

## **Estimated consolidated financial results for Q.1, 2022 and information regarding the influence of the war in Ukraine on the operations in that period**

In accordance with the approved corporate events calendar, the Management Board of Grupa Kęty S.A. (hereinafter referred to as the Issuer or the Company) discloses in public the selected estimated financial results of the Issuer's Capital Group for Q.1, 2022, which have not been audited by a statutory auditor.

The financial figures disclosed in this current report are only estimations and may change by the time of publishing the consolidated report for the first quarter of 2022, which is going to take place on 20 April 2022, in accordance with the binding schedule of current reports publication.

<b>Consolidated data (PLN million)</b>	<b>Q.1, 2022P</b>	<b>Q.1, 2021</b>	<b>Change (%)</b>
Sales revenue	1,500	990.1	52%
EBITDA*	230	199.7	15%
Net profit on operating activities	190	162.4	17%
Net profit	148	137.3	8%

\* EBITDA – net operating profit plus depreciation and amortisation

In the opinion of the Management Board, year 2022 commenced with high demand for the products offered by the Capital Group segments, despite the lasting high prices of the basic raw materials. Unfortunately, the perspective has been disturbed by the outbreak of war in Ukraine, which resulted in further rapid growth of material prices, and also increased the uncertainty as to the market situation. Despite that, the Management Board assumes high sales growth rates in Q.1, and reaching of about PLN 1,500 million consolidated sales revenue in effect, which will be a result higher by more than 50% compared to the first quarter of the preceding year. The result will be generated thanks to higher volume sales and adjustment of the product prices to the growing costs, mainly the costs of raw materials (e.g. the PLN price of aluminium grew by roughly 65%).

The estimated EBITDA shall reach approximately PLN 230 million Q.1, 2022 (15% increase y/y). Considering the costs of depreciation and amortisation, the profit on operating activities in the discussed period will reach about PLN 190 million, which means that it will be higher by 17% than the value generated in the corresponding period of 2021.

The Company estimates that the result on financing activities will be neutral, at the level of approximately PLN +1 million.

Upon consideration of tax charges, the consolidated net profit in Q.1, 2022 is estimated to be roughly PLN 148 million, which represents a growth of 8% compared to Q.1, 2021. The estimated net debt level at the end of Q.1, 2022 will amount to PLN 940 million.

The specified values of EBITDA and net profit on operating activities in Q.1, 2022, cover for the Group assets written-down due to the potential impairment loss, estimated based on the available data as PLN 49 million, as refers to:

- the assets of the Ukrainian subsidiaries of the Group amounting to about PLN 41 million (based on the data available at the end of 2022);
- inventory stock of Grupy KĘTY S.A. under reworking in progress at Alupol Ukraina LLC, of the value of about PLN 7 million (current data);
- assets of other Group companies amounting to about PLN 1 million (current data).

The said write-down was made in relation to the Russian army invasion in the territory of Ukraine on 24 February 2022. The Group runs its business in Ukraine through the companies of Alupol Ukraina LLC with its registered office in Borodianka (within the Extruded Products Segment), and Aluprof System Ukraina LLC with its registered office in Kiev (within the Aluminium Systems Segment). Owing to the situation referred to above, the companies suspended their operations on 24 February 2022.

In effect of the war outbreak in Ukraine, the Capital Group has lost the possibility to make transactions with its customers on the Ukrainian market, and decided to abandon commercial contacts with companies in Russia and Belarus. In 2021, the sales transactions of the Group segments in those markets represented, respectively: the Extruded Products Segment – ca. 4%; the Aluminium Systems Segment – ca. 3%; and the Flexible Products Segment – ca. 6% of the sales revenue.

Deliveries from the Ukrainian, Russian and Belarusian market in 2021 were, respectively: the Extruded Products Segment – deliveries of aluminium billets from Russia to Alupol LLC covering the whole demand of the company; the Aluminium Systems Segment – deliveries of profiles from Russia covering roughly 13% of the total Segment demand, mainly deliveries to Aluprof S.A.; the Flexible Products Segment – deliveries of raw materials and materials from Russia and Belarus covering about 14% of the total Segment purchases.

At the present moment, the Group has been searching for alternative suppliers in the Extruded Products Segments, as the operations of Alupol LLC have been suspended. Works are in progress with regard to launching the production of profiles at other suppliers for the purposes of the Aluminium Systems Segment, and within the Flexible Systems Segment orders were directed to suppliers from other countries.

Considering the above, the Management Board is of the opinion that the suspension of operations on the Ukrainian market and abandonment of cooperation with the Russian and Belarusian suppliers should not have a significant effect on the planned sales revenue and the costs of the operating activities of the Capital Group in 2022.

The above estimates have been prepared based on the following assumptions related to the actual quotations by the date of 22 March, and on the projection for the period from 23 to 31 March.

	<b>Q.1, 2022</b>	<b>Q.1, 2021</b>	<b>Change (%)</b>
EUR/PLN mean exchange rate	4.62	4.55	2%
USD/PLN mean exchange rate	4.11	3.78	9%
average 3M aluminium price (USD/t)	3,255	2,106	55%

The 'EBITDA' parameter applied in the report represents the total profit on operating activities (an item of the profit and loss account for the respective reporting period) and depreciation (an item of the profit and loss account for the respective reporting period). The 'EBITDA' parameter is a measure presenting the capability of the Company to generate cash on basic activities. The 'EBITDA' ratio calculated in accordance with the above mentioned guidelines would amount to PLN 672.4 million in the consolidated financial statements for 2020.

The 'net debt' parameter applied in the report represents the total of long-term loan payables and long-term lease liabilities (items of the balance-sheet equity/liabilities), plus short-term loan payables and short-term lease liabilities (items of the balance-sheet equity/liabilities), less the value of cash and cash equivalents (an item of the balance-sheet assets). The 'net debt' ratio presents the value of bank loans and other interest-bearing liabilities, in consideration of the cash available, which may be allocated to the debt repayment. In the consolidated financial statements for 2020, the 'net debt' ratio calculated in accordance with the above mentioned guidelines would amount to PLN 586 million as at 31 December 2020.

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