5)	(13)

Continuation of the table →

Continuation of the table

in EUR thousand	Note	1–6 2025	1–6 2024
Receipts from loans issued		14	11
Interests received		11	277
Dividends received		159	108
<b>Net cash flow used in investing activities</b>		<b>(14,572)</b>	<b>(28,101)</b>
<b>Cash flow from financing activities</b>			
Receipts from borrowings		207,572	262,996
Payments for borrowings		(186,280)	(246,899)
Payments for lease		(2,359)	(3,078)
Interests paid		(8,335)	(7,074)
Payments for finance services		(11,070)	0
<b>Net cash flow (used in) generated from financing activities</b>		<b>(472)</b>	<b>5,947</b>
<b>Cash and cash equivalents as at 1 Jan.</b>		<b>37,907</b>	<b>26,705</b>
Translation differences		(1,316)	396
Net change in cash and cash equivalents		(18,036)	(6,378)
<b>Cash and cash equivalents as at 30 Jun.</b>		<b>18,555</b>	<b>20,723</b>

The notes to the condensed consolidated financial statements are an integral part of the condensed consolidated financial statements and should be read in conjunction with them.



## Notes to Individual Items in the Condensed Consolidated Financial Statements

### 1. REVENUE

in EUR thousand	1–6 2025	1–6 2024
In Slovenia	63,436	80,834
In other countries:	454,539	501,252
- <i>Germany</i>	98,200	117,439
- <i>Italy</i>	120,056	139,029
- <i>USA</i>	57,658	51,963
- <i>Austria</i>	8,611	11,376
- <i>other countries</i>	170,014	181,445
Revenue	517,975	582,086

## Revenue by Products and Segments for the Six-Month Period Ending 30 June 2025

in EUR thousand	Steel Division	Distribution & Processing Division	Scrap Division	Manufacturing Division	Total segments	Headquarters and Other Services	Total
Quarto plates	174,529	35,764	0	0	210,293	0	210,293
Cold rolled strips and sheets	39,335	1,948	0	0	41,283	0	41,283
Hot rolled strips and sheets	17,310	3,083	0	0	20,393	0	20,393
Forged, rolled, and other products	62,614	35,632	0	5,315	103,561	0	103,561
Industrial knives	0	1,071	0	6,884	7,955	0	7,955
Industrial rolls	0	0	0	5,910	5,910	0	5,910
Steel scrap	4	407	74,794	156	75,361	0	75,361
CNC-treated tool plates	0	14,208	0	0	14,208	0	14,208
Services and other revenue	3,021	23,096	166	11,813	38,096	915	39,011
<b>Revenue</b>	<b>296,813</b>	<b>115,209</b>	<b>74,960</b>	<b>30,078</b>	<b>517,060</b>	<b>915</b>	<b>517,975</b>

## Revenue by Products and Segments for the Six-Month Period Ending 30 June 2024

in EUR thousand	Steel Division	Distribution & Processing Division	Scrap Division	Manufacturing Division	Total segments	Headquarters and Other Services	Total
Quarto plates	204,401	37,202	0	0	241,603	0	241,603
Cold rolled strips and sheets	42,218	2,102	0	0	44,320	0	44,320
Hot rolled strips and sheets	15,831	3,556	0	0	19,387	0	19,387
Forged, rolled, and other products	68,380	33,368	0	5,817	107,565	0	107,565
Industrial knives	0	735	0	8,040	8,775	0	8,775
Industrial rolls	0	0	0	8,028	8,028	0	8,028
Steel scrap	34	402	94,684	141	95,261	0	95,261
CNC-treated tool plates	0	8,956	0	0	8,956	0	8,956
Services and other revenue	2,990	30,510	117	13,684	47,301	890	48,191
<b>Revenue</b>	<b>333,854</b>	<b>116,831</b>	<b>94,801</b>	<b>35,710</b>	<b>581,196</b>	<b>890</b>	<b>582,086</b>

## 2. OPERATING EXPENSES

in EUR thousand	1–6 2025	1–6 2024
Cost of goods, materials and services	412,339	470,033
Labour costs	80,274	82,005
- <i>wages and salaries</i>	58,851	59,107
- <i>social security costs</i>	10,721	10,648
- <i>other labour costs</i>	10,702	12,250
Depreciation and amortisation costs	29,174	28,352
Other costs	5,217	5,842
Changes in the value of inventories	1,281	(8,055)
<b>Operating expenses</b>	<b>528,285</b>	<b>578,177</b>

### Review of Costs by Type for the Six-Month Period Ending 30 June 2025

in EUR thousand	Cost of sales	Distribution costs	General and administrative expenses	Total
Cost of goods, materials and services	357,432	40,800	14,107	<b>412,339</b>
Labour costs	43,222	4,061	32,991	<b>80,274</b>
Depreciation and amortisation costs	24,498	228	4,448	<b>29,174</b>
Other costs	2,763	75	2,379	<b>5,217</b>
Changes in the value of inventories	1,281	0	0	<b>1,281</b>
<b>Operating expenses</b>	<b>429,196</b>	<b>45,164</b>	<b>53,925</b>	<b>528,285</b>

### Review of Costs by Type for the Six-Month Period Ending 30 June 2024

in EUR thousand	Cost of sales	Distribution costs	General and administrative expenses	Total
Cost of goods, materials and services	426,897	28,174	14,962	<b>470,033</b>
Labour costs	44,276	4,193	33,536	<b>82,005</b>
Depreciation and amortisation costs	23,550	312	4,490	<b>28,352</b>
Other costs	1,756	97	3,989	<b>5,842</b>
Changes in the value of inventories	(8,055)	0	0	<b>(8,055)</b>
<b>Operating expenses</b>	<b>488,424</b>	<b>32,776</b>	<b>56,977</b>	<b>578,177</b>

## 3. OTHER OPERATING INCOME AND EXPENSES

in EUR thousand	1–6 2025	1–6 2024
Income from received subsidies	1,713	2,974
Profit from sale of property, plant and equipment	0	181
Dividends received	159	108
Other income	424	7,445
<b>Other operating income</b>	<b>2,296</b>	<b>10,708</b>
Expenses for donations and sponsorships	(79)	(258)
Provisions	(31)	(97)
Impairment of inventories	(684)	(647)
Other expenses	(441)	(404)
<b>Other operating expenses</b>	<b>(1,235)</b>	<b>(1,406)</b>
<b>Other operating income (expenses), net</b>	<b>1,061</b>	<b>9,302</b>

For the preparation of the condensed consolidated financial statements for the six-month period ending 30 June 2025, the Group reviewed, based on individual cash-generating units' performance valuation, the signs of impairment of property, plant, and equipment. Since there were no signs of impairment, the impairment wasn't required.

#### 4. FINANCE INCOME AND EXPENSES

in EUR thousand	1–6 2025	1–6 2024
Interest income	1,282	1,552
Exchange rate differences	109	328
Other income	191	4
<b>Finance income</b>	<b>1,582</b>	<b>1,884</b>
Interest expenses	(9,942)	(8,964)
Exchange rate differences	(1,425)	0
Other expenses	(4,015)	(3,877)
<b>Finance expenses</b>	<b>(15,382)</b>	<b>(12,841)</b>
<b>Finance income (expenses), net</b>	<b>(13,800)</b>	<b>(10,957)</b>

#### 5. INCOME TAX

in EUR thousand	1–6 2025	1–6 2024
Current income tax expense	(1,158)	(1,378)
Deferred income tax	338	861
<b>Income tax</b>	<b>(820)</b>	<b>(517)</b>

in EUR thousand	1–6 2025	1–6 2024
<b>Profit before tax</b>	<b>(22,986)</b>	<b>2,134</b>
Tax at statutory tax rate 22% (2024: 22%)	(5,057)	469
Tax effects from:		
- non-taxable income	(10)	(14)
- tax non-deductible expenses	283	552
- tax relief	(334)	(960)
- tax losses for which no deferred tax assets were recognised	5,807	420
- tax rates in foreign companies	131	50
<b>Income tax</b>	<b>820</b>	<b>517</b>
<b>Effective tax rate</b>	<b>0%</b>	<b>24.2%</b>

In accordance with the EU Directive and the Pillar II rules, the Group is obligated to calculate the minimum tax and meets the conditions of the transitional CbCr safe harbor. In the first half of 2025, the »de minimis« safe harbor conditions were met for the jurisdictions of Croatia, the United Kingdom, Spain, Austria, the Czech Republic, France, and the United Arab Emirates. For the USA, the Group applied the simplified effective tax rate test, with the determined tax rate amounting to 22%. For Serbia, the effective tax rate has been determined at 14%. The jurisdictions of Slovenia, Italy, and Germany ended the first half of 2025 with a loss.

#### 6. INTANGIBLE ASSETS

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Software	6,997	8,258
Goodwill	18,966	18,966
Assets under construction	1,290	1,137
<b>Intangible assets</b>	<b>27,253</b>	<b>28,361</b>

In the reporting period, the Group recognised acquired intangible assets of EUR 511 thousand (1–6 2024: EUR 503 thousand). Major new additions refer to the purchase and set-up of new manufacturing and key business processes management IT systems.

In the reporting period, the Group capitalised costs for the development of new products in amount of EUR 165 thousand (1–6 2024: EUR 40 thousand). The carrying amount of capitalised costs for development amounts to EUR 944 thousand (2024: EUR 1,138 thousand). The Group disposed of assets with a cost of EUR 11 thousand (1–6 2024: EUR 3 thousand) and an allowance of EUR 11 thousand (1–6 2024: EUR 3 thousand). The intangible assets are not pledged as security for liabilities.

As at 30 June 2025, the Group has EUR 6 thousand (2024: EUR 77 thousand) of outstanding liabilities to purchase intangible assets and EUR 0 thousand (2024: EUR 0 thousand) of contractual commitments for purchase known in advance. No intangible assets are pledged as security for liabilities.

The Group reviewed the value of intangible assets and established that the carrying amount does not exceed the recoverable amount.

## 7. PROPERTY, PLANT AND EQUIPMENT

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Land	31,584	31,594
Buildings	76,051	77,801
Equipment	257,373	264,338
Other	12,659	13,693
Assets under construction	13,494	19,083
<b>Property, plant and equipment</b>	<b>391,161</b>	<b>406,509</b>

Major new additions and finished investments in property, plant and equipment are current upgrades and repairs in the steel plant. Disposals of property, plant and equipment refer to the sale and write-off of equipment and write-off of unusable and outdated equipment.

In the reporting period, the Group recognised acquired property, plant and equipment of EUR 12,550 thousand (1–6 2024: EUR 26,679 thousand). The Group disposed of assets with a cost of EUR 14,862 thousand (1–6 2024: EUR 4,553) and an allowance of EUR 14,763 thousand (1–6 2024: EUR 2,721 thousand). Disposals and write-offs of property, plant and equipment mostly refer to the sales and write-offs of unusable and outdated equipment and write-offs of unusable and outdated components of production capacities in all plants.

On 30 June 2025, the Group has EUR 2,909 thousand (2024: EUR 5,688 thousand) of outstanding liabilities to purchase property, plant and equipment, and EUR 5,906 thousand (2024: EUR 6,876 thousand) of contractual commitments for purchase known in advance.

On 30 June 2025, the Group leases assets which include buildings, land, equipment, and cars. The right-of-use asset is not stated as a separate item in the statement of financial position. It is included in property, plant and equipment. On 30 June 2025, the carrying amount of the right-of-use assets amounts to EUR 18,521 thousand (2024: EUR 21,145 thousand). In the first half of 2025, the lease-related finance expenses amounted to EUR 284 thousand (1–6 2024: EUR 359 thousand).

In the reporting period, the Group recognised the right-of-use assets of EUR 187 thousand (1–6 2024: EUR 4,822 thousand). There were no material changes to the lease agreements in the reporting period.

The Group follows the exceptions for short-term assets and leases of low-value assets, allowed by IFRS 16. In the first half of 2025, the total expenses related to these leases amounted to EUR 903 thousand (1–6 2024: EUR 703 thousand).

Property, plant and equipment, whose carrying value as at 30 June 2025 is EUR 5,134 thousand (2024: EUR 5,018 thousand), are pledged as security for liabilities.

The Group reviewed the signs of impairment of property, plant, and equipment and found that there was no need for impairment (1–6 2024: EUR 0 thousand).

## 8. INVENTORIES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Raw material	127,035	129,106
Work in progress	88,509	84,307
Finished products	58,704	66,664
Merchandise	17,028	16,462
<b>Inventories</b>	<b>291,276</b>	<b>296,539</b>

On 30 June 2025, no inventories are pledged as security for liabilities (2024: EUR 0 thousand). On 30 June 2025, the Group reviewed the value of inventories. It found that the net realisable value of finished products is lower than the production value and impaired them by EUR 684 thousand (1–6 2024: EUR 647 thousand). Due to challenging market conditions, the Group will conduct a detailed analysis of the net realisable value of inventories in the coming months and recognise any potential impacts at the end of the financial year.

## 9. FINANCIAL RECEIVABLES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Loans issued	65,269	64,000
<b>Non-current financial receivables</b>	<b>65,269</b>	<b>64,000</b>
Loans issued	48	57
Other financial receivables	0	350
<b>Current financial receivables</b>	<b>48</b>	<b>407</b>

Financial receivables mostly refer to loans issued to the majority shareholder of EUR 51,162 thousand (2024: EUR 51,162 thousand) and the related interest of EUR 14,107 thousand (2024: EUR 12,838 thousand). Loans issued to the majority shareholder are repaid from dividends. The interest rate for loans issued to the majority shareholder is fixed and amounts to 5%. The borrowings are not secured.

## 10. CURRENT TRADE RECEIVABLES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Trade receivables	117,424	90,916
Allowances for trade receivables	(2,672)	(2,707)
Receivables from government and other institutions	3,729	6,261
Issued advance payments and cautions	4,295	3,926
Other receivables	1,262	1,334
Allowances for other receivables	(27)	(28)
<b>Current trade receivables</b>	<b>124,011</b>	<b>99,702</b>

Most Group's trade receivables are insured against commercial risks with an insurance company. On 30 June 2025, no trade receivables are pledged as security for liabilities (2024: EUR 0 thousand).

## 11. CASH AND CASH EQUIVALENTS

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Cash in national currency	7,480	19,830
Cash in foreign currency	11,074	18,076
Restricted cash	1	1
<b>Cash and cash equivalents</b>	<b>18,555</b>	<b>37,907</b>

On 30 June 2025, the Group has no deposits placed with banks with a maturity of up to three months. (2024: EUR 0 thousand).



## 12. OTHER CURRENT ASSETS

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Deferred expenses	8,948	2,108
Accrued revenue	280	262
<b>Other current assets</b>	<b>9,228</b>	<b>2,370</b>

Current deferred expenses relate to advance payments, which will be charged to profit or loss within a short term period. Since most of these advance payments are recognized within the financial year, these assets are higher in the reporting period compared to 31 December 2024.

### 13. EQUITY

in EUR thousand	30 Jun. 2025	31 Dec. 2024
<i>Equity attributed to the owners of the Parent Company</i>	<i>313,541</i>	<i>338,870</i>
Share capital	145,266	145,266
Capital surplus	11,461	11,461
Reserves	7,326	7,940
Retained earnings	149,488	174,203
<i>Non-controlling interest</i>	<i>33,837</i>	<i>32,930</i>
<b>Equity</b>	<b>347,378</b>	<b>371,800</b>

The share capital of the Parent Company is recognised in the amount of EUR 145,266 thousand and is distributed among 994,616 shares. The face value of each share is EUR 146.05. The number of shares did not change until this financial report was prepared.

In the first half of 2025, the Parent Company paid no dividends (1–6 2024: EUR 0 thousand).

#### Ownership Structure of the Parent Company

Shareholder	Number of shares 30 Jun. 2025	Number of shares 31 Dec. 2024
DILON, d.o.o., Gerbičeva ulica 98, Ljubljana	718,351	718,351
Republic of Slovenia, Gregorčičeva ulica 20, Ljubljana	248,655	248,655
SIJ d.d., Gerbičeva ulica 98, Ljubljana	27,600	27,600
UNIOR, d. d., Kovaška cesta 10, Zreče	10	10
<b>Total</b>	<b>994,616</b>	<b>994,616</b>

The ownership structure of the Parent Company remained unchanged until the preparation of this interim report.

#### Capital Surplus

The capital surplus amounting to EUR 11,461 thousand was formed during the simplified decrease of the Parent Company's capital.

### Reserves

in EUR thousand	30 Jun. 2025	31 Dec. 2024
<i>Legal reserves</i>	<i>11,093</i>	<i>11,093</i>
<i>Treasury shares</i>	<i>(6,009)</i>	<i>(6,009)</i>
<i>Reserves for treasury shares</i>	<i>3,754</i>	<i>3,754</i>
Other equity reserves	8,838	8,838
<i>Fair value reserve due to financial assets at fair value through other comprehensive income</i>	<i>990</i>	<i>662</i>
<i>Deferred tax liabilities</i>	<i>(206)</i>	<i>(134)</i>
<i>Fair value reserve due to financial assets, net</i>	<i>784</i>	<i>528</i>
<i>Net actuarial losses on pension programs</i>	<i>(2,010)</i>	<i>(2,010)</i>
Fair value reserves	(1,226)	(1,482)
Translation differences	(286)	584
<b>Reserves</b>	<b>7,326</b>	<b>7,940</b>

#### Non-Controlling Interest

On 30 June 2025, the gross value of non-controlling interest amounts to EUR 36,063 thousand (2024: EUR 35,065 thousand). The gross value decreased by EUR 2,226 thousand (2024: EUR 2,135 thousand) corresponding to the carrying amount of the 14% share of the subsidiary ORO MET d.o.o. The Parent Company has entered an option agreement to purchase this share. Under the option agreement, the liability to purchase the 14% share amounts to EUR 1,392 thousand on 30 June 2025 (2024: EUR 1,392 thousand).

## 14. FINANCIAL LIABILITIES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Borrowings	148,063	6,787
Liabilities for bonds issued (SIJ8)	40,226	39,921
Lease liabilities	7,386	9,764
<b>Non-current financial liabilities</b>	<b>195,675</b>	<b>56,472</b>
Borrowings	100,662	220,568
Lease liabilities	4,591	4,886
Other financial liabilities	3,309	11,880
<b>Current financial liabilities</b>	<b>108,562</b>	<b>237,334</b>
<b>Total financial liabilities</b>	<b>304,237</b>	<b>293,806</b>

### Borrowings

Borrowings amounting to EUR 2,380 thousand (2024: 3,652 thousand) are secured by real estate and movable property. Other borrowings are not secured. The interest rate on the majority of borrowings is variable and based on Euribor.

The Group timely received a waiver from the lending banks in February 2025 regarding the compliance with financial covenants under the syndicated loan agreement for the period ending on 30 June 2025.

### Liabilities for Bonds Issued

The Group issued bonds with the ticker symbol of SIJ8 with the total nominal value of EUR 19,000 thousand in November 2023. In November 2024 it issued, through a further issue, additional bonds with the ticker symbol of SIJ8 with a total nominal value of EUR 22,100 thousand. The entire bond issue contains 411 denominations of EUR 100 thousand. The bond maturity date is 2 November 2026. The interest rate for the bonds is fixed, i.e. 7.0% per annum. If the sustainability conditions are not met, a surcharge of 0.3% per annum applies. Interest is accrued annually in arrears. The nominal value of the principal falls due, in full and in a single amount, on the maturity of the bond.

## 15. CURRENT TRADE PAYABLES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Payables to suppliers for fixed assets	2,909	5,765
Payables to suppliers for working capital	228,817	229,808
<i>of which payables from supply chain arrangements</i>	31,169	24,852
Liabilities to employees	9,591	7,270
Received advance payments and cautions	2,329	6,128
Tax liabilities	4,836	6,188
Other liabilities	336	338
<b>Current trade payables</b>	<b>248,818</b>	<b>255,497</b>

Payables to suppliers represent unsettled amounts for the purchase of goods and services. The average payment term for the purchase of goods and services is 97 days (excluding supplier finance arrangements) or 113 days (including supplier finance arrangements). For the majority of trade payables, no interest is charged within the first 14 days from the invoice date. After this period, interest is charged on outstanding amounts at various interest rates.

The Group has established financial risk management policies to ensure that all liabilities are paid within the credit terms agreed in advance.

## 16. OTHER CURRENT LIABILITIES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Accrued expenses for unused annual leave	5,124	3,246
Accrued expenses for lawsuits	1,635	1,615
Accrued expenses for CO2 emissions allowances	13,487	1,749
Liabilities for purchase of a non-controlling interest (note 13)	1,392	1,392
Other liabilities	2,206	1,543
Deferred revenues from recording magnetic separation and slag recovery waste	221	627
Other deferred income	574	621
Other current liabilities	24,639	10,793

## 17. CONTINGENT ASSETS AND LIABILITIES

In July 2021, the parent company concluded with the other member an option agreement related to interests in RSC HOLDING and ADDITHERM, namely: i) call option 1 in favour of the other member to buy a 2 percent share in RSC HOLDING and a 51 percent share in ADDITHERM; ii) call option 2 in favour of the other member to buy a 51 percent share in ADDITHERM; iii) call option in favour of the parent company to buy a 49 percent share of the other member in RSC HOLDING and a 49 percent share of the other member in ADDITHERM; iv) put option 1 in favour of the other member to sell a 49 percent shares of the other member in RSC HOLDING and ADDITHERM; v) put option 2 in favour of the other member to sell a 49% share of the other member in RSC HOLDING. The options can be exercised under the terms and conditions set out in the option agreement. On 30 June 2025 and 31 December 2024, the parent company reviewed the fair value of option agreements and assessed that the fair value was minimal or equal to zero. It will review the fair value annually and recognise possible changes in profit or loss.

## 18. SEGMENT REPORTING

### Segment Reporting for the Six-Month Period Ending 30 June 2025

in EUR thousand	Steel Division	Distribution & Processing Division	Scrap Division	Manufacturing Division	Total segments	Headquarters and Other Services	Total	Eliminations	Condensed consolidated financial statement
Operating income (external)	296,813	115,209	74,960	30,078	517,060	915	517,975	0	517,975
Operating income (between segments)	82,296	2,530	11,701	3,728	100,255	12,643	112,898	(112,898)	0
Revenue	379,109	117,739	86,661	33,806	617,315	13,558	630,873	(112,898)	517,975
Operating profit (loss)	(12,602)	2,837	1,085	(1,073)	(9,753)	567	(9,186)	0	(9,186)
Interest income	863	7	5	0	874	2,844	3,718	(2,436)	1,282
Interest expenses	7,120	628	469	580	8,796	3,594	12,390	(2,448)	9,942
Amortisation and depreciation	23,624	3,140	370	1,532	28,667	536	29,203	(29)	29,174
Impairment of assets	592	(1)	17	48	656	(35)	621	0	621
Inventories	684	0	0	0	684	0	684	0	684
Loss (profit) from impairment of trade receivables	(92)	(1)	17	48	(28)	(35)	(63)	0	(63)
Purchase of non-current assets	9,829	2,052	589	287	12,757	55	12,812	0	12,812
Non-current business assets based on geographic location	322,256	59,628	8,914	23,574	414,372	8,047	422,419	0	422,419
Slovenia	322,256	42,590	6,064	23,574	394,484	8,047	402,531	0	402,531
Other countries	0	17,038	2,850	0	19,888	0	19,888	0	19,888

## Segment Reporting for the Six-Month Period Ending 30 June 2024

in EUR thousand	Steel Division	Distribution & Processing Division	Scrap Division	Manufacturing Division	Total segments	Headquarters and Other Services	Total	Eliminations	Condensed consolidated financial statement
Operating income (external)	333,854	116,831	94,801	35,710	581,196	890	582,086	0	582,086
Operating income (between segments)	91,154	3,093	17,251	5,050	116,548	12,627	129,175	(129,175)	0
Revenue	425,008	119,924	112,052	40,760	697,744	13,517	711,261	(129,175)	582,086
Operating profit (loss)	9,336	2,547	1,648	(747)	12,784	307	13,091	0	13,091
Interest income	375	225	0	2	602	2,750	3,352	(1,800)	1,552
Interest expenses	6,314	1,024	565	510	8,413	2,406	10,819	(1,855)	8,964
Amortisation and depreciation	22,332	3,455	422	1,591	27,800	606	28,406	(54)	28,352
Impairment of assets	691	51	31	(40)	733	34	767	0	767
Inventories	647	0	0	0	647	0	647	0	647
Loss (profit) from impairment of trade receivables	44	51	31	(40)	86	34	120	0	120
Purchase of non-current assets	21,055	2,975	198	1,552	25,780	243	26,023	0	26,023
Non-current business assets based on geographic location	332,293	60,877	9,376	24,696	427,242	9,085	436,327	0	436,327
Slovenia	332,293	42,908	6,491	24,696	406,388	9,085	415,473	0	415,473
Other countries	0	17,969	2,885	0	20,854	0	20,854	0	20,854

## FINANCIAL INSTRUMENTS

### Maturity of Financial Liabilities as at 30 June 2025

in EUR thousand	Carrying amount	Contractual cash flows				Total
		Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	
Payables to suppliers	231,939	224,273	7,453	213	0	231,939
Financial liabilities	304,237	66,304	116,847	140,805	653	324,609
Contract liabilities	4,733	4,318	0	415	0	4,733
Other liabilities, w/o liabilities to the state and employees and advanced payments	336	336	0	0	0	336
<b>Total liabilities</b>	<b>541,245</b>	<b>295,231</b>	<b>124,300</b>	<b>141,433</b>	<b>653</b>	<b>561,617</b>

### Maturity of Financial Liabilities as at 31 December 2024

in EUR thousand	Carrying amount	Contractual cash flows				Total
		Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	
Payables to suppliers	235,786	228,327	7,245	214	0	235,786
Financial liabilities	293,806	91,171	114,460	116,144	886	322,661
Contract liabilities	6,408	5,793	0	615	0	6,408
Other liabilities, w/o liabilities to the state and employees and advanced payments	552	338	0	214	0	552
<b>Total liabilities</b>	<b>536,552</b>	<b>325,629</b>	<b>121,705</b>	<b>117,187</b>	<b>886</b>	<b>565,407</b>

## RELATED PARTIES

Related parties are the Parent Company of the Group, its majority shareholder and the ultimate parent (including companies in their groups), subsidiaries, associates, other related parties and the management of companies. The transactions with related parties are performed on an arms-length basis.

### Transactions with the Majority Shareholder

in EUR thousand	1–6 2025	1–6 2024
Revenue	1,269	1,272

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Financial receivables	65,285	64,016

### Transactions with Other Related Parties

in EUR thousand	1–6 2025	1–6 2024
Revenue	11,164	11,522
Expenses	778	1,023

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Receivables	6,672	4,115
Liabilities	994	1,295

## CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The table shows the carrying amounts and fair values of financial assets and financial liabilities. The carrying amounts of financial and trade receivables, cash and cash equivalents, and operating liabilities are an adequate approximation of their fair value.

in EUR thousand	30 Jun. 2025		31 Dec. 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through other comprehensive income	1,804	1,804	1,475	1,475
Financial receivables	65,317	65,317	64,407	64,407
Trade receivables	124,120	124,120	99,712	99,712
Cash and cash equivalents	18,555	18,555	37,907	37,907
Financial liabilities	(304,237)	(304,237)	(293,806)	(293,806)
Trade payables	(249,031)	(249,031)	(255,711)	(255,711)

### Presentation of Financial Assets and Liabilities, Disclosed at Fair Value According to Fair Value Determination Hierarchy

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Financial assets at fair value through other comprehensive income	1,388	1,059
Financial assets at fair value of first level	1,388	1,059
Financial assets at fair value through other comprehensive income	416	416
Financial assets at fair value of third level	416	416
Bonds and commercial papers	(40,226)	(39,921)
Financial liabilities at fair value of second level	(40,226)	(39,921)
Borrowings	(248,725)	(227,356)
Lease liabilities	(11,977)	(14,650)
Other financial liabilities	(3,309)	(11,880)
Financial liabilities at fair value of third level	(264,011)	(253,885)

The third level of liabilities at fair value includes secured loans issued, leases and interest liabilities, representing, according to the valuation model, carrying amounts of discounted expected future payments with the adjusted risk level.

In the first half of 2025, there were no transfers of financial instruments between different levels.

## EVENTS AFTER THE REPORTING DATE

Two largest production companies, SIJ Acroni and SIJ Metal Ravne, have reached an agreement with the banks NLB d.d., UniCredit Banka Slovenija d.d., OTP banka d.d. and SID - Slovenska izvozna in razvojna banka, d.d., Ljubljana, on securing additional liquidity in the amount of EUR 25 million in order to support the operations of the SIJ Group. The additional liquidity reflects the banks' confidence in the SIJ Group, indicating that despite the challenging business conditions that significantly affected its operations in the first half of 2025, the Group will continue negotiations toward a comprehensive long-term refinancing solution. It will be focused on ensuring a stable long-term financial platform for the Group and is necessary due to challenging and uncertain market conditions. The business viability of the SIJ Group, along with realistic prospects for stabilizing operations and achieving long-term success, has also been confirmed by independent advisors.

# CONDENSED FINANCIAL STATEMENTS OF SIJ d.d.

for the Period Ending 30 June 2025

# Condensed Financial Statements of SIJ d.d.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

in EUR thousand	Note	1–6 2025	1–6 2024
Revenue	1	8,896	9,305
<b>Gross profit</b>		<b>8,896</b>	<b>9,305</b>
General and administrative expenses	2	(8,823)	(9,284)
Other operating income	3	197	176
Other operating expenses	3	(3)	(81)
Loss from impairment of trade receivables		11	(27)
<b>Operating profit</b>		<b>278</b>	<b>89</b>
Finance income	4	3,568	6,116
Finance expenses	4	(5,551)	(2,741)
<b>Net finance income (expenses)</b>		<b>(1,983)</b>	<b>3,375</b>
<b>(Loss) profit before tax</b>		<b>(1,705)</b>	<b>3,464</b>
Income tax	5	(2)	(127)
<b>(Loss) profit for the period</b>		<b>(1,707)</b>	<b>3,337</b>

Continuation of the table →

Continuation of the table

in EUR thousand	Note	1–6 2025	1–6 2024
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Fair value gains (losses) of financial assets at fair value through other comprehensive income		328	25
Income tax related to components of other comprehensive income		(72)	(5)
<b>Total other comprehensive income for the period</b>		<b>256</b>	<b>20</b>
<b>Comprehensive income</b>		<b>(1,451)</b>	<b>3,357</b>

The notes to the condensed financial statements are an integral part of the condensed financial statements and should be read in conjunction with them.

## STATEMENT OF FINANCIAL POSITION

in EUR thousand	Note	30 Jun. 2025	31 Dec. 2024
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>303,938</b>	<b>303,923</b>
Intangible assets		47	127
Property, plant and equipment		4,585	4,973
Investments in subsidiaries	6	212,270	212,270
Financial assets at fair value through other comprehensive income		1,792	1,464
Financial receivables	7	84,075	83,846
Deferred tax assets		1,169	1,243
<b>Current assets</b>		<b>66,028</b>	<b>50,859</b>
Assets (groups) held for sale		31	31
Financial receivables	7	60,616	44,240
Trade receivables	8	4,444	5,929
Income tax assets		93	191
Cash and cash equivalents	9	499	62
Other assets		345	406
<b>Total assets</b>		<b>369,966</b>	<b>354,782</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	10	<b>229,576</b>	<b>231,027</b>
Share capital		145,266	145,266
Capital surplus		11,461	11,461
Other equity reserves		8,838	8,838
Fair value reserves		785	529
Retained earnings		63,226	64,933

Continuation of the table →

Continuation of the table

in EUR thousand	Note	30 Jun. 2025	31 Dec. 2024
<b>Non-current liabilities</b>		<b>55,426</b>	<b>55,556</b>
Employee benefits		1,062	1,062
Financial liabilities	11	43,800	44,133
Other liabilities	13	10,564	10,361
<b>Current liabilities</b>		<b>84,964</b>	<b>68,199</b>
Financial liabilities	11	80,442	62,336
Trade payables	12	2,826	3,795
Other liabilities	13	1,696	2,068
<b>Total equity and liabilities</b>		<b>369,966</b>	<b>354,782</b>

The notes to the condensed financial statements are an integral part of the condensed financial statements and should be read in conjunction with them.

## STATEMENT OF CHANGES IN EQUITY

### Statement of Changes in Equity for the Six-Month Period Ending 30 June 2025

in EUR thousand	Share capital	Capital surplus	Other equity reserves	Fair value reserves	Retained earnings	Total
<b>Balance as at 31 Dec. 2024</b>	<b>145,266</b>	<b>11,461</b>	<b>8,838</b>	<b>529</b>	<b>64,933</b>	<b>231,027</b>
Dividends paid	0	0	0	0	0	0
<b>Transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Profit for the period	0	0	0	0	(1,707)	(1,707)
Other changes in comprehensive income	0	0	0	256	0	256
<b>Total changes in comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>256</b>	<b>(1,707)</b>	<b>(1,451)</b>
<b>Balance as at 30 Jun. 2025</b>	<b>145,266</b>	<b>11,461</b>	<b>8,838</b>	<b>785</b>	<b>63,226</b>	<b>229,576</b>

### Statement of Changes in Equity for the Six-Month Period Ending 30 June 2024

in EUR thousand	Share capital	Capital surplus	Other equity reserves	Fair value reserves	Retained earnings	Total
<b>Balance as at 31 Dec. 2023</b>	<b>145,266</b>	<b>11,461</b>	<b>8,838</b>	<b>368</b>	<b>101,087</b>	<b>267,020</b>
Dividends paid	0	0	0	0	0	0
<b>Transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Profit for the period	0	0	0	0	3,337	3,337
Other changes in comprehensive income	0	0	0	19	0	19
<b>Total changes in comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>3,337</b>	<b>3,356</b>
<b>Balance as at 30 Jun. 2024</b>	<b>145,266</b>	<b>11,461</b>	<b>8,838</b>	<b>387</b>	<b>104,424</b>	<b>270,376</b>

The notes to the condensed financial statements are an integral part of the condensed financial statements and should be read in conjunction with them.

## STATEMENT OF CASH FLOWS

in EUR thousand	Note	1–6 2025	1–6 2024
<b>Cash flow from operating activities</b>			
<b>(Loss) profit before tax</b>		<b>(1,705)</b>	<b>3,464</b>
Adjusted for:			
Depreciation and amortisation	2	442	503
Interest income	4	(2,857)	(2,768)
Interest expenses	4	3,649	2,468
Reversal of impairment of assets	4	(70)	(2,384)
Creation of allowances and provisions		0	86
Net other expenses (income)		1,011	(769)
<b>Operating cash flow before working capital adjustments</b>		<b>470</b>	<b>600</b>
<b>Total working capital adjustments</b>			
Decrease (increase) in trade receivables		1,321	(2,489)
Decrease in trade payables		(2,610)	(46)
(Decrease) increase in taxes other than income tax		(246)	112
<b>Total working capital adjustments</b>		<b>(1,535)</b>	<b>(2,423)</b>
Receipts from government grant		35	48
Payments for retirement benefits and loyalty bonuses		(6)	(6)
Income tax received (paid)		98	(321)
<b>Net cash flow used in operating activities</b>		<b>(938)</b>	<b>(2,102)</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment		(2)	(91)
Receipts from property, plant and equipment		41	35
Payments for intangible assets		(9)	(5)
Payments for loans issued		(18,185)	(19,475)

Continuation of the table →

Continuation of the table

in EUR thousand	Note	1–6 2025	1–6 2024
Receipts from loans issued		2,861	19,574
Interests received		1,541	1,235
Dividends received		159	108
<b>Net cash flow (used in) from investing activities</b>		<b>(13,594)</b>	<b>1,381</b>
<b>Cash flow from financing activities</b>			
Receipts from borrowings		41,687	27,124
Payments for borrowings		(25,585)	(26,625)
Receipts from financial services		909	932
Payments for lease		(206)	(286)
Interests paid		(1,836)	(1,075)
<b>Net cash flow from financing activities</b>		<b>14,969</b>	<b>70</b>
<b>Cash and cash equivalents as at 1 Jan.</b>		<b>62</b>	<b>913</b>
Net change in cash and cash equivalents		437	(651)
<b>Cash and cash equivalents as at 30 Jun.</b>		<b>499</b>	<b>262</b>

The notes to the condensed financial statements are an integral part of the condensed financial statements and should be read in conjunction with them.

## Notes to Individual Items in the Condensed Financial Statements

### 1. REVENUE

in EUR thousand	1–6 2025	1–6 2024
In Slovenia	8,892	9,301
In other countries	4	4
<b>Revenue</b>	<b>8,896</b>	<b>9,305</b>

### 2. OPERATING EXPENSES

in EUR thousand	1–6 2025	1–6 2024
Cost of goods, materials and services	3,108	2,183
Labour costs	5,257	6,337
- wages and salaries	4,122	4,877
- social security costs	688	818
- other labour costs	447	642
Depreciation and amortisation costs	441	503
Other costs	17	261
<b>Operating expenses</b>	<b>8,823</b>	<b>9,284</b>

### 3. OTHER OPERATING INCOME AND EXPENSES

in EUR thousand	1–6 2025	1–6 2024
Dividends	159	108
Profit from sale of property, plant and equipment	1	8
Other income	37	60
<b>Other operating income</b>	<b>197</b>	<b>176</b>
Expenses for donations and sponsorships	0	(81)
Other expenses	(3)	0
<b>Other operating expenses</b>	<b>(3)</b>	<b>(81)</b>
<b>Other operating income (expenses), net</b>	<b>194</b>	<b>95</b>

### 4. FINANCE INCOME AND EXPENSES

in EUR thousand	1–6 2025	1–6 2024
Interest income	2,858	2,768
Revenues from issued guarantees	640	728
Reversal of impairment of loans issued	70	2,384
Other income	0	236
<b>Finance income</b>	<b>3,568</b>	<b>6,116</b>
Interest expenses	(3,649)	(2,468)
Other expenses	(1,902)	(273)
<b>Finance expenses</b>	<b>(5,551)</b>	<b>(2,741)</b>
<b>Net finance income (expenses)</b>	<b>(1,983)</b>	<b>3,375</b>



### 5. INCOME TAX

in EUR thousand	1–6 2025	1–6 2024
Current income tax expense	0	(133)
Deferred income tax	(2)	6
<b>Income tax</b>	<b>(2)</b>	<b>(127)</b>

in EUR thousand	1–6 2025	1–6 2024
<b>Profit before tax</b>	<b>(1,705)</b>	<b>3,464</b>
Tax at statutory tax rate 22% (2024: 22%)	(375)	762
Tax effects from:		
- non-taxable income	(42)	(536)
- tax non-deductible expenses	37	111
- tax relief	0	(36)
- tax losses for which no deferred tax assets were recognised	382	(174)
<b>Income tax</b>	<b>2</b>	<b>127</b>
<b>Effective tax rate</b>	<b>0.14 %</b>	<b>3.65%</b>

## 6. INVESTMENTS IN SUBSIDIARIES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
SIJ ACRONI d.o.o., Cesta Borisa Kidriča 44, Jesenice, Slovenia	111,337	111,337
SIJ METAL RAVNE d.o.o., Koroška cesta 14, Ravne na Koroškem, Slovenia	51,114	51,114
GRIFFON & ROMANO S.P.A., Via Dossetti 11, Loc. Casinello de Dosso, Italy	0	0
RSC HOLDING d.o.o., Litostrojska cesta 60, Ljubljana, Slovenia	31,545	31,545
NIRO Wenden GmbH, Glück-Auf-Weg 2, Wenden, Germany	0	0
SIJ STORITVE d.o.o. Koroška cesta 14, Ravne na Koroškem, Slovenia	505	505
ODPAD d.o.o. Pivka, Velika Pristava 23, Pivka, Slovenia	5,581	5,581
SIJ SUZ d.o.o., Cesta Borisa Kidriča 44, Jesenice, Slovenia	616	616
SIJ ZIP CENTER d.o.o., Koroška cesta 14, Ravne na Koroškem, Slovenia	68	68
SIJ RAVNE SYSTEMS d.o.o., Koroška cesta 14, Ravne na Koroškem, Slovenia	2,930	2,930
SIJ AMERICAS INC. 331 Newman Springs Road Suite, 104, Red Bank, New Jersey, USA	2,670	2,670
ADDITHERM d.o.o., Litostrojska cesta 60, Ljubljana, Slovenia	5,902	5,902
SIJ MIDDLE EAST- FZCO, DSO-IFZA, IFZA Properties, Dubai Silicon Oasis, Dubai, United Arab Emirates	2	2
<b>Investments in subsidiaries</b>	<b>212,270</b>	<b>212,270</b>

The winding up of SSG (RU) began in the first half of 2024.

## 7. FINANCIAL RECEIVABLES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Loans issued	84,075	83,846
<b>Non-current financial receivables</b>	<b>84,075</b>	<b>83,846</b>
Loans issued	60,297	43,815
Other	319	425
<b>Current financial receivables</b>	<b>60,616</b>	<b>44,240</b>

Financial receivables refer to loans issued to the majority shareholder. Loans issued to the majority shareholder amount to EUR 51,162 thousand (2024: EUR 51,162 thousand), and the related interest to EUR 14,107 thousand (2024: EUR 12,838 thousand). Loans issued to the majority shareholder will be repaid from dividends. Both the loans issued to subsidiaries, totaling EUR 78,335 thousand (2024: EUR 62,940 thousand), and the related interest, amounting to EUR 768 thousand (2024: EUR 721 thousand), are expected to be repaid from current liquidity in line with long-term business projections.

Interest rates for loans issued are variable as well as fixed, ranging from 1.60 to 7.00%. The loans issued are not pledged as security for liabilities. The majority of loans issued are secured with bills. Due to identified credit risk and objective signs of impairment, the allowance for loans issued amounts to EUR 11,847 thousand (2024: EUR 11,917 thousand).

## 8. TRADE RECEIVABLES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Trade receivables	4,434	5,942
Allowances for trade receivables	(84)	(95)
Issued advance payments and cautions	2	8
Other receivables	92	74
<b>Current trade receivables</b>	<b>4,444</b>	<b>5,929</b>

The operating receivables are not secured nor pledged as security for liabilities.

## 9. CASH AND CASH EQUIVALENTS

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Cash in national currency	499	62
<b>Cash and cash equivalents</b>	<b>499</b>	<b>62</b>

## 10. EQUITY

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Share capital	145,266	145,266
Capital surplus	11,461	11,461
Other equity reserves	8,838	8,838
Fair value reserves	785	529
Retained earnings	63,226	64,933
<b>Equity</b>	<b>229,576</b>	<b>231,027</b>

The share capital of the Company is recognised amounting to EUR 145,266 thousand and is distributed among 994,616 shares. The face value of each share is EUR 146.05. The number of shares did not change until this financial report was prepared.

In the first half of 2025, the Company paid no dividends (1–6 2024: EUR 0 thousand).

### Ownership Structure

Shareholder	Number of shares 30 Jun. 2025	Number of shares 31 Dec. 2024
DILON, d.o.o., Gerbičeva ulica 98, Ljubljana	718,351	718,351
Republic of Slovenia, Gregorčičeva ulica 20, Ljubljana	248,655	248,655
SIJ d.d., Gerbičeva ulica 98, Ljubljana	27,600	27,600
UNIOR, d. d., Kovaška cesta 10, Zreče	10	10
<b>Total</b>	<b>994,616</b>	<b>994,616</b>

### Capital Surplus

The capital surplus amounting to EUR 11,461 thousand was formed during the simplified decrease of the Company's capital.

## Other Equity Reserves

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Legal reserves	11,093	11,093
Treasury shares	(6,009)	(6,009)
Reserves for treasury shares	3,754	3,754
<b>Other equity reserves</b>	<b>8,838</b>	<b>8,838</b>

## Fair Value Reserves

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Fair value reserve due to financial assets at fair value through comprehensive income	990	662
Deferred tax liabilities	(206)	(134)
Net actuarial losses on pension programs	1	1
<b>Fair value reserves</b>	<b>785</b>	<b>529</b>

## 11. FINANCIAL LIABILITIES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Borrowings	3,452	3,996
Liabilities for bonds issued (SIJ8)	40,226	39,921
Lease liabilities	122	216
<b>Non-current financial liabilities</b>	<b>43,800</b>	<b>44,133</b>
Borrowings	77,779	61,121
Lease liabilities	266	378
Other current financial liabilities	2,397	837
<b>Current financial liabilities</b>	<b>80,442</b>	<b>62,336</b>
<b>Total financial liabilities</b>	<b>124,242</b>	<b>106,469</b>

## Borrowings

Borrowings include borrowings from companies in the Group, commercial banks, and other parties. The interest rates for borrowings are variable as well as fixed.

## Liabilities for Bonds Issued

The Company issued bonds with the ticker symbol of SIJ8 with the total nominal value of EUR 19,000 thousand in November 2023. In November 2024 it issued, through a further issue, additional bonds with the ticker symbol of SIJ8 with a total nominal value of EUR 22,100 thousand. The entire bond issue contains 411 denominations of EUR 100 thousand. The bond maturity date is 2 November 2026. The interest rate for the bonds is fixed, i.e. 7.0% per annum. If the sustainability conditions are not met, a surcharge of 0.3% per annum applies. Interest is accrued annually in arrears. The nominal value of the principal falls due, in full and in a single amount, on the maturity of the bond.

## 12. TRADE PAYABLES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Payables to suppliers	1,652	2,314
Liabilities to employees	376	438
Tax liabilities and other liabilities	798	1,043
<b>Current trade payables</b>	<b>2,826</b>	<b>3,795</b>

## 13. OTHER LIABILITIES

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Liabilities for contingent and deferred contribution	10,565	10,361
<b>Other non-current liabilities</b>	<b>10,565</b>	<b>10,361</b>
Accrued expenses for unused annual leave	367	357
Liabilities for severance pay	110	305
Current portion of liability for contingent and deferred contribution	1,200	1,200
Other liabilities	18	206
<b>Other current liabilities</b>	<b>1,695</b>	<b>2,068</b>

Pursuant to the shareholders' agreement, the Company recognised an obligation to pay contingent consideration to grant RSC HOLDING a loan on market terms. The loan must be issued within 3 months after the general meeting resolution for the year in which the indicator set out in the shareholders' agreement will be exceeded. The obligation is valid for the period from 2023 to 2024. If the indicator set out in the shareholder's agreement will be exceeded in the period from 2025 to 2027, the Company will convert the principal and interest into the capital of the subsidiary as a subsequent payment without the right to demand the return of such subsequent payment.

Pursuant to the shareholders' agreement, the Company also recognised an obligation to pay deferred consideration to grant ADDITHERM additional subsequent payments, executed within 5 years. Subsequent payments will be executed in equal annual installments based on the resolution concluded by both members every time the liability will fall due.

Changes in the fair value of the obligation to pay contingent consideration due to new information that will relate to changes in events after the acquisition date will be recognised in profit or loss.

## 14. CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities for issued guarantees amount to EUR 208,612 thousand on 30 June 2025 (2024: EUR 211,901 thousand). The total amount of issued guarantees was issued to the companies of the Group. The Company expects no outflows from the issued guarantees.

## FINANCIAL INSTRUMENTS

### Maturity of Financial Liabilities as at 30 June 2025

in EUR thousand	Carrying amount	Contractual cash flows				Total
		Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	
Payables to suppliers	1,652	1,634	18	0	0	1,652
Financial liabilities	124,242	30,611	56,599	43,890	0	131,100
Other liabilities, w/o liabilities to the state and employees and advanced payments	10,565	0	0	10,565	0	10,565
<b>Total liabilities</b>	<b>136,459</b>	<b>26,458</b>	<b>55,636</b>	<b>54,365</b>	<b>0</b>	<b>136,459</b>

### Maturity of financial liabilities as at 31 December 2024

in EUR thousand	Carrying amount	Contractual cash flows				Total
		Up to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	
Payables to suppliers	2,314	2,296	7	11	0	2,314
Financial liabilities	106,469	15,284	47,051	44,134	0	106,469
Other liabilities, w/o liabilities to the state and employees and advanced payments	10,361	0	0	10,361	0	10,361
<b>Total liabilities</b>	<b>119,144</b>	<b>17,580</b>	<b>47,058</b>	<b>54,506</b>	<b>0</b>	<b>119,144</b>

## RELATED PARTIES

Related parties are the majority shareholder and the ultimate parent (including companies in their groups), subsidiaries, associates, other related parties and the management of companies.

### Transactions with the Majority Shareholder

in EUR thousand	1–6 2025	1–6 2024
Revenue	1,269	1,272

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Receivables	65,285	64,016

### Transactions with Subsidiaries

in EUR thousand	1–6 2025	1–6 2024
Revenue	11,174	11,591
Expenses	1,747	630

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Receivables	95,604	81,917
Liabilities	35,839	24,968

### Transactions with Other Related Companies

in EUR thousand	1–6 2025	1–6 2024
Revenue	2	1
Expenses	60	63

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Receivables	1	2
Liabilities	7,505	7,506

## CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The table shows the carrying amounts and fair values of financial assets and financial liabilities. The carrying amounts of financial and trade receivables, cash and cash equivalents, and operating liabilities are an adequate approximation of their fair value.

in EUR thousand	30 Jun. 2025		31 Dec. 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through other comprehensive income	1,792	1,792	1,463	1,463
Financial receivables	144,690	144,691	128,086	128,086
Trade receivables	4,444	4,444	5,929	5,929
Cash and cash equivalents	499	499	62	62
Financial liabilities	(124,242)	(124,242)	(106,469)	(106,469)
Trade payables	(13,391)	(13,391)	(14,156)	(14,156)

### Presentation of Financial Assets and Liabilities, Disclosed at Fair Value According to Fair Value Determination Hierarchy

in EUR thousand	30 Jun. 2025	31 Dec. 2024
Financial assets at fair value through other comprehensive income	1,388	1,059
<b>Financial assets at fair value of first level</b>	<b>1,388</b>	<b>1,059</b>
Financial assets at fair value through other comprehensive income	404	404
<b>Financial assets at fair value of third level</b>	<b>404</b>	<b>404</b>
Bonds and commercial papers	(40,226)	(39,991)
<b>Financial liabilities at fair value of second level</b>	<b>(40,226)</b>	<b>(39,991)</b>
Borrowings	(81,231)	(65,191)
Leases	(387)	(593)
Other financial liabilities	(2,397)	(69)
<b>Financial liabilities at fair value of third level</b>	<b>(84,015)</b>	<b>(65,853)</b>

The third level of liabilities at fair value includes secured loans issued, leases and interest liabilities, representing, according to the valuation model, carrying amounts of discounted expected future payments with the adjusted risk level.

In the first half of 2025, there were no transfers of financial instruments between different levels.

## EVENTS AFTER THE REPORTING DATE

Two largest production companies, SIJ Acroni and SIJ Metal Ravne, have reached an agreement with the banks NLB d.d., UniCredit Banka Slovenija d.d., OTP banka d.d. and SID- Slovenska izvozna in razvojna banka, d.d., Ljubljana, on securing additional liquidity in the amount of EUR 25 million in order to support the operations of the SIJ Group. The additional liquidity reflects the banks' confidence in the SIJ Group, indicating that despite the challenging business conditions that significantly affected its operations in the first half of 2025, the Group will continue negotiations toward a comprehensive long-term refinancing solution. It will be focused on ensuring a stable long-term financial platform for the Group and is necessary due to challenging and uncertain market conditions. The business viability of the SIJ Group, along with realistic prospects for stabilizing operations and achieving long-term success, has also been confirmed by independent advisors.

**SIJ – Slovenska industrija jekla, d.d.**

Gerbičeva 98, 1000 Ljubljana

[www.sij.si](http://www.sij.si)

T: +386 (0)1 242 98 00

E: [info@sij.si](mailto:info@sij.si)

**Content design and editing:** SIJ d.d.

**Language check:** mag. Andreja Čibron Kodrin, Fužinar Ravne d.o.o.

**Translation by:** Tadej Reissner, s.p.

**Layout and implementation:** Media Vox d.o.o., Andreja Trbuha Kukec

**Photographs by:** SIJ Group archive