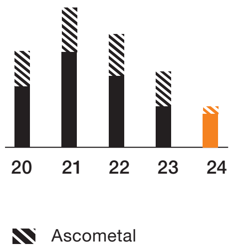
# Annual Report 2024

Swiss Steel Group

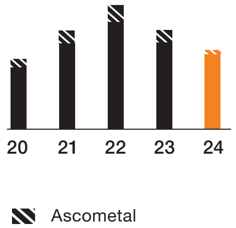
Together. For a future that matters.

# Key Financials

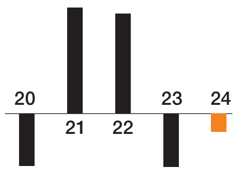
## Sales volume
**1,113**
kilotons
–5.1 % vs. PY 1)



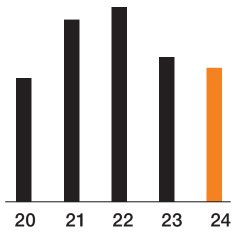

## Net revenue
**2,511.2**
EUR million
–14.3 % vs. PY 1)



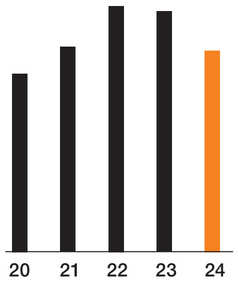

## EBITDA
**–35.5**
EUR million
+65.3 % vs. PY



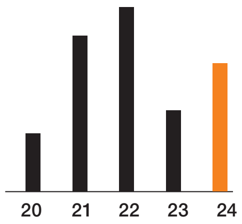

## Net working capital
**769.3**
EUR million
–6.9 % vs. PY




## Net debt
**711.4**
EUR million
–14.1 % vs. PY




## Shareholders’ equity
**322.8**
EUR million
+37.6 % vs. PY

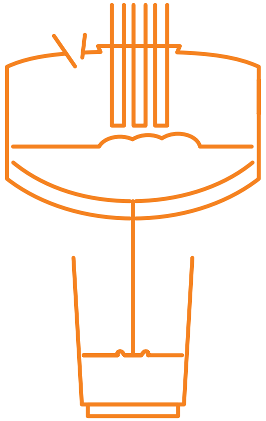



1) Pro forma, i.e. excluding Ascometal

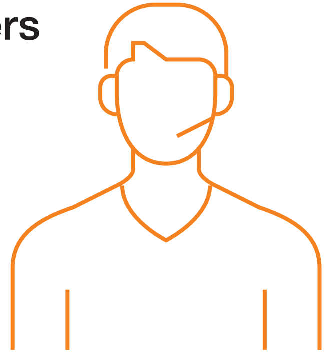
# Company profile

Swiss Steel Group is a global leader in special steel long products with 69 locations in 26 countries. The company ensures reliable delivery of special steels and tailored solutions, combining production, sales and services seamlessly. As a pioneer in the circular economy, Swiss Steel Group exclusively uses steel scrap in electric arc furnaces and leads in sustainably produced Green Steel. Our strong global presence ensures customized solutions in engineering, stainless and tool steel, setting new standards in sustainable, innovative steel production.

**6**
Melt shops

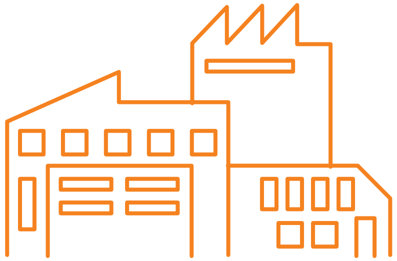


**69**
Sales & service centers

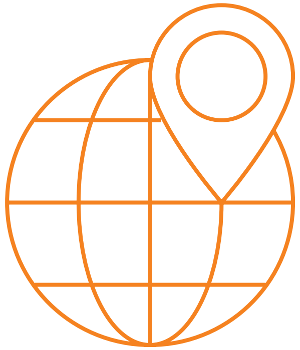


**>20,000**
Customers

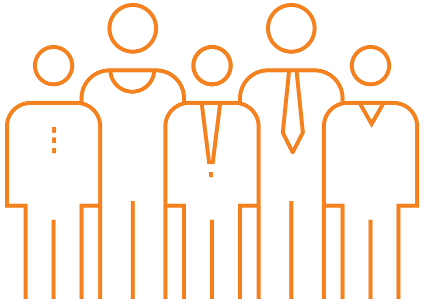
**19**
Production sites



**26**
Countries

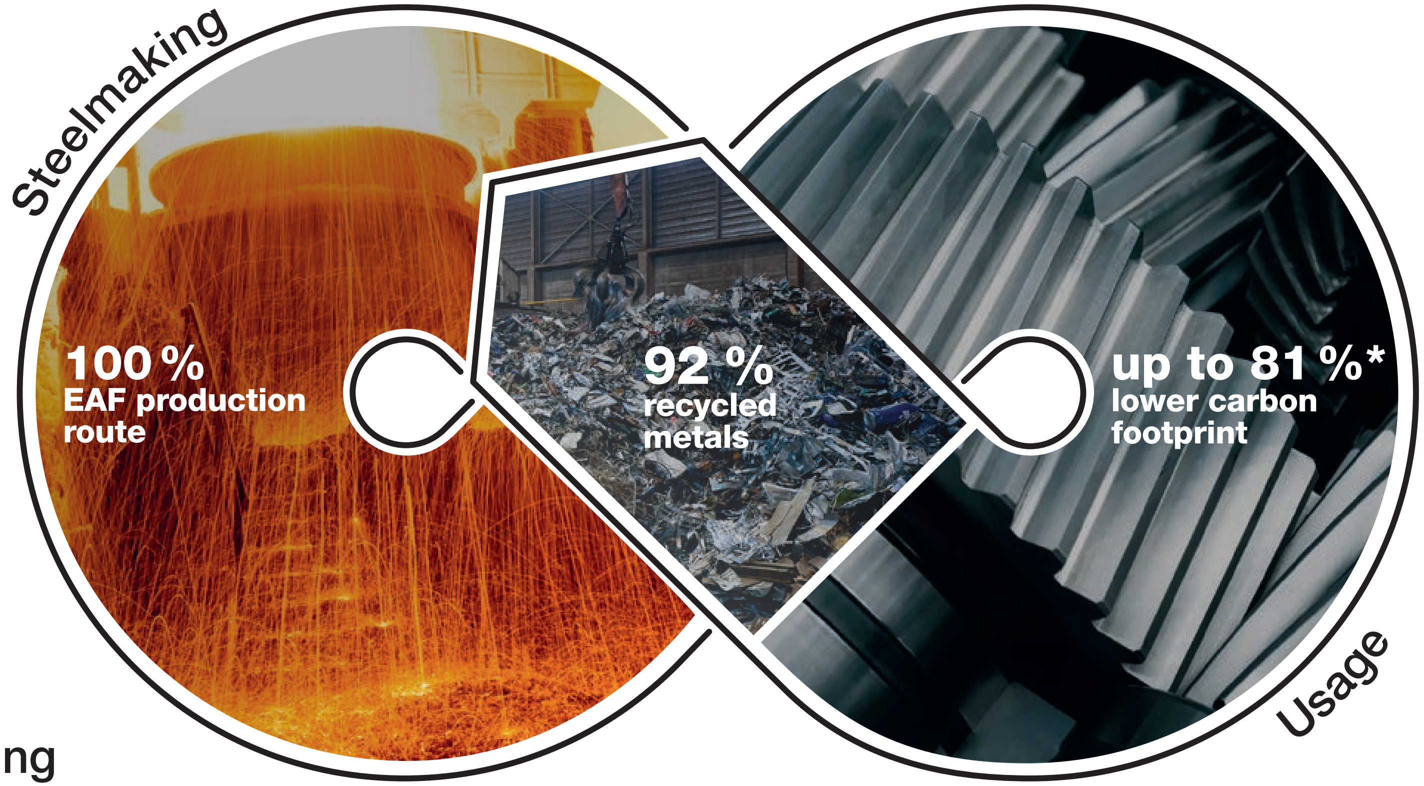


**7,450**
Employees



CIRCULAR ECONOMY

# Materials cycle




The circular process of scrap-based steelmaking begins with melting scrap, ideally using low-carbon electricity. The cast steel is then hot-formed, finished and customized for various industries. At the end of their lifecycle, many of these products return as post-consumer scrap.

* Industry average: 1.92 t $CO_2$ / t crude steel cast vs. Swiss Steel Group year 2023: 0.227 t $CO_2$ / t crude steel cast in Scopes 1+2 and Scope 3 ranging from 0.134 t $CO_2$ / t (engineering steel) to 1.466 t $CO_2$ / t (stainless steel); source: worldsteel Sustainability Indicators 2024

RECYCLING

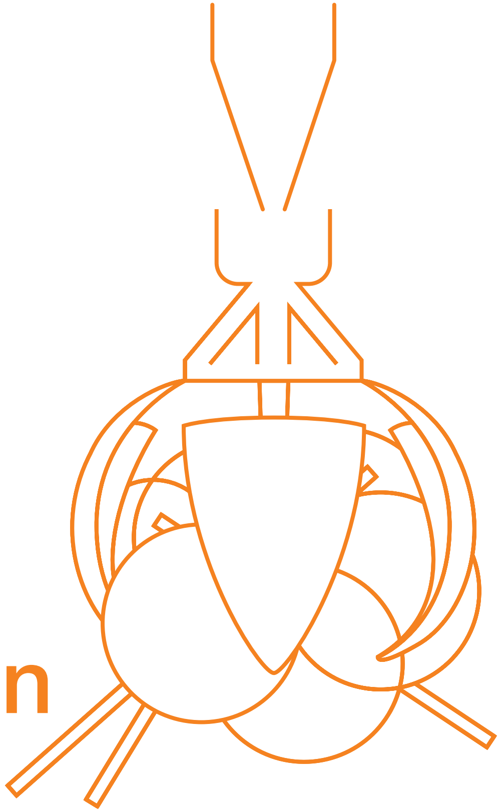
# Scrap – the key to sustainability

Steel scrap is at the heart of sustainable steel production and the circular economy. Swiss Steel Group exemplifies Green Steel leadership by relying on scrap as the primary raw material in its electric arc furnaces (EAFs). With an average recycled content of up to 92 %, the Group significantly reduces its resource consumption and $CO_2$ emissions while advancing low-carbon steelmaking.

**92 %**
**recycled metals**
as metallic input material

RECYCLING

# Closing material loops



**~1.5 million**
tons of recycled scrap per year

**A long tradition with modern benefits**
Steel recycling has evolved over centuries, driven by resource efficiency. Early civilizations repurposed metal, shaping modern recycling practices. Today, steel recycling tackles a different challenge: combating climate change. Recycling one ton of steel saves over two tons of natural resources, including ore, coal and limestone, and cuts $CO_2$ emissions by 1.6 tons compared to primary steel. Advances in recycling technologies and renewable energy for melting processes have amplified these environmental benefits.

**Regional sourcing for maximum efficiency**
Swiss Steel Group prioritizes regional scrap sourcing to minimize transport emissions and support local economies. With facilities in Canada, France, Germany, Switzerland and the USA, the Group achieves an average recycled input of 92 % in its production. For example, the Group's joint venture, dhi Rohstoffmanagement in Germany, ensures consistent access to high-quality scrap.

Europe urgently needs a scrap strategy.

This backward integration closes material loops by sourcing scrap both from customers and the broader market, reinforcing the Group's commitment to sustainable resource use.

**Ensuring quality in steel recycling**
High-quality scrap is critical for producing premium steel. However, impurities like copper and tin, known as tramp elements, cannot be removed and can affect the steel's properties. Swiss Steel Group mitigates these challenges through rigorous sorting and separation. Additionally, software tools optimize the scrap mix, balancing cost, energy efficiency and chemical composition to achieve superior results.

**A changing global landscape**
Global demand for steel scrap is increasing as steelmakers adopt stricter environmental standards and shift toward EAF technology. Historically, regions like Europe and the USA have had abundant scrap availability due to decades of industrial activity. Emerging economies such as China have less scrap in circulation but are rapidly advancing recycling efforts. The recent lifting of China's scrap import ban marks a shift in the global scrap market, influencing supply chains and competition. Europe urgently needs a scrap strategy.

**Leading the way in sustainable steelmaking**
Swiss Steel Group stands at the forefront of the green transformation. By leveraging innovative technologies, efficient scrap management and regional sourcing, the Group sets benchmarks for sustainable steel production. Its leadership demonstrates how the industry can balance economic business orientation with environmental responsibility, paving the way for a low-emission, resource-efficient future.

RECYCLING

# Powering production with reliable and efficient procurement

**Matthias Krause-Uhrmann**
Chief Procurement Officer

**How would you describe the role of procurement in the overall success of Swiss Steel Group?**

Procurement is vital to the success of Swiss Steel Group, as it manages all external spend that equates to approximately 70 % of the Group's revenues. We work with over 7,000 suppliers and handle more than 100,000 transactions annually. This is managed by a team of around 60 skilled procurement professionals across categories such as scrap, alloys, energy, services, maintenance, consumables and indirect materials. Ensuring a secure supply of raw materials is crucial because our plants rely on the timely delivery of the right materials in the right quality.

**How does your procurement strategy help to ensure security of supply while promoting the principles of the circular economy in steel production?**

Our primary objective is to ensure a secure supply chain by fostering long-term partnerships and building supplier redundancy. We promote circular economy principles by prioritizing sustainable materials. We evaluate suppliers based on their carbon footprint, adherence to our Code of Conduct and ESG (Environmental, Social, and Governance) standards. This approach helps us reduce environmental impact while maintaining reliable access to essential resources.

**How do you prioritize between cost, quality and delivery reliability in scrap procurement?**

Priorities depend on the material category. For critical materials like scrap, quality and delivery reliability take precedence. We require consistent quality and minimize working capital. Cost is also significant, as we operate in a highly competitive market.

**What criteria are decisive for you when selecting scrap dealers or suppliers?**

Reliability and quality are the most critical factors. Scrap quality can vary significantly as it consists of collected and combined materials. We build trust through regular inspections: visual checks on every truck, random sample testing, and monitoring yields. Suppliers must prove they can consistently deliver clean, high-quality scrap free from impurities and radiation. Strong relationships with trustworthy suppliers are essential for our operations.

**What role do sustainability criteria play in the procurement of scrap and how do you take environmental aspects into account?**

Sustainability is fundamental to all our sourcing categories. For scrap, we work with suppliers who adhere to environmental standards and prevent pollution. The greatest impact comes from reducing the need for primary alloys like chromium and nickel by sourcing scrap containing these elements. This significantly lowers our Scope 3 emissions. We also evaluate alloy suppliers based on their carbon footprint. All suppliers must comply with our Code of Conduct, which prohibits child labor, promotes fair working conditions and mandates environmental responsibility. Ultimately, we strive to combine security of supply, cost-efficiency and sustainability by collaborating closely with suppliers and internal teams. This ensures we remain competitive while reducing our environmental footprint.

STEELMAKING

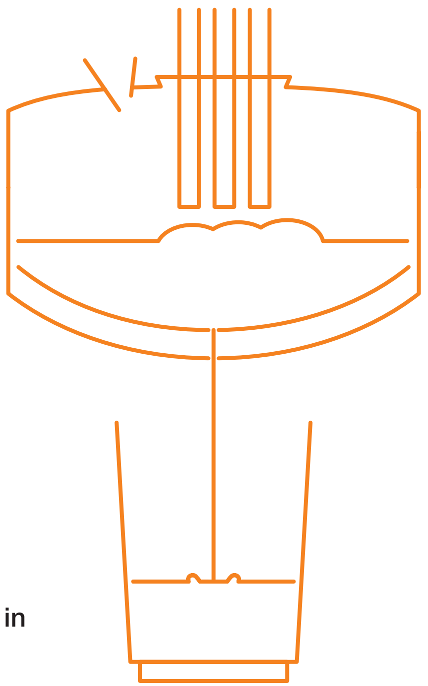
# Harnessing the power of circularity

While the electric arc furnace (EAF) was first invented over a century ago, its role in modern steel production has grown significantly in recent decades. This technology has become the backbone of sustainable steelmaking, replacing coal-intensive blast furnace methods in many areas. Swiss Steel Group demonstrates how recycled scrap is turned into specialty steel for the most demanding applications – while simultaneously protecting the environment.

**100 %**
**electric arc furnace**
production route

STEELMAKING

# Steel production in the electric arc furnace



6

electric arc furnaces (EAF) in Canada, France, Germany, Switzerland and the USA

**Pioneering sustainable steel production**
Swiss Steel Group is not just a producer of specialty steels, but also a pioneer in sustainability. Operating six steel plants in Canada, France, Germany, Switzerland and the USA, the Group has a global presence. Yet, the fundamental principle remains the same: production based on recycled steel.

**The journey of steel scrap**
Steel production begins with scrap metal. What was once a rebar in a bridge pillar or building, a car wreck or a steel rail is collected and processed (cut, shreddered, pressed, segregated) by regional scrap dealers and returned to Swiss Steel Group's meltshops. This seemingly discarded material again becomes a valuable raw material.

However, steel is not just iron. To achieve the necessary material properties for specialty applications, precise alloying is essential. While scrap is sourced locally, alloying elements like nickel or chromium are procured from around the world. Swiss Steel Group thus combines the strengths of local and global value creation.

82 % decarbonized electrical energy in the steel mill

**Electricity – powering sustainable steel**
Unlike blast furnaces that rely on coal as both an energy source and a reductant, EAFs use electricity to generate the intense heat required to melt steel scrap. This reliance on electricity makes the process inherently more flexible and means it can benefit from advancements in renewable energy. Swiss Steel Group sources electricity strategically, aiming to maximize the use of low-carbon and renewable sources, further reducing the carbon footprint of its steelmaking operations.

**The electric arc furnace – the engine of green steel**
At the heart of the production process is the electric arc furnace. Here, scrap is melted at temperatures between 1,630 and 1,700 degrees Celsius, using graphite electrodes to generate an electric arc. To accelerate the process, oxygen and fuel-gas mixtures are injected.

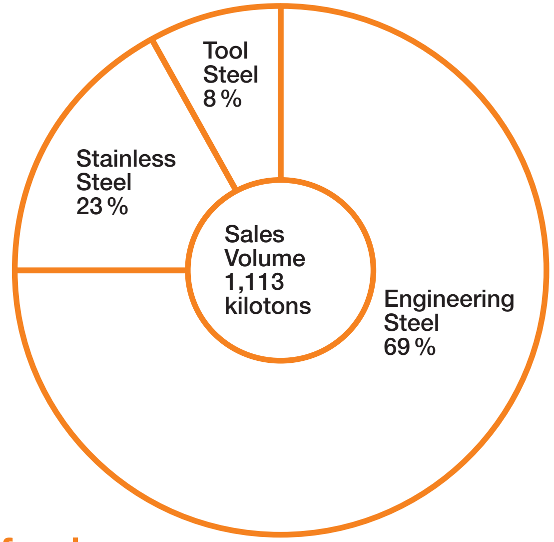
This method is not only fast and adaptable but also environmentally friendly. Compared to traditional blast furnaces, which rely on iron ore and coaking coal, the EAF emits only about one quarter of the emissions. And this is just the beginning: the more sustainable the energy sources for electricity are, the further emissions can be reduced.

**Improving the energy mix**
Today, we mainly power our electric arc furnaces with a mix of renewable electricity and low-carbon electricity sources, at some sites even exclusively. 82 % of the energy used in the steel mills is decarbonized electricity.

**Green Steel Climate+**
For those who want to push sustainability further, Swiss Steel Group offers Green Steel Climate+. These products are produced with power from renewable sources only, such as wind or solar, and therefore have an even smaller carbon footprint.

STEELMAKING

# Extensive portfolio of steel grades




## Share of sales by product group

Figures 2024

**From molten steel to specialty products**
Once the scrap has been melted, the liquid steel is analyzed and further alloyed to optimize its chemical composition. The steel is then cast – depending on the final shape – into billets, blooms or ingots.

Some of these products are sold directly, while others undergo further processing: rolling, forging, heat treatments and mechanical processing ensure the steel attains the exact properties required. The result is a specialty steel used in tools, machinery or for example the automotive industry.

**Alloys – tailored solutions from steel**
Adapting the chemical composition according to our customers' wishes usually requires the addition of alloying elements. Currently, we mainly use primary alloying elements and deoxidizers. In order to reduce the use of primary materials, we integrate alloyed scrap as well as secondary alloying elements and deoxidizing agents (e.g. recycled aluminium) wherever possible. In addition, we have set ourselves the goal of further increasing the proportion of recycled content in our stainless steel grades in the future.

**Engineering steel**
Our engineering steels are as diverse as their applications. From low-alloy structural steel to micro-alloyed steels, case-hardening to nitriding steels, quenching and tempering steels to high-strength alloyed steel, our steels can be found wherever steel is indispensable.

**Stainless steel**
Our stainless, acid and heat-resistant steels are in demand wherever steel is exposed to the forces of nature or corrosion. They meet the toughest technical requirements, such as extreme resistance to corrosive and mechanical stresses, high strength and elongation values or very high resistance to thermal stress.

**Tool steel**
Our wide range of tool steels features properties precisely tailored to each application, such as economic machinability, high wear resistance, good thermal conductivity, good hardenability, as well as good polishing and etching ability. In addition to our tool steel offerings, we provide problem-solving solutions with hard alloys and ferro-titanite.

**Additive manufacturing (AM)**
In our competence cluster for additive manufacturing (AM), powder and wire production is combined with the latest AM technology. Powder alloys can be developed and atomized to customer specifications in a short amount of time. In the powder bed process, materials are tested for their processability. We also provide support for parameter determination and recycling processes for your own equipment.

STEELMAKING

# Driving sustainable steel production with innovation and efficiency

**Olivier Lebrun**
Chief Technology Officer

**How do you see the role of electric arc furnaces (EAFs) and sustainable production processes?**

Worldwide steel production is generally based on the blast furnace route using iron ore and coke to produce liquid steel, which makes it one of the most emissions-intensive industries. The decarbonization roadmaps of most producers aim at reducing $CO_2$ emissions using direct reduced iron (DRI) produced with hydrogen. This transition requires significant investments and moreover access to reasonable priced renewable. Since the DRI will ultimately be molten in an EAF, those steel makers that currently use blast furnaces will eventually have to adapt to the sustainable steel making technology that Swiss Steel Group has already used for several decades – leveraging circular economy.

**What measures are planned to further reduce emissions along the process route?**

To achieve the highest efficiency, the combination of know-how with technology is key. We are increasingly trying to leverage digital technologies, for example with machine learning algorithms in our melt shops – always seeking the sweet spot between energy consumption, yield and a wide range of other parameters. But producing steel cannot be reduced to melting only. All other processes involved in the transformation into a product are highly energy-intensive as well.
We focus on five pillars to further decarbonization: using circular and biogenic materials; low-carbon electrical energy; renewable gases; electrifying processes; and increasing overall efficiency. We continue to develop expertise in scrap segregation, allowing us to replace carbon-intensive ferro-alloys with alloyed scrap.

**What technological measures are being taken to further increase energy efficiency and minimize the carbon footprint of production?**

The lion's share of emissions come from gas-fired furnaces used for reheating prior to any forming processes like forging or rolling, or heat treatment to adjust the steel's properties. Swiss Steel Group is committed to reducing emissions from these furnaces with all potential levers including electrification, use of hydrogen and hybrid solutions. Some key projects are initiated before leveraging them on a large scale. We are audited by third parties for greenhouse gas emissions, and we are currently in the process of implementing our product carbon footprint (PCF) software to further increase our transparency.

**Do you work with external technology partners, research institutes or universities to drive innovation?**

We continue to build our reputation by working together with external audit specialists or other partners. This allows us to be challenged by the experts and pushes us to strengthen our program. Energy and equipment suppliers play a key role in highlighting the best available technologies. Collaboration within European R&D programs for the use of hydrogen is also important, as it helps to evaluate the best energetical ratio and potential impact on equipment and materials. Innovation is crucial to achieving the required targets on time. All scientists, engineers, and politics drive us to give our best. I am confident that we are on track.

USAGE

# Empowering industries with Green Steel

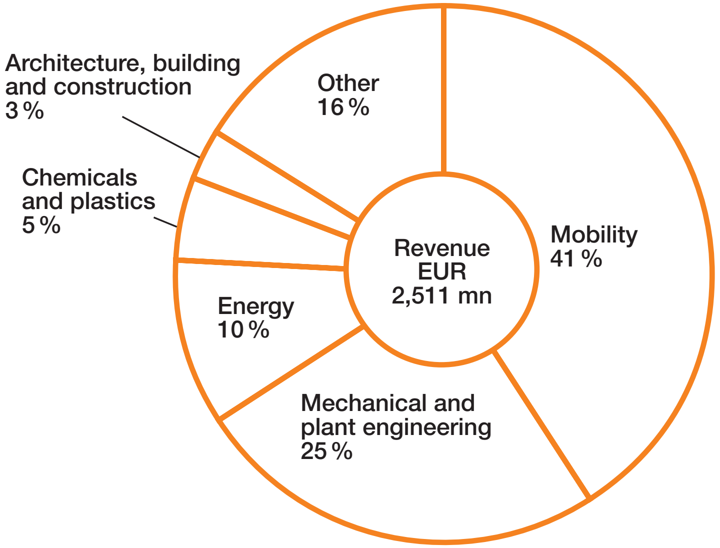
Steel is the backbone of numerous key industries. With its versatile properties, it contributes to enhancing the performance, durability and reliability of products and systems worldwide. From the automotive industry to aerospace, steel is an indispensable material that fosters sustainable and efficient industrial development.

**up to 81%***
**lower carbon footprint**

* Industry average: 1.92 t $CO_2$ / t crude steel cast vs. Swiss Steel Group year 2023: 0.227 t $CO_2$ / t crude steel cast in Scopes 1+2 and Scope 3 ranging from 0.134 t $CO_2$ / t (engineering steel) to 1.466 t $CO_2$ / t (stainless steel); source: worldsteel Sustainability Indicators 2024

USAGE

# Green Steel – for a sustainable future




## Revenue by customer industry

Figures 2024

**A market leader in Green Steel**
We are a leader in sustainably produced steel and a key driver of the circular economy in Europe, distinguished by our 100 % electric arc furnace production based on steel scrap. By utilizing low-carbon electricity and adhering to the highest operational standards, we achieve up to 81 % lower emissions than the industry average, providing customers with a significantly more sustainable option.

Our comprehensive Green Steel portfolio allows customers to choose the ideal product for their path to sustainability. Today, Swiss Steel Group's environmentally friendly Green Steel is already used across diverse industries and applications.

**Mobility and automotive industry**
The automotive industry relies heavily on steel, whether for vehicle bodies, engines or chassis components. Swiss Steel Group provides tailored solutions for demanding applications and drives the development of high-performance components. The focus is on efficiency, innovation and close collaboration with customers to shape the future of mobility.

## Up to 81 % lower carbon footprint

**Aerospace: precision and resilience**
In the aerospace industry, the purity and precision of steel are of critical importance. Swiss Steel Group is a leading supplier for this demanding market, offering products that withstand the highest stresses. Steel is particularly essential for components exposed to cyclic loads or fatigue.

**Energy: powering sustainability**
Steel plays a central role in the energy sector, particularly in wind and nuclear power plants as well as turbine manufacturing. With specialized solutions, Swiss Steel Group offers materials that ensure high resistance and temperature.

**Oil and gas: strength for extreme conditions**
In extreme conditions like those in oil and gas extraction, steel proves its strength. With special alloys that offer both corrosion and temperature resistance, steel meets the highest technical requirements.

**Mechanical engineering: versatility in action**
In mechanical engineering, steel impresses with its versatility. Swiss Steel Group develops customized solutions that make machines and systems more efficient, easier to maintain and longer-lasting. Close collaboration with customers creates innovative applications that drive progress in the industry.

**Medical technology: precision for life**
Steel is also indispensable in medical technology. Whether in implants, surgical instruments or imaging systems, the unique properties of steel – such as flexibility and durability – ensure the highest standards for patients and healthcare professionals. Tailored solutions guarantee that every component meets specific requirements.

USAGE

# Building strong customer partnerships for a sustainable future

**Sandra Chedal**
Chief Sales Officer

**What is Swiss Steel Group doing to ensure its leading position in the Green Steel sector in the long term?**

We work very closely with our customers and build strategic partnerships, especially with companies that are pioneers in green manufacturing and green technologies. Furthermore, transparency is a cornerstone of our work. We offer comprehensive reporting and certifications, which helps build trust and credibility of our environmental efforts. Additionally, we operate very practically alongside our customers: we collect their scrap, making us an integral part of the circular economy.

**How do you assess the current competitive situation in the Green Steel sector?**

The Green Steel sector is attracting an increasing number of players – both traditional steelmakers transitioning to greener methods and new entrants focusing on low-carbon processes. This transformation requires extensive investment. Our technology and products provide us with a competitive advantage. We are establishing a strong brand presence as a pioneer in sustainable, high-quality steel products. Additionally, we offer our customers product options that further reduce $CO_2$ emissions. Examples include our Climate+ option, which uses renewable electricity, and our Stainless+ option, which guarantees a scrap ratio of over 95 percent.

**Which future markets do you see as particularly promising?**

We see great potential in the construction sector, where sustainability is becoming increasingly important. We have developed a new product range to meet this demand. Renewable energy is another promising sector, including wind turbines and solar structures, which require low-emission materials. Consumer goods manufacturers are also increasingly focused on the carbon footprint of their products. In the household appliances sector, for example, low-carbon steel is in high demand. The automotive sector is also striving to meet emission reduction goals. As a key supplier to the industry, we must contribute to these efforts. Our Green Steel products offer a significant competitive advantage.

**How are you reacting to weak demand in the automotive sector?**

Our strategy to overcome these challenges is diversification and innovation. In mechanical engineering, our machinability grades are highly valued by customers. In the automotive industry, we are focusing on electric mobility. For example, we supply tool steel for plastic molds used in electric vehicles and work on applications for sensors. We are also focusing on renewable energy and actively participating in the global energy transition. The aerospace industry demands high product quality – we are well-positioned to meet these standards. In construction, stainless steel is incxreasingly used to support low-emission buildings.

**What role do partnerships /collaborations play?**

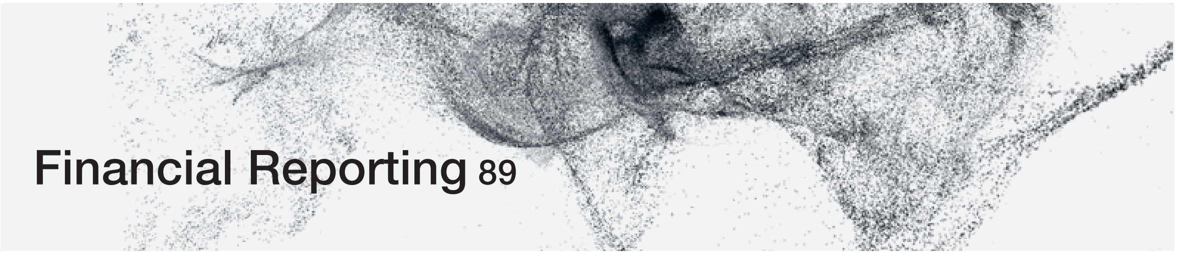
If you want to create innovative solutions, you need partners and long-term collaborations you can rely on. This is particularly true for research and development. Only sustained joint efforts can lead to innovative solutions and the development of customer-specific products. Strong partners are also essential along the supply chain to ensure that our innovative products reach customers worldwide efficiently.

# Contents









# Management Report

# Letter to the Stakeholders

**Martin Lindqvist**
Chairman of the Board

**Frank Koch**
CEO

## Dear Stakeholders,

Swiss Steel Group navigated a persistently challenging market environment in 2024, marked by weak demand across key customer sectors, rising costs, and broader economic headwinds. Despite these obstacles, we remained firmly on our strategic path, demonstrating resilience through decisive operational measures and initiatives that reinforce our foundation for future growth.

Amidst a global economic slowdown, with Europe being particularly affected, we adapted our strategy to safeguard long-term stability. The automotive sector, one of our key customer segments, saw further declines in demand, with European automotive production still significantly below pre-pandemic levels. Similarly, the German mechanical and plant engineering sector faced reduced demand, as customers remained cautious about new investments due to economic uncertainties. As a result, Swiss Steel Group's sales volume declined by 5.1 % year-over-year to 1,056 kilotons, with revenue down 14.3 % to EUR 2,432 million (excluding Ascometal).

In response, we took comprehensive measures to adjust our production schedule, optimize costs, and enhance efficiency. In September 2024, we outlined capacity adjustments to align our workforce and production capacity with market demand, ensuring the Group's long-term competitiveness. These measures included the planned reduction of approximately 800 full-time positions, primarily affecting European production sites and the sales organization in early 2025. By year-end, headcount decreased by 1,362 employees, down 15.5 %, to 7,450, of which the majority resulted from the change in the Group's scope of consolidation.

**Strengthening our balance sheet for future growth**
A key priority in 2024 was reinforcing our financial stability to provide a foundation for future growth. In line with our SSG 2025 strategy, we successfully strengthened our capital base in April 2024, allowing us to focus on re-entering the market as conditions improve. Our recapitalization and refinancing measures included a capital increase generating net proceeds of EUR 287.8 million and an extension of our core financing arrangements with financial lenders until September 2028. Additionally, new agreements with our financial lenders in early 2025 were secured to address market challenges and ensure solid financial positioning. These steps were instrumental in enhancing our resilience and agility as we continue executing our strategic roadmap.

> "We took comprehensive measures to adjust our production schedule, optimize costs, and enhance efficiency."
>
> Martin Lindqvist

**Focusing on our core business**

As part of SSG 2025, Swiss Steel Group executed a series of strategic transactions in 2024 aimed at strengthening our core business focus, boosting resilience, and streamlining operations. Following Ascometal's management seeking court protection in March 2024, we transferred responsibility for these entities, leading to the derecognition of their corresponding assets and liabilities from our balance sheet. After divesting several distribution entities in 2023, we continued our portfolio optimization by selling operations in Portugal, Argentina, Colombia, the United Arab Emirates and our former headquarters in Düsseldorf. Further consolidation of our distribution network is underway to enhance efficiency and better serve our core markets. These steps reduce complexity and enable us to concentrate on our own products, improving our market positioning and operational effectiveness. The effects of these measures led to a year-over-year improvement in EBITDA, bringing it to EUR –35.5 million.

> “We are making steady progress in transforming Swiss Steel Group, but it will take time.”
>
> Frank Koch

While challenges remain, we are making steady progress in transforming Swiss Steel Group. The foundation we have laid through strategic cost adjustments, capacity alignment, and financial restructuring puts us on the right track for recovery. Despite the work done in 2024, this journey requires time and discipline.

**Expanding our leadership in Green Steel**

As Europe's largest electric arc furnace steel producer, Swiss Steel Group is at the forefront of sustainable steel production. Our advanced recycling and circular economy practices enable us to achieve a carbon footprint up to 81 % lower than the industry average. Green steel is a crucial enabler of decarbonization efforts across industries such as mobility, energy, medical, and aerospace.

In 2024, Swiss Steel Group became the first steel producer to have its decarbonization targets validated by the Science Based Targets initiative (SBTi) under the steel sector guidance. Further recognition came from EcoVadis, awarding us a Gold Medal for sustainability, as well as an A-level CDP Climate Change score.

To maximize opportunities in sustainable steel, we also restructured our sales organization, integrating our global sales network and production entities under a unified leadership structure. This realignment enhances our efficiency, strengthens customer relationships, and positions us to lead in emerging green steel markets.

**Voluntary delisting from the SIX Swiss Exchange**

In early 2025, our shareholders approved the Board of Directors' proposal for a voluntary delisting from the SIX Swiss Exchange. This decision aligns with our strategic focus on operational efficiency and structural simplification, considering the low free float of 11.29 % and minimal trading volume of our shares. Following this approval, SIX Exchange Regulation has granted Swiss Steel Group's application to delist per June 5, 2025. Immediately after delisting, the shares will be transferred to the LPZ-X platform of Lienhardt & Partner Privatbank. This transition allows Swiss Steel Group to optimize resources while maintaining a trading option for its shareholders.

**A word of thanks**

Our ability to navigate 2024's challenges and lay the foundation for the future would not have been possible without the commitment of our employees, the trust of our investors, and the collaboration with our customers and business partners. We sincerely thank you for your continued support, confidence, and engagement during this transformative time.

As we enter 2025, Swiss Steel Group remains committed to operational excellence, financial stability, and leveraging our leadership in sustainable steel to drive long-term value creation. We will continue executing our strategy with focus and determination, shaping a stronger future for Swiss Steel Group and all our stakeholders.

**Martin Lindqvist**
Chairman of the Board

**Frank Koch**
CEO

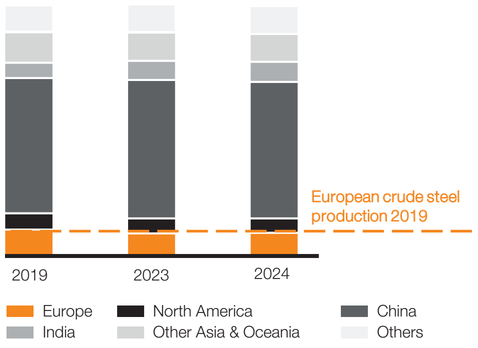
# Business Environment

**In 2024, our business faced challenges amid an economic slowdown, globally, hitting Europe in particular. This was marked by both industrial production and steel demand falling, impacting upon our major customer industries, the automotive industry and the mechanical and plant engineering sector, both of which grappled with weaker demand and decreased production. Electricity prices, still elevated in Europe compared H1 2021 prior to the large price increases observed afterwards, continued to contribute to competitive disadvantages for the European steel industry compared to other regions.**

## Macroeconomic and industry situation

The International Monetary Fund (IMF) reported slower growth of the global economy in 2024 (+3.2 %) compared to 3.3 % growth in 2023 with growth varying across countries. In advanced economies, our primary sales market, gross domestic product (GDP) grew by 1.7 %, unchanged from 2023. In Europe, in particular, growth remained subdued amid ongoing geopolitical tensions and weakness in manufacturing activity. Although inflation rates and interest rates of the European Central Bank (ECB) declined and GDP growth improved compared to 2023, gross domestic product (GDP) in the Eurozone rose by only 0.8 % in 2024 combined with a Eurozone inflation level of 2.4 % and an ECB refinancing fixed rate of 3.15 % since December 18, 2024.

**Crude steel production by region** [1) 2)]
thousand tons




1) Including flat and long products
2) regional data of World Steel Association regrouped; Europe now comprising EU27, UK, other Europe (excluding Switzerland); North America comprises USA, Canada and Mexico
Source: Worldsteel

After contracting in 2023, Eurozone industrial production is estimated to have contracted by another 2.9 % in 2024. Business climate indicators for the manufacturing sectors in the Eurozone and Germany, such as the manufacturing purchasing managers index and the ifo business climate, signaled negative sentiments throughout the year.

**Economic landscape significantly influenced the steel industry**
Having declined by 0.8 % in 2023, the World Steel Association expects global finished steel demand to have contracted further by 0.9 % in 2024. Both construction and manufacturing, key steel-consuming sectors, were negatively impacted. Following a decline in construction activity in 2023 amid high borrowing costs, the slowdown in construction persisted in 2024. At the same time, manufacturing was impacted by weakened demand, high costs, economic uncertainty and tighter financing conditions. In Europe, Eurofer estimates apparent steel demand to have declined by 2.3 % in 2024.

Simultaneously, global crude steel production recorded a decline of 1 % in 2024 compared to 2023. While China saw negative growth in crude steel production, India's crude steel production increased by 6 % in 2024. In Europe, weak demand coupled with high electricity prices continued to contribute to a competitive disadvantage relative to other regions. Though European crude steel production increased by 3 % in 2024, crude steel production remained significantly below pre-pandemic levels (–12 %).

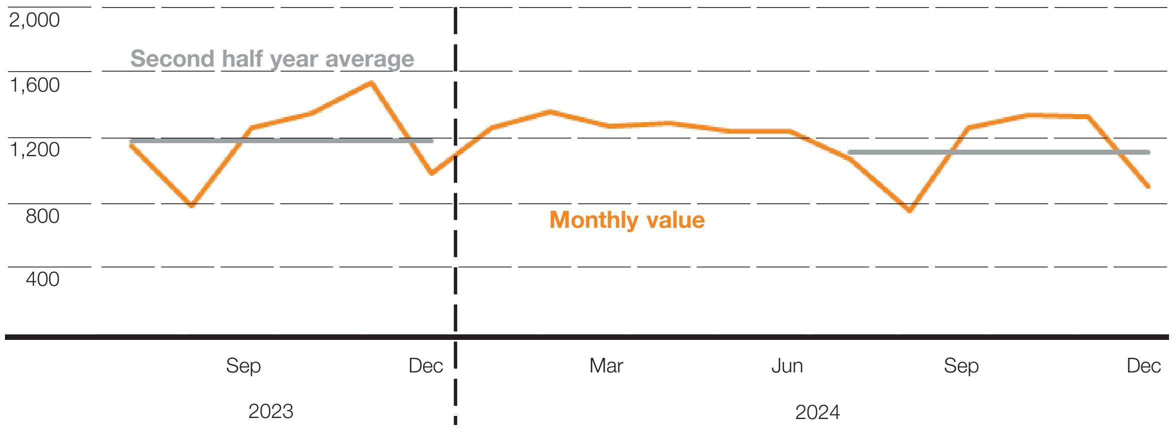
## Customer industries

Our most significant customer industries, the automotive and mechanical and plant engineering sectors, faced numerous challenges throughout 2024.

**Light vehicle production still below pre-pandemic level**
In the automotive industry, European light vehicle production[3] was increasingly impacted by weakening demand in connection with vehicle affordability in view of higher prices. Total European light vehicle production fell in 2024 by 5 % compared to 2023 and by 19 % compared to the 2019 pre-pandemic level.

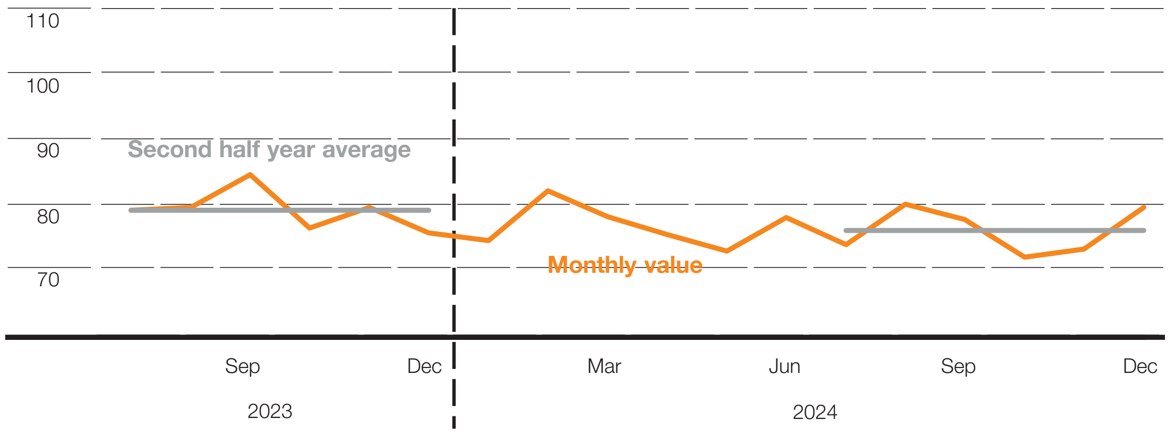
**German mechanical and plant engineering sector faced challenges**
The German mechanical and plant engineering sector continued to be impacted by customers being reluctant to make new investments in view of the geopolitical conflicts, economic uncertainties and structural challenges. In the second half of 2024, production and order intake for the sector dropped by 8 % and 4 % year on year, respectively. In the full year 2024, production declined by 8 % and the order intake by 6 % compared with the previous year. Compared to pre-pandemic levels, production and order intake declined by 15 % and 10 %.

### Light vehicle (LV) Production EU17[3]
thousand units




[3] EU17: Germany, France, Spain, the United Kingdom, Italy, Austria, Belgium, Finland, the Netherlands, Portugal, Sweden, the Czech Republic, Hungary, Poland, Romania, Slovakia and, Slovenia (Source: GlobalData)

### Order Intake German Mechanical Engineering
index[4]




[4] Seasonally and calendar adjusted, 2015 = 100 (Source: German Federal Statistics Office)

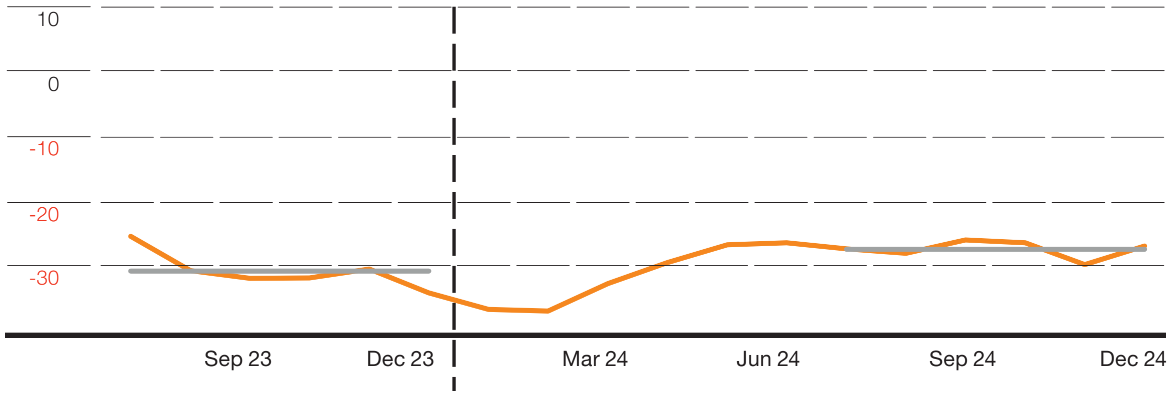
**European construction industry suffered from subdued demand**
European construction industry activity continued to be subdued. In the first eleven months of 2024, indices for production in construction and building permits declined by 2 % and 4 % respectively compared to the same period in 2023. Business climate indicators of the German and French construction industry continued to signal negative sentiments throughout the entire year.

## Commodity prices

In the dynamic landscape of the steel industry, external factors play a key role in shaping our business performance.

**1 % decrease in average price of German scrap type 2/8 amid prices remaining elevated in the first eight months of 2024**
In the context of our operations, German scrap type 2/8 holds significant importance. Prices remained elevated in the first eight months of 2024 compared to the second half of 2023, prices ranging between EUR 343 per ton and EUR 359 per ton. This was mainly influenced by reduced inflow resulting in reduced availability of scrap. From September, prices declined to a level of EUR 318 per ton and lower due to weak demand. Overall in the second half of 2024, the average scrap price increased by 2 % year-on-year, while the average price for the full year fell by 1 %.

**Business climate of German construction sector**
Balance of opinion[5] (Source: German ifo institute)




[5] The ifo business climate is a transformed mean of the balances of the business situation and expectations and calculated by normalization to the average for the year 2015; the balance values the difference in the percentage shares between the most positive and the most negative response

**Nickel prices experienced descent**
Over the course of 2024, nickel prices trended upwards until May followed by an overall downward trend, despite an uptick in prices end of September/early October. Throughout the year, price developments were driven by oversupply, but also announcements of production cuts due to loss making at low prices as well as macroeconomic developments. The latter half of 2024 saw a 14 % year-on-year decline in nickel prices, contributing to a 22 % reduction in the full year average compared to 2023.

**Distinct downturn in European high carbon ferrochrome prices**
European high carbon ferrochrome prices declined by 39 % in 2024 versus 2023.

## Consumables

As a producer of special long steel in electric arc furnaces, Swiss Steel Group relies on a constant supply of energy, graphite electrodes, refractory materials and other consumables.

**Energy is today the third-largest expenditure item**
After cost for materials and personnel expenses, energy is today the third-largest expenditure item. Here, electricity and natural gas are the primary energy sources for the production process. Electricity is mainly required for operating electric arc furnaces and thus for the melting of scrap, while natural gas is primarily used during subsequent steps in the production process.

**Mitigation of the effect of the volatility**
The Group attempts to mitigate the effect of the volatility in electricity and natural gas prices through a combination of a certain level of long-term supply contracts with short-term purchases at spot prices as well as the implementation of energy surcharges.

**Elevated European energy prices continue to contribute to competitive disadvantage**
In 2024, they remained elevated when compared to H1 2021, which was prior to the large price increases observed afterwards. The latter half of 2024, in particular, saw prices trending upwards again. On an annual basis, average wholesale electricity prices (spot prices) in Germany, France and Switzerland declined between 16 % and 40 % and average spot prices for gas (THE and PEG) by 15 % and 12 % respectively.

# Strategy

**With its strategy program “SSG 2025”, Swiss Steel Group is building a strong and resilient business in a rapidly changing environment. The Group is focusing on cost savings and customer orientation to secure long-term competitiveness and profitability. Optimizing production processes and resource efficiency drives cost savings, while customer-centric solutions, an optimized supply chain and high service quality strengthen loyalty and unlock new market opportunities.**

## Building on a strong foundation

Swiss Steel Group positions itself as a leading provider of sustainable special long steel products and aims to drive the green transformation in Europe. As a pioneer in the circular economy, the Group relies on environmentally friendly production, using only steel scrap in electric arc furnaces.

More than ever, we are faced with change – whether economic, geopolitical, environmental or driven by the relentless force of innovation. The world around us is requiring societies, industries and companies to adapt existing business models. In a fast-changing environment, it is crucial to build on a strong foundation, embrace change and evolve with vision.

**Leading player for the production of Green Steel**

Thanks to our expertise in recycling, proven electric arc furnace technology and highest operating standards, we are well positioned to become the leading player for the production of Green Steel. Our product portfolio addresses a wide range of customer needs. We foster a high level of innovation driven by our talented, motivated and dedicated employees. In short, Swiss Steel Group holds enormous potential for the future – a potential we are now leveraging for the benefit of our stakeholders.

**Shaping the transformation of our Group**

The past years have underscored the importance of adhering to our strategy program SSG 2025. Through this program, we actively shape the transformation of our Group and react to the transformation of the world around us. We fortify our resilience, enhance performance, continue to lead the green transformation and lay the groundwork for organic growth by prioritizing cost improvement and customer-centricity.

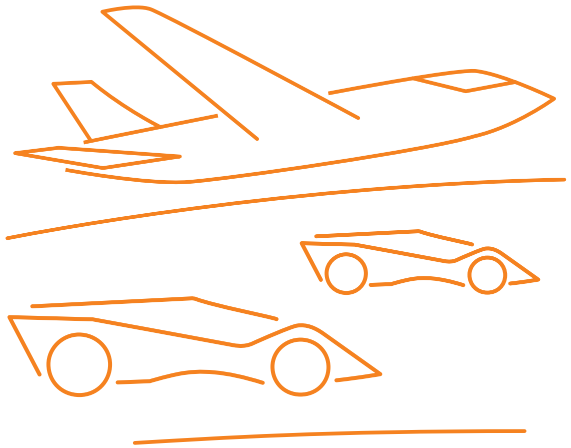
**We foster a high level of innovation driven by our talented, motivated and dedicated employees.**

**Together. For a future that matters.**

At Swiss Steel Group, we do not just produce steel – we provide solutions that help our customers succeed. Through sustainability, innovation and performance excellence, we are shaping the future of steel together with our clients.

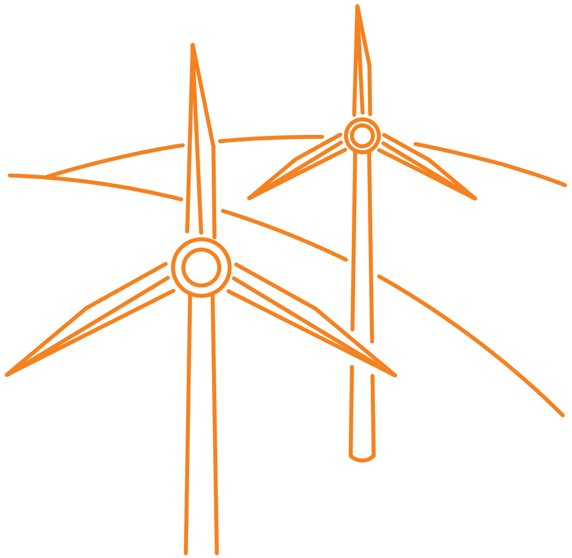
# Strategic framework

**In a transformative era marked by economic, geopolitical, environmental and innovative shifts, Swiss Steel Group faces manifold challenges. To successfully anticipate change and adapt, it is imperative that we build a robust foundation.**



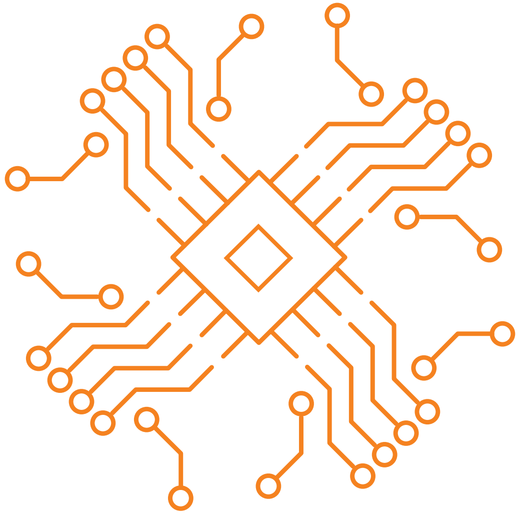
## Mobility transformation

The development toward post-fossil mobility is going strong. With alternative drive systems, lightweight vehicle construction and environmental requirements on the rise, Swiss Steel Group helps shape the transformation with innovative special steel solutions. Backed by its broad product portfolio, Swiss Steel Group is at the forefront of this change, as new mobility players enter the market and model diversity increases.



## Green transformation

Climate change is an existential threat to the world. We are all called upon to transition to a sustainable economy. Sustainable steel production based on electric arc furnace technology, decarbonized electricity and circular economy is part of our DNA. Swiss Steel Group empowers customers with materials with a carbon footprint well below the industry average. Together we can transform our industries for a sustainable future.



## Digital transformation

To assess and activate digital potential to its fullest, we need to take a holistic view of digitization that encompasses more than just technological aspects. Making use of data warehouses, Swiss Steel Group seamlessly tracks material quality beyond processing steps. Through strategic partnerships, we explore new possibilities in scrap procurement with the support of digital shadows.

# SSG 2025 Goals

## #1
Become a robust and best-in-class special long steel player

## #2
Lead the green transformation in Europe

## #3
Develop into one integrated Group with one strong brand

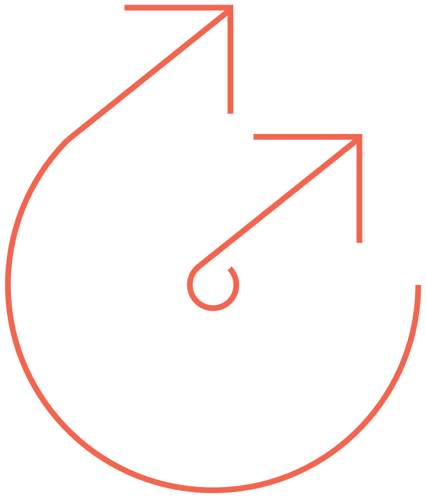
## #4
Achieve profitable growth and expand market share in core markets

## #5
Excel in performance, reliability and customer satisfaction

## Strategy program SSG 2025

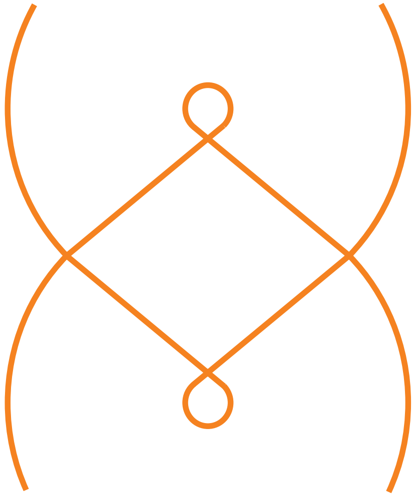
**Our strategy program SSG 2025 was initiated to build a strong and resilient Swiss Steel Group in a fast-changing environment. Through its implementation, we will transform into a robust and best-in-class special long steel player, leading the green transformation in Europe. To achieve our goals, we are building on three strategic pillars. As we continue to implement SSG 2025 throughout the remainder of the year, we are also preparing its successor program, which will build on the foundation laid and continue our strategic path forward.**

## Resilience and Profitability



The foundation for increased profitability and future growth is resilience. We are strengthening our resilience by focusing on our core business and reassessing the future viability of our businesses.

## Customer Centricity and Reliability

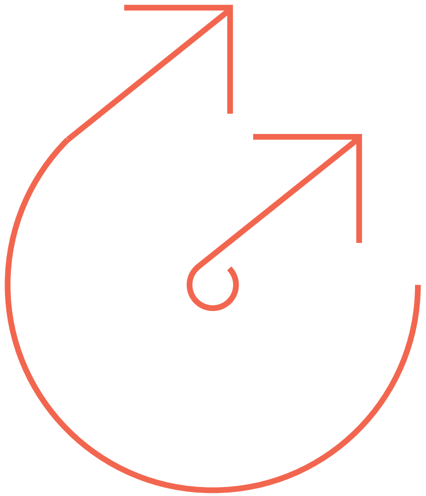


To enable growth, we must understand and anticipate the needs and challenges of our customers. We are creating an integrated Swiss Steel Group that will increase efficiency and effectiveness, above all to better serve our customers.

## Innovation and Sustainability

Building on a strong foundation, Swiss Steel Group has the potential to expand its market position in sustainable steel production.
As part of this, we empower our customers in their decarbonization efforts to become leading sustainability champions.

# Resilience and Profitability



**Ensuring resilience, profitability and growth in a challenging environment requires courage to change. With our strategy program SSG 2025, we have initiated a fundamental transformation that will set the course for a successful future.**

## Maintain a stable performance

The implementation of our strategy will make us stronger and more resilient. Resilience is the answer to current and future challenges as it encompasses the ability to successfully adapt to a changing environment, no matter what comes our way. For us, in fact, this explicitly reflects the capability and strength to maintain a stable performance within the profitability target corridor in any conceivable market phase. With that in mind, it is crucial to build a strong core founded on stable pillars, by minimizing risks and focusing on the core business.

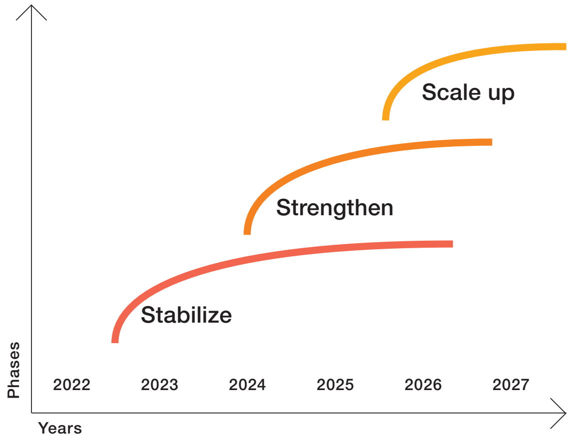
**Spot leverage potential**
Knowing the sources of our profitability and their levers allows targeted steering toward businesses offering attractive margins. This makes it crucial to continuously reassess the current and future viability of each of our entities to spot obvious leverage potential, uncover hidden leverage potential and especially to channel efforts into forward-thinking new ideas. We have realigned our focus on our core business, systematically divesting entities that do not contribute to our strategic vision.

**Stabilize**
The first phase of SSG 2025 prioritized the stabilization of our Group. Through strategic portfolio optimization, we have focused on our core business to become more resilient and reduce our financial leverage. This necessitated a thorough assessment of all our assets with regard to their future viability. As a result, we have right-sized our portfolio to ensure a sharper focus on core strengths. Furthermore, the comprehensive turnaround program for our German entity allows us to drive process efficiencies. As we transitioned into the strengthening phase, a capital increase and debt refinancing became crucial to prop up further development of the Group, to allow participation in markets and to strengthen the balance sheet.

**Strengthen**
To secure long-term success, we must ensure that our core business areas have a clear focus and mission, ultimately elevating their performance. In addition, we have reshaped our organizational setup to respond quickly and flexibly in our changing business environment. This allows us to focus on key activities and drives us to achieve greater efficiency and performance. The rollout of our revised target operating model has enabled us to develop into an integrated Group with one strong brand. Leveraging our position among the leading producers for Green Steel, we are preparing to further expand our position and our Green Steel portfolio.

**Scale up**
Backed by the same resolve and building on our strong foundation, we will intensify our efforts to seize further growth opportunities in our core markets and execute our Green Steel strategy within the context of the Group's decarbonization targets. With a robust and resilient basis in place, we aim to excel in performance, reliability and customer satisfaction.

**The triad for sustainable value**



## Efficiency as the linchpin

In the face of constant change and unprecedented challenges, efficiency has emerged as the linchpin of our transformation. Synergies and integration are our driving force, propelling profitability, sustainable management and – ultimately – growth. As we navigate the transformative journey, we remain steadfast in our commitment to efficiency as the catalyst for enduring success.

**Increasing efficiency and effectiveness**
We envision a Group where efficiency takes center stage across all dimensions of our business – be it in operations, production or organization. Leveraging synergies within our production network and across core businesses – Engineering Steel, Stainless Steel and Tool Steel – we optimize the ratio between input and output, eliminate inefficiencies and strengthen our position in Green Steel. This strategic approach not only enhances the strength and resilience of our Group, enabling us to better manage change and unpredictability, but also positions us ideally to serve our customers with increased efficiency and effectiveness.

## Concentrating on core business activities

We have realigned our focus on our core business, systematically divesting entities that do not contribute to our strategic vision or restructuring entities that have the potential to contribute to our long-term profitability.

**Strategic divestures**
Following the divestiture of several distribution entities in 2023, Swiss Steel Group continued to streamline its portfolio by selling its operations in Portugal, Argentina, Colombia, the United Arab Emirates and its former headquarters in Düsseldorf. Additionally, the Group is preparing further steps to consolidate its distribution network, ensuring a more focused and efficient market presence.

**Strengthening the core business**
These divestitures reduce complexity and enhance operational efficiency, allowing Swiss Steel Group to concentrate on its own products in key markets. In line with our overarching strategy program SSG 2025, Swiss Steel Group has been focused on strengthening the core business and enhancing operational efficiency. Our commitment to delivering the highest quality products and services to our customers remains unchanged, and this dedication to excellence underpins everything we do.

**Streamlining for success in the long term**
In line with Swiss Steel Group's SSG 2025 program and its reorganization for a resilient future, Ascometal France Holding sought court protection in March 2024. Consequently, Swiss Steel Group relinquished control over its French subsidiaries, Ascometal, resulting in the derecognition of the corresponding assets and liabilities from our balance sheet. This separation has enabled us to focus on our core business and optimize our portfolio for greater efficiency.

**In line with SSG 2025, Swiss Steel Group has been focused on strengthening the core business and enhancing operational efficiency.**

## Making Deutsche Edelstahlwerke fit for the future

Despite ongoing efficiency measures, Deutsche Edelstahlwerke (DEW) has consistently underperformed against industry benchmarks over the past decade. This has been reflected in declining delivery performance and a measurable drop in customer satisfaction. Challenging market conditions in Germany – characterized by rising energy and grid costs, weakening demand and supply chain disruptions – are putting further pressure on operations.

**Clear strategic focus to rebuild strength and foster success**
It is our responsibility to make DEW fit for the future. Only with lean and efficient processes, effective structures and a clear strategic direction can DEW regain its strength and achieve sustainable success. Continuous investments are also essential – in technological development, logistics, manufacturing processes, machinery and, above all, in our people.

**Comprehensive earnings improvement program**
The comprehensive earnings improvement program is designed to reduce structural costs by over EUR 130 million from 2023 until 2025 with various measures relating to sales, general and administrative expenses (SG&A), procurement, and efficient operations. Despite the challenging market conditions in 2024, the "Future DEW 2025" project is progressing as planned, reflecting the company's resilience and commitment to strategic transformation.

**Organizational separation of production routes completed**
To create more transparency in terms of DEW as the largest Production Asset in the Group and support the development of leaner and more streamlined processes, the organizational and legal separation of DEW has been completed into two individual production entities.

Distinct management teams have been established to oversee the operations of the two production entities, ensuring focused and effective leadership. In addition to the redundancies already implemented as part of the SSG 2025 strategy program, ongoing discussions are being held with the parties involved in the works agreement process to address further reduction possibilities depending on future market conditions.

## Recapitalization and refinancing

In April 2024 we reinforced our capital base to shift focus on fully re-entering the market, particularly to ensure readiness once economic conditions improve. The recapitalization and refinancing of the Group included a capital increase generating net proceeds of EUR 287.8 million and the extension of the Group's material financing arrangement with our financial lenders until September 2028. Additionally, new agreements with our financial lenders in early 2025 were secured to address market challenges and ensure solid financial positioning.

## Optimizing capacities in a challenging market

In response to ongoing economic challenges and persistently weak demand across key markets, Swiss Steel Group is implementing capacity adjustments to ensure the long-term viability and efficiency of its production network. These measures align with the SSG 2025 strategy program, complementing the restructuring efforts already undertaken to enhance cost efficiency and operational resilience.

**Capacity adjustments to strengthen competitiveness**
The planned capacity reduction of approximately 800 full-time positions primarily affects European production sites and the sales organization. Specifically, 530 positions will be eliminated, while an additional 270 positions have been adjusted through reduced weekly working hours. At Deutsche Edelstahlwerke (DEW) in Germany, contractual working hours have been reduced by approximately 15 %, contributing to a cost-effective adjustment of capacity. These measures are set to take full effect in 2025, with the total workforce expected to fall below 7,000 employees by the end of the first half year.

In Switzerland, the planned reduction of 130 positions at the Emmenbrücke plant affects both production and administrative areas. Following the completion of the consultation process, nearly 50 employees have been terminated.

The milestones achieved through the SSG 2025 strategy program have allowed us to continue transforming the organization and aligning the Group with market needs. These adjustments are painful but unavoidable to ensure our long-term competitiveness.

The milestones achieved through SSG 2025 have allowed us to continue transforming the organization and aligning the Group with market needs.

# Customer Centricity and Reliability

**We have embarked on a journey to create one unified Swiss Steel Group with integrated operations – to stabilize and strengthen our business for growth, to increase efficiency and effectiveness, and above all to better serve our customers.**

## Reshaping our sales organization

On our transformation path, we are reshaping and strengthening our organization, evolving from a group of loosely connected companies into one integrated and actively managed Swiss Steel Group. We are refocusing our sales organization around the three Divisions Engineering Steel, Stainless Steel and Tool Steel, which will allow a more holistic market approach and more effective and tailored customer service.

**Backbone of best-in-class production**
Each Division leverages its sales and distribution networks and has access to the full production network of our Group. Nonetheless, best-in-class production remains the backbone of our Group. While the Divisions know our markets and their needs, our Production Assets ensure that quality, service levels and cost efficiency are spot on.

**Best-in-class production remains the backbone of our Group.**

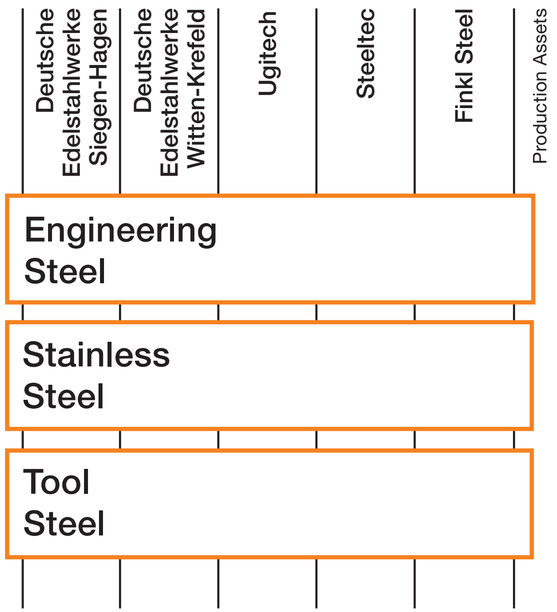
**One central point of contact**
Our customers will benefit from more clarity about our portfolio, access to the entire Group offering via one central point of contact, combined innovative strength and even stronger reliability when it comes to production, quality and delivery.

**One strong brand**
As a consequence of the reorganization of the Group, the former entity brands have been merged into one strong brand: Swiss Steel Group. We now stand united under one flag that encompasses all our entities. Our logo continues to combine the colors of glowing steel with the shape of infinity – symbolizing our commitment to a sustainable value chain and circular economy.

**Fortifying our market presence**
This strategic move symbolizes a significant realignment, strengthening our market presence and paving the way for the future – a future marked by enhanced collaboration among the former Business Units, tailored to meet individual customer requirements more effectively.

**Together. For a future that matters.**
Steel is our backbone, our DNA. It's what we do best to contribute in shaping a sustainable future. And so we are teaming up – with each

Transforming into an efficient and effective organization




As per end 2024

Click for video "The world needs change for a better future" other, with customers and suppliers. Together we are designing ever better steel solutions with highest quality and profound passion. Our drive, expertise and care make us a powerful ally. In consulting, development, production and services.

## Strengthening market focus – a unified sales organization

As part of the continued implementation of the SSG 2025 strategy program, Swiss Steel Group has taken a decisive step in realigning its sales organization to drive global market opportunities and strengthen customer-centricity. A key element of this transformation is the integration of the global sales network and production entity sales activities under a unified management structure. This restructuring enhances efficiency, ensures a more targeted approach to customer needs, and enables the Group to capitalize on emerging opportunities, particularly in sustainable steel solutions. A new sales management structure, led by Sandra Chedal as Chief Sales Officer, was introduced in early 2025.

This transition builds upon the organizational restructuring initiated in mid-2024, when Swiss Steel Group established a single sales management function for all three Divisions – Stainless Steel, Engineering Steel and Tool Steel. The newly integrated approach ensures a cohesive strategy, aligning commercial efforts across all markets and reinforcing the Group's leading position in sustainable steel production.

**Building long-term partnerships for a sustainable future**

At Swiss Steel Group, we believe long-term partnerships drive progress. By working closely with customers and industry leaders, we help accelerate the shift to sustainable steel solutions. To achieve the decarbonization of end products, efforts must be integrated and leveraged along the entire value chain. Steel is a crucial link in this chain and thus plays a vital role in the essential process of decarbonization.

## Partnership for the transparent exchange of emissions data

Swiss Steel Group has entered into a pioneering partnership with Dirostahl and Flender involving the transparent sharing of emissions data. While it is common practice in the industry for suppliers to share emissions data with customers, this collaboration goes one step further: Dirostahl and Flender, both major customers of Swiss Steel Group, share their emissions data with the company. This two-way data exchange enables Swiss Steel Group to calculate its downstream Scope 3 emissions more precisely and to report its carbon footprint more accurately. In addition, the data obtained can be used to jointly develop measures to reduce emissions along the entire value chain. This partnership sets a new standard for transparency and collaboration in industry and underscores the commitment of all participating companies to sustainable practices.

**Reducing $CO_2$ emissions in rolling bearing production**

Thanks to close collaboration between SKF and Swiss Steel Group, the carbon footprint of steel products for rolling bearing production supplied by Swiss Steel Group has been reduced by 40 %. Swiss Steel Group supplies specially manufactured, low-carbon steel that helps SKF establish more sustainable production processes.

This partnership highlights both companies' shared commitment to greener supply chains and innovative solutions for reducing emissions in industry. The initiative shows how close cooperation and modern technologies can enable significant progress toward a low-carbon future.

## Our Values

**Curious**
We are leading experts in what we do, always curious to learn. We expand our knowledge, innovate and take action – in dialog with each other and with our customers.

**Active**
We are passionate about progress, actively encouraging and challenging ourselves to realize tangible improvements. Step by step. Together – for our customers and for ourselves.

**United**
We care for each other and work together with mutual respect and trust – always anticipating and appreciating the perspectives, goals and challenges of our customers and our colleagues.

## Talent Pool development program

The Talent Pool is a platform designed for both seasoned professionals and emerging talents within Swiss Steel Group. Talent Pool members help the Group transform, develop and achieve its strategic objectives. In doing so, they can grow personally and professionally by broadening their skills, experience and network.

**Innovative ideas and visionary concepts**
During the Innovation Days in 2024, members presented their innovative ideas and visionary concepts that have the potential to advance our Group. This was followed by a strategic meeting with the Executive Board, which in turn led to the initiation of several Group-wide projects, such as improving supply chain management, implementing Group-wide occupational health and safety measures, and conducting a Group-wide employee survey.

## Innovative solutions for safer and better working conditions

Swiss Steel Group's annual GESiM initiative – organized by the Groupement des Entreprises Sidérurgiques et Métallurgiques (GESiM), a French professional association with a social focus – focused on enhancing workplace health and safety through sustainable innovations.

In 2023 and 2024, efforts centered on optimizing working conditions at the 450-pass annealing furnace in the Imphy wire drawing plant, delivering significant improvements in safety and efficiency. A dedicated project team implemented key measures, including: improved access to furnace reels and capstans; enhanced safety standards; introduction of self-propelled carts; minimized the need for forklifts in confined spaces, digitized training programs; modernized learning tools for employees; secured pallet removal processes; reduced workplace hazards.

For 2024 and 2025, the initiative will focus on enhancing safety and efficiency in the maintenance workshop of our Continuous Casting department. The primary objectives include optimizing the workshop layout to streamline operations, improving safety at the assembly workstations, including the implementation of a jib crane and specialized tools to enable safe installations without climbing. These projects align with our strategic goal of maintaining high safety standards while driving efficiency across our operations.

**Global Health and Safety Day – focus on safe mobility**
Swiss Steel Group's Health and Safety Day centered around the theme of "Safe mobility, inside and outside the company", underscoring the company's commitment to corporate social responsibility. A total of 2,024 employees participated in interactive workshops covering reflex training, braking distances, blind spots and road safety.

At the Italian sites, a powerful presentation by a disabled worker highlighted the serious consequences of workplace accidents, complemented by life-saving training sessions. The event also included a crane evacuation drill and awareness activities on pedestrian safety around machinery. The participation of external partners reinforced the shared commitment to creating a safer work and road environment.

These projects align with our strategic goal of maintaining high safety standards while driving efficiency across our operations.

# Sustainability and Innovation

Our Green Steel approach positions us and empowers our customers and partners in their decarbonization efforts to become leading sustainability champions for a future that matters.

## Sustainable steel production is our DNA

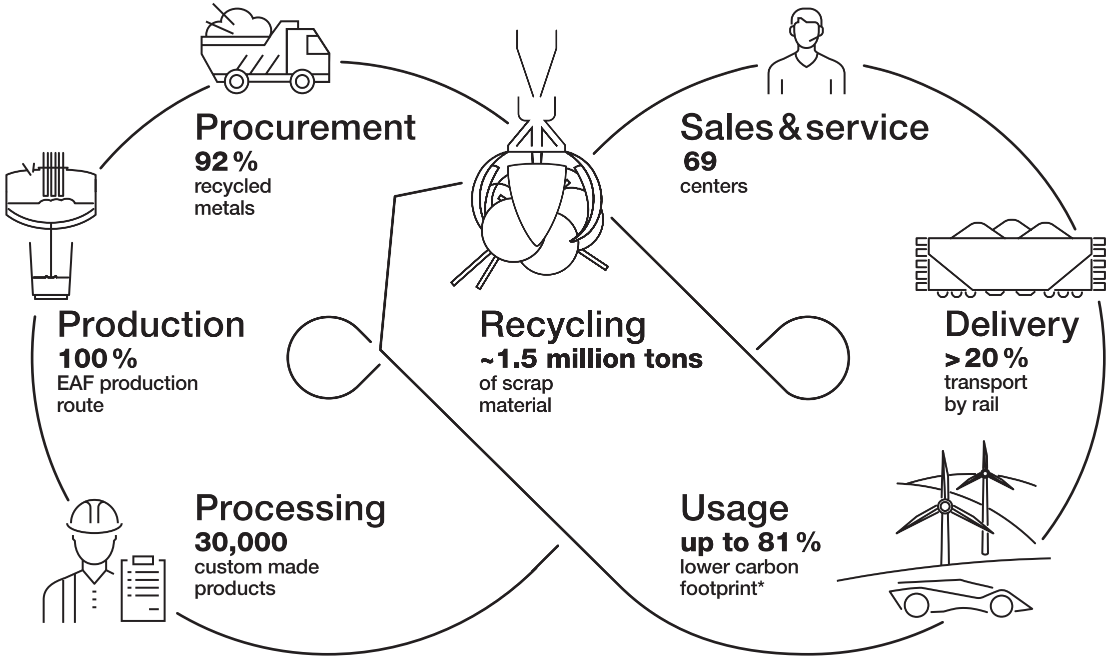
As one of the largest $CO_2$ emitters, the steel industry plays a crucial role in achieving the EU's climate goals for 2050. At Swiss Steel Group, we recognize our responsibility in driving this transformation. Steel is an indispensable material that shapes our daily lives, and its sustainable production is essential for a greener future.

**Carbon footprint up to 81 % below the industry average**

Swiss Steel Group, one of Europe's largest electric arc furnace steel producers, is committed to reducing its environmental impact. By exclusively operating electric arc furnaces, we are already using the steelmaking technology of the future, today. Thanks to our expertise in recycling, strict operational standards, and the use of energy from low-carbon sources, we have reduced the carbon footprint of our products by up to 81 % below the industry average. As a fully recyclable material, steel is a key element of the circular economy and remains essential across various industries.

## Closing loops – from waste to value

Unlike many other recycled materials, steel can be recycled indefinitely without losing its inherent properties. Swiss Steel Group produces solely from steel scrap, making an important part of the circular economy. Taking sustainability seriously, we source our scrap as locally as possible, favor rail transport and pay close attention to precise scrap sorting. The better our steel scrap is sorted, the better we can use the alloying contents of each individual chip of scrap and the fewer primary alloys we need from mining.




* Industry average: 1.92 t $CO_2$ / t crude steel cast vs. Swiss Steel Group year 2023: 0.227 t $CO_2$ / t crude steel cast in Scopes 1+2 and Scope 3 ranging from 0.134 t $CO_2$ / t (engineering steel) to 1.466 t $CO_2$ / t (stainless steel); source: worldsteel Sustainability Indicators 2024

## Path to climate neutrality

**Science-based approach to reducing emissions**
In May 2022, Swiss Steel Group committed to setting company-wide emission reduction targets aligned with climate science through the Science Based Targets initiative (SBTi). Following publication of the SBTi guidance for the steel industry in July 2023, we developed our decarbonization targets and submitted them for validation in December 2023. This means that we are the first steel producer to have adopted the new guidelines. Using 2021 as our base year, we are working to reduce our greenhouse gas (GHG) emissions, with the goal of achieving net-zero emissions by 2038. To achieve these targets and strengthen our green steel market position, we have developed a decarbonization roadmap.

**Sustainability assessments and external ratings**
Swiss Steel Group received a Gold Medal from independent sustainability rating agency EcoVadis for the first time, recognizing the company's sustainability efforts. Additionally, our CDP Climate Change score has improved for the third consecutive year, currently at A level. This rating reflects efforts in addressing climate change and managing environmental impacts.

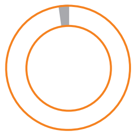
Swiss Steel Group was also recognized with the German Sustainability Award, which acknowledges progress in sustainability-related initiatives. This recognition highlights the role of employees who contribute to sustainability efforts in a challenging economic environment.

**Emissions transparency and data management**
To ensure data accuracy and transparency, Swiss Steel Group has obtained limited assurance on its emissions inventory. The Group is also in the process of implementing a Product Carbon Footprint (PCF) tool. This tool will improve the accuracy of emissions data by using actual production figures, which will allow more accurate carbon footprint calculations.

**Net-zero emissions by 2038**
Swiss Steel Group is working toward reducing its emissions in line with science-based targets. External assessments and third-party validations contribute to transparency and help track progress. The company is taking steps to integrate more precise emissions data and improve its environmental impact assessment, aiming for net-zero emissions by 2038.

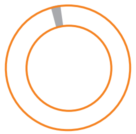
### Planned $CO_2$ reduction

**Circular & biogenic materials**
The use of substitute materials in our electric arc furnaces as a replacement for fossil carbon



**Low-carbon electrical energy**
Purchasing electrical energy from renewable or low-carbon sources over fossil sources

**Renewable gases**
Switching from natural gas to hydrogen or biomethan



**Electrification**
Switching installations and vehicles from fossil fuels to electrical energy

**Efficiency**
Increasing our efficiency through digital transformation, improvement programs and investments

Scope 1 | Scope 2 | Scopes 1+2

Our approach includes an assessment of emissions across our entire value chain:

**Scope 1 emissions**
Swiss Steel Group's direct emissions (Scope 1) primarily result from the combustion of natural gas, the carbon content in raw materials and consumables, and fuel use in internal logistics.

**Scope 2 emissions**
Our indirect emissions (Scope 2) originate mainly from purchased electricity, which is primarily used in electric arc furnaces (EAFs) and, to a lesser extent, in ladle furnaces, rolling and processing equipment, and general plant infrastructure, such as lighting and electric motors for pumps and fans.

**Scope 3 emissions**
The largest share of upstream Scope 3 emissions comes from purchased materials (Scope 3.1), including ferroalloys, slag builders, and deoxidizing agents, which are necessary to adjust the chemical composition and material properties of steel as required by customers.

## Steel as a driver of innovation

Innovations in the steel industry are not limited to the production side. Significant advances have also been made in the applications and end products enabled by steel. From modern buildings and infrastructures to high-tech applications in the automotive and aerospace industries, steel plays a key role in shaping our world. Many issues, such as climate and environmental protection, energy and new technologies, are also subject to political trends and decisions, to which we and our customers must adapt.

### Digitalization and automation

Digitalization plays a key role at Swiss Steel Group. By using advanced data analytics, artificial intelligence and automated processes, we can make our production more efficient and improve the quality of our products. Predictive maintenance of equipment, real-time production monitoring and supply chain optimization are just a few examples of how digitalization is integrated into our operations.

### Technological development

Our passion for progress drives new technologies to enhance the efficiency and quality of our manufacturing processes and products. We expand our knowledge, innovate and act. One of the most significant developments in this area is the exploration of environmentally friendly manufacturing methods. This includes reducing $CO_2$ emissions, lowering energy consumption and increasing the use of recycled materials.

### Innovation – gateway for sustainable progress

Swiss Steel Group strives to manufacture the best products and promotes new and promising ideas in the field of technology and process innovation. Research and Development (R&D) stands as a linchpin in advancing our product range and manufacturing processes. A dynamic team of approximately 80 employees are currently working on close to 150 R&D projects. Typically, these projects involve multifunctional, often multi-site teams, centrally coordinated at a Group level.

### Collaboration is key

Swiss Steel Group is in close contact with customers and frequently works with specialized research institutes, including universities. Our activities cover the entire value chain of special long steel, starting with material development, input and process elaboration; through melting and refining, continuously cast blooms and cast steel ingots; to rolled or forged bars, bright steel and drawn wire; and culminating in complex parts such as hydraulic blocks, ready-to-install rolls or mandrel bars. We also place a strong emphasis on optimizing applications, for example by improving machinability, resistance to wear, dynamic loads or the usage values in a corrosive environment.

### Consistent development to market maturity

Although our product range is highly diverse, the production processes are very similar. To facilitate the efficient transfer of knowledge and foster close technological collaboration among entities, an internal Corporate Technology team coordinates R&D activities. Regular meetings of our research teams serve as a platform for discussions on innovative projects, the presentation of new ideas and the promotion of working groups. Promising ideas go through a rigorous six-stage development process, at the end of which they are ready for the market.

## H2-HotRoll: sustainable steel production with hydrogen

Swiss Steel Group’s Deutsche Edelstahlwerke (DEW) has secured funding for the “H2-HotRoll” project, which aims to transition gas-fired furnaces to green hydrogen, reducing $CO_2$ emissions with minimal equipment modifications. In collaboration with VDEh-Betriebsforschungsinstitut (BFI), DEW is now adapting its infrastructure for hydrogen use. The three-year project, with a budget of over EUR 1 million, focuses on continuously operated reheating furnaces exceeding 10 MW.

Recent progress includes the reconstruction of a pilot furnace in Krefeld with new gas lines, control systems and six “H2-ready” burners to gain experience in the combustion of hydrogen. Equipped with measurement technology, the furnace is set for industrial-scale hydrogen tests starting in March 2025. Two hydrogen tanks have been installed to support these trials.

## Pioneering clean steel production with HYDREAMS

The steel industry accounts for approximately 8 % of global $CO_2$ emissions, making the HYDREAMS project a key driver of transformation. HYDREAMS ("Clean Hydrogen and Digital Tools for Reheating and Heat Treatment for Steel") utilizes green hydrogen from renewable sources to enable carbon-free steel heat treatment. The project demonstrates hydrogen-oxygen combustion and hydrogen/oxygen-assisted combustion for stainless and tool steel in different furnace types (reheating and annealing).

**Integration of innovative digital tools**
HYDREAMS also integrates digital technologies (numerical models of furnaces built with CFD simulation) to optimize processes, enhancing energy efficiency in heat treatments while significantly reducing nitrogen oxide (NOx) emissions. The project aims to improve combustion energy efficiency by up to 47 % without compromising steel quality. Furthermore, comprehensive techno-economic studies support investment decisions for scaling hydrogen combustion at five steel industry sites.

**Collaboration with key industry players**
With a total budget of EUR 8.5 million, HYDREAMS receives EUR 4.3 million in funding from the European Union, highlighting their commitment to sustainable innovation in the steel sector. Led by Ugitech, the French entity of Swiss Steel Group, the consortium includes Deutsche Edelstahlwerke, burner and electrolyzer manufacturers, refractory material producers, universities and research organizations. Together, they aim to establish hydrogen combustion as a viable, eco-friendly and digitally optimized solution for the future.

**Current progress**
The HYDREAMS project is progressing according to plan. The tests in the pilot kiln at the Graz University of Technology have been completed, which saw steel samples tested under various combustion conditions. The next step will be to commission three demonstration plants at the Ugine and Krefeld sites.

## Ugi'Ring turns waste into high-performance steel

Ugi'Ring is Swiss Steel Group's pioneering project to establish the world's first circular steel production, replacing primary ferro-alloys with recycled high-alloy scrap. Aimed at reducing reliance on geo-politically critical raw materials, it promotes a sustainable and resource-efficient future. With an annual capacity planned at 43,000 tons, including 13,000 tons of recycled alloy materials, Ugi'Ring will recover valuable metals like nickel, chromium and molybdenum from end-of-life products such as batteries and catalysts.

**Ugi'Ring is Swiss Steel Group's pioneering project to establish the world's first circular steel production.**

The initiative is expected to cut $CO_2$ emissions by at least 63,000 tons, lower dependence on critical metals by 90 % and improve life cycle assessment indicators by 95 %. In 2023, Swiss Steel Group acquired the Château-Feuillet site to host Ugi'Ring, and an operating permit was granted in October 2024. The site will revitalize an industrial area near the Ugine steelworks while fostering local job creation.

# Financial Development

**In 2024, we achieved significant strategic milestones strengthening the resilience of Swiss Steel Group. A major non-core property divestment and changes in the Group's scope of consolidation contributed to a considerable deleveraging of the Group's balance sheet. In addition, we executed a large number of structural cost reduction measures to adapt to the continued weak market environment. Nevertheless, the effect of these efforts was not sufficient to offset the strongly reduced activity in our key customer sectors, which led to an overall sales volume decline of –5.1 % compared to the prior year (excluding Ascometal). The volume shortfall was the main driver behind the negative reported EBITDA of EUR –35.5 million.**

## Summary

In 2024, we delivered on a series of major transactions under our strategy program SSG 2025. These were targeted at freeing up resources for our core business and contributing to the deleveraging of the Group's balance sheet. The Group's net debt decreased from EUR 828.6 million as of year-end 2023 to EUR 711.4 million as of December 31, 2024. Amongst other measures, we successfully completed the divestment of a major non-core property located in Düsseldorf, Germany, and sharpened our sales and distribution network by divesting entities in Portugal, Argentina, Colombia and the United Arab Emirates. The capital increase of EUR 287.8 million (net of transaction costs) settled in April 2024 strengthened our equity position. Shareholders' equity increased from EUR 234.4 million as of year-end 2023 to EUR 322.8 million.

Market demand deteriorated further in the second half of 2024. The sales volume in the second half of 2024 was 484 kilotons, which corresponds to a decline of –3.6 % compared to 502 kilotons in the second half of the previous year (excluding Ascometal). Despite the implementation of significant cost reduction measures, EBITDA was negative at EUR –107.2 million for the second half of 2024 (H2 2023: EUR –160.7 million). Consequently, free cash flow for the second half of 2024 was negative at EUR –61.0 million (H2 2023: EUR 148.1 million), supported by strong inventory reduction efforts across all sites.

Similarly, our full-year 2024 operating performance was characterized by low market demand. Excluding Ascometal, our sales volume was 1,056 kilotons in 2024, down by 5.1 % compared to the prior-year level (2023: 1,112 kilotons). EBITDA for the full-year 2024 of EUR –35.5 million (2023: EUR –102.2 million) was supported by one-time effects from the non-core property divestment, changes in the scope of consolidation and insurance claim settlement proceeds. Cash generation was negative with a free cash flow of EUR –173.3 million for the full-year 2024 (2023: EUR 85.4 million) as a result of the weak operating performance.

Due to changes in the Group's scope of consolidation and to provide better comparability with prior-year figures, certain financial information is disclosed on a pro forma basis, i.e. excluding the contribution of Ascometal, whose assets and liabilities have been derecognized from the Group's balance sheet following the opening of judicial reorganization proceedings on March 27, 2024. For details, please refer to notes 7 and 8 to the consolidated financial statements.

## Key Financials

| Swiss Steel Group | Unit | 2024 | 2023 | Δ in % | Δ in %[1] | H2 2024 | H2 2023 | Δ in % | Δ in %[1] |
|---|---|---|---|---|---|---|---|---|---|
| Sales volume | kilotons | 1,113 | 1,375 | –19.1 | –5.1 | 484.0 | 619.0 | –21.8 | –3.6 |
| Average sales price | EUR/t | 2,255.5 | 2,362.9 | –4.5 | | 2,335.0 | 2,244.3 | 4.0 | |
| Revenue | million EUR | 2,511.2 | 3,244.2 | –22.6 | –14.3 | 1,132.0 | 1,386.9 | –18.4 | –6.8 |
| Gross profit | million EUR | 767.6 | 867.5 | –11.5 | –4.1 | 320.4 | 317.3 | 1.0 | 5.7 |
| EBITDA | million EUR | –35.5 | –102.2 | 65.3 | | –107.2 | –160.7 | 33.3 | |
| EBITDA margin | % | –1.4 | –3.2 | 55.1 | | –9.5 | –11.6 | 18.3 | |
| Adjusted EBITDA | million EUR | –119.8 | –40.9 | – | | –98.9 | –110.9 | 10.8 | |
| Adjusted EBITDA margin | % | –4.8 | –1.3 | – | | –8.7 | –8.0 | –9.3 | |
| Free cash flow | million EUR | –173.3 | 85.4 | – | | –61.0 | 148.1 | – | |
| | | 31.12.2024 | 31.12.2023 | Δ in % | Δ in %[1] | | | | |
| Net working capital | million EUR | 769.3 | 826.2 | –6.9 | | | | | |
| Net debt | million EUR | 711.4 | 828.6 | –14.1 | | | | | |
| Shareholders' equity | million EUR | 322.8 | 234.4 | 37.7 | | | | | |

[1] Pro forma, i.e. excluding Ascometal

## Orders, sales and revenue

Market demand from our main customer industries remained at a low level in 2024, especially in the second half of the year, without any signs of a notable recovery. The automotive sector, our largest customer segment, experienced a further decline in demand compared to 2023. Likewise, the German mechanical and plant engineering sector saw a drop in orders and production volume in 2024. Considering continued uncertainty in the market, end-use customers and distributors further reduced their stock levels, reducing our order backlog. The Group's order backlog decreased by –7.2 % to 264 kilotons (2023: 285 kilotons, excluding Ascometal) year-on-year.

In response to the low demand, the Group adapted its production schedule. Crude steel production in the second half of 2024 was 493 kilotons (H2 2023: 488 kilotons, excluding Ascometal). Annual crude steel production excluding Ascometal was 1,258 kilotons in 2024 compared to 1,227 kilotons in 2023.

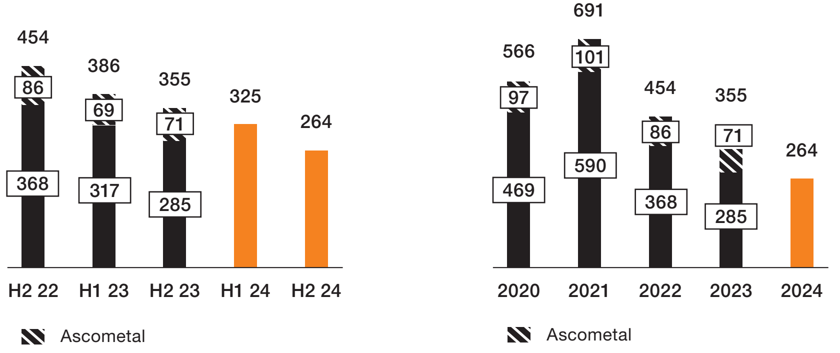
The sales volume in the second half of 2024 was 484 kilotons, which corresponds to a decline of -3.6 % compared to 502 kilotons (excluding Ascometal) in the second half of the previous year.

On a full-year basis and excluding Ascometal, 1,056 kilotons of steel were sold in 2024, equating to a year-on-year decline of –5.1 % (2023: 1,112 kilotons).

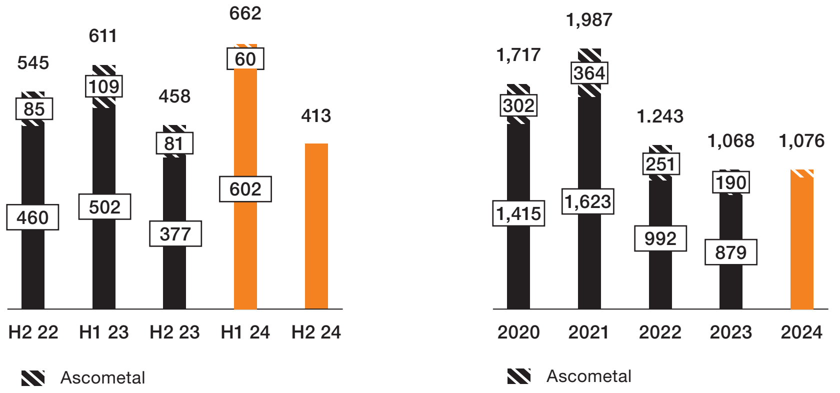
Scrap, alloy and energy surcharges form part of the Group's pricing mechanism to pass on raw material and energy price fluctuations to our customers. Despite decreasing raw material and electricity prices in 2024, the average sales price in the second half of 2024 increased by 4.0 % to EUR 2,335 per ton (H2 2023: EUR 2,244 per ton). This was primarily driven by a change in the product mix, with a reduced share of lower-priced Engineering Steel following the deconsolidation of Ascometal. The average sales price for the full-year 2024 was EUR 2,256 per ton, which is –4.5 % below the previous year's level (2023: EUR 2,363 per ton).

As a consequence of the lower sales volume, revenue decreased in the second half of 2024 by 6.8 % to EUR 1,132 million (H2 2023: EUR 1,215 million, excluding Ascometal). On a full-year basis, 2024 revenue of EUR 2,432 million was down by –14.3 % (2023: EUR 2,837 million, excluding Ascometal).

### Order Backlog
in kt

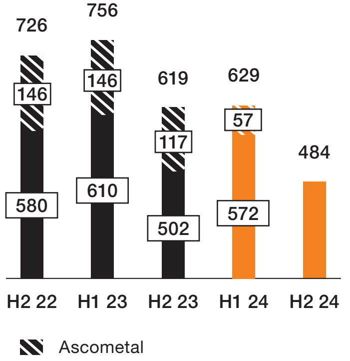


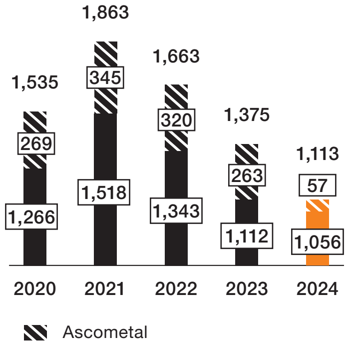

### Order Intake
in kt



## Sales volume

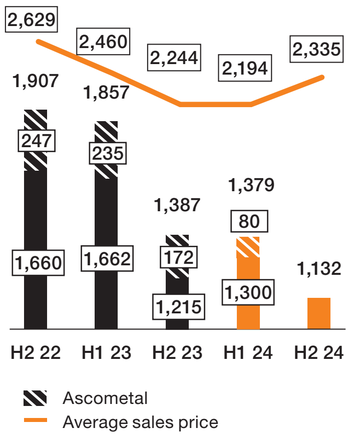
in kt

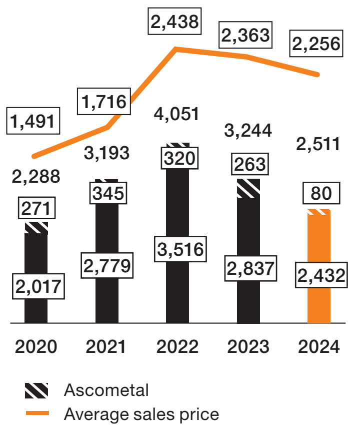



## Revenue and average sales price

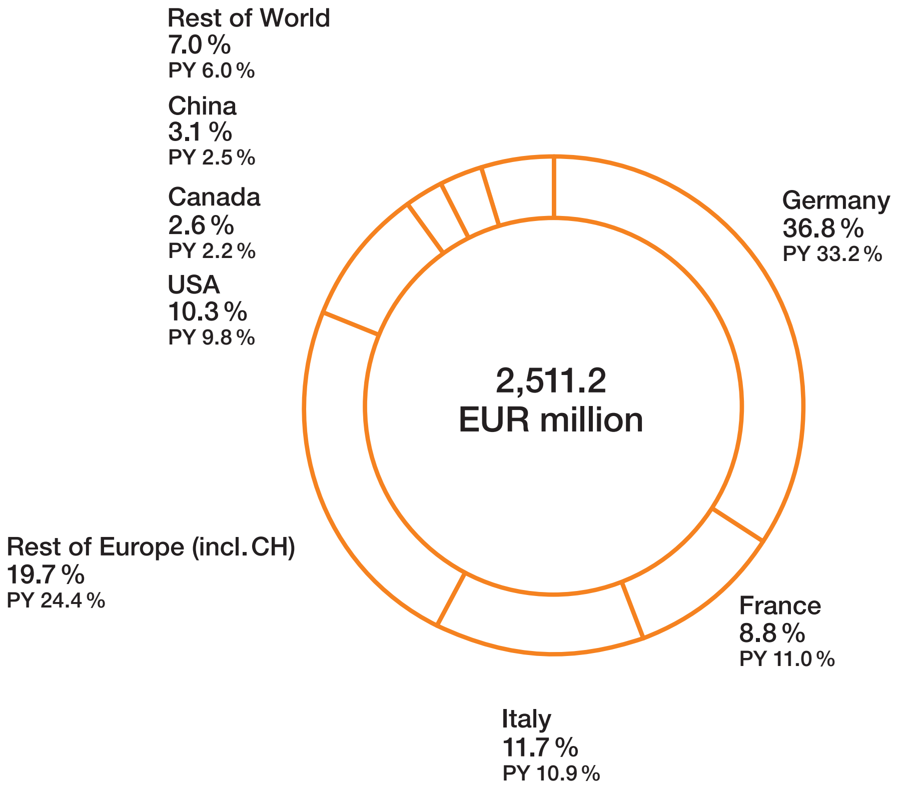
in EUR million / in EUR/t




## Revenue by region

in %




Revenue decreased across all major geographical markets. Markets in the eurozone and the US remained subdued. Revenue generated in our main market of Germany, accounting for 36.8 % of our revenue in 2024 (2023: 33.2 %), decreased by –14.2 % to EUR 924.5 million (2023: EUR 1,077.7 million). Our exposure to the French market fell to 8.8 % (2023: 11.0 %) with Ascometal no longer forming part of the Group.

## Profitability

### Gross profit

Gross profit – revenue less cost of materials – increased by 5.7 % in the second half of 2024 to EUR 320.4 million (H2 2023: EUR 303.2 million, excluding Ascometal), mainly due to positive product mix effects. Full-year gross profit declined by 4.1 % to EUR 761.6 million (2023: EUR 794.5 million, excluding Ascometal).

Market prices for raw materials relevant to our product portfolio trended downward in 2024. While scrap prices were only slightly below the prior-year level (–1 %), nickel prices by –22 % and ferrochrome prices declined by –39 %. Quotations for electricity and natural gas exhibited a year-on-year decline but remained elevated when compared to H1 2021, which was prior to the large price increases observed afterwards. Our gross profit margin recovered from the low levels observed in 2023, that had been characterized by significant one-time inventory valuation losses. However, competitive price pressure remained high across all Divisions in the overall weak market environment. As a whole, the gross profit margin increased to 28.3 % in the second half of 2024 (H2 2023: 22.9 %). The full-year gross profit margin improved to 30.6 % in 2024 compared to 26.7 % in 2023.

## Personnel expenses

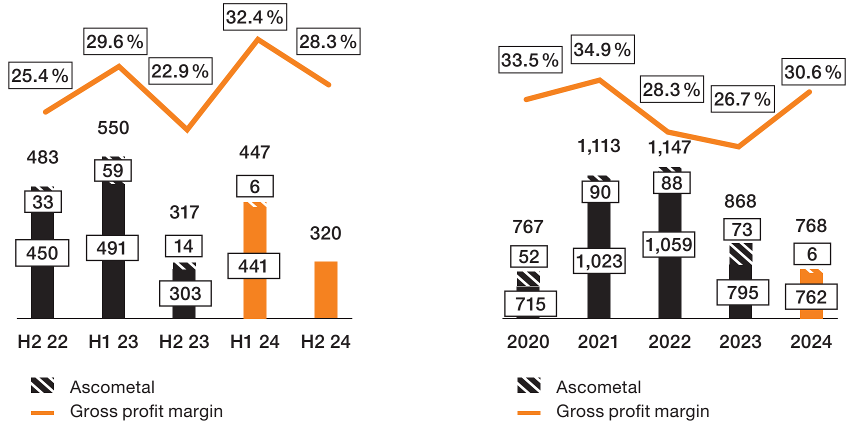
### Personnel productivity

In 2024, headcount decreased by 1,362 employees, down –15.5 %, to 7,450 (2023: 8,812), of which 1,158 resulted from the change in the Group's scope of consolidation. The remainder was driven by the ongoing reorganization of various Production Assets as well as the adaption of our workforce to prevailing market conditions.

Personnel expenses in the second half of 2024 decreased by –17.8 % to EUR 273.2 million (H2 2023: EUR 332.5 million). For the full-year 2024, personnel expenses were down by –9.6 % to EUR 612.7 million (2023: EUR 678.1 million). The reduction was mainly driven by the lower headcount following the change in the Group's scope of consolidation.

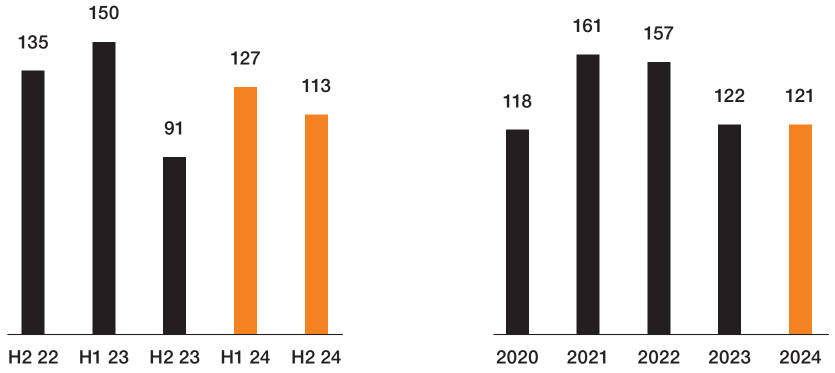
### Gross profit and gross profit margin

in EUR million / % of net revenue




### Personnel productivity[1)]

in %




[1)] Gross profit divided by total personnel expenses including outside contracted labor

## Other operating income and expenses

At EUR 12.9 million, other operating income in the second half of 2024 was lower than in the second half of the previous year (H2 2023: EUR 42.9 million). On a full-year basis, other operating income of EUR 166.4 million was considerably higher than in the previous year (2023: EUR 84.9 million), due to several one-time effects.

In May 2024, the Group divested land and buildings located in Düsseldorf, Germany. A substantial part of the property was leased out to third-party tenants and not used for the operating activities of the Group. Parts of the property used by Swiss Steel Group have been leased back for continued use for our operating activities. The transaction forms part of our strategy program SSG 2025, it frees up resources for our core business and contributes to the deleveraging of the Group's balance sheet. It resulted in a gain of EUR 33.6 million that was recognized in other operating income.

Also in line with our strategy program SSG 2025, the Group completed the divestment of its sales and distribution entities in Portugal, Argentina, Colombia and the United Arab Emirates. Moreover, after the management of Ascometal had sought court protection for all Ascometal companies in March 2024, Swiss Steel Group lost control over the respective entities, triggering the derecognition of the corresponding assets and liabilities from the Group's balance sheet. The divestments of the sales and distribution entities and the derecognition of Ascometal combined led to an operating income of EUR 62.7 million.

In June 2024, a settlement was reached regarding the insurance claim related to the crane collapse in Ugine in 2022, contributing EUR 26.0 million to other operating income. The business interruption and property damage in 2022 and 2023 caused by the incident amounted to more than EUR 100 million.

Other operating expenses decreased by –11.2 % in the second half of 2024 to EUR 167.2 million (H2 2023: EUR 188.3 million). For the full-year 2024, other operating expenses decreased by –5.2 % to EUR 356.8 million (2023: EUR 376.5 million). The decrease was mainly driven by lower repair and maintenance expenses in line with lower asset utilization.

### One-time effects
in EUR million

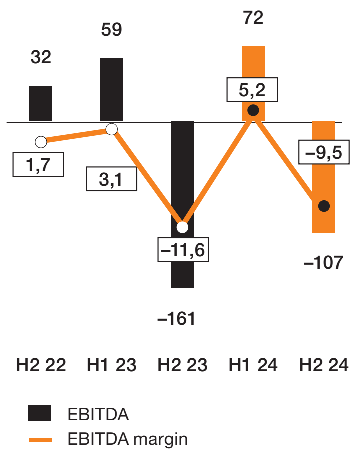
| | 2024 | 2023 | Δ in % | H2 2024 | H2 2023 | Δ in % |
|---|---|---|---|---|---|---|
| **EBITDA (IFRS)** | **–35.5** | **–102.2** | **65.3** | **–107.2** | **–160.6** | **33.3** |
| Others, performance improvement program | –101.0 | 29.9 | – | –0.9 | 27.5 | – |
| Reorganization and transformation processes | 9.4 | 8.1 | 16.0 | 4.6 | 2.8 | 64.3 |
| Restructuring and other personnel measures | 7.3 | 23.3 | –68.7 | 4.6 | 19.4 | –76.3 |
| **Adjusted EBITDA** | **–119.8** | **–40.9** | **–** | **–98.9** | **–110.9** | **10.8** |

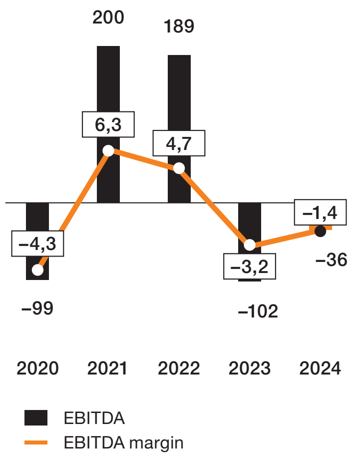
## Earnings before interest, taxes, depreciation and amortization (EBITDA)

EBITDA decreased to EUR –107.2 million in the second half of 2024 (H2 2023: EUR –160.7 million). One-time effects amounted to EUR 8.3 million and included, among others, costs related to the ongoing restructuring of the Group. Excluding one-time effects, adjusted EBITDA was EUR –98.9 million in the second half of 2024 (H2 2023: EUR –110.9 million).

For the full-year 2024, EBITDA was EUR –35.5 million, an increase compared to the

### EBITDA / EBITDA margin
in EUR million / %



prior year (2023: EUR –102.2 million). One-time effects amounted to EUR –84.3 million and included, among others, a gain on the divestment of land and buildings in Düsseldorf, Germany, effects from changes in the Group's scope of consolidation, the insurance claim settlement related to the crane collapse in Ugine in 2022, as well as costs related to the ongoing restructuring of the Group.

In the second half of 2024, the EBITDA margin increased to –9.5 % (H2 2023: –11.6 %) and the adjusted EBITDA margin decreased to –8.7 % (H2 2023: –8.0 %). For the full-year 2024, the EBITDA margin was –1.4 % (2023: –3.2 %) and the adjusted EBITDA margin was –4.8 % (2023: –1.3 %).

## Financial position

### Net working capital

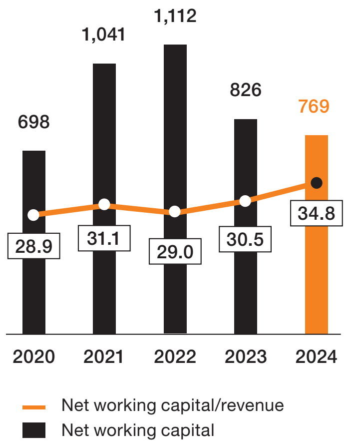
Starting from an already very low level of EUR 826.2 million at year-end 2023, the Group was able to further reduce net working capital to EUR 769.3 million as of December 31, 2024. Excluding the effects from changes in the Group's scope of consolidation, net working capital declined by EUR 15.4 million. The decrease was mainly attributable to a thorough inventory reduction initiative. As a result, inventories decreased by EUR 122.7 million. The ratio of net working capital to revenue (L3M annualized) as of December 31, 2024 was 34.8 % (31.12.2023: 30.5 %).

### Shareholders' equity and equity ratio

As of December 31, 2024, shareholders' equity was EUR 322.8 million and thus above the prior-year level (31.12.2023: EUR 234.4 million). As a result of the capital increase settled in April 2024, shareholders' equity increased by EUR 287.8 million (net of transaction costs). The negative Group result led to a decrease in shareholders' equity of EUR –197.2 million. The equity ratio as of 31.12.2024 was 19.3 % (31.12.2023: 12.1 %).

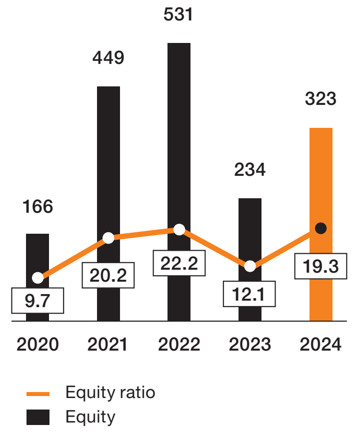
### Net working capital

in EUR million / %



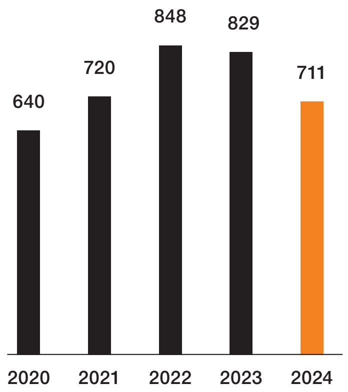

### Shareholders' equity and equity ratio

in EUR million / %




### Net debt

in EUR million



**Net debt**
Net debt, comprising current and non-current financial liabilities less cash and cash equivalents, decreased by EUR 117.2 million to EUR 711.4 million as of December 31, 2024 (31.12.2023: EUR 828.6 million). In the first half-year of 2024, the Group significantly deleveraged its balance sheet. The main contributors were the capital increase of EUR 287.8 million (net of transaction costs), proceeds stemming from the divestment of land and buildings in Düsseldorf, Germany, as well as effects from changes in the Group's scope of consolidation. These positive effects were partially offset by significant incurred losses in 2024.

**In the first half year of 2024, the Group significantly deleveraged its balance sheet.**

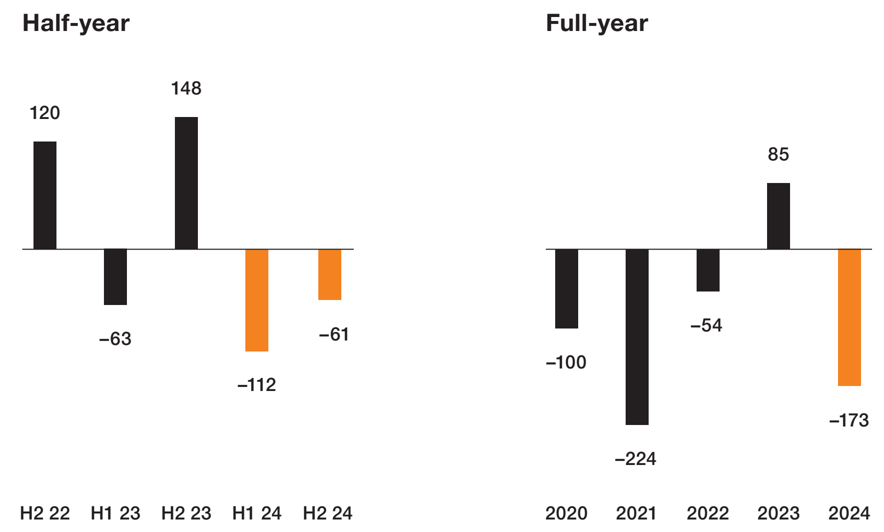
## Free cash flow

At EUR 15.2 million (H2 2023: EUR 185.3 million), cash flow from operating activities was positive in the second half of 2024, mainly due to a significant reduction in inventories. For full-year 2024, cash flow from operating activities was EUR –142.3 (2023: EUR 162.6 million).

Cash flow from investing activities in the second half of 2024 amounted to EUR –76.2 million (H2 2023: EUR –37.2 million). For full-year 2024, cash flow from investing activities was EUR –31.0 million (2023: EUR –77.2 million), containing proceeds stemming from the divestment of land and buildings in Düsseldorf, Germany, as well as the divestment of the Group's sales and distribution entities in Portugal, Argentina, Colombia and the United Arab Emirates.

Free cash flow (cash flow from operating activities less cash flow from investing activities) was EUR –61.0 million in the second half of 2024 (H2 2023: EUR 148.1 million). For the full-year 2024, free cash flow amounted to EUR –173.3 million (2023: EUR 85.4 million).

**Free cash flow**
in EUR million



# Opportunities and Risks

**Swiss Steel Group's business activities are exposed to opportunities and risks. Anchored by a solid foundation in innovation and sustainability, our SSG 2025 strategy program is designed to leverage market trends and capitalize on growth opportunities. At the same time, we remain vigilant in identifying and addressing challenges and uncertainties. Strategic decision-making involves navigating opportunities and risks in a balanced approach.**

## Opportunity management

Opportunity management involves systematically identifying, assessing, and capitalizing on opportunities that can enhance business performance. These opportunities may take the form of product innovations, process improvements, business prospects, strategic partnerships, investments or other avenues for growth. The goal of opportunity management is to systematically assess potential opportunities, prioritize them based on their potential value or impact, and then effectively pursue or exploit those that align with our strategy.

**Decarbonization and sustainable steel production**
Our production process, which relies entirely on the electric arc furnace (EAF) technology, has a substantially lower carbon footprint compared to traditional blast furnace-basic oxygen furnace (BF-BOF) steel production. By utilizing advanced technology and energy sourced from low-carbon alternatives, our emissions are significantly below the industry average, providing our customers with a more environmentally friendly option and added value. Swiss Steel Group supports its customers in lowering emissions across their value chains, contributing to the decarbonization of multiple industries.

**Green Steel**
The Group's commitment to the Science-Based Targets initiative (SBTi) decarbonization goals underscores our determination to enhance our leadership in Green Steel and to become the preferred choice for customers seeking steel with a certified low carbon footprint. Green Steel supports our customers in meeting their sustainability objectives, lowering their carbon emissions and appealing to environmentally conscious consumers. With our 100 % EAF and scrap-based production process, we may also gain a cost advantage over traditional steel producers. By offering our Green Steel product lines, we are well positioned to capitalize on emerging market opportunities.

**Clean energy infrastructure and e-mobility**
In the near and medium term, we anticipate significant opportunities in the steel market driven by ambitious global decarbonization goals and clean energy initiatives. The steel industry will play a crucial role, particularly in supporting the development of adequate energy infrastructure. Renewable energy sources like wind, hydrogen and others are expected to account for a growing share of global energy consumption, fueling demand for steel products. Similarly, the automotive sector's focus on emissions reduction,

lightweighting and e-mobility will boost demand for specialty steel applications.

**Customer focus and innovation**
Our goal is to leverage our extensive technological expertise to create high-quality special long steel products tailored to our customers' requirements. This effort is built on a solid foundation of proven competences in product innovation, process improvements and technical support. Our research and development activities are key to our diverse product portfolio, quality leadership and strong customer relationships. Swiss Steel Group's reputable brands are backed by a skilled team of scientists, engineers and technicians, all of whom contribute a deep understanding of industry trends, customer needs and challenges in the special long steel sector.

**Advanced digital tools and solutions**
The fast-paced evolution of digital transformation plays a key role in enhancing the efficiency and quality of our operations. Swiss Steel Group is leveraging these advancements through IT integration and the adoption of cutting-edge digital tools. Efforts are underway to modernize and unify our IT systems, alongside implementing various digital initiatives. The ongoing digitalization of the Group not only streamlines internal workflows but also creates new business opportunities.

## Risk management

Swiss Steel Group's Enterprise Risk Management (ERM) seeks to underpin the company's strategy and ensure business continuity and production stability. The main objective of risk management is to identify risks at an early stage and to implement effective mitigating measures. The ERM encompasses the identification, assessment, response, monitoring and reporting of all relevant risks. The common risk database of the Group serves as a platform for all ERM activities.

**Market and competition**
There is continued weakness in key markets with no signs of notable recovery. Tough price competition is squeezing margins and Swiss Steel Group's big proportion of automotive sales of 41 % constitutes a market risk. The automotive sector, our largest customer segment, experienced a further decline in demand compared to 2023. Market and competition risks are, among other strategies, addressed through our internal market monitoring and research initiatives, technical advancements aimed at product differentiation, and diversifying our customer base across various industries.

**Liquidity**
Swiss Steel Group centrally manages its cash balances and continuously monitors its available liquidity. The Group's ability to continue as a going concern is dependent, amongst other, on the availability of sufficient liquidity to fund the Group's operations. Liquidity risk is mitigated through continuous steering and monitoring of available liquidity on a daily basis paired with a fortnightly liquidity forecast.

**Recruitment and retention**
Our success is driven by the knowledge and dedication of our employees. The success and future growth of our business rely on our ability to retain key internal talents in management and specialist roles, as well as to attract external expertise. Swiss Steel Group proactively manages its internal talent pipeline by implementing thorough succession planning for key positions and offering training and development opportunities. For instance, our company-wide Talent Pool initiative, which was launched in 2023, focuses on identifying and nurturing internal high potentials and preparing them for senior management roles. Additionally, the Group's employer branding efforts include building partnerships with educational institutions and training organizations, as well as updating recruitment communications and channels.

**Personnel accidents**
As a steel producer, we face the risk of workplace accidents, which we strive to prevent at all costs. To reduce these risks, we promote a strong "safety culture" at all our global sites. Our standard procedures include accident and incident reporting and analysis (including "near misses" and "safety observations"), cross-departmental audits, risk assessments and behavior-focused safety training. Sharing best safety practices globally and promoting a safety culture culture creates opportunities to improve safety in all our processes.

**Industrial equipment and IT infrastructure**
To ensure the resilience and sustainability of both our industrial operations and IT infrastructure, our industrial risk management approach involves ongoing monitoring, regular evaluations, internal and external audits, and a commitment to continuous improvement. The steel manufacturing processes at our production facilities are intricate and rely on critical steelmaking equipment, which can experience disruptions due to equipment failures or other factors. Risks associated with machinery and industrial equipment are addressed by prioritizing investments and maintenance based on risk assessments. Additionally, we have company-wide insurance programs to cover property damage and business interruptions.

**Cyber security**
External fraud attempts and attackers, negligent employees, as well as system and network vulnerabilities cause a constant risk, underlining Swiss Steel Group's need for high cyber security. Through its ongoing multi-year Cyber Security Program, Swiss Steel Group seeks to continuously strengthen its cyber resilience by improving processes and response capabilities. Our dedicated IT security team is consistently working to enhance the Group's protection against cyber threats. We conduct regular Group-wide eLearning programs to raise awareness and ensure vigilance. A strong cyber risk management framework not only protects our operations, but also safeguards our customers, partners, and the reputation and trust we have built.

**ESG stakeholder expectations and decarbonization**
Imminent legal requirements and increasing stakeholder expectations will require Swiss Steel Group to enhance non-financial performance and ensure transparency regarding ESG aspects. Failing to live up to expectations could cause fines due to non-compliant reporting, loss of customers or employees, deteriorated financing conditions or reputational damage. Different governments have set greenhouse gas reduction targets that will affect future costs of emitting $CO_2$. A dedicated team for CSRD / non-financial reporting is in place as well as a transition plan to reduce greenhouse gas emissions. The transition plan includes various investments in energy efficiency and decarbonization measures. We also seek external assurance regarding the Group-wide $CO_2$ emissions reporting and participate in other external assessments like EcoVadis and the Carbon Disclosure Project (CDP).


Reliable quality steel from Swiss Steel Group – the basis for stable and durable constructions.

# Capital Market

**Our primary aim is to enhance the value of our company over the long term. Together with the creation of financial and non-financial value, this requires confidence on the part of our investors in the business model and strategic objectives. That is why we are committed to open, constructive and long-term communication with our investors and the capital market.**

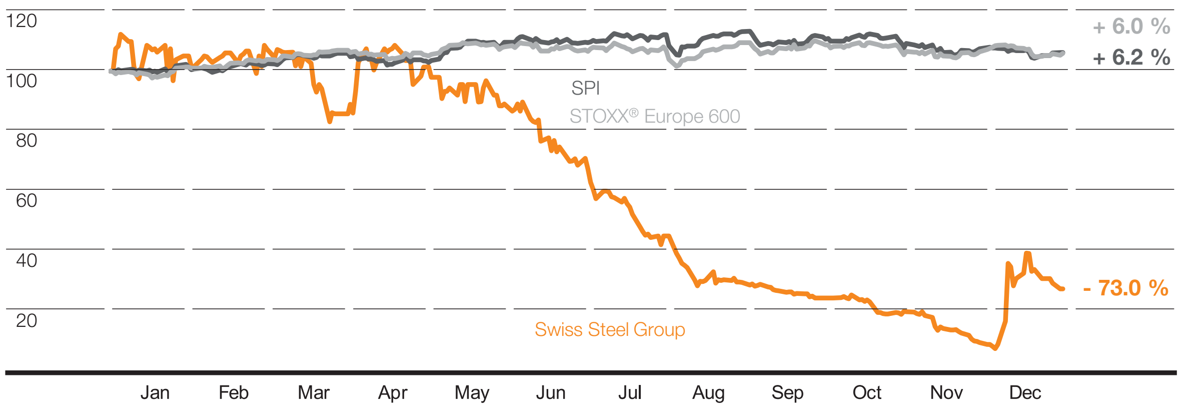
## Share price

During 2024, the stock of Swiss Steel Holding AG moved sideways with the market until the end of April. Following the successful capital increase of approximately EUR 300 million in April, which led to a further reduction of the company's free float and consequently its loss of membership in the SPI, the share price started to decline amid very low trading volume until the beginning of December. Discussions regarding state-aided easing of energy costs for Swiss operations caused the share price to rebound in the last month of the year.

Overall, the equity capital markets continued to be affected by geopolitical tensions; however, inflationary pressures abated somewhat. Our share price ended up 73.0 % lower for the full year. In absolute terms, the share price decreased from CHF 16.74 at the end of 2023 to CHF 4.52.

In 2024, the average daily trading volume of shares of Swiss Steel Group on the Swiss stock market was approximately 9,800. This compares with approximately 4,300 in 2023.

### Share price development 2024
indexed




### Shares - facts and figures

| | |
|---|---|
| ISIN | CH005795668 |
| Securities number | 579,566 |
| Ticker symbol | STLN |
| Bloomberg | STLN SE |
| Reuters | STLN.S |
| Type of security | Registered share |
| Trading currency | CHF |
| Listed on | SIX Swiss Exchange |
| Number of registered shares | 30,799,288 |
| Nominal value in CHF | 16.00 |

The shareholders of Swiss Steel Group approved in February 2025 a voluntary delisting from the SIX Swiss Exchange considering the low free float and trading volume of the shares. Subsequently, SIX Exchange Regulation has granted Swiss Steel Group's application to delist per June 5, 2025. It is envisaged that the shares will be traded at the LPZ-X platform of Lienhardt & Partner Privatbank thereafter.

## Dividend policy

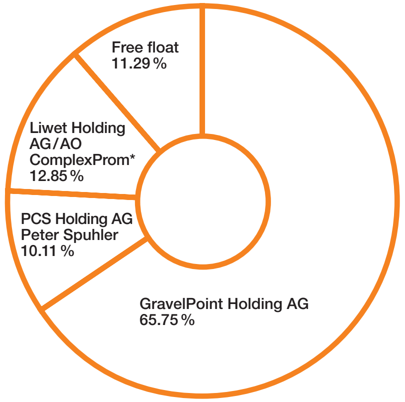
Swiss Steel Group generated a negative net income in 2024. The Board of Directors will propose to the Annual General Meeting (AGM) to refrain from a dividend distribution for 2024.

The Board of Directors believes that paying out a dividend is appropriate in the medium- to long-term as it allows shareholders to share in the Group's success. Generally, the Board of Directors makes an annual dividend proposal at the AGM, considering the company's goals, its current financial position and results of operations, any covenants in the financing agreements and future market prospects. The dividend policy is subject to regular review by the Board of Directors and may change.

## Shareholder structure

The share capital as of December 31, 2024 comprised 30,799,288 fully paid-up registered shares with a nominal value of CHF 16.00 each. The company's largest shareholder is GravelPoint Holding AG, which held 65.75 % as of December 31, 2024. Liwet Holding AG/AO Complexprom held a 12.85 % stake in Swiss Steel Group. The third major shareholder is PCS Holding AG/Peter Spuhler with 10.11 %. The remaining 11.29 % of the shares are in free float.

### Shareholder structure
per December 31, 2024




* Additional information: We hereby confirm that Mr. Viktor Felixovich Vekselberg as a beneficiary of a discretionary trust owns less than 4 % of Swiss Steel Holding AG based on:
- the share register of Swiss Steel Holding AG,
- the SIX Swiss Exchange and,
- the information communicated by Liwet Holding AG and Complex-Prom Joint Stock Company on the 02.05.2024.

Further we would like to clarify that:
- Mr. Vekselberg does not control Swiss Steel Holding AG by any means or instrument.
- Mr. Vekselberg is not engaged in any operational decisions of Swiss Steel Holding AG.

## Financing

Swiss Steel Group's financing structure consists materially of a EUR 375.0 million syndicated credit facility advanced by a group of banks, an ABS financing program of EUR 300.6 million and shareholder loans of EUR 200.0 million provided by its largest shareholder GravelPoint Holding AG. All financing instruments have maturities until September 2028. In addition, Swiss Steel Group had state-guaranteed bank loans of EUR 18.1 million at the end of the fiscal year 2024. Unused bank loans and liquid funds came to around EUR 154.6 million as of December 31, 2024. In addition, the ABS financing program had a headroom of EUR 108.2 million.

### Credit lines
in EUR million

| | Credit line | Status as of 31.12.2024 | Unused lines and cash |
|---|---|---|---|
| Syndicated loan (excl. transaction costs) | 375.0 | 287.3 | 87.7 |
| ABS financing (excl. transaction costs) | 300.6 | 192.4 | 108.2 |
| Loans from shareholder (excl. transaction costs) | 200.0 | 165.0 | 35.0 |
| State-guaranteed loans (excl. transaction costs) | 18.1 | 18.1 | 0.0 |
| Cash and cash equivalents | | 31.9 | 31.9 |
| **Total** | | | **262.8** |

Click for Investor Relations

# Corporate Governance

# 1 Group structure and shareholders

The Group attaches great importance to corporate governance. The Board of Directors constantly evaluates established corporate governance principles and practices with the aim of strengthening these further wherever possible.

## 1.1 Group structure

Swiss Steel Holding AG is a company organized under Swiss law. Headquartered in Emmenbrücke, the company was first entered in the commercial register of the canton of Lucerne on September 20, 1887 under the name "Aktiengesellschaft der Von Moos'schen Eisenwerke". The registry code is CHE–101.417.171.

### 1.1.1 Group operating structure

For information on the operating organization, please refer to note 35, Segment reporting of the consolidated financial statements of this Annual Report. The management and supervision of Swiss Steel Group are based on the company's Articles of Incorporation, organizational regulations including chart of functions, committee regulations and other documents that set out the corporate policy and business principles. The Articles of Incorporation and the organizational regulations can be found on the website of Swiss Steel Group.

Click for Organizational Regulations

The management structure is aligned with the Group's business strategy. As a global leader in special long steel, the Group's organization reflects the market approach with three Divisions: Engineering Steel, Stainless Steel and Tool Steel. In doing so, Swiss Steel Group is pursuing its goal of defending and expanding its position in the global market. Please refer to note 38, List of shareholdings in this Annual Report.

### 1.1.2 Listed company

Swiss Steel Holding AG has submitted an application to the SIX Regulatory Board to voluntarily delist its shares from the SIX. On February 17, 2005, the Extraordinary General Meeting approved the delisting of all registered shares from the SIX Swiss Exchange with a majority of 98.83 % of the votes cast, thus initiating the delisting process. The voluntary delisting from the SIX Swiss Exchange was approved by the competent bodies of SIX Exchange Regulation. In consultation with SIX, the last trading day has been set for June 5, 2025. Immediately after delisting, the shares of Swiss Steel Holding AG will be traded on the over-the-counter trading platform LPZ-X of the private bank Lienhardt & Partner. At the same time, Swiss Steel Holding AG will be exempted from the obligation to publish its annual results in accordance with the SIX Listing Rules.

### 1.1.3 Non-listed companies

All Group companies other than Swiss Steel Holding AG are unlisted companies. The list of shareholdings in note 38 of this Annual Report gives details of these along with information about the registered office, share capital and interest held.

## 1.2 Significant shareholders

As of the balance sheet date on December 31, 2024, the company had received notification of three significant shareholders whose voting rights exceed the 3 % threshold: GravelPoint Holding AG, which owned 65.75 %; Liwet Holding AG and AO ComplexProm, which together held 12.85 % via a shareholder agreement; and PCS Holding AG / Peter Spuhler, which owned 10.11 %. The remaining shares were in free float.

Viktor Vekselberg is a beneficiary of a discretionary trust that is effectively one of the minority shareholders of the company. Viktor Vekselberg is a beneficiary of this

**Information about the listed company**

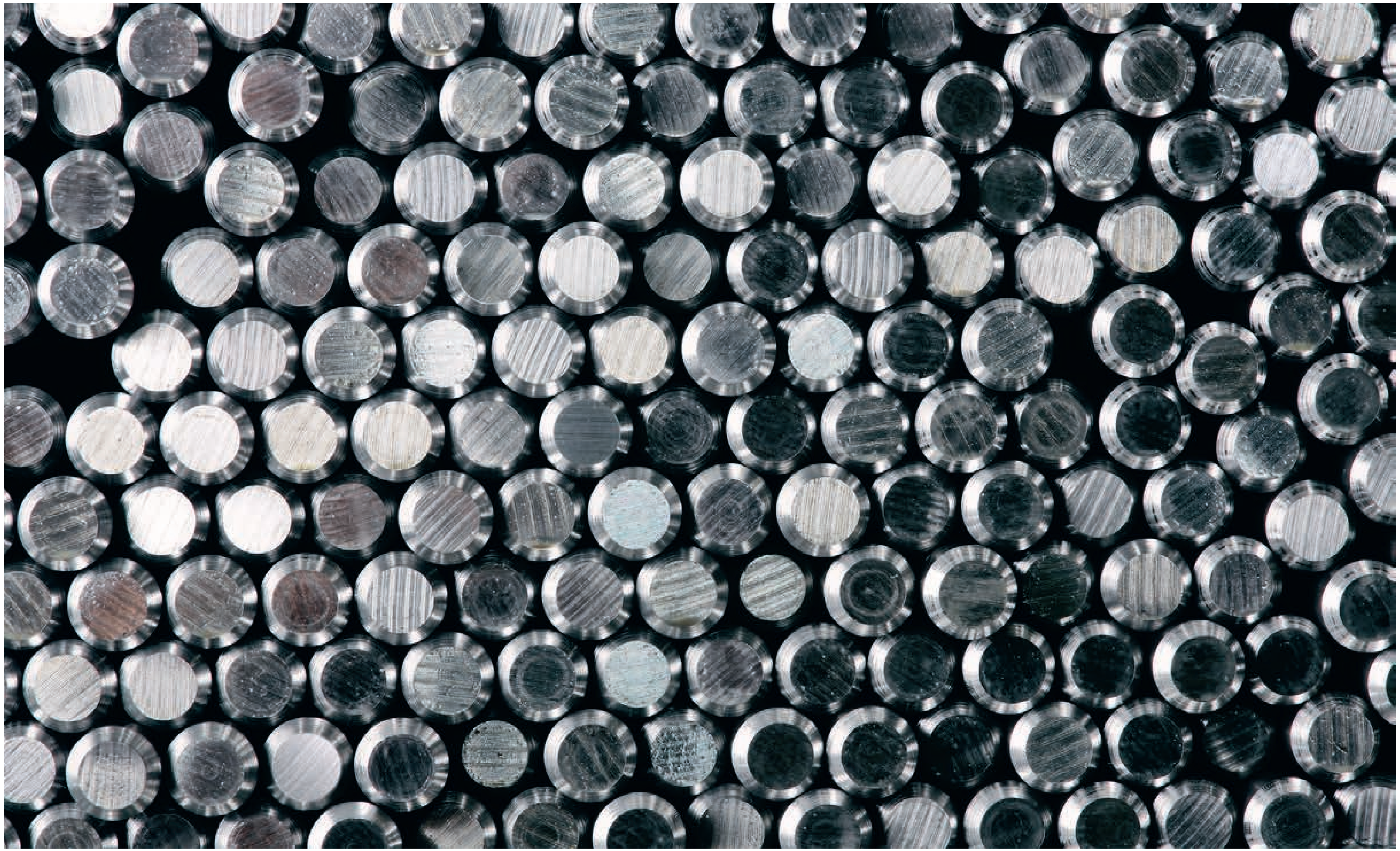
| | |
|---|---|
| Name | Swiss Steel Holding AG |
| Registered office | Werkstrasse 7, 6020 Emmenbrücke |
| Listed on | SIX Swiss Exchange, International Reporting Standard |
| Market capitalization | CHF 139 million (closing price on December 30, 2024: CHF 4.52) |
| Symbol | STLN |
| Securities number | 579 566 |
| ISIN | CH0005795668 |

discretionary trust which indirectly owns less than 4 % of Swiss Steel Group.

Notifiable changes in significant shareholders since the balance sheet date are published by the company on the electronic publication platform of the SIX Swiss Exchange at www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html. The notifications published during the fiscal year 2024 can also be found there.

## 1.3 Cross-shareholdings

The company has no cross-shareholdings with significant shareholders or other related parties.



# 2 Capital structure

## 2.1 Ordinary capital

As of December 31, 2024, the ordinary share capital consisted of 30,799,288 registered shares with a par value of CHF 16.00 each, amounting to a total of CHF 492,788,608.00.

## 2.2 Authorized and conditional capital in particular

The company has no conditional and authorized capital established in its Articles of Incorporation as of December 31, 2024.

## 2.3 Changes in capital

As of December 31, 2024, the share capital consisted of 30,799,288 registered shares with a par value of CHF 16.00 each.

An Extraordinary General Meeting of the company decided on April 4, 2024 to execute a capital reduction and simultaneous an ordinary capital increase, which was implemented by the Board of Directors in its resolution dated April 24, 2024 and was subsequently entered in the commercial register. Pursuant to these resolutions, the share capital entered in the commercial register on April 24, 2024 was initially decreased by CHF 214,120,022.97 from 458,828,620.65 CHF to 244,708,597.68 by reducing the nominal value of each registered share from CHF 0.15 to CHF 0.08, and simultaneously increased by CHF 248,080,000.00 by issuing 3,101,000,000 new registered shares with a nominal value of CHF 0.08 each. The entire reduction amount was booked to the statutory capital reserve. The company's share capital entered in the commercial register was CHF 492,788,597.68 on April 24, 2024, divided into 6,159,858,471 registered shares with a nominal value of CHF 0.08 each. The new registered shares were listed and first traded on the SIX Swiss Exchange on April 25, 2024.

The company's Annual General Meeting decided on May 23, 2024 to execute an ordinary capital increase by CHF 10.32 from CHF 492,788,597.68 to CHF 492,788,608 through the issuance of 129 registered shares with a nominal value of CHF 0.08, and a reverse share split at a ratio of 200:1. The company's share capital entered in the commercial register has been CHF 492,788,608 since May 23, 2024, divided into 30,799,288 registered shares with a nominal value of CHF 16.00 each.

## 2.4 Shares and participation certificates

As of December 31, 2024, the share capital consisted of 30,799,288 registered shares with a par value of CHF 16.00 each. At the end of the year, the company held 22,657 treasury shares for which voting rights are suspended in accordance with art. 659a of the Swiss Code of Obligations. Each share entitles the holder to one vote. Voting rights may only be exercised if the shareholder has been registered in the company's share register as a shareholder with voting rights in time for a given vote. Each share is entitled to dividends. Certificates are not issued for registered shares; rather, they are recorded by book entry in the central depository system of areg.ch ag. Shareholders are not entitled to request a printed copy or delivery of share certificates. All shareholders can, however, request from the company at any time a document confirming the shares in their ownership.

Swiss Steel Holding AG has not issued any participation certificates.

### Overview of capital changes in the last five reporting years

| Ordinary capital | | | | Authorized capital | Conditional capital |
|---|---|---|---|---|---|
| Year | Share capital in CHF | Shares | Par value in CHF | Maximum in CHF | Maximum in CHF |
| 2020 | 304,249,999.95 | 2,028,333,333 | 0.15 | - | - |
| 2021 | 458,828,620.65 | 3,058,857,471 | 0.15 | - | - |
| 2022 | 458,828,620.65 | 3,058,857,471 | 0.15 | - | - |
| 2023 | 458,828,620.65 | 3,058,857,471 | 0.15 | - | - |
| 2024 | 492,788,597.68<br>492,788,608.00 | 6,159,858,471<br>30,799,288 | 0.08<br>16.00 | - | - |

## 2.5 Dividend-right certificates

Swiss Steel Holding AG has not issued any dividend-right certificates.

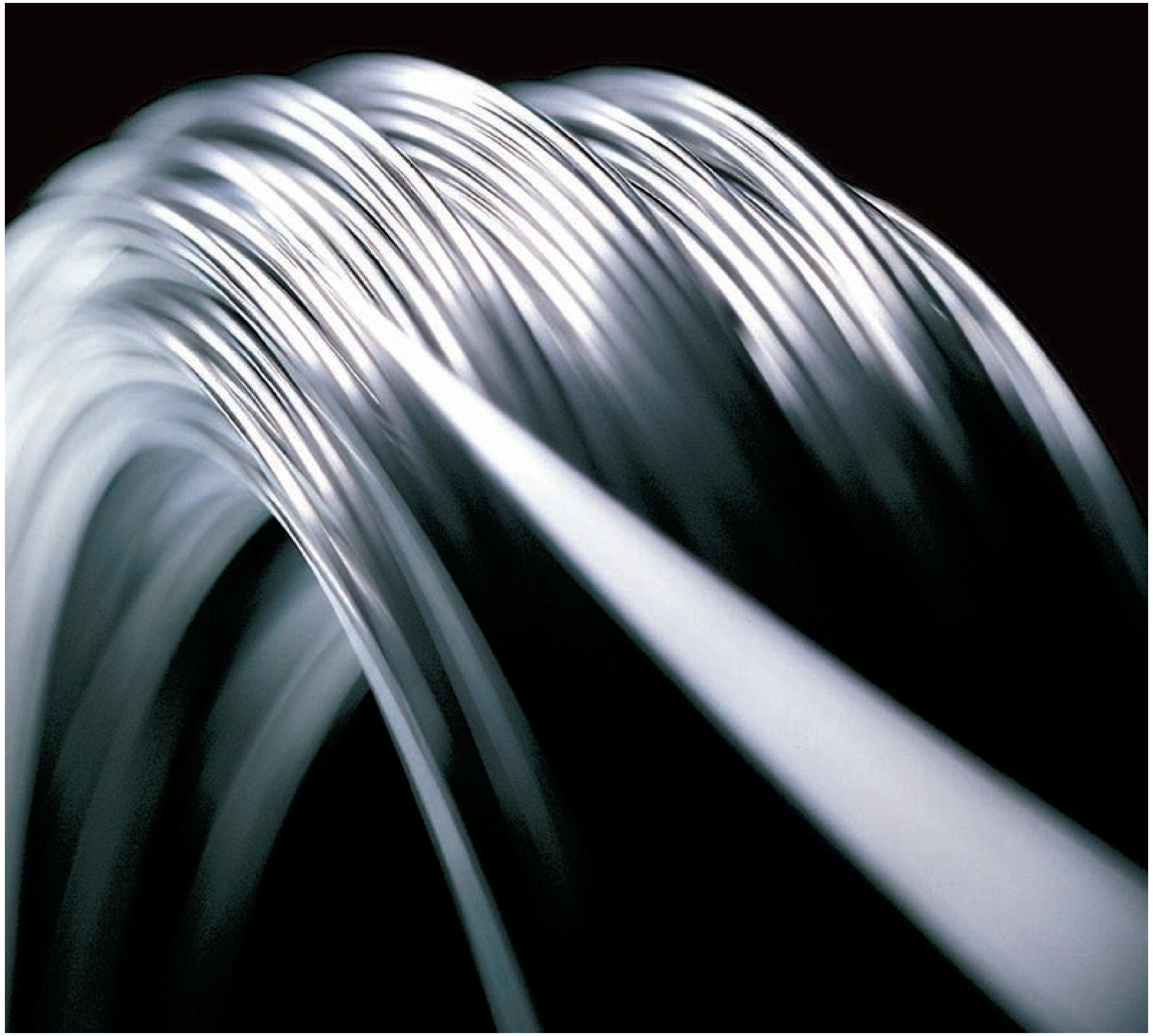
## 2.6 Limitations on transferability and nominee registrations

Certificated shares can be physically deposited with a depositary; paperless shares can be entered in the principal register of a depositary and credited to a securities account (creation of intermediated securities). Intermediated securities can only be disposed of, or pledged as collateral, in accordance with the provisions of the Swiss Federal Act on Intermediated Securities. Paperless securities that do not qualify as intermediated securities can only be transferred by assignment. The company must be notified of such assignment for it to be valid.

Except for the nominee clause, there are no restrictions on transferability, nor are any privileges granted under the Articles of Incorporation; accordingly, no exemptions were granted in 2024. Revocation or amendment of these stipulations requires the agreement of at least two-thirds of the represented votes and the absolute majority of the represented nominal share values.

## 2.7 Convertible bonds and options

The company had no convertible bonds or options outstanding as of December 31, 2024.



Precision wire of the Swiss Steel Group – for maximum performance and reliability in demanding applications.

# 3 Board of Directors

## 3.1 Members of the Board of Directors

At the Annual General Meeting on May 23, 2024, Jens Alder, David Metzger, Mario Rossi and Michael Schwarzkopf, all of whom stood for re-election, were confirmed in office. Martin Lindqvist, Karl Haider and Alexander Gut were elected as members of the Board of Directors. Jens Alder served as Chairman until Martin Lindqvist joined the Board of Directors in October 2024. Michael Schwarzkopf resigned from his position as member of the Board of Directors as of August 31, 2024.

According to the Articles of Incorporation, shareholders who alone or in concert hold 10 % or more of the share capital and voting rights of the Company are entitled to nominate a person for election as a member of the Board of Directors. The right to nominate a person for election as a member of the Board of Directors or to vote out of office a person nominated and elected as a member of the Board of Directors based on such a provision must be requested in writing no later than 45 days before the Annual General Meeting. The Board of Directors may grant exceptions to this deadline. The majority of the Board of Directors shall consist of members who are independent of all shareholders.

Unless otherwise stated, the members of the Board of Directors have no significant business relationships with Group companies. For details of business relationships with certain companies represented by members of the Board of Directors, see the notes to the consolidated financial statements, note 36, Related party disclosures.

The following overview provides details of the composition of the Board of Directors as of December 31, 2024.

**Martin Lindqvist (SE)**
Year of birth 1962
Chairman
Compensation Committee (Member)
Member since 2024
Elected until 2025

**Jens Alder (CH)**
Year of birth 1957
Vice Chairman
Compensation Committee (Chairman)
Member since 2021
Elected until 2025

**Dr. Alexander Gut (CH)**
Year of birth 1963
Compensation Committee (Member)
Member since 2024
Elected until 2025

**Dr. Karl Haider (AT)**
Year of birth 1965
Audit Committee (Member)
Member since 2024
Elected until 2025

**David Metzger (CH / FR)**
Year of birth 1969
Audit Committee (Member)
Member since 2020
Elected until 2025

**Mario Rossi (CH)**
Year of birth 1960
Audit Committee (Chairman)
Member since 2021
Elected until 2025

**Martin Lindqvist (SE)**
**Chairman | Non-executive Member**
Martin Lindqvist has a distinguished background in the steel industry, most recently leading SSAB in its transformative journey toward fossil-free steel production. During his years at SSAB, Martin Lindqvist held various Head of Business Area positions. Prior to his tenure at SSAB, he held key roles at renowned companies such as NCC and Outokumpu Copper Strip. Currently, Martin Lindqvist serves on the Board of Directors of SCA, Europe's largest private forest holding. He has also previously served on the board of INDUTRADE. Martin Lindqvist holds a degree in Economics from the University of Uppsala in Sweden.

**Jens Alder (CH)**
**Vice Chairman | Non-executive Member**
Jens Alder served as Executive Chairman of Alpiq Holding Ltd. in Lausanne, Switzerland, from 2019, and was Chairman of its Board of Directors from 2015 until the end of 2021. Between 2009 and 2018 he was a Board Member of several companies, including CA, Inc., New York, USA, from which positions he largely resigned after joining Alpiq. Over the past decade, Jens Alder has served as Chairman of various companies including Goldbach Group AG, Küsnacht, Switzerland, Sanitas Health Insurances, Zurich, Switzerland, BG Ingénieurs Conseils, Lausanne, Switzerland, and Industrielle Werke Basel, Switzerland. Jens Alder is currently Chairman of the Board of ColVisTec AG, Berlin, and was Member of the Board of Scope Content AG, Zurich, until April 2024. Jens Alder holds a Master of Science (MSc) in Electrical Engineering from ETH Zurich, Switzerland, and a Master of Business Administration (MBA) from INSEAD, Fontainebleau, France.

**Dr. Alexander Gut (CH)**
**Non-executive Member**
Dr. Alexander Gut is a financial expert with extensive experience obtained from numerous Board of Directors positions. He is currently the Managing Partner and founder of Gut Corporate Finance Ltd, an independent corporate finance advisory firm. Prior to this role, he held significant positions as a Member of the Executive Board at KPMG Zurich and as a Partner at Ernst & Young Zurich. His career began with KPMG in Zurich and London. Dr. Alexander Gut has served on the Board of Directors of renowned companies such as Holcim and Credit Suisse Group. He currently holds a position on the Board of Directors of The Adecco Group. Dr. Alexander Gut holds a PhD (Dr oec publ) in Business Administration from the University of Zurich, Switzerland.

**Dr. Karl Haider (AT)**
**Non-executive Member**
Dr. Karl Haider is a recognized industrial expert and highly qualified executive with comprehensive experience from working at major international industrial groups. As the current Chief Executive Officer of Semperit Holding AG in Austria, he brings extensive experience and strategic acumen. Previously, Dr. Karl Haider served on the Executive Board at Tata Steel Europe as the Chief Commercial Officer and Director Operations Downstream, and before that he served on the Executive Board at the high-performance metals division of the voestalpine Group as Chief Commercial Officer. His journey began as a sales manager for Rehau, where he honed his sales expertise. Dr. Karl Haider holds a PhD in Natural Science, as well as a master's degree in Technical Chemistry and Business Economics, both from the Johannes Kepler University of Linz in Austria.

**David Metzger (CH / FR)**
**Non-executive Member**
David Metzger is an investment professional currently with Liwet Holding AG, and earlier held similar positions at RMAG and Venetos Management AG. Previously, he was investment director at renewable energy fund Good Energies AG (now Bregal Energy, part of COFRA Holding), and before that senior manager at Bain & Company. Currently, David Metzger serves as a Member of the Board of Directors of Sulzer AG and of Medmix AG. From 2014 to 2023 he was a Member of the Board of Directors of Italian Octo Telematics SpA, from 2016 to 2021 he was a Member of the Board of Directors of OC Oerlikon, and from 2008 to 2009 he was a Member of the Board of Directors of Norwegian Solar Energy Company Norsun. David Metzger holds a master's degree in business economics (lic.oec.) from the University of Zurich and a Master of Business Administration (MBA) from INSEAD, Fontainebleau, France.

**Mario Rossi (CH)**
**Chairman of the Audit Committee | Non-executive Member**
Mario Rossi was CFO of Swisscom AG from 2013 until 2021, where he held various senior finance positions from 1998. Mario Rossi was Chairman of the Board of Directors of Cablex AG until January 2022, member of the Board of Directors of Hasler Foundation and member of the Sanction Commission of the Swiss Stock Exchange until end of 2024. He is currently a member of the Board of Directors of Pilatus Aircraft Ltd., as well as a member of the Swiss Takeover Board (Übernahmekommission). Mario Rossi is a certified public accountant of the Swiss Academy for Audit.

## 3.2 Other activities and vested interests

The above profiles of the members of the Board of Directors provide information on their activities and commitments in addition to their functions at Swiss Steel Holding AG.

Pursuant to the company's Articles of Incorporation (art. 16d), the members of the Board of Directors and Executive Board may not hold or exercise more than ten mandates, thereof a maximum of five at companies listed on the stock exchange, and ten non-executive mandates at non-profit legal entities or non-compensation mandates, whereby out-of-pocket expenses are not considered as compensation.

A mandate refers to the activity in the highest management or administrative organ of other legal entities which are required to be entered in the commercial register or a similar foreign register, and which are not controlled by the company or do not control the company. Mandates at various companies belonging to the same group of companies are considered as one mandate. Mandates assumed by a member of the Board of Directors or Executive Board by order of the Group company are exempt from the restriction on additional mandates in accordance with the Articles of Incorporation.

Exercising such additional activities must not restrict the member concerned in assuming their duties for the company or other companies of the Group.

## 3.3 Elections and term of office

The Board of Directors consists of between five and ten members according to art. 11 of the Articles of Incorporation. The members of the Board of Directors are elected individually. The Chairman of the Board of Directors is elected at the Annual General Meeting.

In accordance with the Articles of Incorporation and organizational regulations, the Board of Directors appoints from among its members a Vice Chairman for each term of office. The terms of office of each member and of the Chairman of the Board of Directors expire at the end of the Annual General Meeting following their election at the latest. Re-election is possible.

## 3.4 Internal organizational structure

The organizational regulations provide that the Board of Directors meets as often as business requires. The Board of Directors convened on seventeen occasions in the fiscal year 2024 to discuss current business. These meetings lasted between one and six hours. All members of the Executive Board usually participate in these meetings. In the reporting period, external consultants were called upon to assist with various legal and financial issues. In addition to all relevant aspects of business activities, the Board of Directors requests regular reports about the compliance organization and current compliance issues by the Corporate Legal and Compliance departments within Swiss Steel Group.

The Board of Directors is quorate when at least half of its members is present, in compliance with the company's Articles of Incorporation. For resolutions that must be publicly notarized in accordance with mandatory law, the participation of a single member is sufficient. Resolutions and elections require a simple majority of the votes cast. Abstentions do not count as votes cast.

In the event of a tie, the Chairman has the casting vote. In urgent cases, the Board of Directors can also pass resolutions by correspondence for inclusion in the minutes of the next meeting, provided that no member requests their verbal discussion.

The Board of Directors has constituted four committees from its members: the Audit Committee, the Ad Hoc Finance Committee, the Nomination Committee and the Compensation Committee.

**Audit Committee**
The Board of Directors elects the members of the Audit Committee from among its members. The members of this committee are Mario Rossi (member since the 2021 Extraordinary General Meeting, Chairman since the 2022 Annual General Meeting), David Metzger (member since the 2020 Annual General Meeting) and Dr. Karl Haider (member since the 2024 Annual General Meeting).

The Audit Committee regulations provide that the Audit Committee meet as often as business requires, usually at least three times per fiscal year. In the fiscal year 2024, the Audit Committee met eight times with an average meeting duration of three hours. The external auditor, the Head of Corporate Accounting and Controlling and Treasury, the Head of Corporate Legal and Compliance, and the Head of Internal Audit, among others, attended the relevant meetings on a regular basis. The members of the Executive Board also participated.

Separate stipulations in organizational regulations govern the tasks and responsibilities of the Audit Committee in greater detail. These stipulate that the Audit Committee should consist of at least three members of the Board of Directors who are not actively involved in the company's business activities. The main tasks of the Audit Committee are as follows:

**Financial reporting**
- Assessing and monitoring the integrity and efficiency of the financial reporting system of the Group (IFRS), the efficiency of the financial information and the necessary internal control instruments
- Ensuring compliance with the Group accounting policies

**External auditor**
- Assisting the Board of Directors with the selection and appointment of the external auditor
- Reviewing and approving the audit plan
- Evaluating the performance, fees and independence of the external auditor
- Evaluating cooperation with Internal Audit
- Reviewing semi-annual and annual audited financial statements before publication and / or media release
- Discussing the annual report with regard to important litigations as well as significant legal, compliance and tax matters

**Internal Audit**
- Selecting the Head of Internal Audit
- Determining the scope and functions of Internal Audit as set out in the Internal Audit Charter
- Evaluating the performance of Internal Audit annually
- Reviewing and approving the audit plan
- Evaluating cooperation with the external auditor
- Reviewing the external assessment of Internal Audit functions at regular intervals

**Compliance**
- Monitoring an appropriate Group-wide compliance system, which ensures adherence to legal requirements and external and internal regulations
- Approving the Code of Conduct
- Supervising reported compliance issues

**Other duties**
- Supervising an adequate Group-wide internal control and information system
- Reviewing the measures to prevent and detect fraud, illegal activities or conflicts of interest
- Monitoring appropriate Group-wide risk management to identify risks and threats and initiating appropriate countermeasures
- Reviewing the Enterprise Risk Management (ERM) report
- Preparing ESG reporting and defining the KPIs for material ESG matters

The Audit Committee is also responsible for submitting regular verbal and written reports to the full Board of Directors.

**Compensation Committee**
The members of this Committee are elected individually once a year by the Annual General Meeting in accordance with the law and the Articles of Incorporation. The term of office of each member of the Compensation Committee expires at the latest at the end of the Annual General Meeting following their election. Re-election is possible.

The members of this committee are Jens Alder (member since the 2021 Annual General Meeting and Chairman since 2024), Martin Lindqvist (member since October 2024) and Dr. Alexander Gut (member since the 2024 Annual General Meeting).

The regulations provide that the Compensation Committee meet as often as business requires, usually at least once per fiscal year.

The Compensation Committee met five times in the fiscal year 2024. The meetings lasted between one and three hours. There are separate regulations governing the tasks and responsibilities of the Compensation Committee. The committee is tasked with preparing the resolution of the Board of Directors on the compensation of the Board of Directors and of the Executive Board and issuing a proposal to this effect to the Board of Directors. Its duties include, but are not limited to, the following:

- Preparing proposals for defining the general personnel policy
- Determining the principles for selecting candidates for election or re-election to the Board of Directors and for selecting members of the Executive Board
- Preparing proposals for the Board of Directors regarding the appointment of members of the Executive Board
- Overseeing personnel development and succession planning for the Executive Board
- Preparing proposals regarding the compensation policy applicable to the Board of Directors and the Executive Board according to the principles specified in the Articles of Incorporation
- Preparing proposals regarding the compensation levels of the members of the Board of Directors within the maximum aggregate

compensation amounts approved by the Annual General Meeting, the committees and the Executive Board
- Preparing the compensation report
- Preparing proposals on the maximum aggregate amounts of compensation of the Board of Directors and of the Executive Board to be submitted to shareholder vote at the Annual General Meeting
- Approving any additional external mandates of the members of the Executive Board

The Compensation Committee reports to the full Board of Directors on the content and scope of decisions made.

**Other Committees**
The Board of Directors has the authority to establish temporary committees for the purpose of addressing specific issues as they arise.

## 3.5 Definition of areas of responsibility

The Board of Directors is the most senior executive body in the Group's management structure and rules on all matters that are not expressly entrusted to another governing body in accordance with the law, the company's Articles of Incorporation or the organizational regulations.

The Board of Directors has delegated all duties except for those that are non-transferable and inalienable in accordance with the law. The non-transferable and inalienable duties of the Board of Directors include, but are not limited to:

- Managing the company as the supreme governing body and issuing all necessary directives
- Defining the company's organization
- Designing the accounting, financial control and financial planning systems as required for managing the company
- Appointing and dismissing persons entrusted with managing and representing the company
- Assuming overall supervision of the persons entrusted with managing the company, in particular with regard to compliance with the law, the Articles of Incorporation, regulations and directives
- Compiling the Annual Report and the compensation report, preparing and leading the Annual General Meeting, and implementing its resolutions
- Notifying the court in the event of overindebtedness
- Preparing resolutions on the payment of subsequent contributions to shares that are not fully paid up
- Preparing resolutions on capital increases and the associated amendments to the Articles of Incorporation
- Performing other non-transferable and inalienable duties in relation to the Swiss Merger Act

The Board of Directors is the supreme governing body of the company. It is responsible for supervising and monitoring the Executive Board and for issuing corporate policies. It also defines the strategic objectives and allocates the general resources required to achieve them. With the exception of duties reserved for the Board of Directors or its committees, all executive management tasks within the company and Group are delegated to the Executive Board in accordance with the organizational regulations.

The CEO chairs the Executive Board, which consists of the CEO, the CFO and the CSO. The CEO issues supplementary guidelines governing the duties and authority of members of the Executive Board and Division Management. The Board of Directors receives notification of these responsibilities and any subsequent changes at the next meeting of the Board of Directors at the latest. The members of the Executive Board are appointed by the Board of Directors based on the recommendation of the Compensation Committee, while members of the Divisions are appointed by the CEO. The Chairman of the Board of Directors together with the Board of Directors monitor implementation of measures approved by resolution of the Board of Directors, supervise the CEO and their activities, and evaluate performance with the CEO on an annual basis.

The Board of Directors regularly conducts a self-evaluation which deals with the Board's composition, organization, processes and responsibilities, its members' qualifications, abilities, and experience for the Board's needs and requirements, as well as succession planning.

Click for Organizational Regulations

## 3.6 Instruments for reporting and control: Executive Board

A transparent management information system (MIS), among other things on the basis of monthly reports, half-year financial statements as well as annual financial statements, is used to support the Board of Directors' reporting and control activities relating to the Executive Board and Production Asset Management. Every member of the Board of Directors may request information from the Executive Board about any company matter, provided the Chairman is informed of the request. The Executive Board updates the Board of Directors at every meeting on current business developments and significant business transactions. Between meetings, all members of the Board of Directors may request information from the Executive Board about the progress of business and, with the authorization of the Chairman, about specific business transactions.

**Enterprise risk management (ERM)**
Risk management supports the Group with strategic planning and day-to-day decision-making. The legal entities and the Corporate Center are involved in identifying and measuring risk and defining measures to minimize risk. Dialog about risks and measures promotes shared risk awareness and transparency. This enables the Group to pursue and manage its objectives within the set risk tolerance, to scrutinize the budgets of the organizational entities and to make decisions on investment applications. The risk management objectives are to detect threats and opportunities at an early stage and thus to respond in a way that is conducive to achieving strategic goals and continuously increasing the value of the company.

A standardized ERM system has been implemented across the Group to ensure systematic and efficient risk management by means of consistent guidelines. The ERM is an integral component of the annual strategy process and of the Group's culture, enabling risk identification, a comprehensive risk analysis and assessment including probability of occurrence, impact measurement, and definition of corresponding mitigating actions. The risk management responsibilities are defined and explained in the Corporate Policy Manual. As part of the assessment process, the Group deliberately takes appropriate, transparent and manageable risks and does not permit speculation or other high-risk transactions.

Operational management of the organizational entities is directly responsible for the early identification, evaluation, treatment, monitoring, review (including the appropriate allocation of risks, measures, priorities, etc.) and communication of risks, while responsibility for control lies with the Executive Board and ultimately with the Board of Directors. The organizational entities and corporate departments establish and report regularly on their risk assessments to the risk management function. This information is then consolidated and aggregated with detailed risk descriptions and made available to the Executive Board and the Board of Directors to enable them to make informed decisions. In urgent cases, the Chairman of the Audit Committee is informed immediately of significant new risks.

Insurance has been taken out for most insurable risks to the extent that this makes economic sense. Where necessary, measures have been taken by the operating units to prevent and avoid losses.

**Internal Audit**
Internal Audit is an independent auditing and advisory body. An audit plan is prepared on the basis of a formal risk assessment that takes into account previous audit results, the significance of business processes, organizational changes and risk assessments. After consultation with the Executive Board, this plan is submitted to the Audit Committee for validation. Internal Audit provides a sound and independent assessment of the effectiveness and efficiency of the internal control systems and regularly informs the Executive Board and the Audit Committee of its observations and the implementation of the audit recommendations. In accordance with the audit plan approved by the Executive Board and the Audit Committee, Internal Audit conducted several audits during the reporting period, which were supplemented by ad hoc audits on request. In 2024, Internal Audit reported to the Audit Committee in three meetings.

# 4 Executive Board

## 4.1 Members of the Executive Board

In accordance with the organizational regulations applicable as of the reporting date, the Executive Board consists of the Chief Executive Officer (CEO, Chairman of the Executive Board), the Chief Financial Officer (CFO) and the Chief Sales Officer (CSO).

## 4.2 Other activities and vested interests

The profiles of the Members of the Executive Board provide information on their activities and commitments in addition to their functions at Swiss Steel Group. For statutory regulations related to the number of additional activities, see the section on other activities and vested interests.

## 4.3 Management contracts

There are no management contracts between the company and persons outside the Group.

### Members of the Executive Board

| Name | Function | Period |
|---|---|---|
| Frank Koch | CEO | Since July 1, 2021 |
| Thomas Löhr | CFO | Since June 24, 2024 |
| Sandra Chedal Anglay | CSO | Since January 1, 2025 |
| Marco Portmann | Former CFO | Until June 20, 2024 |
| Dr. Florian Geiger | Former CCO Engineering Steel | Until June 20, 2024 |
| Patrick Lamarque d'Arrouzat | Former CSO | Until December 31, 2024 |

Premium steel components from the Swiss Steel Group – for maximum performance and durability in industrial applications.

**Frank Koch, CEO (DE)**
Frank Koch has been Chief Executive Officer of Swiss Steel Group since July 1, 2021. Frank Koch began his career in 1991 with an apprenticeship in industrial general administration in the steel division of ThyssenKrupp. He then held various management positions in the ThyssenKrupp Group, before taking on responsibility for strategy and sales at leading Italian steel producer Danieli from 2003 to 2005. In 2005 he changed to Deutsche Edelstahlwerke, where he was responsible for sales and strategy until the beginning of 2008, when he joined the long-established German steel producer GMH Group (Georgsmarienhütte). Frank Koch held various functions within the Group, such as Chief Sales Officer and Head of Logistics, until he was appointed COO of the entire GMH Group and joined the Executive Board as Managing Director. Finally, before joining Swiss Steel Group, Frank Koch successfully led and restructured GMH as CEO from 2017 until the end of December 2020.

**Thomas Löhr, CFO (DE)**
Thomas Löhr has over 35 years of professional experience in the areas of finance, controlling, M&A, accounting, purchasing and IT, including 21 years in an owner-managed company in the German steel industry. During his 12 years there as CFO and Member of the Management Board, he was responsible for several transformation programs and successfully implemented the resulting realignments. Thomas Löhr holds a degree in banking business administration.

**Sandra Chedal-Anglay, CSO (FR)**
Sandra Chedal-Anglay is an accomplished executive with over 28 years of experience in the steel industry. Since January 2025 she has served as Chief Sales Officer (CSO) of Swiss Steel Group, following her role as Vice President of the Stainless Steel Division. In these positions, she played a pivotal role in strengthening and strategically positioning the Stainless Steel Division, while significantly advancing the development of the sales organization. Sandra began her career at Ugitech in 1999, holding various key positions, including Head of Marketing and Commercial Director. She holds a degree from SKEMA Business School.

# 5 Compensation

Regarding information on the compensation of the individual members of the Board of Directors and the Executive Board, see the Compensation report beginning on page 65 of this report.

# 6 Shareholders' rights of participation

## 6.1 Restriction and representation of voting rights

With the exception of the 2 % clause for nominees, there are no restrictions on voting rights. According to art. 6 (2) of the company's Articles of Incorporation, any shareholder may be represented by an independent proxy or by any other person, who need not be a shareholder, provided that person has written power of attorney. The independent proxy is obliged to exercise the voting rights assigned to them by the shareholders in accordance with the instructions. If they have not received any instructions, they shall abstain from voting. Further provisions on the election, term of office and issuance of instructions to the independent proxy can be found in art. 6a of the Articles of Incorporation.

## 6.2 Statutory quorum

The Articles of Incorporation do not contain any special provisions governing quorums beyond the provisions of company law.

## 6.3 Convening the Annual General Meeting

The Annual General Meeting is convened by the Board of Directors or the external auditor, indicating the date, start time, type, place, the name and address of the independent proxy, and agenda, as well as proposals of the Board of Directors and any motions put forward by shareholders who have requested the Annual General Meeting or requested the inclusion of items on the agenda. General meetings are held at the company's registered office or at another location determined by the Board of Directors and can also be held simultaneously at several locations if required. The Board of Directors may stipulate that shareholders who are not present at the venue of the general meeting may exercise their rights electronically. The Board of Directors may also decide not to determine a meeting venue and to organize a fully virtual general meeting. A written invitation is sent at least 20 days before the date of the Annual General Meeting, which must take place within six months of the end of the fiscal year. Meetings are convened either by a resolution of the Annual General Meeting or of the Board of Directors, at the request of the external auditor, or at the request of one or more shareholders who together represent at least 5 % of the share capital or the voting rights (see art. 5 of the Articles of Incorporation). If the meeting is convened by shareholders or the external auditor, the Board of Directors must hold the meeting within 60 days.

## 6.4 Inclusion of items on the agenda

Shareholders who represent 0.5 % of the share capital or of the voting rights may submit a written request, no later than 45 days before the Annual General Meeting, requesting inclusion of items on the agenda or motions relating to items on the agenda.

## 6.5 Entry in the share register

The cut-off date for entering holders of registered shares in the share register is indicated in the invitation to the Annual General Meeting. It is usually around ten calendar days before the date of the Annual General Meeting.

# 7 Changes of control and defense measures

## 7.1 Duty to make a public offer

The Articles of Incorporation do not contain any provisions on opting out or opting up with the exception of art. 20 of the Articles of Incorporation, which was only applicable to the ordinary capital increase to be carried out in 2024 and which states that shareholders who exceed the threshold of 33 1/3 % of the voting rights in the company are exempt from the obligation to make a public takeover offer pursuant to art. 135 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (FinMIA) of June 19, 2015).

## 7.2 Change-of-control clauses

The employment contracts of the members of the Executive Board do not contain any change-of-control clauses.

# 8 Statutory auditors

## 8.1 Duration of engagement and term of office of the auditor in charge

The auditors are elected by the Annual General Meeting for a period of one year. Ernst & Young AG has exercised this function since the fiscal year 2005 and was re-elected for the fiscal year 2024. Christoph Michel has been the lead auditor in charge and signatory of the auditor's report since the fiscal year 2023. The rotation cycle of the lead auditor is generally seven years.

## 8.2 Audit fees

In 2024, EUR 3.1 million (2023: EUR 2.5 million) was paid for financial statement audits.

## 8.3 Additional fees

In addition, EUR 0.3 million (2023: EUR 0.1 million) was paid for tax advisory services in the reporting period and EUR 0.1 million (2023: EUR 0.2 million) for other services.

## 8.4 Instruments for supervision and control: external auditor

The Audit Committee conducts an annual review of the performance, fees and independence of the auditors and makes a proposal to the Board of Directors, and subsequently to the Annual General Meeting, concerning the appointment of the statutory auditor. The Audit Committee decides annually on the scope of the internal audit and coordinates this with the external auditor's audit plans. The Audit Committee agrees the audit scope and plan with the external auditor and discusses the audit findings with the external auditors, who usually attend two meetings per year. In the reporting period, the Audit Committee held a total of two meetings with the external auditors.

The engagement of providers for non-audit services is subject to regulation by a specific policy and requires approval from the Audit Committee.

# 9 Information policy

The company publishes an Annual Report. In addition, a half-year report is released in August. Shareholders, investors and other stakeholders can join the distribution list for media communication via the Swiss Steel Group website.

Click for Media Information

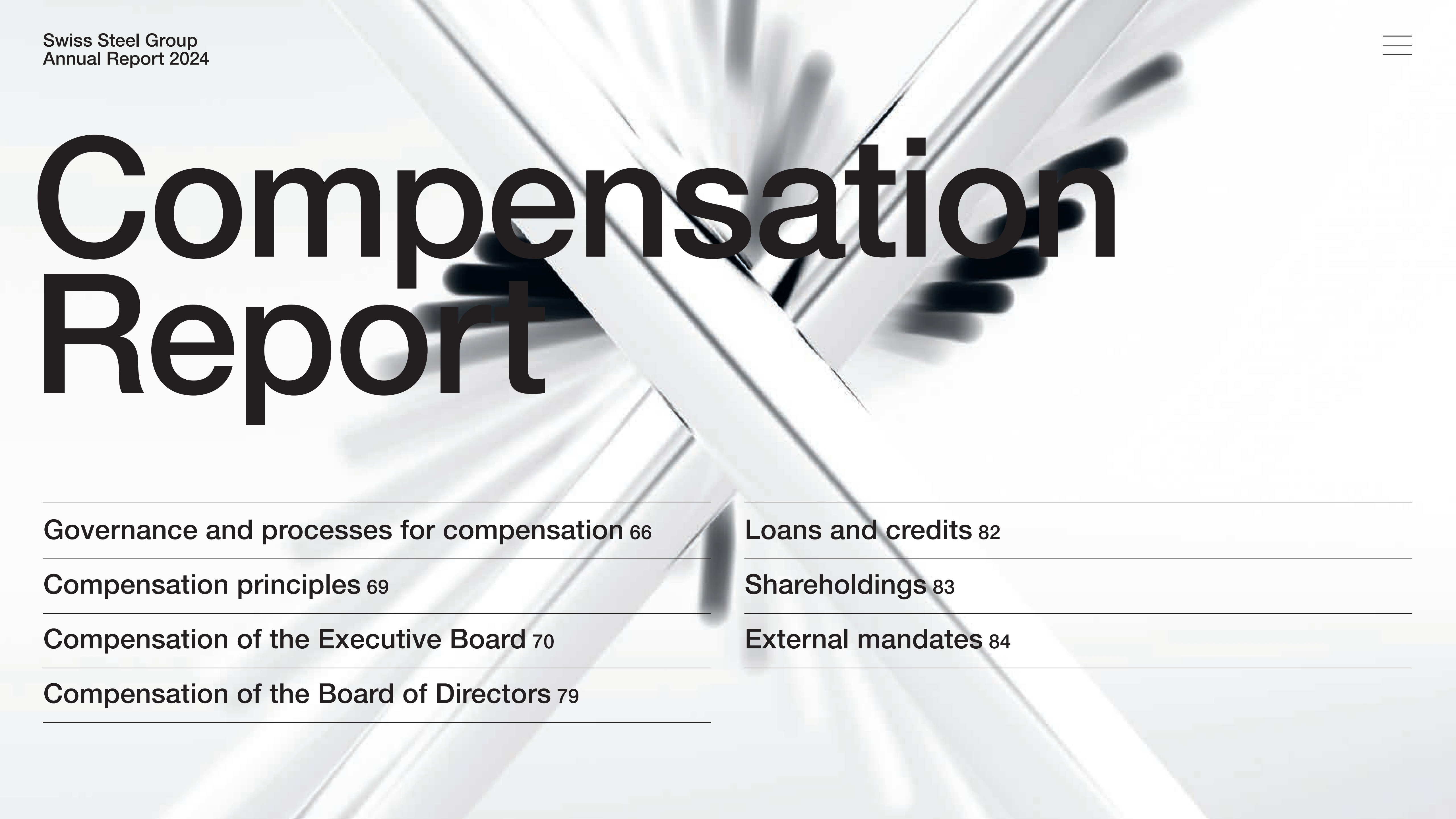
The regulations of the SIX Swiss Exchange also apply.

Please refer to our financial calendar available on our website for upcoming events and key dates related to our business activities, including earnings releases, shareholder meetings and other important announcements. You can access the financial calendar via the Swiss Steel Group website.

Click for Investor Relations

Media releases and other information are publicly available on our website.

Click for Group Website



# Compensation Report

# 1 Governance and processes for compensation

The compensation report provides detailed information on the compensation programs applicable to the Board of Directors and the Executive Board of Swiss Steel Holding AG, on the governance framework surrounding the determination of compensation and on the compensation awarded to the Board of Directors and the Executive Board for 2024. The compensation report is written in accordance with the Swiss Code of Obligations (CO), the Directive on Information relating to Corporate Governance of the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

## 1.1 Statutory principles on compensation

The company's Articles of Incorporation govern the principles on compensation of the Board of Directors, the Executive Board and any advisory boards (art. 16b (2)), the allocation of shares, conversion rights and options (art. 16b (2–4)), any credits, loans and pension payments (art. 16c), and arrangements for the Annual General Meeting's vote on compensation, as well as the additional amount for the Executive Board's compensation (art. 16e).

The regulations, summarized below, are provided in full on our website in the section "Investor Relations and Corporate Governance".

Click for Investor Relations

Click for Corporate Governance

The company may award a performance-related compensation component to the members of the Board of Directors and of the Executive Board. Such compensation is dependent on qualitative and quantitative performance goals and parameters set by the Board of Directors. The performance-related compensation can be paid in cash or in equity securities, conversion rights, option rights or other rights with equity securities as the underlying. As a general rule, the amount of the performance-related compensation shall not exceed 300 % of the fixed compensation. The details of the performance-related compensation shall be stipulated by the Board of Directors.

Loan or credits of up to CHF 1,000,000 may be granted to members of the Board of Directors or of the Executive Board, notably in the form of advances to cover the cost of civil, penal or administrative proceedings related to activities carried out on behalf of the company.

Members of the Board of Directors and of the Executive Board may receive occupational pension benefits in accordance with the applicable regulatory provisions. Additional pension benefits, separate from the occupational pension, are permissible up to a maximum of 25 % of the individual annual compensation.

The Annual General Meeting approves annually, separately and in a binding manner, the total maximum amounts proposed by the Board of Directors for: (i) the compensation of the Board of Directors and any advisory board for the period until the following Annual General Meeting, and (ii) the compensation of the Executive Board for the fiscal year following the Annual General Meeting.

If the total maximum amount approved for the compensation of the Executive Board is insufficient to compensate members of the Executive Board appointed after the resolution of the Annual General Meeting until the beginning of the following approval period, the company may apply, per person, an additional amount of no more than 40 % of the previously approved total maximum compensation of the Executive Board for the respective approval period. The Annual General Meeting does not vote on the additional amount used.

Besides the above approval, at the request of the Board of Directors, the Annual General Meeting may each year pass a separate and binding resolution to increase the approved compensation amounts for the Board of Directors, the Executive Board and any advisory boards for the current approval period or the previous approval period. The Board of Directors is entitled to pay all kinds of compensation out of the total approved and additional amounts.

The Board of Directors may submit the prior-year compensation report to the Annual General Meeting for a consultative vote.

## 1.2 Compensation Committee

The Compensation Committee is composed of members of the Board of Directors who are elected annually and individually by the Annual General Meeting. All members of the Compensation Committee have the requisite experience and are familiar with compensation practices and market developments.

At the Annual General Meeting on May 23, 2024, the shareholders elected Jens Alder, Dr. Alexander Gut, Martin Lindqvist and Dr. Michael Schwarzkopf as members of the Compensation Committee.

Jens Alder acts as Chairman of the Committee. Dr. Michael Schwarzkopf resigned from the Board and the Committee as of August 31, 2024.

The table “Roles in compensation approval” summarizes the roles of the Compensation Committee (CC), the Board of Directors (BoD) and the Chief Executive Officer (CEO) in recommending and approving compensation of the Executive Board and the Board of Directors.

In accordance with the Articles of Incorporation and the organizational rules of Swiss Steel Holding AG, the task of the Compensation Committee is to prepare the resolution of the Board of Directors concerning the compensation of the members of the Board of Directors and of the Executive Board.

### Roles in compensation approval

| Decisions on components of compensation | Suggestion | Consultation | Approval [1] |
|---|---|---|---|
| Compensation policy | CC | CEO [2] | BoD |
| Target compensation for the CEO including base salary, target short-term incentive and target long-term incentive | Chairman of the BoD | CC | BoD |
| Target compensation for the other members of the Executive Board including base salary, target short-term incentive and target long-term incentive | CC | CEO | BoD |
| Compensation of the Board of Directors | CC | - | BoD [2] |

| Decisions on performance targets and achievement of goals | Suggestion | Consultation | Approval [1] |
|---|---|---|---|
| Short-term incentives of the CEO | Chairman of the BoD | - | BoD |
| Short-term incentives of the Executive Board (excl. CEO) | CC | CEO | BoD |
| Long-term incentives of the Executive Board (incl. CEO) | CC | CEO [2] | BoD |

[1] Within the aggregate amount of compensation approved by the Annual General Meeting
[2] In accordance with the general provisions on absence/abstention

The main duties of the Compensation Committee include:

- Preparing proposals for defining the general personnel policy
- Determining the principles for selecting candidates for election or re-election to the Board of Directors and for selecting members of the Executive Board
- Preparing proposals regarding the appointment of members of the Executive Board and personnel development and succession planning for the Executive Board
- Preparing proposals regarding the compensation policy applicable to the Board of Directors and the Executive Board according to the principles specified in the Articles of Incorporation
- Preparing proposals on the maximum aggregate amounts of compensation of the Board of Directors and of the Executive Board to be submitted to shareholder vote at the Annual General Meeting
- Preparing proposals regarding the compensation levels of the members of the Board of Directors and of the Executive Board within the maximum aggregate compensation amounts approved by the Annual General Meeting
- Preparing the compensation report
- Approving any additional external mandates of the members of the Executive Board

In 2024, the Compensation Committee met five times. The Chairman of the Compensation Committee reports to the Board of Directors after each meeting on the activities of the committee and relevant topics are submitted without delay to the Board of Directors for decision.

As a general rule, the CEO attends the meetings in an advisory capacity; other members of the Executive Board may be invited to attend the meetings as well. The CEO and the members of the Executive Board are not involved in determining their own compensation and do not attend the meetings (or parts of the meetings) when their own compensation and/or performance are being discussed.

The Compensation Committee may decide to call in external consultants if necessary. In 2024, PricewaterhouseCoopers (PwC) was retained to advise on the design of Swiss Steel Group's incentive programs. PwC provides other services to Swiss Steel Group and there are clear rules in place to ensure the independence of PwC's advice. In addition, support and expertise are provided by internal experts such as the Vice President Corporate Human Resources or the Director Corporate Labor & Employee Relations.

## 1.3 Diversity on the Board of Directors and Executive Board

The Board of Directors believes that the company's shareholders, employees and local communities can derive great benefit from an increasingly diverse Board of Directors and Executive Board. Although reporting on gender diversity is not yet legally required in Switzerland, the Compensation Committee believes that early and transparent disclosure is one of many steps that need to be taken to expedite the improvement of diversity at the senior management levels in the organization.

As of the end of the fiscal year 2024, none out of six members of the Board of Directors and no members of the Executive Board are female. For the financial year 2025, Sandra Chedal Anglay succeeds Patrick Lamarque D'Arrouzat as Chief Sales Officer. The Code of Obligations (Art. 734f OR) defines acceptable female representation levels for listed companies to be a minimum of 30 % for the Board of Directors and 20 % for the Executive Board. Reporting obligations become effective in 2027 for members of the Board of Directors and in 2032 for members of the Executive Board.

Swiss Steel Group is committed to embedding diversity and inclusion in its company culture and human resources practices. The initiatives will include supporting the advancement of women and members of under-represented groups through targeted outreach to attract and hire suitable candidates, and programs to enhance career planning, leadership development and senior leader sponsorship.

As part of the company's strategy program SSG 2025 and overall development of a robust sustainability program, the Board of Directors is actively working to close the gap.

# 2 Compensation principles

The compensation of the Executive Board is set in a way that it is appropriate, competitive and aligned to the success of the Group. The compensation programs are based on the following principles:

- Pay-for-performance
- Alignment with the interests of shareholders
- Competitiveness
- Fairness and transparency

The compensation of the Board of Directors is fixed and does not include any performance-based component. This is to ensure that the Board of Directors remains independent in exercising its supervisory duties toward the executive management. The fixed compensation may be delivered partially in shares to strengthen the alignment with shareholder interests.

## Compensation principles

| | **Rationale** |
|---|---|
| Pay-for-performance | A substantial portion of compensation is variable and subject to performance conditions that are critical for the long-term success of the company |
| Alignment with shareholders | A portion of compensation is paid in the form of shares of the company |
| Competitiveness | The compensation is aligned with market practice to attract and retain key talents |
| Fairness and transparency | Compensation decisions are taken based on objective criteria and are communicated transparently internally and externally |

# 3 Compensation of the Executive Board

## 3.1 Determining compensation

The policy of Swiss Steel Group is to position the Executive Board's compensation at the median of the market, which is defined as industrial companies listed in Switzerland that are part of the SMIM and/or the SPI Industrials. Basically, the compensation of the Executive Board is regularly benchmarked against that of the market every three to four years. With the leverage of the short-term and long-term incentive plans, the members of the Executive Board may receive higher compensation if they outperform the performance goals and lower compensation if they fall short of the targets.

## 3.2 Components of compensation

The compensation of the Executive Board consists of fixed and performance-based components. The fixed component includes a base salary and benefits, while the performance-based component consists of a short-term incentive (STI) and a long-term incentive (LTI).

### Composition of incentive compensation for the Executive Board

| | Short-term incentive | Long-term incentive |
|---|---|---|
| Purpose | Rewards annual business and individual performance | Rewards sustainable growth in the company's value and aligns with shareholder interests |
| Granted | Annually | Annually |
| Vested | Annually | After three years |
| Performance conditions | Gross Profit, EBIT, NWC Ratio, specific targets | Return on capital employed, ratio of gross profit to personnel expenses |

| | CEO | Other EB members | CEO | Other EB members |
|---|---|---|---|---|
| Minimum as a percentage of base salary | 0 % | 0 % | 0 % | 0 % |
| Percentage of base salary if targets are reached | 90 % | 50 % | 90 % | 50 % |
| Maximum as a percentage of base salary if targets are exceeded | 135 % | 100 % | 180 % | 100 % |
| Compensation | Cash | Cash | Performance share units settled in shares | Performance share units settled in shares |

The following diagram shows the general composition of incentive compensation for the Executive Board:

**General composition of compensation for the Executive Board in 2024** [1)]
in %


1) Excluding non-cash benefits and pension fund expenses

### 3.2.1 Base salary

The Compensation Committee is responsible for proposing the base salary of the members of the Executive Board, subject to approval by the Board of Directors. The base salary reflects the scope of the responsibilities of a function, the required qualifications, as well as the experience and competency of the incumbent. In examining whether to amend the base salary, comparative information (market data) and the performance of the individual in the past fiscal year are taken into account, as well as the affordability to the company.

### 3.2.2 Short-term incentive (STI)

Compensation for short-term performance.

The STI rewards the Executive Board for achieving annual performance objectives that are specific, quantifiable and challenging. In 2022, the STI plan was harmonized across the entire organization to ensure strategic alignment, and continued in this form in 2024. The STI is paid out as an annual cash bonus and is based on the achievement of financial objectives at the Group and Division levels, as well as strategic performance goals.

The STI target amount corresponds to 90 % of the base salary for the CEO and 50 % of the base salary for the other members of the Executive Board. The maximum payout amounts to 150 % of target.

The performance objectives consist of financial targets for the Group (Gross Profit, EBIT and NWC Ratio) as well as specific targets. Gross Profit as well as EBIT are well-established measures of the company's performance, taking into consideration the volume development as well as operational performance of the group. NWC ratio has been established as a main performance indicator to reflect the cash management. Specific targets primarily include reorganization initiatives, managing and executing the SSG 2025 strategy, implementing sustainability-driven practices and plans, active stakeholder and customer relationship management, as well as strengthening the Group's cash management and ensuring cost savings targets in 2024.

The performance indicators and their respective weightings for 2024 are as follows:

**Compensation for short-term performance**

| Performance objectives | Gross Profit | EBIT | NWC Ratio | Specific goals |
|---|---|---|---|---|
| Definition | Net Revenue minus cost of materials plus/minus inventory change) | IFRS EBIT | Calculated as an average of quarterly NWC ratios using annualized L3M revenue | Objectives related to strategic initiatives and specific projects in line with the priorities of the function or Division under responsibility |
| Rationale | Established as a measure of volume development, Gross Profit strikes balance between volume and pricing. | Standard measure of profitability in the international market | Measure of cash management | Relevant objectives to steer the organization and manage the different priorities of the function or Division |
| Weighting for CEO and the CFO | 26.67 % (Group) | 26.67 % (Group) | 26.67 % (Group) | 20 % (Group) |
| Weighting for the other EB members | 26.67 % (13.33 % Group, 13.33 % Division) | 26.67 % (13.33 % Group, 13.33 % Division) | 26.67 % (13.33 % Group, 13.33 % Division) | 20 % (Group or Division) |

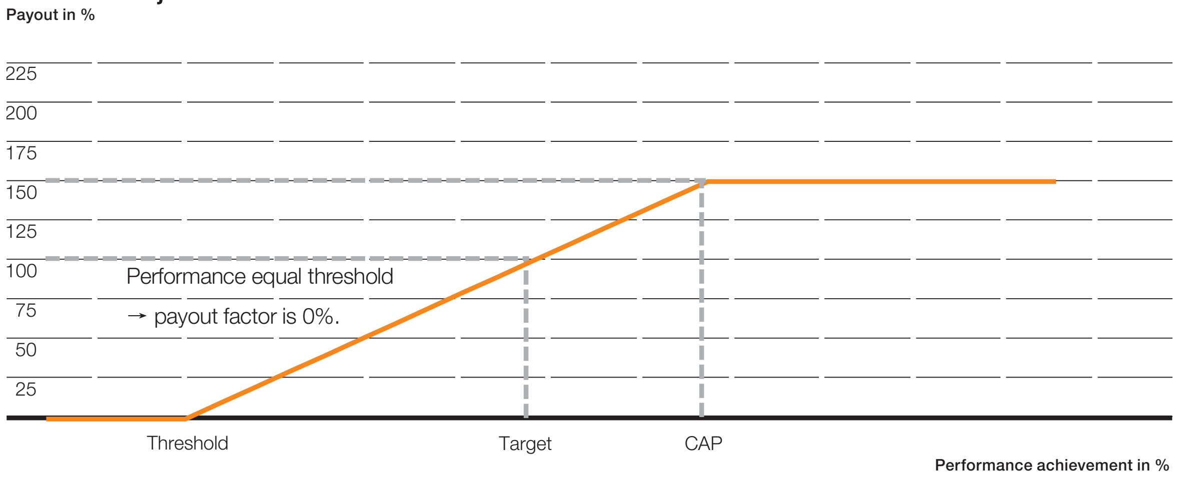
For each performance objective, an expected level of performance is determined (target). If the financial performance equals the target level, the payout factor is 100 %. If the performance equals or exceeds the cap level, the payout factor is 150 %. This is the maximum payout factor. If the actual financial performance is equal to or lower than the threshold level, the payout factor is 0 %. If the specific target achievement equals the threshold level, the payout factor is – contrary to the financial targets –50 %. Payouts are calculated by linear interpolation for performance achievement between the threshold and the target. The same applies for performance achievement between the target and the cap. However, the distance between the threshold and the target is not necessarily equal to the distance between the target and the cap.

The STI is paid in cash after the end of the fiscal year. In case of termination of employment during the fiscal year, the Executive Board member is eligible for a pro rata STI, except in the case of termination for cause where there is no entitlement to any STI payout. The pro rata payment is calculated by dividing the number of months from the beginning of the fiscal year to the date of termination of the employment relationship by the total number of months in the fiscal year. Claims for the remainder of the compensation period after the employment ends are explicitly excluded.

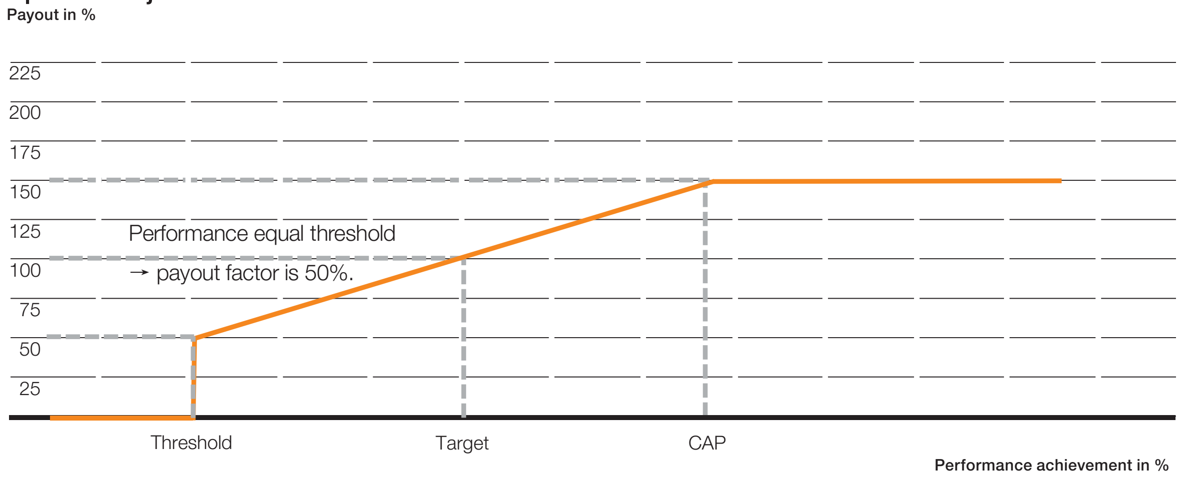
**3.2.3 Long-term incentive (LTI)**
Compensation for sustainable growth in the company's value.

The LTI rewards the members of the Executive Board for long-term performance and sustainable value creation for the shareholders. The LTI target amount corresponds to 90 % of the base salary for the CEO and 50 % of the base salary for the other members of the Executive Board. The maximum vesting level is 200 %. The LTI is awarded in the form of performance share units (PSU) subject to a cliff vesting period of three years conditional upon two performance conditions at Group level.

## Financial objectives




## Specific objectives



The structure and weighting of the performance conditions is summarized in the table below.

Each year during the performance period, ROCE and the GP / PE ratio are evaluated against their respective annual targets to determine a vesting percentage. The vesting percentages are averaged over the three-year performance period to determine an overall vesting percentage for each performance indicator. The total vesting percentage for the performance period is the weighted average of the two vesting percentages.

For both performance indicators, the Board of Directors defines the expected level of performance (target) providing for 100 % vesting, a minimum level of performance (threshold) below which there is no vesting, and a maximum level of performance (cap) above which the vesting will be capped at 200 %.

At vesting, the PSU are converted into shares of Swiss Steel Holding AG. In the event of voluntary resignation or termination by the company for reasons of performance or behavior, the unvested PSUs are forfeited. In case of termination of employment for economic reasons, or due to retirement or disability, the unvested PSUs will vest pro-rata for the number of months elapsed from the grant date to the termination date and will be settled in shares based on the actual performance on the normal vesting date (no early vesting). During any period of garden leave, the participant is not entitled to participate in the LTI and will not receive any PSU grants. Upon a participant's death, the unvested PSUs are prorated as described above and vest immediately based on a total fixed vesting percentage of 100 %. In case of a change of control, vesting is at the sole discretion of the Board of Directors.

A new LTI program is currently being developed for the 2025 financial year. The LTI is to provide for cash-based compensation instead of share-based compensation. This is due to the shareholder structure and the delisting from the stock exchange.

### 3.2.4 Clawback and malus provisions

Clawback and malus provisions apply to both the STI and the LTI plans. In case of financial restatement due to non-compliance with accounting standards or fraud, and / or in the case of violation of laws or of internal rules by a member of the Executive Board, the Board of Directors may deem any STI payment and / or unvested PSUs to be forfeited (malus provision) or may seek reimbursement of any paid STI and / or allocated shares under the LTI (clawback provision) within a period of three years after the year of restatement or of the fraudulent/non-compliant behavior.

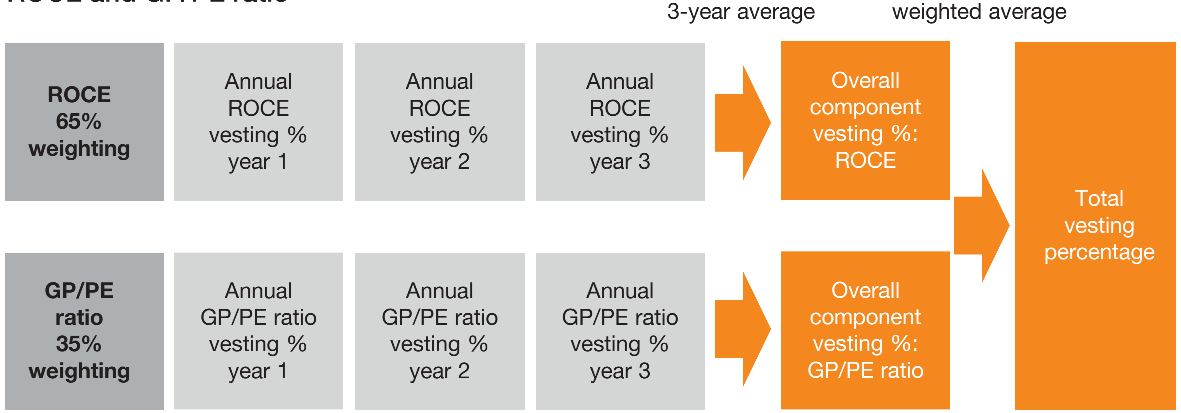
### 3.2.5 Share ownership guidelines

As of 2023, the members of the Executive Board are required to own at least a minimum

**Compensation for sustainable growth in the company's value**

| Performance objectives | Return on capital employed (ROCE) | Ratio of gross profit/personnel expenses (GP/PE ratio) |
|---|---|---|
| Definition | EBIT / average capital employed | Gross profit / personnel expenses Personnel expenses as reported under IFRS + indirect costs (contractors) in production and SG&A (selling, general & administrative) |
| Rationale | Measure of the company's ability to generate returns from its capital | Measure of productivity as ratio of profitability to personnel expenses |
| Weighting | 65 % | 35 % |

**ROCE and GP/PE ratio**



percentage of their annual base salary in Swiss Steel Holding AG shares within five years of their nomination to the Executive Board, as set out in the table below.

In the event of a substantial rise or drop in the share price, the Board of Directors may, at its discretion, amend the build-up period accordingly.

To calculate whether the minimum holding requirement is met, all vested shares are considered, regardless of whether they are blocked or not. However, unvested PSUs are excluded. The Compensation Committee reviews compliance with the share ownership guideline on an annual basis. In the event of non-compliance with the guidelines, the individual is prohibited from selling their shares.

#### 3.2.6 Anti-hedging policy

Members of the Executive Board are not permitted to engage in the hedging of granted PSUs by purchasing or using any securities, instruments, contracts, arrangements or understandings that have the effect of protecting against the risk of decreasing values of PSUs and underlying shares.

#### 3.2.7 Pension benefits

The members of the Executive Board are covered by insurances that provide a reasonable level of protection to them and their dependents with respect to the risks of retirement, disability, death, illness and accident. Those insurances include the occupational pension fund of Swiss Steel Holding AG, accident insurance and salary continuation insurance in case of illness. Executive Board members are also covered by other Group insurances (including D&O (directors' and officers' liability insurance), corporate legal protection insurance and travel insurance).

#### 3.2.8 Other payments / benefits

The company provides the members of the Executive Board with a company car that can be used for business and private purposes for the duration of their contracts. For members of the Executive Board who relocate to Switzerland, non-cash benefits may include the reimbursement or cost allowances for their move (including housing), and tax advice. Schooling and tax equalization costs are no longer covered by the company. Those benefits are typically limited in time and their fair value is included in the compensation tables.

#### 3.2.9 Contractual components and termination payments

According to the company's Articles of Incorporation, contracts can be concluded with members of the Executive Board for a fixed term of up to one year or for an indefinite period subject to a maximum of 12 months' notice.The employment contracts do not contain any clauses related to change-of-control or termination indemnities.

#### 3.2.10 Non-competition clause

The members of the Executive Board are prohibited from performing activities for another company and / or person that is a competitor of the company or of one of its affiliates throughout the term of office and for a period of twelve months after stepping down. During the period covered by the post-contractual non-compete clause, the employer may pay compensation of up to 75 % of the base salary.

**Share ownership guidelines**

| | Minimum requirement | Build-up period |
|---|---|---|
| CEO | 200 % of annual base salary | Five years |
| Other EB members | 100 % of annual base salary | Five years |

## 3.3 Members of the Executive Board

For the fiscal year 2024, the Executive Board consisted of the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Sales Officer (CSO) and the Chief Commercial Officer (CCO):

**Members of the Executive Board**

| Name | Function | Period |
|---|---|---|
| Frank Koch | CEO | 01.01.2024 – 31.12.2024 |
| Thomas Löhr | CFO | 20.06.2024 – 31.12.2024 |
| Patrick Lamarque d'Arrouzat | CSO | 01.01.2024 – 31.12.2024 |
| Marco Portmann [1] | CFO | 01.01.2024 – 20.06.2024 |
| Dr. Florian Geiger [2] | CCO Engineering Steel | 01.01.2024 – 20.06.2024 |

[1] Marco Portmann; CFO, resigned as of June 20, 2024.
[2] Dr. Florian Geiger; CCO Engineering Steel, resigned as of June 20, 2024.

## 3.4 Compensation tables

**Audited compensation for the CEO and Executive Board in 2024 and 2023**

The Annual General Meeting approved a total amount of CHF 9,500,000 for the members of the Executive Board for the fiscal year 2024. The compensation awarded for 2024 amounted to CHF 6,091,381 (2023: CHF 5,484,821) and is, therefore, below the maximum amount approved. The following section discloses the compensation components granted in 2024, including salary and bonus payments, contributions to pension plans and fringe benefits, as well as the actual value of equity plans vested in the year under review. Frank Koch, CEO, was the highest-earning member of the Executive Board in 2024.

The LTI granted in financial year 2024 is disclosed at the fair value of the PSU at grant date. The PSU are subject to a three-year vesting period (2024, 2025 and 2026) subject to two performance conditions: ROCE and GP/PE ratio. The vesting level may range from 0 % to 200 % and will be determined at the end of the plan period. While the realized value of the PSU granted in financial year 2024 is unknown at this time, the vesting level for both ROCE and GP/PE ratio are 100 %.

Following the accounting regulations, the full grant value (assumption: 100 %) has to be disclosed in the year of the grant date. This section is audited according to Art. 734a-f of the Swiss Code of Obligations.

### Audited compensation for the CEO and Executive Board in 2024 and 2023

| | | Cash/deposits | | | Pension fund expenses | | | |
|---|---|---|---|---|---|---|---|---|
| **in CHF (gross)** | | **Fixed remuneration** | **STI (variable)** | **LTI (variable)** | **Other payments/ benefits [1]** | **Postemployment benefit contributions [2]** | **Health, accident and other insurance contributions** | **Total** |
| **2024** | | | | | | | | |
| Highest-paid person: Frank Koch (DE) | CEO | 1,200,000 | 366,912 | 1,080,000 | 253,980 | 324,372 | 8,466 | 3,233,730 |
| **Total Executive Board [3] [4]** | | **2,942,892** | **627,901** | **1,321,229** | **289,530** | **710,724** | **199,105** | **6,091,381** |
| **2023** | | | | | | | | |
| Highest-paid person: Frank Koch (DE) | CEO | 1,200,000 | 199,800 | 1,080,000 | 173,074 | 311,550 | 8,269 | 2,972,693 |
| **Total Executive Board [5]** | | **2,433,041** | **313,806** | **1,686,057** | **216,345** | **620,380** | **215,192** | **5,484,821** |

[1] Includes the value of benefits such as private use of company car, rentals and cost reimbursement/allowances for pension schemes and private health insurances
[2] Employer contributions to the pension fund and other post-employment benefit plans including government social security.
[3] Includes the compensation of the former CFO who stepped down as of June 20, 2024 and continues to receive compensation during the entire contractual notice period of twelve months.
[4] Includes the compensation of the former CCO Engineering Steel who stepped down as of June 20, 2024 and continues to receive compensation during the entire contractual notice period of twelve months.
[5] Includes the compensation of the former CCO Tool Steel who resigned as of February 14, 2023.

## Realized compensation for the CEO and Executive Board in 2024 and 2023

The following section discloses the compensation components effectively paid in 2024, including salary and bonus payments, contributions to pension plans and fringe benefits, as well as the actual value of equity plans vested in the year under review. Frank Koch, CEO, was the highest-earning member of the Executive Board in 2024 and 2023. The three PSUs are subject to a three-year vesting period (2022, 2023, 2024; 2023, 2024, 2025 and 2024, 2025, 2026); every PSUs are still in the three-year vesting phase. A payout is expected for the first time in 2025. The LTI is therefore reported as zero in the reporting period for 2024 and 2023.

## Explanatory comments to the compensation table

- The Executive Board comprised five members in 2024, two of whom served on a full-year basis. The Executive Board consisted of four members in the previous year, four of whom served on a full-year basis.
- The performance achievement under the STI was higher in 2024 than in 2023. Further details are provided in section 3.5. Performance in fiscal year 2024

### Realized compensation for the CEO and Executive Board in 2024 and 2023

unaudited

| | | Cash/deposits | | | Pension fund expenses | | | |
|---|---|---|---|---|---|---|---|---|
| **in CHF** | | **Fixed remuneration** | **STI (variable)** | **LTI (variable)** | **Other payments/ benefits [1]** | **Postemployment benefit contributions [2]** | **Health, accident and other insurance contributions** | **Total** |
| **2024** | | | | | | | | |
| Highest-paid person: Frank Koch (DE) | CEO | 1,200,000 | 366,912 | 0 | 253,980 | 252,269 | 8,466 | 2,081,627 |
| **Total Executive Board [3] [4]** | | **2,942,892** | **658,407** | **0** | **289,530** | **619,182** | **174,502** | **4,684,513** |
| **2023** | | | | | | | | |
| Highest-paid person: Frank Koch (DE) | CEO | 1,200,000 | 199,800 | 0 | 173,074 | 239,447 | 8,269 | 1,820,590 |
| **Total Executive Board [5]** | | **2,433,041** | **313,806** | **0** | **216,345** | **497,991** | **142,695** | **3,603,878** |

[1] Includes the value of benefits such as private use of company car, rentals and cost reimbursement/allowances for pension schemes and private health insurances
[2] Employer contributions to the pension fund and other post-employment benefit plans including government social security.
[3] Includes the compensation of the former CFO who stepped down as of June 20, 2024 and continues to receive compensation during the entire contractual notice period of twelve months.
[4] Includes the compensation of the former CCO Engineering Steel who stepped down as of June 20, 2024 and continues to receive compensation during the entire contractual notice period of twelve months.
[5] Includes the compensation of the former CCO Tool Steel who resigned as of February 14, 2023.

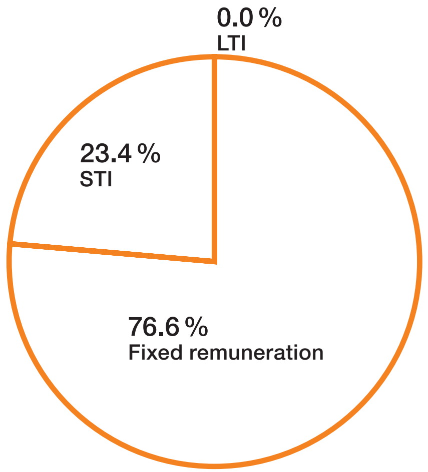
The realized variable compensation (STI and LTI) amounted to 17 % of the annual base salary for the CEO and an average of 10 % of the annual base salary for the other members of the Executive Board.

## 3.5 Performance in fiscal year 2024 (STI)

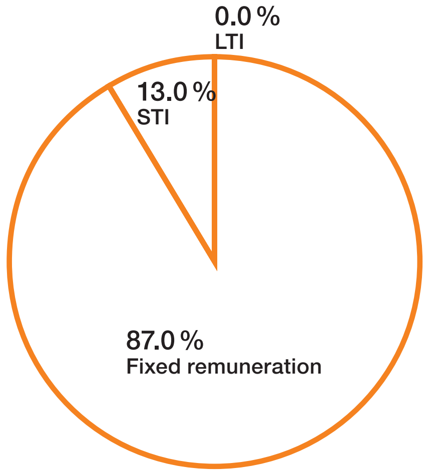
Overall financial performance in 2024 fell short of STI objectives due to a persistently challenging market environment. The year was marked by continued weak demand, which significantly impacted operating performance. Sales volume declined by 19.1 % to 1,113 kilotons (2023: 1,375 kilotons), reflecting both changes in the Group's scope of consolidation and persistently weak market conditions. In response, the Group adjusted its production schedule and implemented targeted measures to safeguard liquidity and reduce fixed costs.

Despite these efforts, gross profit decreased to EUR 767.6 million (2023: EUR 867.5 million), reflecting the lower sales volume. However, EBIT improved significantly to EUR –136.6 million, compared to EUR –199.8 million in the prior year. Liquidity preservation initiatives, particularly the reduction of inventories, resulted in a net working capital ratio of 34.8 %.

Compensation CEO




Compensation other EB member




## 3.6 Vesting of long-term incentive in the reporting year

The LTI granted in financial year 2024 is disclosed at the fair value of the PSU at grant date. The vesting level for both ROCE and GP / PE ratio for financial year 2024 is 0 % as the performance achieved did not meet the threshold. Overall financial performance in 2024 did not meet the LTI objectives due to a difficult year. Therefore, no shares will be provided for 2024. The current members of the Executive Board did not receive any vesting under the long-term incentive plan in the reporting year given that they started participating in the program in 2022 (with first vesting in 2024 and consideration in 2025).

## 3.7 Additional compensation and compensation to former members and closely related parties

This section is audited according to Art. 734a-f of the Swiss Code of Obligations.

In the fiscal years 2024 and 2023, the members of the Executive Board did not receive any compensation beyond the compensation disclosed above.

In the fiscal year 2024 no compensation was paid to former members of the Executive Board or to parties closely related to them.

## CEO and CFO

| Performance objectives | Performance achievements | Payout Percentage | | |
|---|---|---|---|---|
| | | Threshold | Target | Stretch |
| Gross Profit (26.67 %) | The Gross Profit result was below threshold, leading to a payout factor of 0 % | ● | | |
| EBIT (26.67 %) | The EBIT result was below threshold, leading to a payout factor of 0 % | ● | | |
| NWC (26.67 %) | The NWC result was over threshold with 75 %, leading to a payout factor of 52.4 % | ● | | |
| Specific objectives (20 %) | The achievement of the specific objectives was 100 % on average | | ● | |
| **Total** | **Overall payout factor of 33.97 % for the CEO, CFO and CSO** | | | |

## Other members of the Executive Board

| Performance objectives [1] | Performance achievements | Payout Percentage | | |
|---|---|---|---|---|
| | | Threshold | Target | Stretch |
| **Group** | | | | |
| Gross Profit (13.33 %) | The Gross Profit result was below threshold, leading to a payout factor of 0 % | ● | | |
| EBIT (13.33 %) | The EBIT result was below threshold, leading to a payout factor of 0 % | ● | | |
| NWC (13.33 %) | The NWC result was over threshold with 75 %, leading to a payout factor of 52.4 % | ● | | |
| **Engineering Steel Division** | | | | |
| Gross Profit (13.33 %) | The Gross Profit result was below threshold, leading to a payout factor of 0 % | ● | | |
| EBITDA (13.33 %) | The EBITDA result was below threshold, leading to a payout factor of 0 % | ● | | |
| NWC (13.33 %) | The NWC result was over threshold with 125.2 %, leading to a payout factor of 125.2 % | | | ● |
| **Stainless Steel Division** | | | | |
| Gross Profit (13.33 %) | The Gross Profit result was below threshold, leading to a payout factor of 0 % | ● | | |
| EBITDA (13.33 %) | The EBITDA result was below threshold, leading to a payout factor of 0 % | ● | | |
| NWC (13.33 %) | The NWC result was below threshold, leading to a payout factor of 0 % | ● | | |
| **Tool Steel Division** | | | | |
| Gross Profit (13.33 %) | The Gross Profit result was below threshold, leading to a payout factor of 0 % | ● | | |
| EBITDA (13.33 %) | The EBITDA result was below threshold, leading to a payout factor of 0 % | ● | | |
| NWC (13.33 %) | The NWC result was over threshold with 75 %, leading to a payout factor of 52.4 % | ● | | |
| Specific objectives (20 %) | The achievement of the specific objectives was 100 % on average | | ● | |

[1] COO`s have a Division target of 40 % based on their division/divisions

# 4 Compensation of the Board of Directors

## 4.1 Determining compensation

The Compensation Committee regularly reviews the compensation principles and compensation of the Board of Directors and the individual functions within the Board.

## 4.2 Individual components of compensation

The members of the Board of Directors receive compensation for the term in office beginning from the Annual General Meeting at which they are elected until the following Annual General Meeting. In order to strengthen their independence in exercising their supervisory duties, their compensation is fixed. It consists of an annual Board retainer, settled partly in cash and partly in restricted share units (settled in shares of Swiss Steel Holding AG), plus committee fees paid in cash. The level of compensation for each Board function depends on the level of responsibilities and amount of time invested as described in the table below.

No compensation was received for additional committee work (ad hoc finance committee and nomination committee).

Social security contributions (employer and employee contributions) are paid by the company. Members of the Board of Directors are not insured in the company pension fund. If a member of the Board of Directors steps down before the end of their term in office, cash and share-based compensation is payable on a pro rata basis.

The cash compensation is paid quarterly. For the share-based compensation, the number of restricted share units is calculated at the beginning of the term of office based on the volume-weighted average price (VWAP) from the fifth trading day before until the fifth trading day after publication of the financial statements. The restricted share units are converted into shares and transferred to the members of the Board of Directors at the end of the term in office. In the case that they step down during the term of office, the restricted share units are converted into shares on a pro rata basis at the time of stepping down.

### Compensation structure from AGM to AGM

net amounts

| | Compensation structure from AGM to AGM (net amounts) | |
|---|---|---|
| **Function** | **Cash in CHF** | **Shares in CHF** |
| Board retainer | | |
| Board of Directors Chairman | 250,000 | 175,000 |
| Board of Directors member | 80,000 | 70,000 |
| Additional committee fees [1)] | | |
| Audit Committee Chairman | 50,000 | - |
| Audit Committee member | 25,000 | - |
| Compensation Committee Chairman | 50,000 | - |
| Compensation Committee member | 25,000 | - |

[1)] The Chairman of the Board of Directors is not eligible for committee fees

Members of the Board of Directors do not have any voting rights or rights of ownership to the shares before they are transferred.

The members receive reimbursement of any actual out-of-pocket expenses upon presentation of receipts (to the extent permitted by tax provisions). There is no lump-sum reimbursement of expenses.

## 4.3 Compensation tables

The Annual General Meeting approved a maximum amount of CHF 2,500,000 for the Board of Directors for the compensation period from the 2024 Annual General Meeting until the 2025 Annual General Meeting. The compensation paid for this period amounts to CHF 1,436,926 and is thus within the approved limits.

This compensation period has not yet expired. The Annual General Meeting approved a maximum amount of CHF 2,500,000 for the members of the Board of Directors for the compensation period from the 2023 Annual General Meeting until the 2024 Annual General Meeting. The compensation paid for the period included in this compensation report (from the 2024 Annual General Meeting until December 31, 2024) is within the approved

### Compensation tables

in CHF / audited

| | | Fixed remuneration | Fixed remuneration in restricted share units | Contribution to mandatory social security systems | Total |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Jens Alder (CH) [1] [2] | Chairman / Member | 209,006 | 156,877 | 43,989 | 409,872 |
| Martin Lindqvist (SE) [3] [4] | Chairman | 55,000 | 0 | 0 | 55,000 |
| Barend Fruithof (CH) [5] | Member | 26,250 | 15,918 | 6,278 | 48,446 |
| Alexander Gut (CH) [6] | Member | 78,750 | 42,767 | 17,624 | 139,141 |
| Karl Haider (AT) [7] | Member | 78,750 | 42,767 | 0 | 121,517 |
| David Metzger (CH/FR) | Member | 105,000 | 70,000 | 25,704 | 200,704 |
| Mario Rossi (CH) | Member | 130,000 | 70,000 | 29,490 | 229,490 |
| Dr. Michael Schwarzkopf (AT) | Member | 70,000 | 46,603 | 0 | 116,603 |
| Oliver Streuli (CH) [8] | Member | 26,250 | 15,918 | 6,327 | 48,495 |
| Emese Weissenbacher (DE) [9] | Member | 40,233 | 27,425 | 0 | 67,658 |
| **Total amount** | | **819,239** | **488,275** | **129,412** | **1,436,926** |
| **2023** | | | | | |
| Jens Alder (CH) [1] | Chairman | 225,000 | 175,000 | 48,303 | 448,303 |
| Dr. Svein Richard Brandtzæg (NO) [10] | former Member | 92,336 | 32,219 | 0 | 124,555 |
| Barend Fruithof (CH) | Member | 105,000 | 70,000 | 25,044 | 200,044 |
| David Metzger (CH/FR) | Member | 105,000 | 70,000 | 25,044 | 200,044 |
| Mario Rossi (CH) | Member | 130,000 | 70,000 | 28,831 | 228,831 |
| Dr. Michael Schwarzkopf (AT) | Member | 105,000 | 70,000 | 0 | 175,000 |
| Oliver Streuli (CH) | Member | 105,000 | 70,000 | 25,044 | 200,044 |
| Emese Weissenbacher (DE) | Member | 105,000 | 70,000 | 0 | 175,000 |
| **Total amount** | | **972,336** | **627,219** | **152,267** | **1,751,821** |

This section is audited according to Art. 734a-f of the Swiss Code of Obligations.

1) Chairman of compensation committee since 6th October 2023
2) Change of functional to member from 30th October 2024
3) Joining the Board of Directors and Chairman on 30th October 2024
4) First payment in 2025 provision recognised
5) Resigned from Board of Directors on 24th of March 2025
6) Joining the Board of Directors on 23rd May 2024
7) Joining the Board of Directors on 23rd May 2025
8) Resigned from Board of Directors on 24th of March 2024
9) Resigned from Board of Directors on 24th of March 2024
10) Resigned from Board of Directors on 5th October 2023

amount. A conclusive assessment will be provided in the next compensation report.

In a resolution dated October 16, 2024, the Board of Management waived the allocation of shares for the period from the 2024 Annual General Meeting to the 2025 Annual General Meeting. By resolution dated December 13, 2024, the Board of Directors waived the allocation of shares for the AGM 2023 - AGM 2024 period. Consequently, the adjusted compensation for the Board of Directors is the table to the right.

## 4.4 Share ownership requirements

For the compensation period starting at the Annual General Meeting in April 2023, a minimum holding requirement in the amount of 200 % of the annual share compensation portion was introduced. The shares transferred to the members of the Board of Directors on the vesting date are subject to a three-year blocking period ("blocking period") during which the members of the Board of Directors may not sell, transfer, pledge, assign or otherwise dispose of their shares, unless specifically permitted under these regulations. Except for the above-mentioned restrictions, members of the Board of Directors holding blocked shares may exercise all other shareholder rights conferred by the shares, such as full voting, dividend or pre-emptive rights.

## 4.5 Additional compensation and compensation to former members and closely related parties

This section is audited according to Art. 734a-f of the Swiss Code of Obligations.

In the fiscal years 2023 and 2024, no compensation was paid to former members of the Board of Directors or to parties closely related to them.

Where members of the Board of Directors were involved in related party transactions, this is indicated in note 36 to the consolidated financial statements.

## Compensation tables

in CHF / unaudited

| | | Fixed remuneration | Fixed remuneration in restricted share units | Contribution to mandatory social security systems | Total |
|---|---|---|---|---|---|
| **2024 adjusted** | | | | | |
| Jens Alder (CH) | Chairman / Member | 209,006 | | 24,307 | 233,313 |
| Martin Lindqvist (SE) | Chairman | 55,000 | | 0 | 55,000 |
| Barend Fruithof (CH) | Member | 26,250 | | 3,976 | 30,226 |
| Alexander Gut (CH) | Member | 78,750 | | 11,927 | 90,677 |
| Karl Haider (AT) | Member | 78,750 | | 0 | 78,750 |
| David Metzger (CH/FR) | Member | 105,000 | | 15,903 | 120,903 |
| Mario Rossi (CH) | Member | 130,000 | | 19,689 | 149,689 |
| Dr. Michael Schwarzkopf (AT) | Member | 70,000 | | 0 | 70,000 |
| Oliver Streuli (CH) | Member | 26,250 | | 3,976 | 30,226 |
| Emese Weissenbacher (DE) | Member | 40,233 | | 0 | 40,233 |
| **Total amount** | | **819,239** | **0** | **79,778** | **899,017** |
| **2023 adjusted** | | | | | |
| Jens Alder (CH) | Chairman | 225,000 | | 29,789 | 254,789 |
| Dr. Svein Richard Brandtzæg (NO) | former Member | 92,336 | | 0 | 92,336 |
| Barend Fruithof (CH) | Member | 105,000 | | 11,927 | 116,927 |
| David Metzger (CH/FR) | Member | 105,000 | | 16,206 | 121,206 |
| Mario Rossi (CH) | Member | 130,000 | | 18,789 | 148,789 |
| Dr. Michael Schwarzkopf (AT) | Member | 105,000 | | 0 | 105,000 |
| Oliver Streuli (CH) | Member | 105,000 | | 11,927 | 116,927 |
| Emese Weissenbacher (DE) | Member | 105,000 | | 0 | 105,000 |
| **Total amount** | | **972,336** | **0** | **88,638** | **1,060,974** |

# 5 Loans and credits

This section is audited according to Art. 734a-f of the Swiss Code of Obligations.

The Articles of Incorporation provide that loans or credits of up to CHF 1 million may be granted to members of the Board of Directors or of the Executive Board, including, but not limited to, advances for the costs of civil, penal or administrative proceedings relating to the activities of the respective person as a member of the Board of Directors or of the Executive Board of the company (in particular, court and lawyers' fees).

As of December 31, 2024, Swiss Steel Group had not granted any collateral, loans, advances or credits to members of the Board of Directors or of the Executive Board, or to parties closely related to them. There was no loan outstanding to any member of the Board of Directors or of the Executive Board, or to parties closely related to them.

Innovative steel technology from the Swiss Steel Group – for maximum strength and precise performance in drive systems.

# 6 Shareholdings

This section is audited according to Art. 734d of the Swiss Code of Obligations.

At the Annual General Meeting on May 23, 2024, the shareholders of Swiss Steel Holding AG approved the reverse stock split at a ratio of 200:1 as proposed by the Board of Directors.

Swiss Steel Holding AG has implemented the reverse stock split based on the following timetable:

- May 28, 2024: Last trading day of the old shares on the SIX Swiss Exchange
- May 29, 2024: First trading day of the new shares on the SIX Swiss Exchange (ex-date)

As a result of the reverse stock split, each holder of 200 registered shares of the company with a par value of CHF 0.08 (par value of the shares before the reverse stock split), as held on May 28, 2024, will receive 1 new registered share of the company with a par value of CHF 16.00 (par value of the shares after the reverse stock split).

The following members of the Board of Directors own shares in Swiss Steel Holding AG:

## Number of shares per member of the Executive Board

| Executive Board | | 31.12.2024 [1] | 31.12.2023 |
|---|---|---|---|
| Frank Koch (DE) | CEO | 80,000 | 16,000,000 |
| Thomas Löhr (DE) | CFO | 275 | n/a |
| Marco Portmann (CH) | former CFO | 0 | 0 |
| Dr. Florian Geiger (CH/DE) | former CCO | 1 | 2,381 |
| Patrick Lamarque d'Arrouzat (FR) | former CCO | 0 | 22,938 |
| **Total Executive Board** | | **80,276** | **16,025,319** |

[1] After reverse share split (200:1)

## Members of the Board of Directors

| | | Number of shares | | Number of restricted share units |
|---|---|---|---|---|
| | | 31.12.2024 [1] | 31.12.2023 | 31.12.2024 |
| Martin Lindqvist (SE) [2] | Chairman | 0 | n/a | 0 |
| Jens Alder (CH) | Member / former Chairman | 9,425 | 1,885,133 | 0 |
| Barend Fruithof (CH) [3] | Former member | 0 | 0 | 0 |
| Dr. Alexander Gut (CH) | Member | 0 | n/a | 0 |
| Dr. Karl Haider (AT) | Member | 0 | n/a | 0 |
| David Metzger (CH/FR) | Member | 2,040 | 308,072 | 0 |
| Mario Rossi (CH) | Member | 745 | 149,106 | 0 |
| Dr. Michael Schwarzkopf (AT) [5] | Former member | 2,655 | 531,054 | 0 |
| Oliver Streuli (CH) [3] | Former member | 0 | 0 | 0 |
| Emese Weissenbacher (DE) [4] | Former member | 0 | 111,830 | 0 |
| **Total amount** | | **14,865** | **2,985,195** | **0** |

[1] After reverse share split (200:1)
[2] Chairman of the Board of Directors since October 30, 2024
[3] Member of the Board of Directors until March 25, 2024
[4] Member of the Board of Directors until May 23, 2024
[5] Member of the Board of Directors until August 31, 2024

# 7 External mandates

The following members of the Board of Directors have the following external mandates in companies with economic purpose [1]:

This section is audited according to Art. 734e of the Swiss Code of Obligations.

## Members of the Board of Directors with external mandates in companies with economic purpose [1]

| Board of Directors | Company | Function |
|---|---|---|
| Martin Lindqvist (SE) | SCA (Svenska Cellulosa Aktiebolaget publ) Sundsvall, Sweden | Board Member |
| Jens Alder (CH) | ColVisTec AG, Berlin (Germany) | Chairman |
| Jens Alder (CH) | Scope Content AG, Zürich (CH) | Member of the Board of Directors |
| Alexander Gut (CH) | Adecco Group | Member of the Board of Directors |
| Alexander Gut (CH) | Gut Corporate Finance AG | Managing Partner |
| Karl Haider (AT) | Semperit Holding AG (A) | CEO |
| David Metzger (CH) | Liwet Holding AG | Managing Director Investments |
| David Metzger (CH) | Medmix AG | Director |
| David Metzger (CH) | Mealda Capital GmbH | Partner |
| David Metzger (CH) | Sopeli Capital GmbH | Partner |
| David Metzger (CH) | Sulzer AG | Director |
| Mario Rossi (CH) | Pilatus Airpcraft Ltd. | Board of Directors |
| Mario Rossi (CH) | Swiss Takeover Commission | Member |

[1] Excluding mandates in business/economic associations and non-profit organizations.

The following members of the Executive Board have the following external mandates in companies with economic purpose [1]:

| Executive Board | Company | Function |
|---|---|---|
| Frank Koch (DE) | Wirtschaftsvereinigung Stahl | Vice President & Member of the Board |
| Frank Koch (DE) | Deutsche Bank | Member of the Advisory Board |
| Frank Koch (DE) | BDI | Member of the Board |
| Frank Koch (DE) | Arbeitgeberverband Stahl | Member of the Board |
| Frank Koch (DE) | LESS (Low Emission Steel Standard) | Member of the Board |
| Thomas Löhr (DE) | Commerzbank | Member of the Advisory Board |
| Thomas Löhr (DE) | D+Z Bank | Member of the Advisory Board |
| Thomas Löhr (DE) | KfW – IPEX | Member of the Advisory Board |

[1] Excluding mandates within Swiss Steel Group, business/economic associations, and non-profit organizations.

The following members of the Board of Directors have the following external mandates in companies with economic purpose [1] in 2023:

| Board of Directors | Company | Function |
|---|---|---|
| Jens Alder (CH) | ColVisTec AG | Chairman of the Board of Directors |
| Jens Alder (CH) | Scope Content AG | Member of the Board of Directors |
| Barend Fruithof (CH) | Aebi Schmidt Holding AG | CEO |
| Barend Fruithof (CH) | AMAG Leasing AG | Member of the Board of Directors |
| Barend Fruithof (CH) | Zugerberg Finanz AG | Member of the Board of Directors |
| Barend Fruithof (CH) | ERNI Group Holding AG | Member of the Board of Directors |
| David Metzger (CH/FR) | Liwet Holding AG | Managing Director Investments |
| David Metzger (CH/FR) | Sulzer AG | Member of the Board of Directors |
| David Metzger (CH/FR) | Medmix AG | Member of the Board of Directors |
| David Metzger (CH/FR) | Mealda Capital GmbH | Partner |
| David Metzger (CH/FR) | Sopeli Capital GmbH | Partner |
| Mario Rossi (CH) | Pilatus Aircraft Ltd | Member of the Board of Directors |
| Mario Rossi (CH) | Hasler Foundation | Member of the Board of Directors |
| Mario Rossi (CH) | Swiss Stock Exchange | Member of the Sanction Commission |
| Mario Rossi (CH) | Swiss Stock Exchange | Member of the Takeover Committee |
| Dr. Michael Schwarzkopf (AT) | Plansee Holding AG | Chairman of the Board of Directors |
| Dr. Michael Schwarzkopf (AT) | Künz Holding GmbH | Member of the Advisory Board |
| Oliver Streuli (CH) | Rieter Holding AG | Group CFO |
| Oliver Streuli (CH) | Autoneum Holding AG | Member of the Board of Directors |
| Oliver Streuli (CH) | Maschinenfabrik Rieter AG | Member of the Board of Directors |
| Oliver Streuli (CH) | Unikeller Sona AG | Member of the Board of Directors |
| Oliver Streuli (CH) | Tefina Holding-Gesellschaft AG | Chairman of the Board of Directors |
| Emese Weissenbacher (DE) | Mann + Hummel International GmbH & Co KG | CFO |
| Emese Weissenbacher (DE) | Kongsberg Automotive Holding ASA | Member of the Board of Directors |
| Emese Weissenbacher (DE) | Kreissparkasse Ludwigsburg | Member of the Advisory Board |
| Emese Weissenbacher (DE) | Horváth AG | Member of the Board of Directors |

[1] Excluding mandates in business/economic associations and non-profit organizations.

The following members of the Executive Board have the following external mandates in companies with economic purpose [1] in 2023:

| Executive Board | Company | Function |
|---|---|---|
| Frank Koch (DE) | Deutsche Bank | Member of the Advisory Board |

[1] Excluding mandates within Swiss Steel Group, business/economic associations, and non-profit organizations.

# Report of the statutory auditor

To the General Meeting of Swiss Steel Holding AG, Lucerne

Zurich, 18 March 2025

## Report of the statutory auditor on the audit of the compensation report

### Opinion

We have audited the compensation report of Swiss Steel Holding AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” on pages 65 to page 85 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report complies with Swiss law and the Company’s articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the compensation report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked ”audited” in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors’ responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

## Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

| | |
|---|---|
| Christoph Michel | Roman Ottiger |
| Licensed audit expert<br>(Auditor in charge) | Licensed audit expert |

# Financial Reporting

# Swiss Steel Group consolidated financial statements

## Consolidated income statement

| in million EUR | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | 10 | 2,511.2 | 3,244.2 |
| Changes in inventories of semi-finished and finished goods | | –41.7 | –165.7 |
| Cost of materials | 11 | –1,701.9 | –2,211.0 |
| **Gross profit** | | **767.6** | **867.5** |
| Other operating income | 12 | 166.4 | 84.9 |
| Personnel expenses | 13 | –612.7 | –678.1 |
| Other operating expenses | 12 | –356.8 | –376.5 |
| **Operating result before depreciation, amortization and impairments (EBITDA)** | | **–35.5** | **–102.2** |
| Depreciation, amortization and impairments | 16 | –101.1 | –97.6 |
| **Operating result (EBIT)** | | **–136.6** | **–199.8** |
| Financial income | 17 | 9.5 | 1.8 |
| Financial expenses | 17 | –85.6 | –89.7 |
| **Financial result** | | **–76.1** | **–87.9** |
| **Earnings before taxes (EBT)** | | **–212.7** | **–287.7** |
| Income tax income / (expenses) | 18 | 15.5 | –7.1 |
| **Group result** | | **–197.2** | **–294.8** |
| of which attributable to | | | |
| – shareholders of Swiss Steel Holding AG | | –197.0 | –295.7 |
| – non-controlling interests | | –0.2 | 0.9 |
| **Result per share in EUR (basic)** [1] | **19** | **–7.59** | **–19.34** |
| **Result per share in EUR (diluted)** [1] | **19** | **–7.59** | **–19.34** |

[1] Result per share has been adjusted retrospectively to reflect the reverse share split at a ratio of 200:1 implemented on May 28, 2024.

# Consolidated statement of comprehensive income

| in million EUR | Note | 2024 | 2023 |
|---|---|---|---|
| **Group result** | | **– 197.2** | **– 294.8** |
| Exchange differences on translation of foreign operations | 27 | – 8.6 | 8.6 |
| Change in unrealized result from cash flow hedges | | 0.2 | – 0.4 |
| Tax effect on change in unrealized result from cash flow hedges | 18 | 0.0 | 0.1 |
| **Items that may be reclassified subsequently to income statement** | | **– 8.4** | **8.3** |
| Actuarial result from pensions and similar obligations | 28 | 11.6 | – 12.8 |
| Tax effect on actuarial result from pensions and similar obligations | 18 | – 11.5 | 1.3 |
| **Items that will not be reclassified subsequently to income statement** | | **0.1** | **– 11.5** |
| **Other comprehensive result** | | **– 8.3** | **– 3.2** |
| **Total comprehensive result** | | **– 205.5** | **– 298.0** |
| of which attributable to | | | |
| – shareholders of Swiss Steel Holding AG | | – 205.3 | – 298.8 |
| – non-controlling interests | | – 0.2 | 0.8 |

# Consolidated statement of financial position

| | Note | 31.12.2024 in million EUR | 31.12.2024 % share | 31.12.2023 in million EUR | 31.12.2023 % share |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Intangible assets | 20 | 23.3 | | 24.7 | |
| Property, plant and equipment | 21 | 471.8 | | 487.5 | |
| Right-of-use assets | 22 | 44.6 | | 34.0 | |
| Non-current income tax receivables | | 2.4 | | 1.5 | |
| Non-current financial assets | | 0.7 | | 1.1 | |
| Deferred tax assets | 18 | 23.7 | | 19.6 | |
| Other non-current assets | 24 | 11.7 | | 10.2 | |
| **Total non-current assets** | | **578.2** | **34.5** | **578.6** | **29.9** |
| Inventories | 25 | 682.3 | | 805.0 | |
| Trade accounts receivable | 26 | 320.9 | | 364.3 | |
| Current financial assets | | 1.1 | | 3.1 | |
| Current income tax receivables | | 3.0 | | 5.1 | |
| Other current assets | 24 | 58.8 | | 89.4 | |
| Cash and cash equivalents | | 31.9 | | 54.5 | |
| Assets held for sale | 9 | 0.0 | | 33.2 | |
| **Total current assets** | | **1,098.0** | **65.5** | **1,354.6** | **70.1** |
| **Total assets** | | **1,676.2** | **100.0** | **1,933.2** | **100.0** |
| **Equity and liabilities** | | | | | |
| Share capital | 27 | 446.3 | | 361.4 | |
| Capital reserves | 27 | 1,227.5 | | 1,024.5 | |
| Accumulated losses | 27 | –1,401.3 | | –1,218.7 | |
| Accumulated income and expenses recognized in other comprehensive income | 27 | 44.6 | | 61.4 | |
| Treasury shares | | 0.0 | | –0.1 | |
| **Equity attributable to shareholders of Swiss Steel Holding AG** | | **317.1** | | **228.5** | |
| Non-controlling interests | | 5.7 | | 5.9 | |
| **Total equity** | | **322.8** | **19.3** | **234.4** | **12.1** |
| Pension liabilities | 28 | 180.6 | | 201.4 | |
| Non-current provisions | 29 | 26.5 | | 31.6 | |
| Deferred tax liabilities | 18 | 0.7 | | 5.0 | |
| Non-current financial liabilities | 30 | 522.9 | | 574.1 | |
| Other non-current liabilities | 32 | 7.5 | | 11.9 | |
| **Total non-current liabilities** | | **738.2** | **44.0** | **824.0** | **42.6** |
| Current provisions | 29 | 49.1 | | 77.7 | |
| Trade accounts payable | | 233.9 | | 343.1 | |
| Current financial liabilities | 30 | 220.4 | | 309.0 | |
| Current income tax payables | | 8.0 | | 10.4 | |
| Other current liabilities | 32 | 103.8 | | 131.9 | |
| Liabilities associated with assets classified as held for sale | 9 | 0.0 | | 2.7 | |
| **Total current liabilities** | | **615.2** | **36.7** | **874.8** | **45.3** |
| **Total liabilities** | | **1,353.4** | **80.7** | **1,698.8** | **87.9** |
| **Total equity and liabilities** | | **1,676.2** | **100.0** | **1,933.2** | **100.0** |

# Consolidated statement of cash flows

| in million EUR | Calculation | 2024 | 2023 |
|---|---|---|---|
| Earnings before taxes | | −212.7 | −287.7 |
| Depreciation, amortization and impairments | | 101.1 | 97.6 |
| Result from disposal of subsidiaries and other non-current assets | | −96.4 | −6.3 |
| Inflows/outflows of other assets and liabilities and other non-cash items | | −20.1 | −8.8 |
| Financial income | | −9.5 | −1.8 |
| Financial expenses | | 85.6 | 89.7 |
| Interest received | | 0.6 | 0.6 |
| Income taxes received/paid (net) | | −5.5 | −11.1 |
| Cash flow before changes in net working capital | | −156.9 | −127.8 |
| Change in inventories | | 49.9 | 250.7 |
| Change in trade accounts receivable | | 4.7 | 127.3 |
| Change in trade accounts payable | | −40.0 | −87.6 |
| **Cash flow from operating activities** | **A** | **−142.3** | **162.6** |
| Investments in property, plant and equipment | | −67.8 | −91.7 |
| Investments in intangible assets | | −5.3 | −11.2 |
| Proceeds from disposal of property, plant and equipment [1)] | | 46.0 | 1.1 |
| Inflows/outflows (net) from disposal of subsidiaries | | −3.9 | 24.6 |
| **Cash flow from investing activities** | **B** | **−31.0** | **−77.2** |
| Proceeds from capital increase | | 293.1 | 0.0 |
| Transaction costs on capital increase | | −5.3 | 0.0 |
| Outflows of other financial liabilities (including syndicated loan) | | −86.8 | −1.7 |
| Inflows from other financial liabilities | | 5.4 | 0.0 |
| Proceeds from loans from shareholder | | 90.0 | 0.0 |
| Repayment of loans to shareholder | | −80.0 | −20.0 |
| Inflows/outflows of other bank loans | | −0.1 | 0.0 |
| Outflows of state-guaranteed loans | | −1.3 | −0.6 |
| Transaction costs on refinancing | | −9.4 | 0.0 |
| Payment of principal portion of lease liabilities | | −11.8 | −11.5 |
| Financing part of cash inflow from sale-and-leaseback [1)] | | 29.1 | 0.0 |
| Purchase of treasury shares | | −0.3 | 0.0 |
| Interest paid | | −72.6 | −71.8 |
| **Cash flow from financing activities** | **C** | **150.0** | **−105.6** |
| **Net change in cash and cash equivalents** | **A+B+C** | **−23.3** | **−20.2** |
| Foreign currency effects on cash and cash equivalents | | 0.7 | −1.1 |
| **Change in cash and cash equivalents** | | **−22.6** | **−21.3** |
| Cash and cash equivalents at the beginning of the period [2)] | | 54.5 | 75.8 |
| Cash and cash equivalents at the end of the period [2)] | | 31.9 | 54.5 |
| Change in cash and cash equivalents | | −22.6 | −21.3 |
| Free cash flow | A+B | −173.3 | 85.4 |

1) Proceeds from disposal of property, plant and equipment include cash inflows of EUR 44.4 million from the sale-and-leaseback of land and buildings in Düsseldorf, Germany (refer to note 9). This portion of the proceeds relates to the areas leased out to third-party tenants in the past. As this portion of the total proceeds of EUR 73.5 million was not retained by Swiss Steel Group, it is presented within cash flow from investing activities. The remaining EUR 29.1 million relate to the areas used by entities of Swiss Steel Group and are hence presented within cash flow from financing activities.

2) Cash and cash equivalents are mainly composed of demand deposits at banks. The amount of EUR 75.8 million at the beginning of 2023 also contains cash and cash equivalents of EUR 4.7 million included in assets held for sale.

# Consolidated statement of changes in shareholders' equity

| in million EUR | Share capital | Capital reserves | Accumulated losses | Accumulated income and expenses recognized in other comprehensive result | Treasury shares | Equity attributable to shareholders of Swiss Steel Holding AG | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|
| **As of 1.1.2023** | **361.4** | **1,024.5** | **−916.8** | **54.9** | **−0.1** | **523.9** | **7.0** | **530.9** |
| Changes in scope of consolidation | 0.0 | 0.0 | 0.0 | −1.9 | 0.0 | −1.9 | −1.8 | −3.7 |
| Expenses from share-based payments | 0.0 | 0.0 | 1.0 | 0.0 | 0.0 | 1.0 | 0.0 | 1.0 |
| Definitive allocation of share-based payments for the prior year | 0.0 | 0.0 | −0.1 | 0.0 | 0.0 | −0.1 | 0.0 | −0.1 |
| Hyperinflation adjustments | 0.0 | 0.0 | 4.4 | 0.0 | 0.0 | 4.4 | 0.0 | 4.4 |
| **Capital transactions with shareholders** | **0.0** | **0.0** | **5.3** | **−1.9** | **0.0** | **3.4** | **−1.8** | **1.6** |
| Group result | 0.0 | 0.0 | −295.7 | 0.0 | 0.0 | −295.7 | 0.9 | −294.8 |
| Other comprehensive result | 0.0 | 0.0 | −11.5 | 8.4 | 0.0 | −3.1 | −0.1 | −3.2 |
| **Total comprehensive result** | **0.0** | **0.0** | **−307.2** | **8.4** | **0.0** | **−298.8** | **0.8** | **−298.0** |
| **As of 31.12.2023** | **361.4** | **1,024.5** | **−1,218.7** | **61.4** | **−0.1** | **228.5** | **5.9** | **234.4** |
| **As of 1.1.2024** | **361.4** | **1,024.5** | **−1,218.7** | **61.4** | **−0.1** | **228.5** | **5.9** | **234.4** |
| Capital decrease | −168.7 | 168.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital increase | 253.5 | 39.6 | 0.0 | 0.0 | 0.0 | 293.1 | 0.0 | 293.1 |
| Transaction costs on capital increase | 0.0 | −5.3 | 0.0 | 0.0 | 0.0 | −5.3 | 0.0 | −5.3 |
| Reclassifications | 0.0 | 0.0 | 8.8 | −8.8 | 0.0 | 0.0 | 0.0 | 0.0 |
| Changes in scope of consolidation | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 | 0.3 | 0.0 | 0.3 |
| Purchase of treasury shares | 0.0 | 0.0 | 0.0 | 0.0 | −0.3 | −0.3 | 0.0 | −0.3 |
| Expenses from share-based payments | 0.0 | 0.0 | 1.1 | 0.0 | 0.0 | 1.1 | 0.0 | 1.1 |
| Definitive allocation of share-based payments for the prior year | 0.0 | 0.0 | −0.4 | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 |
| Hyperinflation adjustments | 0.0 | 0.0 | 4.8 | 0.0 | 0.0 | 4.8 | 0.0 | 4.8 |
| **Capital transactions with shareholders** | **84.8** | **203.0** | **14.3** | **−8.5** | **0.1** | **293.7** | **0.0** | **293.7** |
| Group result | 0.0 | 0.0 | −197.0 | 0.0 | 0.0 | −197.0 | −0.2 | −197.2 |
| Other comprehensive result | 0.0 | 0.0 | 0.1 | −8.4 | 0.0 | −8.3 | 0.0 | −8.3 |
| **Total comprehensive result** | **0.0** | **0.0** | **−196.9** | **−8.4** | **0.0** | **−205.3** | **−0.2** | **−205.5** |
| **As of 31.12.2024** | **446.3** | **1,227.5** | **−1,401.3** | **44.6** | **0.0** | **317.1** | **5.7** | **322.8** |

The reclassification of EUR 8.8 million relates to cumulative translation differences on pensions of Finkl Steel – Chicago. As the related pension plan was divested in 2022, the cumulative translation differences were reclassified to accumulated income and expenses recognized in other comprehensive result.

Further details on the capital increase (and capital decrease) are provided in note 27.

# Notes to the consolidated financial statements

## About the company

Swiss Steel Holding AG is a Swiss company limited by shares, which is listed on the SIX Swiss Exchange (SIX). The company has filed an application with the SIX Regulatory Board to voluntarily delist its shares from SIX. The shareholders approved the proposal for voluntary delisting on February 17, 2025. With its decision dated March 4, 2025, SIX approved the delisting application and set the last trading day for June 5, 2025.

The company has its registered office at Werkstrasse 7 in Emmenbrücke. Swiss Steel Group (Swiss Steel Holding AG and its subsidiaries) is a global steel company operating in the special long steel business. Since 2023, its activities have been divided into the three Divisions Engineering Steel, Stainless Steel and Tool Steel (refer to note 35).

These consolidated financial statements were authorized for issue by the Board of Directors on March 18, 2025, and are subject to the approval of the Annual General Meeting.

## 1 Accounting policies

The consolidated financial statements of Swiss Steel Group for the financial year 2024 were prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). They are based on the standards and interpretations that were effective as of December 31, 2024.

The consolidated financial statements are presented in euros (EUR). Unless otherwise stated, monetary amounts are denominated in millions of EUR.

Due to rounding differences, some figures may not exactly match the total, and the percentage figures may not reflect the underlying absolute figures.

## 2 Standards, interpretations and amendments applied

The relevant accounting policies applied in the consolidated financial statements are consistent with those used at the end of the financial year 2023, except for the amendments to the IFRS Accounting Standards that were applied for the first time with effect from January 1, 2024.

In January 2020 and in October 2022, the IASB issued two amendments to *IAS 1 Presentation of Financial Statements* to clarify its requirements for the presentation of liabilities as current and non-current in the statement of financial position. The amendments consider financial covenants, their review frequency as well as any rights to defer the settlement of a liability for at least twelve months after the reporting period. The amendments became effective as of January 1, 2024. Swiss Steel Group monitors the relevant financial covenants at the respective testing dates and evaluates the need for reclassifications of liabilities between current and non-current. Refer to note 33 for more detailed information on the applicable financial covenants.

Further amendments that became effective in 2024 did not have a material impact on the consolidated financial statements of Swiss Steel Group.

In July 2024, the IFRS Interpretations Committee finalized the agenda decision on *IFRS 8 Operating Segments* clarifying the requirements to disclose specified amounts for each reportable segment when those amounts are included in the measure of segment profit or loss regularly reviewed by the Chief Operating Decision Maker (CODM) or otherwise reviewed by the CODM. Based on the agenda decision, Swiss Steel Group included *changes in inventories of semi-finished and finished goods* and *cost of materials* in its segment reporting (refer to note 35).

## 3 Standards, interpretations and amendments published, but not yet applied

The IASB has issued new and amended IFRS Accounting Standards which will be effective in future periods.

In April 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements* which will become effective on January 1, 2027 and will replace *IAS 1 Presentation of Financial Statements*. While a number of sections have been carried over from IAS 1, with limited wording changes, IFRS 18 introduces new requirements on presentation within the income statement, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the roles of the primary financial statements and the notes. These new requirements are expected to impact all reporting entities. Swiss Steel Group currently expects material impacts on the structure of the consolidated income statement, the disclosure of management-defined performance measures and the level of disaggregation in the notes.

In December 2024, the IASB issued amendments to *IFRS 9 Financial Instruments* and *IFRS 7 Financial Instruments: Disclosures*, which will become effective on January 1, 2026 and relate to contracts referencing nature-dependent electricity. Such contracts expose entities to variability in an underlying volume of electricity, as the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind. Given this variability, there is a risk that entities may be required to buy electricity during a time interval when they cannot use it. During periods of low market activity, entities may also need to sell unused electricity. As Swiss Steel Group mainly powers its electric arc furnaces with a mix of renewable electricity and low-carbon electricity sources, some electricity supply contracts might fall within the scope of the amendments. Management will need to evaluate if any electricity supply contracts fall within the scope and consequently need to be treated as derivatives and measured in accordance with IFRS 9, including a potential application of hedge accounting. In this regard, management expects that Swiss Steel Group will be a net purchaser of electricity in the future, hence the own-use exception of IFRS 9 will be applied, meaning that the contracts will not be measured in accordance with IFRS 9. However, in accordance with IFRS 7, Swiss Steel Group will need to disclose information relating to contracts that have been excluded from the scope of IFRS 9, such as information about the contractual features that expose Swiss Steel Group to variability in volumes and the related risks. In addition, disclosures will be required related to unrecognized contractual commitments, such as estimated future cash flows from buying electricity under the specific contracts and the assessment whether a contract becomes onerous.

Further new and amended IFRS Accounting Standards are currently not expected to have a material impact on the consolidated financial statements of Swiss Steel Group.

## 4 Material accounting policies and measurement principles

This note outlines some general accounting and measurement policies relevant for the consolidated financial statements. Material accounting and measurement policies specific to individual positions within the consolidated financial statements are disclosed in the respective notes.

The financial statements of the subsidiaries are prepared using uniform accounting policies and have the same reporting date as Swiss Steel Holding AG.

The following exchange rates were used for foreign currency translation:

| | Average rates | | Year-end rates | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| EUR/CAD | 1.48 | 1.46 | 1.49 | 1.46 |
| EUR/CHF | 0.95 | 0.97 | 0.94 | 0.93 |
| EUR/GBP | 0.85 | 0.87 | 0.83 | 0.87 |
| EUR/USD | 1.08 | 1.08 | 1.04 | 1.10 |

**Hyperinflation adjustments**

Turkey has been classified a hyperinflationary economy since June 2022. As a consequence, the accounting figures for the Group's activities in Turkey needed to be adjusted for inflation prior to translation into the Group's presentation currency. Non-monetary items measured at historical costs in the consolidated statement of financial position, in particular intangible and tangible fixed assets, inventories and equity components as well as all income statement items have been restated applying a general price index. The resulting restatement effects are shown in financial expenses (note 17) under the separate item "hyperinflation adjustments".

The Turkish Statistical Institute (TurkStat) publishes the Domestic Producer Price Index (DPPI) on a monthly basis. The index measures the change in the prices of goods and services sold by domestic producers. The evolution of the index is provided below:

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| General price index (Domestic Producer Price Index) | 3,746.5 | 2,915.0 |
| Movement in current year | 1.29 | 1.44 |

## 5 Material estimation uncertainties, judgments and assumptions

In preparing these consolidated financial statements, assumptions and estimates have been made which affect the reported carrying amounts and disclosures of the recognized assets and liabilities, income and expenses, and contingent liabilities.

All assumptions and estimates are made according to the best of management's knowledge and belief in order to present a true and fair view of the financial position, financial performance and cash flows of the Group. Since the actual results may, in some cases, differ from the assumptions and estimates that have been made, these are reviewed on an ongoing basis.

For these consolidated financial statements, management made particular use of material judgment to assess the Group's ability to continue as a going concern (refer to note 6) and to evaluate the need for impairments on non-current non-financial assets (refer to note 23). For specific areas with material estimation uncertainties, judgments and assumptions, please refer to the individual notes relating to the respective positions in the consolidated financial statements.

## 6 Going concern

Throughout 2024, market demand from our main customer industries, namely automotive as well as mechanical and plant engineering, remained depressed. Excluding Ascometal, the sales volume was 1,056 kilotons (2023: 1,112 kilotons), which corresponds to a year-over-year decline of 5.1 %. This in turn put pressure on the Group's profitability and cash generation. The Group responded to low demand by adapting its production schedule and reinforcing its cost and net working capital reduction efforts to safeguard profitability and liquidity. Moreover, EBITDA in the first half-year 2024 was supported by a gain on the divestment of land and buildings (refer to note 9), effects from changes in the scope of consolidation (refer to notes 7 and 8) as well as insurance claim settlement proceeds recognized in other operating income and expenses (refer to note 12). Nevertheless, the financial effect of these measures and transactions was not sufficient to offset the missing fixed cost absorption caused by the low sales volume. On a full-year basis, the Group realized a negative Group result of EUR -197.2 million (2023: EUR -294.8 million), of which EUR -193.1 million are attributable to the second half-year.

The Group's ability to continue as a going concern is mainly dependent on adherence to the agreed financial covenants in connection with its debt financing. Despite the capital increase of EUR 287.8 million (net of transaction costs) settled in April 2024 (refer to note 27), shareholders' equity was strongly impacted by the negative Group result largely generated in the second half-year. As a result, shareholders' equity decreased from EUR 518.2 million as of June 30, 2024 to EUR 322.8 million as of December 31, 2024 and consequently dropped below the value specified in the Group's financing agreements. However, the relevant lenders agreed to suspend the respective financial covenant temporarily until March 31, 2025 to provide the necessary time such that the relevant parties have formed a common view on additional measures to be taken.

The Group presented a performance-improving business plan, validated by an external restructuring expert, that assumes a slight market recovery and specifies additional restructuring measures. In return, and subject to certain conditions, the relevant lenders agreed to new financing agreements with, amongst others, extended terms until December 2029 and an increase in financial commitment of EUR 170.0 million (gross). Conditions include but are not limited to obtaining a declaration of goodwill from relevant trade credit insurers.

Despite the commitments of the relevant lenders, there is a material uncertainty regarding the complete and timely fulfillment of the parties' conditions, the realization of the restructuring measures and the materialization of the anticipated slight market recovery. This may cast significant doubt upon the Group's ability to continue as a going concern.

When preparing the consolidated financial statements, the continuation of Swiss Steel Group as a going concern was assessed as positive by the Board of Directors and by the Executive Board. The Board of Directors and the Executive Board assumed that the market environment will not deteriorate further and that the Group will execute the additional measures if required by the economic circumstances. Furthermore, they assumed that the conditions set out by the relevant lenders will be met timely such that the Group can obtain sufficient funding and remain compliant with the applicable financial covenants in order to continue its business activities over the next twelve months. Therefore, these consolidated financial statements have been prepared on a going concern basis.

## 7 Changes in scope of consolidation

In 2024, Finkl Steel - Houston, LLC (US) was merged into Finkl Steel - Chicago (US, registered: A. Finkl & Sons Co). As Finkl Steel - Chicago held 100 % of the shares in Finkl Steel - Houston, LLC, this merger had no effect on these consolidated financial statements.

Deutsche Edelstahlwerke Speciality Steel GmbH & Co. KG (DE) was renamed Deutsche Edelstahlwerke Siegen/Hagen GmbH & Co. KG (DE) with parts of the assets and liabilities carved out and transferred to the newly founded Deutsche Edelstahlwerke Witten/Krefeld GmbH & Co. KG (DE). This legal separation had no effect on these consolidated financial statements.

At the end of March 2024, Swiss Steel Portugal S.A. (PT) was sold and all its assets and liabilities derecognized upon completion of the divestment. In addition, all assets and liabilities of Ascometal France Holding S.A.S. (FR), Ascometal Hagondange S.A.S. (FR), Ascometal Les Dunes S.A.S. (FR), Ascometal Custines-Le Marais S.A.S. (FR) as well as Ascometal Fos-sur-Mer S.A.S. (FR) were derecognized following the opening of judicial reorganization proceedings. For details, refer to note 8. Given that the aforementioned entities were derecognized at the end of March 2024, comparability with prior-year figures is limited for the consolidated income statement and the consolidated statement of cash flows.

Furthermore, Swiss Steel Argentina SAU (AR) as well as Swiss Steel Middle East FZCO (AE) were sold in the second half-year 2024. For details, refer to note 8. Moreover, Swiss Steel Colombia S.A.S. (CO) was liquidated in 2024.

In 2023, Panlog AG (CH) was merged into Steeltec AG (CH). As Swiss Steel Holding AG held 100 % of the shares in Panlog AG, this merger had no effect on the consolidated financial statements.

Furthermore, Swiss Steel Chile SpA (CL) and the 60 % share held in Shanghai Xinzhen Precision Metalwork Co., Ltd. (CN) were sold in the first half of 2023. In the second half of 2023, the following seven Eastern European distribution entities were sold: Swiss Steel Polska Sp. z o.o. (PL), Swiss Steel s.r.o. (CZ), Swiss Steel Slovakia s.r.o. (SK), Swiss Steel Magyarország Kft. (HU), Swiss Steel Baltic OÜ (EE), Swiss Steel Baltic UAB (LT) and Swiss Steel Baltic SIA (LV). All entities were deconsolidated upon completion of the divestments. For details, refer to note 8. In addition, Swiss Steel LS Products GmbH (DE) and Finkl Thai Co. Ltd. (TH) were liquidated in 2023.

## 8 Disposal of subsidiaries

On March 26, 2024, Swiss Steel Group completed the divestment of its distribution entity in Portugal by way of a management buy-out.

On March 27, 2024, Ascometal's management informed Swiss Steel Holding AG that, following the termination of negotiations with Acciaierie Venete S.p.A. and after having examined all strategic options, it had decided to seek court protection by requesting the opening of judicial reorganization proceedings *(procédures de redressement judiciaire)* for all Ascometal companies (Ascometal France Holding S.A.S., Ascometal Hagondange S.A.S., Ascometal Les Dunes S.A.S., Ascometal Custines-Le Marais S.A.S. and Ascometal Fos-sur-Mer S.A.S.). The court acceded to the request and opened the proceedings on March 27, 2024, which resulted in Swiss Steel Group losing control over the respective entities.

In the second half-year, Swiss Steel Argentina SAU, previously recognized under assets held for sale, as well as Swiss Steel Middle East FZCO were sold.

The result of the disposal of assets and liabilities of all eight entities in 2024 recognized in other operating income in the consolidated income statement was as follows:

| **in million EUR** | **2024** | **2023** [1] |
|---|---|---|
| Net liabilities / (-assets) disposed of | 62.6 | −38.5 |
| Non-controlling interests | 0.0 | 1.8 |
| Recognition of former intragroup trade accounts receivable and financial assets | 285.0 | 4.4 |
| Allowances on former intragroup trade accounts receivable and financial assets | −282.8 | 0.0 |
| Recognition of former intragroup trade accounts payable | −2.3 | −0.6 |
| Total consideration received | 0.5 | 36.2 |
| **Result of disposal (before reclassification of cumulative translation adjustments)** | **63.0** | **3.3** |
| Reclassification of cumulative translation adjustments | −0.3 | 1.9 |
| **Total result of disposal** | **62.7** | **5.2** |

[1] The result of disposal for the prior-year period (included in other operating income in the consolidated income statement) is related to the divestment of the former distribution entity in Chile in January 2023, the disposal of the 60 % equity interest in Shanghai Xinzhen Precision Metalwork Co., Ltd. in May 2023 and the disposal of seven distribution entities in Eastern Europe (refer to note 7 for the list of entities) in October 2023.

The EUR 285.0 million former intragroup positions mainly comprise EUR 227.0 million of loan receivables (including accrued interest) and EUR 57.3 million of trade accounts receivable against the Ascometal entities. Due to the judicial reorganization proceedings, the recoverability of these receivable positions was assessed as remote. Hence, allowances of EUR 282.8 million were recognized for former intragroup receivable positions.

The following assets and liabilities were disposed of:

| in million EUR | 2024 | 2023 [1] |
|---|---|---|
| Goodwill | 0.0 | 0.3 |
| Property, plant and equipment | 0.1 | 8.8 |
| Right-of-use assets | 0.1 | 0.0 |
| Non-current financial assets | 12.3 | 0.0 |
| Deferred tax assets | 0.0 | 0.1 |
| **Total non-current assets** | **12.5** | **9.2** |
| Inventories | 73.7 | 25.6 |
| Trade accounts receivable | 39.2 | 19.6 |
| Current income tax receivables | 0.1 | 0.4 |
| Other current assets | 28.6 | 0.8 |
| Cash and cash equivalents | 4.4 | 11.6 |
| **Total current assets** | **146.0** | **58.0** |
| **Total assets** | **158.5** | **67.2** |
| Pension liabilities | 7.3 | 0.0 |
| Non-current provisions | 13.9 | 0.0 |
| Non-current financial liabilities | 40.1 | 8.6 |
| Other non-current liabilities | 3.4 | 0.0 |
| **Total non-current liabilities** | **64.7** | **8.6** |
| Current provisions | 3.8 | 0.0 |
| Trade accounts payable | 71.8 | 8.9 |
| Current financial liabilities | 52.7 | 8.4 |
| Other current liabilities | 28.1 | 2.8 |
| **Total current liabilities** | **156.4** | **20.1** |
| **Total liabilities** | **221.1** | **28.7** |
| **Net assets / (-liabilities)** | **–62.6** | **38.5** |
| **Non-controlling interests** | **0.0** | **1.8** |

[1] The figures for the prior-year period are related to the divestment of the former distribution entity in Chile in January 2023, the disposal of the 60 % equity interest in Shanghai Xinzhen Precision Metalwork Co., Ltd. in May 2023 and the disposal of seven distribution entities in Eastern Europe (refer to note 7 for the list of entities) in October 2023.

Total non-current and current financial liabilities, at EUR 92.8 million, include EUR 90.0 million in state-guaranteed loans at Ascometal entities.

The consideration of EUR 0.5 million for the sale of Swiss Steel Portugal S.A., Swiss Steel Argentina SAU and Swiss Steel Middle East FZCO was received in cash. Cash and cash equivalents of the disposed entities amounting to EUR 4.4 million were derecognized. Consequently, the net cash outflow amounted to EUR 3.9 million and is shown in cash flow from investing activities in the consolidated statement of cash flows.

For the disposal of subsidiaries in 2023, the aggregate consideration of EUR 36.2 million was received in cash. Cash and cash equivalents of the disposed entities amounting to EUR 11.6 million were derecognized. This resulted in net cash proceeds from all disposals of EUR 24.6 million, which are shown in cash flow from investing activities in the consolidated statement of cash flows.

## 9 Disposal group held for sale and sale-and-leaseback

On January 25, 2024, the Group entered into a binding sale-and-leaseback arrangement for land and buildings. As of December 31, 2023, land and buildings amounting to EUR 33.2 million and related liabilities in the amount of EUR 2.7 million were classified as held for sale. The transaction was closed on May 8, 2024 with settlement of the purchase price of EUR 73.5 million.

The land and buildings are located in Düsseldorf, Germany, and were owned by Swiss Steel Edelstahl GmbH, a 100 % subsidiary of Swiss Steel Holding AG. A substantial part of the property was leased out to third-party tenants. Upon closing of the transaction, these third-party lease agreements were transferred to the buyer. Parts of the property had been used and continue to be used for the operating activities of certain subsidiaries of Swiss Steel Holding AG, which act as lessees.

The transaction forms part of the strategy program SSG 2025, freeing up resources for the Group's core business, and contributes to deleveraging the Group's balance sheet.

The Group recognized a gain of EUR 33.6 million on the sale-and-leaseback transaction. The gain recognized in other operating income was determined as follows:

| in million EUR | 2024 |
|---|---|
| Total consideration received | 73.5 |
| Recognition of right-of-use assets | 7.1 |
| Recognition of lease liabilities | –15.7 |
| Derecognition of property (net of liabilities) held for sale | –30.5 |
| Transaction costs | –0.8 |
| **Total result on sale-and-leaseback transaction** | **33.6** |

The total consideration was received in cash. EUR 44.4 million relate to areas leased out to third-party tenants in the past and are presented within cash flow from investing activities in the consolidated statement of cash flows, whereas EUR 29.1 million relate to areas used by entities of Swiss Steel Group and are hence presented within cash flow from financing activities.

After the sale of the distribution entity in Argentina (refer to notes 7 and 8), no assets and liabilities were any longer classified as held for sale. Hence, assets and liabilities classified as held for sale as of December 31, 2024 and December 31, 2023 break down as follows:

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Property, plant and equipment | 0.0 | 33.2 |
| **Total non-current assets** | **0.0** | **33.2** |
| **Total assets** | **0.0** | **33.2** |
| Other current liabilities | 0.0 | 2.7 |
| **Total current liabilities** | **0.0** | **2.7** |
| **Total liabilities** | **0.0** | **2.7** |

## 10 Revenue

### Material accounting policy

The Group generates most of its revenue from the sale of special long steel for various customer industries and end markets, such as the mechanical and plant engineering and the automotive industries. The revenue from the sale of products is recognized in the income statement at the time when the contractual performance obligation has been satisfied, i.e. when control of the goods has passed to the customer.

Control passes to the customer upon delivery, which for Swiss Steel Group is essentially governed by the international commercial terms (Incoterms) defined in the contract with the customer. Delivered goods or services are invoiced and recognized as trade accounts receivable at the time when control passes to the customer.

The amount of revenue realized is based on the contractually agreed transaction price for the performance obligation. In most cases, the contracts concluded between Swiss Steel Group and its customers contain a single performance obligation.

The consideration for satisfying the performance obligation is based on a multi-tiered price mechanism and corresponds to a fixed amount at the time of delivery, with the exception of discounts granted for early payment.

Revenue is reported net of value-added tax (VAT), returns, discounts and price reductions. Discounts granted to customers are recognized as revenue deductions at the time of fulfillment of the underlying contract. Revenue deductions of this kind are estimated on the basis of contractual arrangements and historical data.

Payment arrangements with customers are governed by contracts and are based on normal commercial terms. All revenue of Swiss Steel Group is recognized at point in time.

Swiss Steel Group applies the practical expedient of IFRS 15 and thus waives the disclosure of the remaining performance obligation as of the reporting date, since the underlying contract period is less than twelve months.

Revenue can be broken down by Division as follows:

| in million EUR | 2024 | 2023 |
| --- | --- | --- |
| Engineering Steel | 994.5 | 1,507.0 |
| Stainless Steel | 1,039.3 | 1,167.1 |
| Tool Steel | 427.6 | 535.9 |
| Others | 49.8 | 34.2 |
| **Total** | **2,511.2** | **3,244.2** |

## 11 Cost of materials

| in million EUR | 2024 | 2023 |
| --- | --- | --- |
| Cost of raw materials, consumables, supplies and merchandise | 1,355.8 | 1,715.3 |
| Energy and other purchased services | 346.1 | 495.7 |
| **Total** | **1,701.9** | **2,211.0** |

The reduction in cost of materials was triggered by lower business activity and decreased energy prices.

## 12 Other operating income and expenses

Other operating income can be broken down as follows:

| in million EUR | 2024 | 2023 |
| --- | --- | --- |
| Result of disposal of subsidiaries | 62.7 | 5.2 |
| Gains from disposal of intangible assets and property, plant and equipment | 34.6 | 1.0 |
| Insurance reimbursement | 26.2 | 1.0 |
| Income from energy sale and energy reimbursement | 5.1 | 5.2 |
| Income for services | 4.6 | 8.4 |
| Lease income | 4.6 | 6.5 |
| Own work capitalized | 3.6 | 3.4 |
| Income for training | 2.4 | 3.2 |
| Carbon compensation | 0.4 | 25.4 |
| Grants and allowances | 1.8 | 11.6 |
| Miscellaneous income | 20.4 | 14.0 |
| **Total** | **166.4** | **84.9** |

For the result of disposal of subsidiaries of EUR 62.7 million (2023: EUR 5.2 million), refer to note 8. The gains from disposal of intangible assets and property, plant and equipment of EUR 34.6 million (2023: EUR 1.0 million) include the result from the sale-and-leaseback transaction for land and buildings of EUR 33.6 million (refer to note 9). The insurance reimbursement of EUR 26.2 million (2023: EUR 1.0 million) contains income from the insurance claim settlement of EUR 26.0 million related to the crane collapse in Ugine in 2022.

Income from energy sale and energy reimbursement of EUR 5.1 million (2023: EUR 5.2 million) resulted from the sale of excess energy. The income from carbon compensation of EUR 0.4 million (2023: EUR 25.4 million) – comprising the sale of $CO_2$ certificates – was down sharply on the previous year due to lower business activity. The income from grants and allowances, which relates to government subsidies in Germany and France, fell to EUR 1.8 million (2023: EUR 11.6 million), mainly on the back of lower energy price compensation given the lower general business activity.

Other operating expenses can be broken down as follows:

| in million EUR | 2024 | 2023 |
|---|---|---|
| Freight, commission | 103.7 | 99.0 |
| Maintenance, repairs | 75.0 | 99.1 |
| Fees and charges | 42.0 | 45.1 |
| Consultancy and audit services | 39.6 | 26.0 |
| Holding and administration expenses | 32.7 | 36.6 |
| IT expenses | 32.1 | 33.6 |
| Non-income taxes | 8.5 | 10.8 |
| Expenses for leases (short-term, low value, variable leases) | 7.3 | 9.2 |
| Change in allowances on trade accounts receivable | 5.7 | 1.0 |
| Loss on disposal of non-current assets | 0.9 | 0.1 |
| Foreign exchange loss (net) | 1.5 | 1.5 |
| Miscellaneous expenses | 7.8 | 14.5 |
| **Total** | **356.8** | **376.5** |

Repair and maintenance costs decreased compared to the previous year due to the lower sales volume and changes in the Group's scope of consolidation.

Fees and charges of EUR 42.0 million (2023: EUR 45.1 million) contain EUR 9.6 million of additional insurance expenses which are related to income from the insurance claim settlement of EUR 26.0 million.

The item consultancy and audit services includes the total fees expensed for the auditor EY. In 2024, EUR 3.1 million (2023: EUR 2.5 million) were expensed for financial statement audits. In addition, EUR 0.3 million (2023: EUR 0.1 million) relate to tax advisory services and EUR 0.1 million (2023: EUR 0.2 million) to other services. Overall, the item consultancy and audit services increased due to additional organizational and restructuring consulting costs in 2024.

All exchange gains and losses on receivables and liabilities or derivative currency contracts concluded to hedge currency exposure are stated net and presented as other operating expenses or income, depending on whether the net figure is negative or positive.

The net figures can be broken down as follows:

| in million EUR | 2024 | 2023 |
|---|---|---|
| Exchange gains | 96.6 | 176.7 |
| Exchange losses | –98.1 | –178.2 |
| **Net currency effect** | **–1.5** | **–1.5** |

## 13 Personnel expenses

| in million EUR | 2024 | 2023 |
|---|---|---|
| Wages and salaries | 493.4 | 543.5 |
| Social security contributions | 104.6 | 123.1 |
| Other personnel costs | 14.7 | 11.5 |
| **Total** | **612.7** | **678.1** |

In 2024, Swiss Steel Group received EUR 6.4 million (2023: EUR 11.3 million) in compensation for short-time work. This was offset against the expenses for wages and salaries. Details of personnel-related provisions are provided in notes 28 and 29.

## 14 Research and development expenses

Research and development expenses of EUR 4.8 million were incurred in 2024 (2023: EUR 7.7 million). These relate to third-party expenses for new product applications and process improvements. Development costs of EUR 2.5 million were capitalized in the reporting period (2023: EUR 1.6 million), recognized as intangible assets in the subcategory concessions, licenses and similar rights (note 20).

## 15 Government grants

### Material accounting policy

Government grants are not recognized until there is reasonable assurance that the corresponding subsidiary will comply with the conditions attaching to it, and that the grant will be received. Government investment grants are reported as a reduction in the cost of the asset concerned, with a corresponding reduction in depreciation and amortization in subsequent periods. Grants not related to investments are either deducted from the expenses to be compensated by the grants in the period in which the expenses are incurred or are recognized as income, depending on their purpose. If the government grant is related to a specific expense item, such as energy costs, it is deducted from the respective expense.

Government grants of EUR 19.4 million (2023: EUR 20.9 million) were recognized in the financial year, EUR 3.7 million (2023: EUR 0.0 million) of which were investment grants deducted from capitalized assets. Besides the compensation for short-time work (refer to note 13), EUR 6.5 million (2023: EUR 7.6 million) in energy cost reimbursements were recognized as a deduction from the respective expense, while the remaining portion of government grants was mainly recorded as other operating income (refer to note 12).

## 16 Depreciation, amortization and impairments

The following depreciation, amortization and impairment charges and reversals were recognized:

| in million EUR | 2024 | 2023 |
|---|---|---|
| Amortization of intangible assets | 6.5 | 4.1 |
| Depreciation of property, plant and equipment | 67.9 | 66.0 |
| Depreciation of right-of-use assets | 10.6 | 10.5 |
| Impairment of intangible assets, property, plant and equipment and right-of-use assets | 16.1 | 21.4 |
| (Reversal of)/Impairment of assets held for sale | 0.0 | −4.4 |
| **Total** | **101.1** | **97.6** |

Detailed information on impairments charged is disclosed in note 23. The EUR 4.4 million reversal in the prior year related to the reduction in impairment on assets held for sale, which was recognized due to an increase in fair value less costs to sell compared to December 31, 2022.

## 17 Financial result

| in million EUR | 2024 | 2023 |
|---|---|---|
| Interest income | 1.4 | 1.7 |
| Other financial income | 8.1 | 0.1 |
| **Financial income** | **9.5** | **1.8** |
| Interest expenses on financial liabilities | −67.8 | −69.6 |
| Interest expenses on lease liabilities | −4.3 | −4.0 |
| Net interest expense on pension provisions and plan assets | −5.8 | −6.8 |
| Capitalized borrowing costs | 0.5 | 0.8 |
| Hyperinflation adjustments | −4.3 | −4.3 |
| Other financial expenses | −3.9 | −5.8 |
| **Financial expenses** | **−85.6** | **−89.7** |
| **Financial result** | **−76.1** | **−87.9** |

The item interest expenses on financial liabilities includes EUR 16.0 million (2023: EUR 16.5 million) related to the ABS program, EUR 28.0 million (2023: EUR 33.3 million) charged for the syndicated loan facilities and EUR 18.2 million (2023: EUR 13.4 million) in interest in connection with other loans, including the loans from GravelPoint Holding AG[1] and interest expenses for state-guaranteed loans at market interest rates. Interest expenses of the state-guaranteed loans are offset against the reversal of the liability for deferred government support in the same amount (refer to note 30).

Other financial income includes an EUR 6.9 million gain from a currency forward contract related to the capital increase (refer to note 27).

[1] GravelPoint Holding AG is a main shareholder of Swiss Steel Holding AG. Effective November 8, 2024, the shareholder loans were transferred from BigPoint Holding AG to GravelPoint Holding AG.

## 18 Income taxes

### Material accounting policy

Future tax relief in the form of deferred tax assets can only be recognized to the extent that it is considered probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. At the end of each reporting period, deferred tax assets are assessed for recoverability according to multi-year tax plans based on the Group companies' medium-term planning, which is approved by the Board of Directors. The recoverability of future taxable income hinges primarily on the sales volumes and sales prices that can be achieved in the end user markets. The estimate of future taxable income is also affected by the Group's strategic tax planning.

The main components of income tax in the financial years 2024 and 2023 were as follows:

| in million EUR | 2024 | 2023 |
|---|---|---|
| Current taxes | 4.5 | 7.1 |
| – of which tax expense/(income) related to the current period | 4.4 | 8.0 |
| – of which tax expense/(income) from previous periods | 0.1 | –0.9 |
| Deferred taxes | –20.0 | 0.0 |
| – of which deferred tax effect from the origination and reversal of temporary differences | –26.5 | 1.2 |
| – of which deferred tax effect from tax-loss carry-forwards, interest carry-forwards and tax credits | 6.5 | –1.2 |
| **Income tax effect (income (–) / expenses (+))** | **–15.5** | **7.1** |

The expected income tax expense/income is calculated using the domestic income tax rate of the operating companies domiciled in Emmenbrücke, Switzerland, and applied to the Group result before taxes:

| in million EUR | 2024 | 2023 |
|---|---|---|
| Earnings before taxes | –212.7 | –287.7 |
| Domestic income tax rate | 12.43 % | 12.43 % |
| **Expected income tax expense/(income)** | **–26.4** | **–35.8** |
| Effects of different income tax rates | –94.3 | –57.1 |
| Non-deductible expense/tax-free income | 22.1 | 6.6 |
| Tax effects from prior years | 0.1 | –0.9 |
| Tax effects due to changes in tax rates or changes in tax laws | 0.0 | –0.1 |
| Deferred tax assets not recognized on temporary differences, tax credits, tax-loss and interest carry-forwards in the current year | 86.2 | 101.4 |
| Valuation adjustments on deferred tax assets on temporary differences, tax credits, tax-loss and interest carry-forwards from prior years | –3.2 | –7.0 |
| **Effective income tax expense/(income)** | **–15.5** | **7.1** |
| Effective tax rate | 7.3 % | –2.5 % |

The local tax rates used to determine current and deferred taxes have not changed materially. The effective Group tax rate for 2024 was 7.3 % (2023: −2.5 %). This rate derives from the tax rates of the individual countries in which the Group operates, weighted for earnings before taxes.

Total unrecognized deferred tax assets for temporary differences, tax-loss and interest carry-forwards as well as tax credits decreased to EUR 1,498.5 million (2023: EUR 1,511.5 million). The reduction of the unrecognized items was particularly effected by the deconsolidation of the Ascometal entities.

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Expiry within** | | |
| – 1 year | 4.9 | 4.8 |
| – 2 to 5 years | 41.6 | 1.8 |
| – more than 5 years | 1,452.0 | 1,504.9 |
| **Total** | **1,498.5** | **1,511.5** |

In addition, the Group has not recognized tax credits in the amount of EUR 0.1 million (2023: EUR 0.1 million) as the Group does not expect to be able to offset these against corresponding tax expenses.

The table below shows the amount of tax-loss and interest carry-forwards as well as tax credits broken down by the tax rate of the companies to which they pertain:

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| **Tax rate** | | |
| – less than 20 % | 448.1 | 357.4 |
| – 20 % to 30 % | 75.1 | 224.7 |
| – more than 30 % | 975.3 | 929.4 |
| **Total** | **1,498.5** | **1,511.5** |

The table below shows a breakdown of the deferred taxes recorded on material items of the statement of financial position as well as tax-loss and interest carry-forwards as well as tax credits (before reclassification to assets held for sale):

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---|---|---|---|
| **in million EUR** | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| Intangible assets | 0.1 | 0.3 | 1.2 | 1.2 |
| Property, plant and equipment | 24.3 | 24.2 | 12.9 | 10.4 |
| Financial assets | 0.0 | 0.0 | 5.4 | 4.2 |
| Other assets | 0.7 | 0.7 | 0.0 | 0.0 |
| **Non-current assets** | **25.1** | **25.2** | **19.5** | **15.8** |
| Inventories | 1.3 | 2.4 | 2.9 | 5.5 |
| Other assets | 0.4 | 0.3 | 2.5 | 5.7 |
| **Current assets** | **1.7** | **2.7** | **5.4** | **11.2** |
| Provisions | 18.5 | 13.2 | 27.9 | 31.0 |
| Other liabilities | 8.6 | 5.7 | 0.0 | 0.0 |
| **Non-current liabilities** | **27.1** | **18.9** | **27.9** | **31.0** |
| Provisions | 2.1 | 1.2 | 1.3 | 0.9 |
| Other liabilities | 4.7 | 4.5 | −1.3 | 0.7 |
| **Current liabilities** | **6.8** | **5.7** | **0.0** | **1.6** |
| Tax-loss and interest carry-forwards | 15.1 | 21.7 | 0.0 | 0.0 |
| **Total** | **75.8** | **74.2** | **52.8** | **59.6** |
| Netting | −52.1 | −54.6 | −52.1 | −54.6 |
| **Amount recognized** | **23.7** | **19.6** | **0.7** | **5.0** |

Net deferred tax assets of EUR 23.7 million (2023: EUR 19.6 million) include EUR 19.6 million (2023: EUR 8.4 million) from entities which suffered a loss in the current period. Based on the most recent medium-term plan, taking into consideration certain down-side sensitivities on key planning parameters, management considers the deferred tax assets recoverable.

The following table presents the net change in deferred tax assets and liabilities:

| **in million EUR** | **2024** | **2023** |
|---|---|---|
| Opening balance at the beginning of the period | 14.6 | 13.5 |
| Changes recognized in profit and loss | 20.0 | 0.0 |
| Reclassification to assets held for sale | 0.0 | −0.2 |
| Changes recognized in other comprehensive income | −11.5 | 1.4 |
| Foreign currency effects | −0.1 | −0.1 |
| **Closing balance at the end of the period** | **23.0** | **14.6** |
| – of which deferred tax assets | 23.7 | 19.6 |
| – of which deferred tax liabilities | 0.7 | 5.0 |

The accumulated taxes recognized in shareholders' equity (accumulated other comprehensive income and retained earnings) amounted to EUR 15.7 million for the reporting period (2023: EUR 26.1 million).

Deferred tax liabilities are recognized on temporary differences related to investments in subsidiaries if the Group is able to control the timing of the reversal and it is probable that the difference will reverse in the foreseeable future. These temporary differences, known as outside basis differences, arise when the net assets of the subsidiaries differ from the tax bases of the entity concerned.

No deferred tax liabilities are recognized for outside basis differences of around EUR 119.3 million, of which EUR 40.3 million were taxable (2023: EUR 110.4 million, of which EUR 33.9 million were taxable). A reversal of temporary differences (controlled by Swiss Steel Group) is not expected in the foreseeable future.

**Disclosures related to amendment to IAS 12 Income Taxes in connection with the International Tax Reform related to the Pillar Two Model Rules**

The Group applies the mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two. The exposure to the risk of top-up tax highly depends on the profitability of the entities in the jurisdiction in which the Group operates and the applicable safe harbor rules under Pillar Two legislation. Taking the latter into account and given the current profit and loss situations in the different jurisdictions at year-end 2024 and considering the minimum tax rate of 15 % stipulated by the Pillar Two Model Rules, no additional tax exposure resulted for the group.

## 19 Result per share

| | 2024 | 2023 |
|---|---|---|
| Group result attributable to shareholders of Swiss Steel Holding AG in EUR million | –197.0 | –295.7 |
| Average number of shares [1)] | 25,952,928 | 15,293,064 |
| **Result per share in EUR (basic/diluted)** | **–7.59** | **–19.34** |

1) The average number of shares was retrospectively adjusted to reflect the reverse share split at a ratio of 200:1 in May 2024 (refer to note 27 for details).

Basic results per share are calculated by dividing the net income/loss attributable to the holders of registered shares of Swiss Steel Holding AG by the weighted average number of shares outstanding during the financial year. For details on potentially dilutive performance share units, refer to note 36. As these are anti-dilutive, the diluted result per share equals the basic result per share.

## 20 Intangible assets

The development of intangible assets is presented below:

### Year 2024

| in million EUR | Concessions, licenses and similar rights | Acquired trademarks and customer bases | Prepayments for intangible assets | Goodwill | Total |
|---|---|---|---|---|---|
| **Cost value as of 1.1.2024** | **102.8** | **23.8** | **13.8** | **5.3** | **145.7** |
| Changes in scope of consolidation | −3.6 | 0.0 | −0.2 | 0.0 | −3.8 |
| Additions | 3.2 | 0.0 | 2.1 | 0.0 | 5.3 |
| Disposals | −4.6 | 0.0 | 0.0 | 0.0 | −4.6 |
| Reclassifications | 12.4 | 0.0 | −12.4 | 0.0 | 0.0 |
| Foreign currency effects | 0.7 | 0.8 | −0.2 | 0.0 | 1.3 |
| **Cost value as of 31.12.2024** | **110.9** | **24.6** | **3.1** | **5.3** | **143.9** |
| **Accumulated depreciation and impairments as of 1.1.2024** | **−95.4** | **−20.2** | **−0.2** | **−5.2** | **−121.0** |
| Changes in scope of consolidation | 3.6 | 0.0 | 0.2 | 0.0 | 3.8 |
| Amortization | −6.5 | 0.0 | 0.0 | 0.0 | −6.5 |
| Impairment | −0.1 | 0.0 | 0.0 | 0.0 | −0.1 |
| Disposals | 4.6 | 0.0 | 0.0 | 0.0 | 4.6 |
| Foreign currency effects | −0.7 | −0.7 | 0.0 | 0.0 | −1.4 |
| **Accumulated depreciation and impairments as of 31.12.2024** | **−94.5** | **−20.9** | **0.0** | **−5.2** | **−120.6** |
| **Net carrying amount as of 31.12.2024** | **16.4** | **3.7** | **3.1** | **0.1** | **23.3** |

The acquired trademarks and customer bases consist of the net carrying amount of EUR 3.7 million (2023: EUR 3.6 million) of trademarks with an indefinite useful life fully allocated to the Production Asset Finkl Steel.

### Year 2023

| in million EUR | Concessions, licenses and similar rights | Acquired trademarks and customer bases | Prepayments for intangible assets | Goodwill | Total |
|---|---|---|---|---|---|
| **Cost value as of 1.1.2023** | **100.7** | **24.2** | **5.1** | **5.6** | **135.6** |
| Additions | 1.9 | 0.0 | 9.2 | 0.0 | 11.1 |
| Disposals | −1.3 | 0.0 | 0.0 | −0.3 | −1.6 |
| Reclassifications | 1.0 | 0.0 | −1.0 | 0.0 | 0.0 |
| Foreign currency effects | 0.5 | −0.4 | 0.5 | 0.0 | 0.6 |
| **Cost value as of 31.12.2023** | **102.8** | **23.8** | **13.8** | **5.3** | **145.7** |
| **Accumulated depreciation and impairments as of 1.1.2023** | **−91.6** | **−20.6** | **−0.1** | **−5.2** | **−117.5** |
| Amortization | −4.1 | 0.0 | 0.0 | 0.0 | −4.1 |
| Impairment | 0.0 | 0.0 | −0.4 | 0.0 | −0.4 |
| Disposals | 1.1 | 0.0 | 0.0 | 0.0 | 1.1 |
| Reclassifications | −0.3 | 0.0 | 0.3 | 0.0 | 0.0 |
| Foreign currency effects | −0.5 | 0.4 | 0.0 | 0.0 | −0.1 |
| **Accumulated depreciation and impairments as of 31.12.2023** | **−95.4** | **−20.2** | **−0.2** | **−5.2** | **−121.0** |
| **Net carrying amount as of 31.12.2023** | **7.4** | **3.6** | **13.6** | **0.1** | **24.7** |

The additions of EUR 9.2 million in prepayments for intangible assets were mainly related to investments in IT infrastructure and applications.

## 21 Property, plant and equipment

### Material accounting policy

Property, plant and equipment are measured at cost, including any installation costs and capitalized borrowing costs, less accumulated depreciation and impairments. The assets are depreciated on a straight-line basis over their useful lives. The useful lives and depreciation methods are reviewed annually.

Routine maintenance and repair costs are expensed as incurred. Costs for the replacement of components or for general overhauls of property, plant and equipment are recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the costs can be reliably determined. If property, plant and equipment subject to wear and tear comprise material identifiable components with different useful lives, these components are treated as separate units for accounting purposes and depreciated over their respective useful lives.

Borrowing costs of qualifying assets are capitalized and depreciated over the economic useful life of the qualifying assets.

The useful lives of property, plant and equipment are as follows:

| in years | 2024 | 2023 |
|---|---|---|
| **Real estate** | | |
| Solid buildings | 30 to 40 | 30 to 40 |
| Lightweight and heavily used solid buildings (e.g. steelworks) | 15 to 40 | 15 to 40 |
| **Plant and equipment** | | |
| Operating plant and equipment | 5 to 40 | 5 to 40 |
| Machines | 10 to 20 | 10 to 20 |
| Road vehicles and railway wagons | 5 to 30 | 5 to 30 |
| Office equipment | 10 | 10 |
| IT hardware | 4 | 4 |

The breakdown of property, plant and equipment into subcategories is presented in the table below.

## Year 2024

| in million EUR | Land and buildings | Plant and equipment | Prepayments for property and plants under construction | Total |
|---|---|---|---|---|
| **Cost value as of 1.1.2024** | **734.9** | **2,887.8** | **64.1** | **3,686.8** |
| Changes in scope of consolidation | –6.2 | –135.8 | –7.7 | –149.7 |
| Additions | 0.6 | 17.3 | 50.3 | 68.2 |
| Disposals | –1.6 | –33.7 | –0.3 | –35.6 |
| Reclassifications | 51.5 | –3.5 | –48.0 | 0.0 |
| Hyperinflation adjustments | 0.3 | 2.1 | –0.2 | 2.2 |
| Foreign currency effects | 3.2 | 8.7 | 0.5 | 12.4 |
| **Cost value as of 31.12.2024** | **782.7** | **2,742.9** | **58.7** | **3,584.3** |
| **Accumulated depreciation and impairments as of 1.1.2024** | **–601.8** | **–2,583.2** | **–14.3** | **–3,199.3** |
| Changes in scope of consolidation | 6.2 | 135.7 | 7.7 | 149.6 |
| Depreciation | –7.8 | –60.1 | 0.0 | –67.9 |
| Impairment | –2.0 | –12.7 | –1.3 | –16.0 |
| Disposals | 1.2 | 31.9 | 0.3 | 33.4 |
| Reclassifications | –57.0 | 52.9 | 4.1 | 0.0 |
| Hyperinflation adjustments | –0.2 | –0.7 | 0.0 | –0.9 |
| Foreign currency effects | –2.8 | –8.5 | –0.1 | –11.4 |
| **Accumulated depreciation and impairments as of 31.12.2024** | **–664.1** | **–2,444.7** | **–3.6** | **–3,112.5** |
| **Net carrying amount as of 31.12.2024** | **118.6** | **298.2** | **55.1** | **471.8** |

For details on impairments, refer to note 23.

Restrictions on ownership and disposal amounted to EUR 101.8 million as of the reporting date (2023: EUR 147.0 million, of which EUR 26.5 million were related to assets classified as held for sale). The collateralization is in relation to the Group's debt financing. Borrowing costs capitalized during the financial year 2024 are included in additions and amounted to EUR 0.5 million (2023: EUR 0.8 million). In 2024, the average rate applied for borrowing costs was 8.75 % (2023: 8.04 %).

### Year 2023

| in million EUR | Land and buildings | Plant and equipment | Prepayments for property and plants under construction | Total |
|---|---|---|---|---|
| **Cost value as of 1.1.2023** | **722.4** | **2,807.5** | **58.9** | **3,588.8** |
| Changes in scope of consolidation | –4.0 | –7.0 | 0.0 | –11.0 |
| Reclassification to assets held for sale | –0.2 | –0.2 | –0.5 | –0.9 |
| Additions | 1.1 | 26.1 | 65.3 | 92.5 |
| Disposals | –2.5 | –23.5 | 0.0 | –26.0 |
| Reclassifications | 4.8 | 55.0 | –59.8 | 0.0 |
| Hyperinflation adjustments | 0.6 | 2.4 | 0.4 | 3.4 |
| Foreign currency effects | 12.7 | 27.5 | –0.2 | 40.0 |
| **Cost value as of 31.12.2023** | **734.9** | **2,887.8** | **64.1** | **3,686.8** |
| | | | | |
| **Accumulated depreciation and impairments as of 1.1.2023** | **–586.0** | **–2,507.9** | **–12.8** | **–3,106.7** |
| Changes in scope of consolidation | 0.6 | 2.6 | 0.0 | 3.2 |
| Reclassification to assets held for sale | 0.3 | 0.3 | 0.0 | 0.6 |
| Depreciation | –7.9 | –58.1 | 0.0 | –66.0 |
| Impairment | 0.0 | –6.6 | –14.4 | –21.0 |
| Reversal of impairment | 0.0 | 0.0 | 0.2 | 0.2 |
| Disposals | 2.4 | 23.3 | 0.0 | 25.7 |
| Reclassifications | –0.4 | –12.1 | 12.5 | 0.0 |
| Hyperinflation adjustments | –0.4 | –1.0 | 0.0 | –1.5 |
| Foreign currency effects | –10.4 | –23.7 | 0.2 | –33.8 |
| **Accumulated depreciation and impairments as of 31.12.2023** | **–601.8** | **–2,583.2** | **–14.3** | **–3,199.3** |
| **Net carrying amount as of 31.12.2023** | **133.1** | **304.6** | **49.8** | **487.5** |

## 22 Right-of-use assets

The development of right-of-use assets is presented in the table below:

### Year 2024

| in million EUR | Land and buildings | Plant and equipment | Total |
|---|---|---|---|
| **Net carrying amount as of 1.1.2024** | **23.1** | **10.9** | **34.0** |
| Changes in scope of consolidation | 0.0 | –0.1 | –0.1 |
| Additions | 15.1 | 6.1 | 21.2 |
| Disposals | 0.0 | –0.1 | –0.1 |
| Hyperinflation adjustments | 0.0 | –0.1 | –0.1 |
| Foreign currency effects | 0.3 | 0.0 | 0.3 |
| Depreciation | –5.7 | –4.9 | –10.6 |
| **Net carrying amount as of 31.12.2024** | **32.8** | **11.8** | **44.6** |

The additions in land and buildings include the capitalized right-of-use assets from the sale-and-leaseback transaction detailed in note 9.

### Year 2023

| in million EUR | Land and buildings | Plant and equipment | Total |
|---|---|---|---|
| **Net carrying amount as of 1.1.2023** | **25.0** | **9.6** | **34.6** |
| Additions | 4.7 | 6.7 | 11.4 |
| Disposals | −0.8 | −0.1 | −0.9 |
| Hyperinflation adjustments | 0.0 | −0.2 | −0.2 |
| Foreign currency effects | −0.1 | −0.1 | −0.2 |
| Depreciation | −5.7 | −4.8 | −10.5 |
| Impairment | 0.0 | −0.2 | −0.2 |
| **Net carrying amount as of 31.12.2023** | **23.1** | **10.9** | **34.0** |

Further information on leases is disclosed in note 31 to the consolidated financial statements. For lease income from operating leases where the Group is acting as lessor, refer to note 12.

## 23 Impairment test

### Material accounting policy

The Group assesses at each reporting date whether there is an indication that a non-financial asset (intangible assets, right-of-use assets, property, plant and equipment) may be impaired. If any indication of impairment exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or of a cash-generating unit's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

The Group uses the discounted cash flow method to determine the value in use of a cash-generating unit. Cash flows are estimated based on the most recent medium-term plan, which is prepared separately for each of the Group's cash-generating units for a five-year detailed planning period and has been approved by the Board of Directors, taking into consideration certain down-side sensitivities on key planning parameters. The assumptions concerning sales volumes, margins, operating costs, growth rate, tax rate and discount rate have a material impact on the recoverable amount of the cash-generating units and thus on the result of impairment testing. In addition, forward-looking assumptions might deviate from the actual outcome.

### Year 2024

At the end of 2024, Swiss Steel Group assessed potential indicators (triggering events) of impairments of assets. Following the 2023 downturn, the business environment remained depressed throughout 2024 with no signs of a notable market recovery in the main customer industries. In addition, the market capitalization of the Group experienced a sharp decline to a level below reported shareholders' equity. As a consequence, indications of impairment were identified for all Production Assets as well as for the international sales and distribution network that qualify as cash-generating units.

Impairment tests were performed on the basis of the identified triggers and on the level of cash-generating units. In these impairment tests, the recoverable amount of the Production Assets and the international sales and distribution network was determined as their value in use based on the most recent medium-term plan, taking into consideration certain down-side sensitivities on key planning parameters. The growth rate applied for the cash flows beyond the period covered by the most recent medium-term plan was 2 % (2023: 2 %).

As in 2023, impairment losses were recognized in the Production Asset Ascometal. Until judicial reorganization proceedings were opened at the end of March 2024 (refer to note 8), the impairment charges amounted to EUR 3.0 million (2023: EUR 21.4 million for the full year), of which EUR 2.9 million (2023: EUR 20.8 million for the full year) were recognized against property, plant and equipment.

In 2024, the impairment test for the Production Asset Finkl Steel, belonging to the Divisions Engineering Steel and Tool Steel, showed that its carrying amount exceeded its recoverable amount. As a consequence, a total of EUR 7.2 million (2023: EUR 0.0 million) was charged as an impairment against property, plant and equipment.

The following overview summarizes the key figures for those cash-generating units for which an impairment loss was recognized:

| in million EUR | Recoverable amount 2024 (value in use) | Recoverable amount 2023 (value in use) | Discount rate 2024 before taxes | Discount rate 2023 before taxes | Impairment 2024 | Impairment 2023 |
|---|---|---|---|---|---|---|
| Ascometal | n/a | n/a | n/a | n/a | 3.0 | 21.4 |
| Finkl Steel | 119.0 | n/a | 9.17 % | n/a | 7.2 | 0.0 |

In addition to the aforementioned impairment losses at the level of the cash-generating units, an amount of EUR 5.9 million (2023: EUR 0.0 million) was charged against an individual asset at Production Asset Deutsche Edelstahlwerke (DEW), as the respective piece of equipment is no longer of economical use following the disposal of Ascometal.

As a result, the total impairment loss amounted to EUR 16.1 million in 2024 (2023: EUR 21.4 million) and was recognized under depreciation, amortization and impairments in the consolidated income statement. The total impairment loss was allocated in the amount of EUR 16.0 million (2023: EUR 20.8 million) to property, plant and equipment, in the amount of EUR 0.0 million (2023: EUR 0.2 million) to right-of-use assets and in the amount of EUR 0.1 million (2023: EUR 0.4 million) to intangible assets.

### Year 2023

At the end of 2023, Swiss Steel Group assessed potential indicators (triggering events) of impairments of assets. Indications of impairment were identified in two Production Assets (cash-generating units): Ascometal (deconsolidated in March 2024), formerly belonging to the Engineering Steel Division due to continuous adverse profitability, and Deutsche Edelstahlwerke (DEW), which contributes to all three Divisions. For the Production Asset DEW, the combination of unfavorable market conditions, adverse profitability and an ongoing restructuring program were considered an indication of impairment.

Impairment tests were performed on the basis of the identified triggers. In these impairment tests, the recoverable amount of the Production Assets was determined based on their value in use, and in consideration of the strategic medium-term plan of the Group. The assessment showed that the carrying amount exceeded the value in use for the former Production Asset Ascometal, requiring impairment charges to be recognized. For the impairment charges, refer to the explanations for 2024 above.

## 24 Other assets

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Other receivables | 11.7 | 10.2 |
| **Total non-current** | **11.7** | **10.2** |
| Tax receivables (excluding current income tax receivables) | 28.3 | 49.4 |
| Prepaid expenses | 7.2 | 9.2 |
| Prepayments for inventories/maintenance | 4.4 | 14.8 |
| Other receivables | 18.9 | 16.0 |
| **Total current** | **58.8** | **89.4** |

## 25 Inventories

### Material accounting policy

Inventories are measured at the lower of cost or net realizable value. Cost is measured using the weighted average cost method and includes direct material and labor costs as well as material and production overhead costs allocated proportionally, assuming normal utilization of production capacity.

Value adjustments are made in an amount reflecting all identifiable aging and price risks affecting the expected net realizable value.

Inventories as of December 31, 2024 and as of December 31, 2023 break down as follows:

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Raw materials, consumables and supplies | 137.2 | 171.3 |
| Semi-finished goods and work in progress | 255.5 | 312.3 |
| Finished products and merchandise | 289.6 | 321.4 |
| **Total** | **682.3** | **805.0** |

There were restrictions on ownership and disposal of EUR 283.1 million as of the reporting date (2023: EUR 286.7 million). The collateralization is in relation to the Group's debt financing.

Inventory allowances developed as follows in the financial year:

| in million EUR | 2024 | 2023 |
|---|---|---|
| **As of 1.1.** | **37.3** | **37.8** |
| Reclassification to assets held for sale | 0.0 | −0.8 |
| Changes in scope of consolidation | −16.4 | −0.2 |
| Additions | 14.4 | 17.1 |
| Reversal | −8.1 | −14.2 |
| Utilization | −2.9 | −2.2 |
| Foreign currency effects | 0.2 | −0.2 |
| **As of 31.12.** | **24.5** | **37.3** |

## 26 Trade accounts receivable

### Material accounting policy

At initial recognition, trade accounts receivable are recognized at the invoiced amount. The trade date is the relevant date for the recognition of regular sales. Amounts are reported gross, unless the Group has the right to settle the amounts with respective payables and intends to settle them accordingly.

The Group sells selected trade accounts receivable on a revolving basis through an international asset backed securities (ABS) program. Since the material risks and rewards remain with the Group, the trade accounts receivable are still reported in the statement of financial position as collateral for a financial liability at amortized cost.

In addition, there are third-party factoring agreements in place to sell trade accounts receivable. Such agreements qualify as non-recourse factoring, with the credit risk fully transferred to the contracting party. Factoring serves to shorten the terms of trade accounts receivable and is a component of Swiss Steel Group's liquidity management. Under non-recourse factoring, the receivables sold are derecognized in their entirety in the statement of financial position, and a corresponding item due from the factor is recognized in the statement of financial position.

Allowances are recognized for expected credit losses for all debt instruments not measured at fair value through profit or loss, in particular for trade accounts receivable.

For trade accounts receivable, expected lifetime credit losses are calculated at each reporting date, taking into account changes in expected credit risk. Material financial difficulties faced by a customer, such as likely bankruptcy, financial reorganization, payment default or late payment, are all considered to be indicators of an increase in credit risk. The loss allowance for receivables with an increased probability of default corresponds to the exposure at default, the probability of default and the loss given default.

For trade accounts receivable and lease receivables, individual allowances are recognized on an item-by-item basis using separate allowance accounts. Effective legally confirmed defaults (e.g. by a loss certificate) result in the final derecognition of the receivables in question.

Receivables with a similar risk of default are grouped and examined for impairment collectively on the basis of past experience and forward-looking macroeconomic factors. Any allowance is recorded in profit or loss.

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Gross trade accounts receivable | 387.5 | 377.9 |
| Allowances on trade accounts receivable | –66.6 | –13.6 |
| *thereof on former intragroup trade accounts receivable from Ascometal* | –56.6 | 0.0 |
| *thereof on other trade accounts receivable* | –10.0 | –13.6 |
| **Net trade accounts receivable** | **320.9** | **364.3** |

All trade accounts receivable originate from contracts with customers in accordance with IFRS 15. Under the asset backed securities (ABS) financing program, Swiss Steel Group regularly sells credit-insured trade accounts receivable. Trade accounts receivable of EUR 189.4 million and USD 28.3 million (2023: EUR 182.7 million and USD 28.9 million) had been sold as of the reporting date. As most of the risks and rewards remain with Swiss Steel Group, these trade accounts receivable continue to be recorded in the consolidated statement of financial position. There are corresponding financial liabilities of EUR 192.1 million (2023: EUR 185.5 million). As of the reporting date, trade accounts receivable of EUR 15.0 million (2023: EUR 38.4 million) had been sold under non-recourse factoring schemes and hence were derecognized from the statement of financial position.

There were restrictions on ownership and disposal of EUR 68.5 million (2023: EUR 57.7 million) beyond the scope of the receivables sold under the ABS financing program as of the reporting date. They are mainly linked to the collateralization in relation to the Group's debt financing.

The allowance on trade accounts receivable developed as follows:

| in million EUR | 2024 | 2023 |
|---|---|---|
| **As of 1.1.** | **13.6** | **14.6** |
| Changes in scope of consolidation | –7.4 | 0.0 |
| Reclassification to assets held for sale | 0.0 | 0.1 |
| Additions | 61.4 | 2.2 |
| Reversal | –0.7 | –1.7 |
| Utilization | –0.4 | –1.4 |
| Hyperinflation adjustments | –0.1 | 0.0 |
| Foreign currency effects | 0.2 | –0.2 |
| **As of 31.12.** | **66.6** | **13.6** |

The increase in additions mainly relates to the allowances on the former intragroup trade accounts receivable from Ascometal (refer to note 8).

The aging structure of the trade accounts receivable was as follows as of the reporting date:

| | As of 31.12.2024 | | | As of 31.12.2023 | | |
|---|---|---|---|---|---|---|
| in million EUR | Expected credit loss rate | Trade accounts receivable | Impairment allowance | Expected credit loss rate | Trade accounts receivable | Impairment allowance |
| Current | 1.58 % | 271.9 | –4.3 | 1.26 % | 300.8 | –3.8 |
| ≤ 30 days | 0.53 % | 37.8 | –0.2 | 0.21 % | 48.6 | –0.1 |
| 31 to 60 days | 3.70 % | 8.1 | –0.3 | 3.85 % | 7.8 | –0.3 |
| 61 to 90 days | 15.63 % | 3.2 | –0.5 | 10.00 % | 3.0 | –0.3 |
| 91 to 120 days | 13.33 % | 1.5 | –0.2 | 11.76 % | 1.7 | –0.2 |
| > 120 days | 94.00 % | 65.0 | –61.1 | 55.63 % | 16.0 | –8.9 |
| **Total** | **17.19 %** | **387.5** | **–66.6** | **3.60 %** | **377.9** | **–13.6** |

Allowances on the former intragroup trade accounts receivable from Ascometal are included in the EUR 61.1 million allowances for items overdue for more than 120 days.

The expected credit loss rate includes impairment losses based on both actual and expected defaults on receivables. Trade accounts receivable past due by more than 90 days, but not impaired, are mostly covered by credit insurance or had been settled by the time the consolidated financial statements were prepared.

## 27 Shareholders’ equity

**Development in 2024**

At the Extraordinary General Meeting on April 4, 2024, the shareholders of Swiss Steel Holding AG approved the ordinary share capital increase proposed by the Board of Directors to strengthen the balance sheet of Swiss Steel Group. The capital increase consisted of the issuance of 3,101,000,000 newly registered and fully paid-up shares at an issue price of CHF 0.0925 per share after a reduction in the nominal value of all shares from CHF 0.15 to CHF 0.08.

Net proceeds amounted to EUR 287.8 million, composed of an EUR 253.5 million increase in share capital and an EUR 39.6 million increase in additional paid-in capital, reduced by EUR 5.3 million in transaction costs. As a result, the share capital of Swiss Steel Holding AG increased from EUR 361.4 million to EUR 446.3 million, and capital reserves increased from EUR 1,024.5 million to EUR 1,227.5 million.

Swiss Steel Group entered into a currency forward contract to ensure that the EUR equivalent of the gross proceeds in CHF resulted in at least EUR 300 million, as required by the relevant lenders. The currency forward contract resulted in a gain of EUR 6.9 million included in financial income in the consolidated income statement (refer to note 17).

In addition, at the Annual General Meeting on May 23, 2024, the shareholders of Swiss Steel Holding AG approved a reverse share split at a ratio of 200:1, as proposed by the Board of Directors. In order to allow for the share consolidation, the Annual General Meeting approved the proposed ordinary capital increase by a small amount of CHF 10.32.

As a result of the reverse share split, each holder of 200 registered shares of Swiss Steel Holding AG with a par value of CHF 0.08 (par value of the shares before the reverse share split), as held on May 28, 2024, received one new registered share with a par value of CHF 16.00 (par value of the shares after the reverse share split).

The following table summarizes the effects of the aforementioned transactions on the equity positions:

| | Number of shares | CHF per share | Share capital in million CHF | Exchange rate[1] | Share capital in million EUR | Capital reserves in million EUR |
|---|---|---|---|---|---|---|
| **As of 31.12.2023** | **3,058,857,471** | **0.15** | **458.8** | **1.2695** | **361.4** | **1,024.5** |
| Reduction par value | | –0.07 | –214.1 | 1.2695 | –168.7 | 168.7 |
| Share capital increase | 3,101,000,000 | 0.08 | 248.1 | 0.9785 | 253.5 | |
| Additional paid-in capital | | 0.0125 | | 0.9785 | | 39.6 |
| Transaction costs | | | | | | –5.3 |
| Reverse share split[2] | –6,129,058,183 | | | | | |
| **As of 31.12.2024** | **30,799,288** | **16.00** | **492.8** | | **446.3** | **1,227.5** |

[1] For the balances as of December 31, 2023 and the reduction of the par value, the historical exchange rate was applied. For the capital increase, the current exchange rate on April 24, 2024 was applied.
[2] The capital increase required to facilitate the reverse share split increased the share capital by CHF 10.32 (or EUR 10.42), hence no impact in millions of EUR.

### Share capital
After the aforementioned capital increase and the reverse share split, the share capital of EUR 446.3 million (2023: EUR 361.4 million) comprises 30,799,288 fully paid-up shares with a nominal value of CHF 16.00 each.

### Capital reserves
The capital reserves contain premiums generated upon issue of shares in the course of capital increases, less directly attributable transaction costs of the capital increases.

### Retained earnings (accumulated losses)
Retained earnings (accumulated losses) comprise the net income/loss accumulated in the past, less dividend payments to shareholders, and the actuarial gains/losses from calculation of the pension obligation after taxes.

In accordance with the provisions of the syndicated loan agreement, dividend payments are subject to the attainment of certain key figures relating to the ratio of net debt to EBITDA. No dividends were distributed for the year 2023. The Board of Directors will propose to the Annual General Meeting to waive a dividend distribution for the year 2024.

### Accumulated income and expense recognized directly in other comprehensive income
This position includes gains and losses resulting from translation into the reporting currency of the financial statements of subsidiaries whose financial statements are not prepared in the functional currency euro.

## 28 Pensions

### Material accounting policy

Provisions for pensions and similar obligations are measured using the projected unit credit method. Pension provisions (defined benefit obligation) consist of all forms of employee benefits that are payable after the employee completes the company's employment. Similar obligations comprise other post-employment benefits such as post-employment medical care.

Service costs for pensions and similar obligations are reported as personnel costs within operating profit. The net interest expense (income) on the net defined benefit liability (asset) is included in the financial result in the consolidated income statement. Payments by the Group for defined contribution plans are recognized in personnel costs.

In certain pension schemes, the pension provisions are funded by plan assets. To the extent that such plan assets exist, they are offset against the pension obligation and presented on a net basis in the statement of financial position. When the amount of plan assets exceeds the pension provision, the surplus amount recognized is limited to the asset ceiling (present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan).

Provisions for pensions and similar obligations are based on estimates and assumptions with respect to the discount rate, expected salary and pension increases, and mortality rates. The corresponding sensitivity analyses are based on reasonably possible changes as of December 31, 2024.

The Group has both defined benefit plans and defined contribution plans.

**Defined contribution plans**
Some of the post-employment benefit plans in the Group are defined contribution plans, according to which the Group has an obligation to transfer a contractually defined amount to an external pension institution. Beyond the payment of these contributions, the Group does not have any further obligations in relation to post-employment benefits. The contributions paid for private and statutory defined contribution plans are recognized in personnel costs and amounted to EUR 41.0 million in 2024 (2023: EUR 39.6 million).

**Defined benefit plans**
Most of the plans are defined benefit plans, in which the employer undertakes to deliver the agreed pension benefits to its employees.

Employees of the Swiss operating entities (except employees working in corporate functions) are members of the pension fund of Steeltec AG, a separate legal entity. The employees of Swiss Steel Holding AG and those in corporate functions at Steeltec AG are covered by an external collective foundation. These defined benefit obligations are financed by contributions to the fund from the respective companies and their employees. The contributions are based on a certain percentage of the insured salary as defined in the plan regulations. In the event of a deficit between the defined benefit obligation and the funding (plan assets), recourse can be made to various measures (e.g. increase in contributions, adjustment to benefits).

All other defined benefits plans are either frozen or the committed pension benefits are financed by the companies themselves. For the plans operated in Germany, benefits are paid on the basis of voluntary commitments, but are subject to Germany's Occupational Pensions Act ("Betriebsrentengesetz").

Furthermore, there are defined benefit plans, primarily in France, which are funded to varying degrees. Pension liabilities have been recognized in the statement of financial position for obligations that exceed the plan assets.

In some European countries, there are limited obligations to make one-time payments to employees upon termination of employment. The amount due is linked to the employee's length of service. These benefits are recognized in the consolidated statement of financial position as provisions for pensions and similar obligations.

Through the defined benefit plans, Swiss Steel Group is exposed to various risks, only some of which are company- or plan-specific. The defined benefit obligations depend on factors such as the average life expectancy of the beneficiaries, length of service and interest rates.

For German plans, pension benefit payments also have to be adjusted regularly to reflect the development of consumer prices and net salaries in accordance with legal provisions and trade association requirements. In view of the legal provisions and court rulings in Germany, there is a fundamental risk that voluntary commitments could be made binding for the company in individual cases. This would make it difficult to terminate or reduce the commitments.

### Defined benefit obligations and plan assets

Changes in the present value of the defined benefit obligations and in the fair value of the plan assets are as follows:

| in million EUR | Defined benefit obligation 31.12.2024 | Defined benefit obligation 31.12.2023 | Fair value of plan assets 31.12.2024 | Fair value of plan assets 31.12.2023 | Effect of asset ceiling 31.12.2024 | Effect of asset ceiling 31.12.2023 | Net liability 31.12.2024 | Net liability 31.12.2023 |
|---|---|---|---|---|---|---|---|---|
| **Present value of defined benefit obligations/fair value of plan assets at the beginning of the period** | **512.4** | **475.9** | **378.4** | **344.3** | **66.8** | **60.9** | **200.8** | **192.5** |
| Current service cost | 7.9 | 7.4 | 0.0 | 0.0 | 0.0 | 0.0 | 7.9 | 7.4 |
| Administration expenses | 0.0 | 0.0 | −0.6 | −0.4 | 0.0 | 0.0 | 0.6 | 0.4 |
| Interest expense/income | 10.2 | 13.1 | 5.3 | 7.6 | 0.9 | 1.3 | 5.8 | 6.8 |
| Past service costs | 0.0 | −3.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | −3.4 |
| Settlement | −5.8 | 0.0 | −5.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net pension result** | **12.3** | **17.1** | **−1.1** | **7.2** | **0.9** | **1.3** | **14.3** | **11.2** |
| Return on plan assets less interest income | 0.0 | 0.0 | 29.6 | 15.6 | 0.0 | 0.0 | −29.6 | −15.6 |
| Changes in unrecognized assets due to asset ceiling | 0.0 | 0.0 | 0.0 | 0.0 | −1.4 | 0.2 | −1.4 | 0.2 |
| Actuarial result from changes in demographic assumptions | −0.5 | −0.9 | 0.0 | 0.0 | 0.0 | 0.0 | −0.5 | −0.9 |
| Actuarial result from changes in financial assumptions | 6.8 | 33.2 | 0.0 | 0.0 | 0.0 | 0.0 | 6.8 | 33.2 |
| Actuarial result from experience adjustments | 13.1 | −4.1 | 0.0 | 0.0 | 0.0 | 0.0 | 13.1 | −4.1 |
| **Remeasurement effects included in other comprehensive income** | **19.4** | **28.2** | **29.6** | **15.6** | **−1.4** | **0.2** | **−11.6** | **12.8** |
| Employer contributions | 0.0 | 0.0 | 6.0 | 6.1 | 0.0 | 0.0 | −6.0 | −6.1 |
| Employee contributions | 5.3 | 5.2 | 5.3 | 5.3 | 0.0 | 0.0 | 0.0 | −0.1 |
| Benefits paid | −33.6 | −33.4 | −23.5 | −23.6 | 0.0 | 0.0 | −10.1 | −9.8 |
| Changes in scope of consolidation | −7.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | −7.3 | 0.0 |
| Foreign currency effects | −3.1 | 19.4 | −3.8 | 23.5 | −0.8 | 4.4 | −0.1 | 0.3 |
| **Present value of defined benefit obligations/fair value of plan assets at the end of the period** | **505.4** | **512.4** | **390.9** | **378.4** | **65.5** | **66.8** | **180.0** | **200.8** |
| Provisions from obligations similar to pensions | 0.6 | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.6 | 0.6 |
| **Total provisions for pensions and obligations similar to pensions** | **506.0** | **513.0** | **390.9** | **378.4** | **65.5** | **66.8** | **180.6** | **201.4** |

The pension plan of Finkl Steel - Sorel (CA, registered: Sorel Forge Co.) was terminated in 2024 following approval from the local regulatory authorities (Retraite Québec). Given that there were sufficient funds in the plan, EUR 5.8 million were settled with an immaterial settlement gain. The EUR 7.3 million decrease in the defined benefit obligation from the changes in scope of consolidation relates to the disposal of the Ascometal entities.

The negative past service costs of EUR 3.4 million in 2023 resulted from plan amendments to the Group's pension plan in Germany related to the introduction of a lump-sum withdrawal option for employees, thereby reducing future payments and thus the present value of the defined benefit obligation.

The difference between the plan assets and the defined benefit obligation of partially or fully funded pension plans represents the funded status, which can be reconciled with the recognized amount as follows:

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Fair value of plan assets | 390.9 | 378.4 |
| Present value of funded defined benefit obligations | –457.3 | –338.4 |
| **Funded status** | **–66.4** | **40.0** |
| **Effect of asset ceiling** | **–65.5** | **–66.8** |
| **Present value of unfunded defined benefit obligations** | **–48.6** | **–174.7** |
| – of which from pension plans | –48.0 | –174.1 |
| – of which from similar liabilities | –0.6 | –0.6 |
| **Recognized amount** | **–180.6** | **–201.4** |
| – of which from pension plans | –180.0 | –200.8 |
| – of which from similar liabilities | –0.6 | –0.6 |

## Actuarial gains and losses

Actuarial gains and losses are recognized directly in other comprehensive income in the period in which they occur.

| in million EUR | 2024 | 2023 |
|---|---|---|
| Actuarial gains/(losses) | | |
| on pension obligations | –19.4 | –28.2 |
| on plan assets | 29.6 | 15.6 |

In 2024, the actuarial gain from changes in demographic assumptions was EUR 0.5 million. The actuarial losses from changes in financial assumptions and experience adjustments were EUR 6.8 million and EUR 13.1 million, respectively.

In 2023, the actuarial gains from changes in demographic assumptions and from experience adjustments were EUR 0.9 million and EUR 4.1 million, respectively, whereas the actuarial loss from changes in financial assumptions was EUR 33.2 million.

## Effect from asset ceiling

The effect from asset ceiling decreased by EUR 1.3 million to EUR 65.5 million as of December 31, 2024 (2023: EUR 66.8 million). Of this, EUR -1.4 million (2023: EUR 0.2 million) was recognized in other comprehensive income for 2024, and EUR 0.9 million (2023: EUR 1.3 million) and EUR - 0.8 million (2023: EUR 4.4 million) were recognized as interest expenses and foreign currency gains, respectively.

### Material actuarial assumptions for pensions

As of the reporting date, the main drivers for measuring pension liabilities – the discount rates – were evaluated and adjusted when deemed not appropriate. The following valuation assumptions were used:

| | Switzerland | | Euro area | |
|---|---|---|---|---|
| in % | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Discount rate | 1.0 | 1.4 | 3.3 | 3.1 |
| Salary trend | 1.4 | 1.5 | 2.1-3.0 | 2.1-3.0 |
| Pension increase | 0.0 | 0.0 | 1.0-2.0 | 1.0-2.2 |

### Material assumptions for plan assets

There are pension plans financed by funds in Switzerland, France and, to a limited extent, Germany.

With a fair value of EUR 381.5 million (2023: EUR 355.4 million), the majority of the plan assets relate to the pension fund of Steeltec AG. The pension fund has an Investment Committee responsible for developing a target portfolio structure based on asset-liability studies. This is subsequently approved by the Board of Trustees, which is made up of an equal number of employer and employee representatives. The target portfolio structure takes into account the capital market environment as well as the structure of the obligations, and sets ranges and upper limits for the individual investment classes. The management of the pension fund is responsible for implementing the target portfolio structure and reports regularly to the Investment Committee on the transactions made. The target portfolio structure is monitored continuously and adjusted to market conditions as necessary.

The table below shows a breakdown by percentage of fair values of plan assets in the various countries:

| | Switzerland | | Euro area | |
|---|---|---|---|---|
| in % | 2024 | 2023 | 2024 | 2023 |
| Shares | 27.4 | 22.6 | 0.0 | 0.0 |
| Fixed-interest securities | 16.0 | 15.7 | 0.0 | 0.0 |
| Real estate | 53.3 | 56.4 | 0.0 | 0.0 |
| Insurance contracts | 2.8 | 2.7 | 100.0 | 100.0 |
| Others | 0.5 | 2.7 | 0.0 | 0.0 |

Fair value is determined based on level 1 of the fair value hierarchy for shares and fixed-interest securities and level 3 for other plan assets.

The rate applied to discount defined benefit obligations is used to determine interest income on plan assets. The interest expense from discounting the defined benefit obligations is recorded together with interest income from plan assets as net interest in the consolidated income statement.

### Sensitivity analysis

As of December 31, 2024, there were defined benefit obligations of EUR 505.4 million (2023: EUR 512.4 million). The expected service cost for 2025 was EUR 7.9 million based on current interest rates. If material actuarial assumptions for the material plans listed in the table below had increased or decreased by 0.5 % as of December 31, 2024, pension liabilities and service costs would have been adjusted as follows for the subsequent financial year:

| Actuarial assumptions in EUR million | Discount rate | | Salary | | Pension increase | |
|---|---|---|---|---|---|---|
| **Sensitivity level** | **0.5 %** | **−0.5 %** | **0.5 %** | **−0.5 %** | **0.5 %** | **−0.5 %** |
| Effect on pension liability as of 31.12.2024 | −25.6 | 28.7 | 2.0 | −2.0 | 22.9 | −8.6 |
| Effect on service costs 2024 | −0.6 | 0.8 | 0.1 | −0.1 | 0.6 | 0.0 |
| | | | | | | |
| Effect on pension liability as of 31.12.2023 | −25.4 | 28.2 | 2.3 | −2.1 | 19.2 | −6.9 |
| Effect on service costs 2023 | −0.9 | 1.1 | 0.1 | 0.5 | 0.4 | −0.1 |

### Contribution and benefit payments

In principle, the Group contributes to the plans based on the legal and/or minimum funding requirements stipulated by collective agreement in the respective country of each fund. In 2024, employer contributions of EUR 6.0 million (2023: EUR 6.1 million) were made to the plan assets. The pension payments for unfunded plans amounted to EUR 10.1 million (2023: EUR 9.8 million).

For 2025, contribution payments are expected to total EUR 16.3 million. Of this amount, EUR 6.1 million are employer contributions for financing existing funded plans and EUR 10.2 million are pension payments for plans not financed by a fund.

The table below shows the cash outflow expected by Swiss Steel Group and the pension funds over the coming years:

| | Expected cash outflow | |
|---|---|---|
| **in million EUR** | **As of 31.12.2024** | **As of 31.12.2023** |
| Year 1 | 29.7 | 31.0 |
| Year 2 | 31.1 | 31.6 |
| Year 3 | 32.5 | 31.1 |
| Year 4 | 31.6 | 32.7 |
| Year 5 | 31.1 | 31.2 |
| Years 6-10 | 151.9 | 152.7 |
| **Total** | **307.9** | **310.3** |

The weighted average duration of the defined benefit obligation was 11.1 years as of December 31, 2024 (2023: 11.8 years).

## 29 Provisions

### Material accounting policy

Warranty provisions (assurance type warranties) are recognized when the respective products are sold or the respective services rendered. The amount of the provision is based on the historical development of warranties as well as consideration of all future possible warranty cases weighted by their probabilities of occurrence.

Provisions for restructuring measures are recognized if the Group has a present legal or constructive obligation, specifically when there is a detailed formal restructuring plan in place and the Group has informed those affected about the plan or has already initiated its implementation. Only direct expenditures which are necessary and not associated with ongoing activities shall be included in the provision.

Provisions for potential losses from onerous contracts are recognized if the expected economic benefit resulting from the contract is less than the unavoidable costs (i.e. the lower of the cost of fulfilling the contract and any compensation or penalties arising from failure to fulfill it).

Provisions for environmental protection are recognized if outflows of economic benefits are expected and unavoidable based on environmental laws or in case of litigation against the Group.

Provisions developed as follows in the financial year:

| in million EUR | Warranties | Phased retirement | Jubilee | Personnel | Restructuring | Other | Total |
|---|---|---|---|---|---|---|---|
| As of 1.1.2023 | 9.5 | 7.3 | 12.5 | 11.4 | 1.3 | 40.7 | 82.7 |
| Additions | 11.8 | 3.2 | 0.4 | 2.1 | 20.2 | 21.2 | 59.0 |
| Utilization | −5.6 | −4.0 | −2.1 | −4.2 | 0.0 | −9.6 | −25.5 |
| Reversal | −1.8 | 0.0 | −4.4 | −0.2 | −0.3 | −1.0 | −7.7 |
| Compounding | 0.0 | 0.3 | 0.4 | 0.0 | 0.0 | 0.0 | 0.7 |
| Foreign currency effects | 0.0 | 0.0 | 0.1 | −0.1 | 0.0 | 0.1 | 0.1 |
| **As of 31.12.2023** | **13.9** | **6.8** | **6.9** | **9.0** | **21.2** | **51.4** | **109.3** |
| – of which non-current | 0.0 | 3.9 | 5.2 | 6.6 | 2.3 | 13.6 | 31.6 |
| – of which current | 13.9 | 2.9 | 1.7 | 2.4 | 18.9 | 37.8 | 77.7 |
| | | | | | | | |
| As of 1.1.2024 | 13.9 | 6.8 | 6.9 | 9.0 | 21.2 | 51.4 | 109.3 |
| Changes in scope of consolidation | −1.7 | 0.0 | −1.1 | −0.8 | −1.0 | −13.1 | −17.7 |
| Additions | 3.7 | 2.8 | 0.2 | 4.1 | 6.9 | 16.5 | 34.2 |
| Utilization | −5.8 | −3.0 | −1.8 | −1.9 | −10.4 | −12.9 | −35.8 |
| Reversal | −1.6 | −0.2 | −0.1 | −1.9 | −2.4 | −9.0 | −15.2 |
| Compounding | 0.0 | 0.4 | 0.1 | 0.0 | 0.0 | 0.0 | 0.5 |
| Foreign currency effects | 0.0 | 0.0 | 0.0 | 0.2 | 0.1 | 0.0 | 0.3 |
| **As of 31.12.2024** | **8.5** | **6.8** | **4.2** | **8.7** | **14.4** | **32.9** | **75.6** |
| – of which non-current | 0.0 | 4.3 | 4.1 | 4.8 | 3.2 | 10.1 | 26.5 |
| – of which current | 8.5 | 2.5 | 0.1 | 3.9 | 11.2 | 22.9 | 49.1 |

The warranty provisions of EUR 8.5 million (2023: EUR 13.9 million) comprise accrued amounts for legally required warranty obligations as well as amounts for warranties provided over and above the legal liability.

The provisions for phased retirement (*Altersteilzeit*) agreements of EUR 6.8 million (2023: EUR 6.8 million) are accumulated on a pro-rata basis during the employment phase of the employee to enable continued payment to the employee in the release phase. The corresponding cash outflows are expected over the next five years.

The provisions for jubilee awards of EUR 4.2 million (2023: EUR 6.9 million) were recorded in line with the amounts of monetary or non-monetary benefits provided for company agreements for employees that attain a certain length of service. A utilization of EUR 3.2 million is expected in connection with such payments over the next five years (2023: EUR 4.9 million). For the years thereafter, a utilization of EUR 1.0 million is expected (2023: EUR 2.1 million).

Other personnel-related provisions amounted to EUR 8.7 million as of December 31, 2024 (2023: EUR 9.0 million), of which EUR 8.2 million (2023: EUR 8.6 million) are expected to be paid over the next five years.

The provision for restructuring of EUR 14.4 million (2023: EUR 21.2 million) is mainly related to the restructuring program at the Production Asset Deutsche Edelstahlwerke (DEW), of which EUR 11.8 million (2023: EUR 19.5 million) relate to severance pay, social supplements, and top-up amounts for short-time working allowances and unemployment benefits.

Other provisions of EUR 32.9 million (2023: EUR 51.4 million) mainly relate to environmental protection in the amount of EUR 5.9 million (2023: EUR 17.6 million). These decreased mainly due to the derecognition of Ascometal (refer to note 8), which led to a reduction in the respective provisions by EUR 12.0 million. In addition, other provisions relate to onerous contracts of EUR 0.9 million (2023: EUR 7.1 million) as well as $CO_2$ certificates of EUR 12.7 million (2023: EUR 13.0 million). Provisions totaling EUR 11.7 million (2023: EUR 10.2 million) consist of various relatively small amounts that are not reported separately for reasons of materiality.

The reversals of EUR 15.2 million (2023: EUR 7.7 million) mainly relate to reductions in expected payouts for restructuring social plans (reduction of EUR 2.2 million) as well as releases of customer claim and onerous contract provisions (total reduction of EUR 4.3 million) at the Production Asset Deutsche Edelstahlwerke (DEW).

## 30 Financial liabilities

Conditional to the capital increase (refer to note 27), Swiss Steel Group and its financial lenders agreed to new financing agreements with extended terms until September 29, 2028. Financial liabilities materially consist of a syndicated credit facility up to a maximum of EUR 375.0 million (2023: EUR 435.0 million), after a reduction of EUR 25.0 million triggered by the capital increase (refer to note 27) and a further reduction of EUR 35.0 million following the closing of the sale-and-leaseback transaction related to land and buildings (refer to note 9), and an asset backed security (ABS) financing program with a limit of EUR 300.6 million (EUR 260.0 million and USD 42.0 million). In addition, the Group executed an EUR 200.0 million facilities agreement split into a revolving credit facility of EUR 100.0 million and a term loan facility of EUR 100.0 million (together referred to as shareholder loans) provided by GravelPoint Holding AG[2]. The maturity of all aforementioned debt instruments was extended to September 29, 2028.

Financial liabilities as of December 31, 2024 can be broken down as follows:

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Syndicated loan | 280.7 | 366.6 |
| State-guaranteed loans | 13.6 | 51.9 |
| Lease liabilities | 67.3 | 60.6 |
| Loans from shareholder | 161.3 | 95.0 |
| **Total non-current** | **522.9** | **574.1** |
| Other bank loans | 0.0 | 0.1 |
| State-guaranteed loans | 4.5 | 48.9 |
| ABS financing program | 192.1 | 185.5 |
| Lease liabilities | 18.9 | 9.3 |
| Loans from shareholder | 0.0 | 60.0 |
| Negative market values of derivative financial instruments | 2.7 | 0.9 |
| Other financial liabilities | 2.2 | 4.3 |
| **Total current** | **220.4** | **309.0** |

[2] GravelPoint Holding AG is a main shareholder of Swiss Steel Holding AG. Effective November 8, 2024, the shareholder loans were transferred from BigPoint Holding AG to GravelPoint Holding AG.

The syndicated loan drawing decreased to EUR 280.7 million (2023: EUR 366.6 million) mainly due to the repayments triggered by the capital increase and following the closing of the sale-and-lease-back transaction related to land and buildings outlined above. The ABS financing program remained in a stable range at EUR 192.1 million (2023: EUR 185.5 million).

Of the total of EUR 200.0 million shareholder loans, the drawings amounted to EUR 165.0 million, net of transaction costs of EUR 3.7 million resulting in EUR 161.3 million as of December 31, 2024 (2023: EUR 155.0 million).

State-guaranteed loans are mostly guaranteed by the respective state. These are composed as follows:

| | Carrying amount in million | | Loan cover ratio by government | | Grant date | Term in years |
|---|---|---|---|---|---|---|
| Country | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | | |
| France | 13.6 | 98.9 | 80 %-100 % | 80 %-100 % | various [1] | 1-5 |
| Canada | 4.5 | 1.9 | 0 % | 0 % | various [2] | 4-7 |
| – of which non-current | 13.6 | 51.9 | | | | |
| – of which current | 4.5 | 48.9 | | | | |

[1] Grant dates: May 2020, December 2022
[2] Grant dates: November 2022, March/April 2023

The state-guaranteed loans were incepted between 2020 and 2023. The difference between the amounts recognized and the gross payments received was initially recognized as deferred government support as part of other non-current liabilities. The interest expenses of the loans are charged to financial expenses at the market interest rate, whereas the release of the related other non-current liabilities is credited to financial expenses to offset interest expenses charged (as described in note 17). In 2024, the credited amount was EUR 0.7 million (2023: EUR 5.5 million).

With the opening of judicial reorganization proceedings for the Ascometal entities, related state-guaranteed loans of EUR 90.0 million were derecognized from the consolidated financial statements (refer to note 8), net of an interest advantage of EUR 7.9 million, leading to a significant decrease in the state-guaranteed loans.

Changes in liabilities, which are relevant for the financing cash flow, are presented in the table below:

## Year 2024

| in million EUR | Syndicated loan | Other bank loans | State-guaranteed loans | ABS financing program | Lease liabilities | Loans from shareholder | Other | Total |
|---|---|---|---|---|---|---|---|---|
| **As of 1.1.** | **366.6** | **0.1** | **100.8** | **185.5** | **69.9** | **155.0** | **5.2** | **883.1** |
| Changes in scope of consolidation | 0.0 | 0.0 | –82.1 | 0.0 | –2.1 | 0.0 | –0.7 | –84.9 |
| Increase in lease liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 21.6 | 0.0 | 0.0 | 21.6 |
| Cash inflow from financial liabilities | 0.0 | 0.0 | 0.0 | 5.4 | 0.0 | 90.0 | 0.0 | 95.4 |
| Repayment of financial liabilities | –87.4 | –0.1 | –1.3 | 0.0 | –11.8 | –80.0 | –22.9 | –203.5 |
| Foreign currency effects | 6.9 | 0.0 | 0.0 | 1.6 | 0.8 | 0.0 | –0.1 | 9.2 |
| Other changes | –5.4 | 0.0 | 0.7 | –0.4 | 7.8 | –3.7 | 23.4 | 22.4 |
| **As of 31.12.** | **280.7** | **0.0** | **18.1** | **192.1** | **86.2** | **161.3** | **4.9** | **743.3** |
| – of which non-current | | | | | | | | 522.9 |
| – of which current | | | | | | | | 220.4 |

The line item “other changes” contains the amortization of transaction costs for borrowing, interest expenses and deferred government grants. The line item “foreign currency effects” contains exchange rate effects with and without effect on income.

The column “other” includes the recognition and derecognition of accrued interest and currency derivatives.

### Year 2023

| in million EUR | Syndicated loan | Other bank loans | State-guaranteed loans | ABS financing program | Lease liabilities | Loans from shareholder | Other | Total |
|---|---|---|---|---|---|---|---|---|
| **As of 1.1.** | **296.0** | **0.1** | **95.9** | **272.3** | **70.7** | **174.9** | **9.4** | **919.3** |
| Changes in scope of consolidation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | –17.0 | –17.0 |
| Increase in lease liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 11.4 | 0.0 | 0.0 | 11.4 |
| Cash inflow from financial liabilities | 70.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 70.6 |
| Repayment of financial liabilities | 0.0 | 0.0 | –0.6 | –86.0 | –11.5 | –20.0 | –9.6 | –127.7 |
| Foreign currency effects | –5.0 | 0.0 | 0.0 | –0.7 | 0.2 | 0.0 | –0.3 | –5.8 |
| Other changes | 5.0 | 0.0 | 5.5 | 0.0 | –0.8 | 0.1 | 22.6 | 32.3 |
| **As of 31.12.** | **366.6** | **0.1** | **100.8** | **185.5** | **69.9** | **155.0** | **5.2** | **883.1** |
| – of which non-current | | | | | | | | 574.1 |
| – of which current | | | | | | | | 309.0 |

## 31 Lease liabilities

### Material accounting policy

The future lease payments considered in the calculation of lease liabilities comprise fixed payments, variable lease payments that depend on an index known at the beginning of the lease, and prolongation options that Swiss Steel Group will exercise with reasonable assurance.

Future lease payments are split into interest expense, which is presented as part of the interest paid in the consolidated statement of cash flows, and repayments of the principal portion of lease liabilities, which are presented separately in the cash flow from financing activities.

The expense for leases where the leased asset is of low value (low-value asset leases) or whose term is shorter than one year (short-term leases) is recorded in other operating expenses. This expense item also includes variable lease payments that were not included in the initial measurement of right-of-use assets and lease liabilities.

The liabilities from leases recognized as of December 31, 2024 amounted to EUR 86.2 million (2023: EUR 69.9 million).

Details of the capitalized right-of-use assets are provided in note 22, and of the corresponding financial liabilities in note 30.

Additional lease disclosures are presented in the table below:

| in million EUR | 2024 | 2023 |
|---|---|---|
| **Additional disclosures for leases** | | |
| Interest expenses on lease liabilities | −4.3 | −4.0 |
| Cash outflow for leases (including repayment of lease liabilities and interest) | −22.8 | −24.5 |
| – of which expenses for short-term leases (<12 months) | −6.3 | −8.4 |
| – of which expenses for low-value asset leases | −0.5 | −0.6 |
| – of which expenses related to variable lease payments not included in the measurement of lease liabilities | −0.4 | −0.2 |
| Income from subleasing right-of-use assets | 0.4 | 1.8 |
| Result arising from sale and leaseback transactions | 33.6 | 0.0 |
| Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities | 1.0 | 0.6 |

The future potential cash outflows are primarily related to extension options, the exercise of which was not considered reasonably certain and therefore not considered in the lease term.

## 32 Other liabilities

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Other liabilities | 7.5 | 11.9 |
| **Total non-current** | **7.5** | **11.9** |
| Accrued unused vacation and overtime accounts | 23.7 | 36.1 |
| Liabilities for wages and salaries | 16.8 | 24.2 |
| Tax liabilities (excluding current income tax liabilities) | 20.2 | 23.0 |
| Deferred income | 3.2 | 11.4 |
| Social security obligations | 8.5 | 14.0 |
| Other liabilities | 31.4 | 23.2 |
| **Total current** | **103.8** | **131.9** |

Other non-current liabilities mainly include deferred government support. Other current liabilities include items such as accruals for consulting services of EUR 4.3 million (2023: EUR 3.0 million), credits to customers of EUR 3.9 million (2023: EUR 0.0 million) and accrued government grants of EUR 10.3 million (2023: EUR 8.6 million).

## 33 Financial instruments

### 33.1 Financial instruments according to measurement category and class

Financial assets and liabilities are presented below according to their measurement category. The table also shows finance lease receivables and liabilities as well as derivatives which are part of a hedging relationship, even though these are not measurement categories pursuant to IFRS 9.

The carrying amounts of trade accounts receivable, other current receivables, and cash and cash equivalents approximate fair value.

The fair value of forward exchange contracts is calculated on the basis of the exchange rate on the reporting date, taking into account the forward premiums and discounts for the remaining term of the contract relative to the contractually agreed forward exchange rate.

The fair value of commodity futures is based on official exchange listings.

In the reporting period, there are cash flow hedges only to the extent of the commodity price risk resulting from commodity supply contracts at fixed prices.

The net gain/loss from financial instruments can be broken down as follows:

| in million EUR | 2024 | 2023 |
|---|---|---|
| Financial assets measured at amortized cost (FAAC) | 7.2 | 1.3 |
| Financial assets/liabilities at fair value through profit or loss (FAFVPL/FLFVPL) | −4.2 | −1.8 |
| Financial liabilities measured at amortized cost (FLAC) | −70.6 | −73.7 |

The net gain/loss from the category “financial assets measured at amortized cost (FAAC)” primarily results from interest income from financial receivables, allowances on trade accounts receivable, and exchange rate gains and losses from receivables denominated in foreign currency.

Gains and losses from changes in the fair value of currency, interest and commodity derivatives that do not fulfill the requirements of IFRS 9 for hedge accounting are included in the category “financial assets/liabilities at fair value through profit or loss (FAFVPL/FLFVPL)”.

The net result of the category “financial liabilities measured at amortized cost (FLAC)” comprises interest expenses on financial liabilities, mainly for the syndicated loan and the ABS financing program, and amortization of related transaction costs.

## Year 2024

| in million EUR | Category according to IFRS 9 | Carrying amount at 31.12.2024 | Measurement according to IFRS 9: At amortized cost | Measurement according to IFRS 9: Fair value through other comprehensive income | Measurement according to IFRS 9: Fair value through profit or loss | Measurement according to IFRS 16 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Other financial assets | FAAC / n/a | 1.2 | 0.7 | | | 0.5 |
| Trade accounts receivable | FAAC | 320.9 | 320.9 | | | |
| Cash and cash equivalents | FAAC | 31.9 | 31.9 | | | |
| **Positive market values of derivative financial instruments** | | | | | | |
| Derivatives without hedging relationship (no hedge accounting) | FAFVPL | 0.6 | | | 0.6 | |
| **Liabilities** | | | | | | |
| Syndicated loan | FLAC | 280.7 | 280.7 | | | |
| State-guaranteed loans | FLAC | 18.1 | 18.1 | | | |
| ABS financing program | FLAC | 192.1 | 192.1 | | | |
| Lease liabilities | n/a | 86.2 | | | | 86.2 |
| Loans from shareholder | FLAC | 161.3 | 161.3 | | | |
| Other financial liabilities | FLAC | 2.2 | 2.2 | | | |
| Trade accounts payable | FLAC | 233.9 | 233.9 | | | |
| **Negative market values of derivative financial instruments** | | | | | | |
| Derivatives with hedging relationship (hedge accounting) | n/a | 0.1 | | 0.1 | | |
| Derivatives without hedging relationship (no hedge accounting) | FLFVPL | 2.7 | | | 2.7 | |
| **Of which aggregated by measurement category in accordance with IFRS 9 in conjunction with IFRS 7** | | | | | | |
| Financial assets measured at amortized cost (FAAC) | FAAC | 353.5 | 353.5 | | | |
| Financial assets at fair value through profit or loss (FAFVPL) | FAFVPL | 0.6 | | | 0.6 | |
| Financial liabilities measured at amortized cost (FLAC) | FLAC | 888.3 | 888.3 | | | |
| Financial liabilities at fair value through profit or loss (FLFVPL) | FLFVPL | 2.7 | | | 2.7 | |

n/a = not applicable

## Year 2023

| in million EUR | Category according to IFRS 9 | Carrying amount at 31.12.2023 | Measurement according to IFRS 9: At amortized cost | Measurement according to IFRS 9: Fair value through other comprehensive income | Measurement according to IFRS 9: Fair value through profit or loss | Measurement according to IFRS 16 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Other financial assets | FAAC / n/a | 2.3 | 1.6 | | | 0.7 |
| Trade accounts receivable | FAAC | 364.3 | 364.3 | | | |
| Cash and cash equivalents | FAAC | 54.5 | 54.5 | | | |
| **Positive market values of derivative financial instruments** | | | | | | |
| Derivatives with hedging relationship (hedge accounting) | n/a | 0.2 | | 0.2 | | |
| Derivatives without hedging relationship (no hedge accounting) | FAFVPL | 1.7 | | | 1.7 | |
| **Liabilities** | | | | | | |
| Syndicated loan | FLAC | 366.6 | 366.6 | | | |
| Other bank loans | FLAC | 0.1 | 0.1 | | | |
| State-guaranteed loans | FLAC | 100.8 | 100.8 | | | |
| ABS financing program | FLAC | 185.5 | 185.5 | | | |
| Lease liabilities | n/a | 69.9 | | | | 69.9 |
| Loans from shareholder | FLAC | 155.0 | 155.0 | | | |
| Other financial liabilities | FLAC | 4.3 | 4.3 | | | |
| Trade accounts payable | FLAC | 343.1 | 343.1 | | | |
| **Negative market values of derivative financial instruments** | | | | | | |
| Derivatives with hedging relationship (hedge accounting) | n/a | 0.3 | | 0.3 | | |
| Derivatives without hedging relationship (no hedge accounting) | FLFVPL | 0.6 | | | 0.6 | |
| **Of which aggregated by measurement category in accordance with IFRS 9 in conjunction with IFRS 7** | | | | | | |
| Financial assets measured at amortized cost (FAAC) | FAAC | 420.4 | 420.4 | | | |
| Financial assets at fair value through profit or loss (FAFVPL) | FAFVPL | 1.7 | | | 1.7 | |
| Financial liabilities measured at amortized cost (FLAC) | FLAC | 1,155.4 | 1,155.4 | | | |
| Financial liabilities at fair value through profit or loss (FLFVPL) | FLFVPL | 0.6 | | | 0.6 | |

n/a = not applicable

### 33.2 Financial assets at fair value through profit or loss

In accordance with the requirements of IFRS 13, items which are recognized at fair value in the statement of financial position, or whose fair value is disclosed in the notes to the consolidated financial statements, are allocated to one of the following three levels of the fair value hierarchy.

The fair value hierarchy distinguishes between the following levels:

**Level 1:**
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:**
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:**
Unobservable inputs for the asset or liability that materially affect the fair value.

As of the respective reporting dates, financial instruments measured at fair value were allocated exclusively to level 2:

| | Fair value as of December 31 | |
|---|---|---|
| in million EUR | 2024 | 2023 |
| **Financial assets** | | |
| **Positive market values of derivatives** | | |
| Derivatives with hedging relationship (hedge accounting) | 0.0 | 0.2 |
| Derivatives without hedging relationship (no hedge accounting) | 0.6 | 1.7 |
| **Financial liabilities** | | |
| **Negative market values of derivative financial instruments** | | |
| Derivatives with hedging relationship (hedge accounting) | 0.1 | 0.3 |
| Derivatives without hedging relationship (no hedge accounting) | 2.7 | 0.6 |

Swiss Steel Group regularly reviews the procedures for measuring items at fair value. If the material input parameters change, the Group assesses whether an item needs to be transferred between the levels. There were no transfers between the individual levels during the reporting period.

### 33.3 Financial risk management objectives and policies

**Objectives**

Regarding its assets, liabilities, pending transactions and planned transactions, Swiss Steel Group is exposed to risks. These include exchange rate fluctuations, interest rates and commodity prices, as well as credit risks, i.e., the risk of default of counterparties. Solvency must also be assured at all times (liquidity risk).

The risk management objective is to manage these risks where they affect the cash flows of the Group, using appropriate measures.

Derivative financial instruments are used only for hedging purposes. They are not used for trading or speculative purposes. The Group does not hedge exchange effects from translating financial statements denominated in foreign currencies into the reporting currency of the Group. The Executive Board defines and continuously monitors the hedging policy and implementation thereof.

The sensitivity analyses relate exclusively to hypothetical changes in market prices and interest rates for primary and derivative financial instruments. The sensitivity analyses do not consider all effects from opposite movements of a non-financial underlying, even though these could substantially reduce the effects that are presented.

## Currency risk

Foreign currency risks arise mainly when trade accounts receivable and payable as well as financial assets and liabilities are denominated in foreign currencies, future revenue is planned in a foreign currency, or existing or planned fixed-price commodity supply contracts are denominated in a foreign currency. Currency management is country-specific, whereby foreign currency amounts are converted on a regular basis into the respective functional currency, mainly by means of spot or forward exchange contracts.

Currency risks as defined by IFRS 7 arise from financial instruments that are denominated in a currency other than the functional currency. Fluctuations in the value of non-monetary financial instruments and the effects of translating financial statements denominated in foreign currencies into the Group's reporting currency, the euro, do not represent an exchange risk as defined by IFRS 7.

Currency risks mainly relate to the US dollar, Swiss franc and Canadian dollar relative to the euro as of the reporting date and throughout the reporting period.

The table below shows the effects on the pre-tax result if the euro were to appreciate or depreciate by 10 % in relation to selected currencies.

| | Change | Effect on the pre-tax result | |
|---|---|---|---|
| **in million EUR** | **EUR** | **2024** | **2023** |
| **Currency USD** | | | |
| | 10 % | 1.4 | 2.5 |
| | −10 % | −1.7 | −3.0 |
| **Currency CHF** | | | |
| | 10 % | 0.9 | 1.2 |
| | −10 % | −1.1 | −1.5 |
| **Currency CAD** | | | |
| | 10 % | 0.1 | 0.4 |
| | −10 % | −0.2 | −0.5 |

The sensitivities were calculated based on the values that would have resulted if the closing exchange rate of the euro against the other currencies had been 10 % higher or lower on the reporting date.

## Interest rate risk

Interest rate risks for liabilities mainly arise from changing interest components like the reference interest rates (EURIBOR, SOFR or risk-free reference rates) into their respective currencies, from premiums on the credit rating of the company, and from the substitution risk of fixed-interest financial instruments. Interest effects are primarily managed through the composition of financial instruments. If required, additional interest rate derivatives can be used.

The following assumptions are applied in calculating the interest sensitivities:

1. Interest rate risks of non-derivative floating-rate financial instruments normally only affect profit or loss.

2.a) Interest rate risks of derivative financial instruments which are part of a hedging relationship in a cash flow hedge pursuant to IFRS 9 have an effect on equity. As of both reporting dates, there were no interest rate derivatives designated to hedging relationships.

2.b) Interest rate risks of derivative financial instruments which are not part of a hedging relationship in a cash flow hedge pursuant to IFRS 9 have an effect on profit or loss.

If euro and US dollar interest rates had been 100 basis points higher or lower as of the reporting date, net income/loss would have developed as follows:

| | Change | Effect on the pre-tax result | |
|---|---|---|---|
| **in million EUR** | **Basis points** | **2024** | **2023** |
| **EUR interest rates** | | | |
| | +100 | −5.2 | −4.8 |
| | −100 | 5.2 | 4.8 |
| **USD interest rates** | | | |
| | +100 | −1.0 | −1.6 |
| | −100 | 1.0 | 1.6 |

## Commodity price risk

Commodity price risks result from fluctuations in the prices of raw materials required for steel production. Fluctuations in commodity prices can usually be passed on to customers in the form of scrap and alloy surcharges. If this is not possible, hedging is undertaken with marketable instruments in some cases. Currently, these mainly comprise forward exchange contracts for nickel. Swiss Steel Group receives payments depending on the development of the nickel price and is therefore generally protected from price hikes.

## Credit risk

Credit risks are mainly linked to trade accounts receivable, bank balances, guarantees and derivative financial instruments. In view of the broadly diversified customer base, which spans a variety of regions and industries, the credit risk on trade accounts receivable is well diversified. Moreover, most trade accounts receivable are covered by credit insurance.

In 2024, approximately 65 % (2023: 73 %) of trade accounts receivable were covered by credit insurance as of the reporting date. Former intragroup receivables from Ascometal are not included in the 65%. Credit risk is mitigated by existing collateral, especially by our global trade credit insurance programs. Credit limits are applied to all our customers. For material credit risks beyond credit insurance, local and central credit management teams analyze the customers' creditworthiness and make a decision on internal credit limits. In addition, the credit and collection policies of the local entities are captured by the internal control system. Where appropriate, and particularly in the case of new business relationships, external business partners are required to provide collateral to minimize credit risk. Bank guarantees, assignment of receivables, assignment of collateral and personal guarantees are all acceptable forms of security. Default risks are monitored continuously by the individual Group companies and are taken into account through allowance accounts if necessary. Impairments of trade accounts receivable are recognized in part on special allowance accounts. However, if the probability of default is assessed to be very high, the respective accounts receivable are immediately derecognized.

For all categories of capitalized financial assets, the carrying amount represents the maximum credit risk.

As of each reporting date, the financial assets that are not measured at fair value through profit or loss are assessed for any objective evidence of impairment. Objective evidence includes material financial difficulty of the debtor, actual breach of contract by the debtor, the disappearance of an active market for the financial asset, a material change in the technological, economic, legal or market environment in which the debtor operates, or a prolonged decline in the fair value of the financial asset below the carrying amount. Country-specific expected credit default risks are additionally included in the impairment.

If an impairment has occurred, the difference between the carrying amount and the expected future cash flows discounted at the original effective interest rate is recognized in profit or loss, while changes in value that were recognized in other comprehensive income are released through profit or loss. If the fair value of financial assets objectively increases over time, a reversal of the impairment is recognized through profit or loss provided that the original amortized costs are not exceeded.

## Liquidity risk

Swiss Steel Group centrally manages its cash balances and continuously monitors its available liquidity. The Group's ability to continue as a going concern is dependent, among other factors, on the availability of sufficient liquidity to fund the Group's operations. Liquidity risk is mitigated through continuous steering and monitoring of available liquidity on a daily basis paired with a fortnightly liquidity forecast.

The tables below present the contractually agreed undiscounted cash outflows from non-derivative financial liabilities and cash flows from derivative financial instruments:

## Year 2024

| in million EUR | Carrying amount at 31.12.2024 | Cash outflows 2025 | Cash outflows 2026 to 2029 | Cash outflows after 2029 | Total cash outflows |
|---|---|---|---|---|---|
| **Primary financial instruments** | | | | | |
| Syndicated loan [1] | 280.7 | 25.9 | 378.6 | 0.0 | 404.5 |
| State-guaranteed loans | 18.1 | 4.9 | 14.2 | 0.0 | 19.1 |
| ABS financing program | 192.1 | 192.1 | 0.0 | 0.0 | 192.1 |
| Lease liabilities | 86.2 | 14.9 | 42.3 | 170.8 | 228.0 |
| Loans from shareholder [1] | 161.3 | 14.3 | 204.4 | 0.0 | 218.7 |
| Other financial liabilities | 2.2 | 2.2 | 0.0 | 0.0 | 2.2 |
| Trade accounts payable | 233.9 | 233.9 | 0.0 | 0.0 | 233.9 |
| **Total primary financial instruments** | **974.5** | **488.2** | **639.5** | **170.8** | **1,298.5** |
| | **Carrying amount at 31.12.2024** | **Cash outflows 2025** | **Cash outflows 2026 to 2029** | **Cash outflows after 2029** | **Total cash outflows** |
| **Derivative financial instruments** | | | | | |
| Derivatives with hedging relationship (hedge accounting) | –0.1 | –0.1 | 0.0 | 0.0 | –0.1 |
| – of which outflows | | –0.1 | 0.0 | 0.0 | –0.1 |
| Derivatives without hedging relationship (no hedge accounting) | –2.1 | –2.1 | 0.0 | 0.0 | –2.1 |
| – of which outflows | | –191.4 | 0.0 | 0.0 | –191.4 |
| – of which inflows | | 189.3 | 0.0 | 0.0 | 189.3 |
| **Total derivative financial instruments** | **–2.2** | **–2.2** | **0.0** | **0.0** | **–2.2** |
| **Total 31.12.2024** | **972.3** | **486.0** | **639.5** | **170.8** | **1,296.3** |

[1] The cash outflows for the syndicated loan and the loans from shareholder include cash outlfows for related interests. Given the unpredictability of the loan drawings and the interdependent interest rates, interests are estimated based on the carrying amounts as of December 31, 2024.

The overview above includes all financial liabilities carried as of the reporting date. Amounts denominated in foreign currencies are translated into euro using the exchange rates as of the reporting date; floating-rate interest payments are determined on the basis of the current rate. Payments are shown in the periods in which the payment might first be demanded according to the contractual arrangements. The amounts of derivative financial instruments shown above represent the net balance of undiscounted payments and receipts.

Cash outflows for lease liabilities after 2029 include a hereditary lease of the Production Asset Deutsche Edelstahlwerke (DEW) entered into in 2003 with a total lease term of 99 years for properties at the Siegen and Hagen sites. The total area of approximately 887,970 $m^2$ is leased for an annual payment of EUR 2.3 million.

## Year 2023

| in million EUR | Carrying amount at 31.12.2023 | Cash outflows 2024 | Cash outflows 2025 to 2028 | Cash outflows after 2028 | Total cash outflows |
|---|---|---|---|---|---|
| **Primary financial instruments** | | | | | |
| Syndicated loan | 366.6 | 0.0 | 371.2 | 0.0 | 371.2 |
| Other bank loans | 0.1 | 0.1 | 0.0 | 0.0 | 0.1 |
| State-guaranteed loans | 100.8 | 49.1 | 60.5 | 0.0 | 109.6 |
| ABS financing program | 185.5 | 185.5 | 0.0 | 0.0 | 185.5 |
| Lease liabilities | 69.9 | 12.9 | 30.0 | 140.5 | 183.4 |
| Loans from shareholder | 155.0 | 66.1 | 104.0 | 0.0 | 170.1 |
| Other financial liabilities | 4.3 | 4.3 | 0.0 | 0.0 | 4.3 |
| Trade accounts payable | 343.1 | 343.1 | 0.0 | 0.0 | 343.1 |
| **Total primary financial instruments** | **1,225.3** | **661.1** | **565.7** | **140.5** | **1,367.3** |
| | **Carrying amount at 31.12.2023** | **Cash outflows 2024** | **Cash outflows 2025 to 2028** | **Cash outflows after 2028** | **Total cash outflows** |
| **Derivative financial instruments** | | | | | |
| Derivatives with hedging relationship (hedge accounting) | –0.1 | –0.1 | 0.0 | 0.0 | –0.1 |
| – of which outflows | | –0.1 | 0.0 | 0.0 | –0.1 |
| Derivatives without hedging relationship (no hedge accounting) | 1.1 | 1.1 | 0.0 | 0.0 | 1.1 |
| – of which outflows | | –133.9 | 0.0 | 0.0 | –133.9 |
| – of which inflows | | 135.0 | 0.0 | 0.0 | 135.0 |
| **Total derivative financial instruments** | **1.0** | **1.0** | **0.0** | **0.0** | **1.0** |
| **Total 31.12.2023** | **1,226.3** | **662.1** | **565.7** | **140.5** | **1,368.3** |

## Capital management

The overriding capital management objective is to maintain an adequate capital basis for the long-term growth of the Group in order to create added value for the shareholders and safeguard the solvency of the Group at all times. Fulfillment of this objective is measured against an appropriate ratio of shareholders' equity to total assets (equity ratio) and an appropriate level of net debt.

In 2024, the equity ratio increased due to the capital increase (refer to note 27), offset by the negative comprehensive result generated in the current financial year. The equity ratio amounted to 19.3 % as of December 31, 2024 (2023: 12.1 %).

As of December 31, 2024, net debt, comprising current and non-current financial liabilities less cash and cash equivalents, decreased to EUR 711.4 million (2023: EUR 828.6 million). The gearing, which expresses the ratio of net debt to shareholders' equity, amounted to 220.4 % (2023: 353.5 %).

Since the amount of financial expenses for the syndicated loan is linked to the ratio of net debt to EBITDA, this financial ratio – besides the other financial covenants, minimum liquidity and consolidated economic equity – is monitored on an ongoing basis within the capital management framework so as to secure the most favorable conditions possible for the Group's financing.

The financing agreements consisting of the syndicated loan (carrying amount of EUR 287.3 million, excluding transaction costs), the shareholder loan (carrying amount of EUR 165.0 million, excluding transaction costs) and the ABS financing program (carrying amount of EUR 192.4 million, excluding transaction costs) expire on September 29, 2028, subject to compliance with the following financial covenants, among other covenants and undertakings:

- The *Leverage* covenant (computed as the ratio of net debt to adjusted EBITDA), tested on a quarterly basis with first testing date on September 30, 2025, shall not exceed agreed values for specific testing dates.
- The *Minimum Consolidated Economic Equity* covenant, tested on a quarterly basis until June 30, 2025, shall not undercut agreed values for specific testing dates. Testing has been suspended until March 31, 2025.
- The *Minimum Liquidity* threshold must meet an agreed minimum for each calendar month-end.

## 34 Contingent liabilities and other financial obligations

| in million EUR | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Pledges, guarantees | 85.3 | 79.2 |
| **Purchase commitments** | | |
| for intangible assets | 0.0 | 0.1 |
| for property, plant and equipment | 31.5 | 21.9 |
| **Total** | **116.8** | **101.2** |

Purchase commitments result from investment programs in place at individual Group companies. They increased compared to the prior year in line with the progress made on investments. Most of the purchase commitments are attributable to the investments of the Production Assets Deutsche Edelstahlwerke (DEW) and Ugitech.

## 35 Segment reporting

Since 2023, the segment reporting has followed the Group's new organizational structure, which distinguishes between the Engineering Steel, Stainless Steel and Tool Steel Divisions.

The Engineering Steel Division satisfies the demand for special long steel wherever high mechanical loads are present and reliable, long-term use of components must be guaranteed. The customers are mainly from the mobility, mechanical engineering and energy sectors.

The Stainless Steel Division offers materials for applications where high resistance to corrosion or acid and high thermal loads are a necessity. The main customers operate in the aerospace, energy, medical, building and exploration sectors.

The Tool Steel Division provides solutions focused on economic machinability, high wear resistance and good thermal conductivity. The customers mainly belong to the mobility, packaging, optics, tools and molds sectors.

The chief operating decision maker of the Group (the Executive Board) monitors the operating results of each operating segment individually to assess their performance and decide on the allocation of resources. Earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted by one-time effects (adjusted EBITDA), is the key indicator used to assess the segment performance of the individual operating segments in accordance with IFRS Accounting Standards. Adjusted EBITDA is therefore segment profit/loss as defined by IFRS 8.

Transactions between the individual segments have been eliminated for segment reporting purposes. The exchange of goods and services within and between the operating segments takes place at transfer prices in accordance with the arm's length principle and international transfer pricing regulations. The segments' measures of profit or loss are determined using the same accounting policies as those used for Group accounting.

The reconciliation of the operating segment financials to the consolidated group financials is limited to other products and services which are not allocated to the operating segments as well as eliminations (elimination of income and expenses and elimination of intersegment profits and losses).

Not all assets and liabilities are available at Division level. The key performance indicator related to the statement of financial position that is regularly reported to the Executive Board is the net working capital.

## Revenue by region

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | in million EUR | in % | in million EUR | in % |
| Switzerland | 43.0 | 1.7 | 55.9 | 1.7 |
| Germany | 924.5 | 36.8 | 1,077.7 | 33.2 |
| France | 220.4 | 8.8 | 357.9 | 11.0 |
| Italy | 293.3 | 11.7 | 355.0 | 10.9 |
| Other Europe | 452.9 | 18.0 | 735.7 | 22.7 |
| USA | 258.2 | 10.3 | 318.7 | 9.8 |
| Canada | 64.5 | 2.6 | 71.8 | 2.2 |
| Other Americas | 73.6 | 2.9 | 66.9 | 2.1 |
| China | 77.6 | 3.1 | 81.7 | 2.5 |
| India | 28.2 | 1.1 | 40.6 | 1.3 |
| Asia Pacific/Africa | 75.0 | 3.0 | 82.3 | 2.6 |
| **Total** | **2,511.2** | **100.0** | **3,244.2** | **100.0** |

The revenue information is based on the location of the customer. No single customer exceeded 10.0 % of the Group's revenue in 2024 and 2023.

## Non-current assets by region

| | As of 31.12.2024 | | As of 31.12.2023 | |
|---|---|---|---|---|
| | in million EUR | in % | in million EUR | in % |
| Switzerland | 168.3 | 30.4 | 176.1 | 31.6 |
| Germany | 126.7 | 22.9 | 124.6 | 22.4 |
| France | 136.2 | 24.6 | 132.0 | 23.7 |
| Italy | 13.0 | 2.3 | 14.0 | 2.5 |
| Other Europe | 7.7 | 1.4 | 7.4 | 1.3 |
| USA | 63.5 | 11.5 | 65.0 | 11.7 |
| Canada | 30.6 | 5.5 | 29.0 | 5.2 |
| Other Americas | 2.8 | 0.5 | 2.8 | 0.5 |
| China | 2.2 | 0.4 | 2.9 | 0.5 |
| India | 1.8 | 0.3 | 1.6 | 0.3 |
| Africa/Asia | 1.0 | 0.2 | 1.0 | 0.3 |
| **Total** | **553.8** | **100.0** | **556.4** | **100.0** |

The non-current assets by region comprise non-current assets other than financial instruments, deferred tax assets, pension assets and rights arising under insurance contracts.

The table below shows the segment reporting as of December 31, 2024 (adjusted by adding changes in inventories of semi-finished and finished goods and cost of materials based on the agenda decision outlined in note 2):

| | Engineering Steel | | Stainless Steel | | Tool Steel | |
|---|---|---|---|---|---|---|
| in million EUR | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Third-party revenue | 994.5 | 1,507.0 | 1,039.3 | 1,167.1 | 427.6 | 535.9 |
| Intersegment revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total revenue** | **994.5** | **1,507.0** | **1,039.3** | **1,167.1** | **427.6** | **535.9** |
| Changes in inventories of semi-finished and finished goods | –39.4 | –65.1 | –11.5 | –55.0 | 7.3 | –47.1 |
| Cost of materials | –654.3 | –1,069.0 | –723.8 | –784.4 | –277.0 | –325.5 |
| **Gross profit** | **300.8** | **372.9** | **304.0** | **327.7** | **157.9** | **163.3** |
| Personnel expenses | –263.7 | –321.2 | –226.3 | –223.9 | –116.0 | –126.6 |
| Net operating expenses [1] | –50.7 | –154.6 | –87.2 | –83.9 | –59.2 | –62.2 |
| **Operating result before depreciation, amortization and impairments (EBITDA)** | **–13.6** | **–102.9** | **–9.5** | **19.9** | **–17.3** | **–25.5** |
| Adjustments [2] | –69.3 | 32.7 | –11.9 | 13.9 | –2.9 | 14.2 |
| **Segment result (= adjusted EBITDA)** | **–82.9** | **–70.2** | **–21.4** | **33.8** | **–20.2** | **–11.3** |
| Depreciation, amortization and impairments | | | | | | |
| **Operating result (EBIT)** | | | | | | |
| Financial income | | | | | | |
| Financial expenses | | | | | | |
| **Earnings before taxes (EBT)** | | | | | | |
| **in million EUR** | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| Net working capital [3] | 251.4 | 293.8 | 342.2 | 336.1 | 187.7 | 205.8 |

[1] The result of the disposal of Ascometal (refer to note 8) is included in the net operating expenses of the Engineering Steel Division.
[2] Adjustments: performance improvement program, others (EUR –101.0 million; 2023: EUR 29.9 million); reorganization and transformation processes (EUR 9.4 million; 2023: EUR 8.1 million); restructuring and other personnel measures (EUR 7.3 million; 2023: EUR 23.3 million). The EUR –101.0 million mainly include the result from the disposal of subsidiaries of EUR 62.7 million (note 8) and the result from the sale-and-leaseback of EUR 33.6 million (note 9).
[3] Net working capital is calculated as the sum of inventories and trade accounts receivable, reduced by trade accounts payable.

The revenue of EUR 49.8 million (2023: EUR 34.2 million) shown under other products and services relates to activities that are not allocated to any of the three Divisions, such as toll manufacturing services provided by the Group's production plants and rental income.

| | Total divisions | | Other products and services / Reconciliation | | Total | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | 2,461.4 | 3,210.0 | 49.8 | 34.2 | 2,511.2 | 3,244.2 |
| | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | **2,461.4** | **3,210.0** | **49.8** | **34.2** | **2,511.2** | **3,244.2** |
| | −43.6 | −167.2 | 1.9 | 1.5 | −41.7 | −165.7 |
| | −1,655.1 | −2,178.9 | −46.8 | −32.1 | −1,701.9 | −2,211.0 |
| | **762.7** | **863.9** | **4.9** | **3.6** | **767.6** | **867.5** |
| | −606.0 | −671.7 | −6.7 | −6.4 | −612.7 | −678.1 |
| | −197.1 | −300.7 | 6.7 | 9.1 | −190.4 | −291.6 |
| | **−40.4** | **−108.5** | **4.9** | **6.3** | **−35.5** | **−102.2** |
| | −84.1 | 60.8 | −0.2 | 0.5 | −84.3 | 61.3 |
| | **−124.5** | **−47.7** | **4.7** | **6.8** | **−119.8** | **−40.9** |
| | | | | | −101.1 | −97.6 |
| | | | | | **−136.6** | **−199.8** |
| | | | | | 9.5 | 1.8 |
| | | | | | −85.6 | −89.7 |
| | | | | | **−212.7** | **−287.7** |
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| | 781.3 | 835.7 | −12.0 | −9.5 | 769.3 | 826.2 |

## 36 Related party disclosures

Related parties include GravelPoint Holding AG with a share of 65.8 % of the voting rights in Swiss Steel Holding AG as of December 31, 2024 (2023: 32.7 % held by BigPoint Holding AG), which is fully owned by Martin Haefner.

Key management personnel comprise the members of the Board of Directors and of the Executive Board.

There were no material transactions with any related parties in 2024 and 2023 with the exception of the capital increase (refer to note 27), for which the majority of the new shares were acquired by GravelPoint Holding AG, and the financing agreements with GravelPoint Holding AG with a total credit line of EUR 200.0 million at market conditions (refer to note 30). The interest expense on this amounted to EUR 17.0 million in 2024 (2023: EUR 12.3 million).

As of December 31, 2024 and December 31, 2023, there were outstanding positions due to the following related parties:

| | AMAG [1] | | GravelPoint Holding AG [2] | |
|---|---|---|---|---|
| **in million EUR** | **2024** | **2023** | **2024** | **2023** |
| Financial liabilities to related parties | 0.3 | 0.4 | 165.0 | 155.0 |

[1] AMAG is fully owned by Martin Haefner

[2] As of December 31, 2023, before the transfer of the shareholder loans to GravelPoint Holding AG, the shareholder loans were provided by BigPoint Holding AG.

For the grants in 2022, 2023 and 2024, the LTIP was awarded in the form of performance share units that are subject to a three-year vesting period and conditional upon the achievement of two performance conditions: ROCE and the ratio of gross profit to personnel expenses. Performance share units are settled in shares. For the financial year ended December 31, 2024, the average fair value of equity instruments granted (grant-date fair value) was EUR 37.51 per share (2023: EUR 53.78 per share, restated due to the reverse share split at a ratio of 200:1 implemented on May 28, 2024); equity instruments totaling EUR 0.8 million (2023: EUR 1.2 million) were granted and recorded as an expense in the consolidated income statement of the corresponding year. In 2024, personnel expenses of EUR 1.1 million (2023: EUR 1.6 million) were recognized for share-based payments, and an amount of EUR 1.1 million (2023: EUR 1.0 million) was credited to retained earnings. The difference compared to the total amount of equity instruments granted relates to withholding tax and social security contributions.

A share-based payment plan also exists for the Board of Directors in the form of restricted share units with a vesting period of one year (from AGM to AGM). In 2024, restricted shares units with a fair value of EUR 0.5 million were granted. The Board of Directors subsequently waived its entitlement for the period 2024 to 2025 and resolved to return 21,428 vested shares for the period 2023 to 2024 to the Company.

Compensation amounted to EUR 0.9 million in 2024 (2023: EUR 1.8 million) for the Board of Directors and EUR 4.9 million (2023: EUR 3.7 million) for the Executive Board. Of that compensation, EUR 5.1 million (2023: EUR 4.2 million) relates to short-term benefits, EUR 0.7 million (2023: EUR 0.7 million) to post-employment benefits and EUR 0.0 million (2023: EUR 0.6 million) to share-based payments including withholding tax.

## 37 Subsequent events

No subsequent events have been identified.

## 38 List of shareholdings

| Name | Registered office | Currency | Share capital 31.12.2024 | Group ownership in % 31.12.2024 |
|---|---|---|---|---|
| **Production Assets** | | | | |
| Deutsche Edelstahlwerke Härterei Technik GmbH | Lüdenscheid DE | EUR | 1,100,000 | 100 |
| Deutsche Edelstahlwerke Karrierewerkstatt GmbH | Witten DE | EUR | 100,000 | 100 |
| Deutsche Edelstahlwerke Services GmbH | Witten DE | EUR | 10,050,000 | 100 |
| Deutsche Edelstahlwerke Speciality Steel Beteiligungs GmbH | Witten DE | EUR | 25,000 | 100 |
| dhi Rohstoffmanagement GmbH | Siegen DE | EUR | 4,000,000 | 51 |
| Edelstahlwerke Witten-Krefeld Vermögensverwaltungsgesellschaft mbH | Krefeld DE | EUR | 511,350 | 100 |
| Deutsche Edelstahlwerke Witten/Krefeld GmbH & Co. KG | Witten DE | EUR | 38,500,000 | 100 |
| Deutsche Edelstahlwerke Siegen/Hagen GmbH & Co. KG | Siegen DE | EUR | 11,500,000 | 100 |
| Finkl Steel - Chicago (registered: A. Finkl & Sons Co) | Chicago US | USD | 10 | 100 |
| Finkl Steel - Sorel (registered: Sorel Forge Co) | St. Joseph-de-Sorel CA | CAD | 252,129 | 100 |
| A. Finkl Steel ABS SPV, LLC | Chicago US | USD | 1,000 | 100 |
| Composite Forgings LLC | Detroit US | USD | 1,236,363 | 100 |
| Steeltec AG | Emmen CH | CHF | 40,000,000 | 100 |
| Steeltec Celik A.S. | Gebze - Kocaeli TR | TRY | 53,909,626 | 100 |
| Steeltec GmbH | Düsseldorf DE | EUR | 2,000,000 | 100 |
| Swiss Steel Denmark A/S | Norresundby DK | DKK | 10,000,000 | 100 |
| Swiss Steel Sweden AB | Boxholm SE | SEK | 7,000,000 | 100 |
| Ugi'ring S.A. | Ugine Cedex FR | EUR | 100,000 | 91 |
| Ugitech Italia S.r.l. | Peschiera Borromeo IT | EUR | 3,000,000 | 100 |
| Ugitech S.A. | Ugine Cedex FR | EUR | 80,297,296 | 100 |
| Ugitech Suisse S.A. | Valbirse CH | CHF | 1,350,000 | 100 |
| Ugitech TFA S.r.l. | Peschiera Borromeo IT | EUR | 100,000 | 100 |
| Sprint Metal Edelstahlziehereien GmbH | Hemer DE | EUR | 6,500,000 | 100 |
| **International Business** | | | | |
| Alta Tecnologia en Tratamientos Termicos S.A. de C.V. | Queretaro MX | MXN | 4,560 | 100 |
| Ascometal North America Inc. | Wilmington, Delaware US | USD | 2,000,000 | 100 |
| Dongguan German-Steels Products Co. Ltd. | Dongguan CN | HKD | 83,025,000 | 100 |
| Swiss Steel ABS SPV, LLC | Wilmington, Delaware US | USD | 1,000 | 100 |
| Swiss Steel Australia Pty. Ltd. | Victoria AU | AUD | 900,000 | 100 |
| Swiss Steel Canada Inc. | Mississauga CA | CAD | 2,369,900 | 100 |
| Swiss Steel Deutschland GmbH | Düsseldorf DE | EUR | 100,000 | 100 |
| Swiss Steel do Brasil Indústria e Comércio de Acos Ltda | São Paulo BR | BRL | 79,565,338 | 100 |
| Swiss Steel Eastern Europe S.R.L. | Bucharest RO | RON | 3,363,932 | 100 |
| Swiss Steel France S.A.S. | Cluses FR | EUR | 262,885 | 100 |
| Swiss Steel Guangdong Co. Ltd. | Dongguan CN | HKD | 60,000,000 | 100 |
| Swiss Steel (Hong Kong) Trading Ltd. | Fo Tan Shatin HK | HKD | 5,900,000 | 100 |
| Swiss Steel Hong Kong Co. Ltd. | Fo Tan Shatin HK | HKD | 98,140,676 | 100 |
| Swiss Steel Iberica S.A. | Madrid ES | EUR | 2,500,000 | 100 |
| Swiss Steel India Pvt. Ltd. | Thane (West) IN | INR | 144,731,000 | 100 |
| Swiss Steel Italia S.r.l. | Peschiera Borromeo IT | EUR | 90,000 | 100 |
| Swiss Steel JAPAN Co. Ltd. | Tokyo JP | JPY | 30,000,000 | 100 |
| Swiss Steel Jiangsu Co. Ltd. | Jiangsu CN | USD | 6,384,960 | 100 |

| Name | Registered office | Currency | Share capital 31.12.2024 | Group ownership in % 31.12.2024 |
|---|---|---|---|---|
| Swiss Steel Malaysia Sdn. Bhd. | Port Klang MY | MYR | 11,088,028 | 100 |
| Swiss Steel Mexico S.A. de C.V. | Tlalnepantla MX | MXN | 9,707,234 | 100 |
| Swiss Steel Oy | Espoo FI | EUR | 500,000 | 60 |
| Swiss Steel Russia OOO | Moscow RU | RUB | 9,000,000 | 100 |
| Swiss Steel Singapore Pte. Ltd. | Singapore SG | SGD | 5,405,500 | 100 |
| Swiss Steel South Africa (Pty.) Ltd. | Johannesburg ZA | ZAR | 2,155,003 | 100 |
| Swiss Steel Taiwan Ltd. | Taipei TW | TWD | 7,600,000 | 100 |
| Swiss Steel (Thailand) Co. Ltd. | Bangkok TH | THB | 3,000,000 | 100 |
| Swiss Steel UK Ltd. | Oldbury GB | GBP | 500,000 | 100 |
| Swiss Steel USA Inc. | Carol Stream, Illinois US | USD | 1,935,000 | 100 |
| Swiss Steel Zhejiang Co. Ltd. | Zhejiang CN | USD | 5,086,000 | 100 |
| **Holdings / Others** | | | | |
| Swiss Steel Edelstahl GmbH | Düsseldorf DE | EUR | 10,080,000 | 100 |
| Swiss Steel USA Holdings Inc. | Wilmington, Delaware US | USD | 80,000,000 | 100 |
| Swiss Steel Technology Holding GmbH | Düsseldorf DE | EUR | 25,001 | 100 |

From the subsidiaries listed with a Group ownership of less than 100 %, dhi Rohstoffmanagement GmbH, located in Siegen, Germany, had material non-controlling interests in these consolidated financial statements. The proportion of ownership of voting rights of non-controlling interests was 49 % as of December 31, 2024 (2023: 49 %). Accumulated non-controlling interests of this subsidiary amounted to EUR 5.4 million as of December 31, 2024 (2023: EUR 5.4 million).

# Report of the statutory auditor

To the General Meeting of Swiss Steel Holding AG, Lucerne

Zurich, 18 March 2025

## Report on the audit of the consolidated financial statements

### Opinion

We have audited the consolidated financial statements of Swiss Steel Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 90 to 153) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 6 of the consolidated financial statements, which indicates that the Group's ability to continue as a going concern is dependent on the timely fulfillment of the parties' conditions for the financing measures, the realization of the restructuring measures and the materialization of the anticipated slight market recovery. As stated in note 6, these events or conditions, along with other matters as set forth in note 6, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

## Valuation of property, plant and equipment and intangible assets

**Risk**

In the context of preparing its financial statements, the Group assesses property, plant and equipment and intangible assets whenever there is any indication of impairment. Due to the high and volatile energy prices and general ongoing economic downturn in the relevant industries, Management tested property, plant and equipment and intangible assets at all cash-generating units (CGU) for impairment as of 31 December 2024 by determining the value in use with a discounted cash flow model. As disclosed in note 23, impairment losses of EUR 16.1 million were recognized in 2024. Impairment testing is a complex process that includes several estimates and assumptions to be made by Management. For instance, the estimates and assumptions are based on business plans approved by the Board of Directors, the expected volatility in quantity and in steel and energy prices, as well as the discount rate used. Moreover, internal operational changes and ongoing improvements initiated by Management have an influence on budgeted numbers. Due to the significance of property, plant and equipment and the uncertainties relating to significant estimates and assumptions, impairment of property, plant and equipment is a key matter in our audit.

**Our audit response**

The audit of the impairment testing of property, plant and equipment and intangible assets comprised a comparison of Management's estimates to available market data and historical information, discussions with Management of the business plans, and the assessment of the significant estimates made by Management by means of sensitivity analyses based on various scenarios and assessment of these for consistency. In performing these procedures, we were supported by internal specialists. We further involved internal valuation specialists in the assessment of the appropriateness and the mathematical accuracy of the models used in the impairment tests and the discount rates.

Our audit procedures did not lead to any reservations regarding the impairment of property, plant and equipment and intangible assets.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

## Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

| | |
|---|---|
| Christoph Michel | Roman Ottiger |
| Licensed audit expert<br>(Auditor in charge) | Licensed audit expert |

# Five-year overview

| | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| **Key operational figures** | | | | | | |
| Production volume | kilotons | 1,706 | 2,113 | 1,798 | 1,543 | 1,314 |
| Sales volume | kilotons | 1,535 | 1,863 | 1,663 | 1,375 | 1,113 |
| Order backlog | kilotons | 566 | 691 | 454 | 355 | 264 |
| **Income statement** | | | | | | |
| Revenue | million EUR | 2,288.4 | 3,192.8 | 4,051.4 | 3,244.2 | 2,511.2 |
| Average sales price | EUR/t | 1,491 | 1,716 | 2,438 | 2,363 | 2,256 |
| Gross profit | million EUR | 767.3 | 1,113.1 | 1,147.1 | 867.5 | 767.6 |
| Adjusted EBITDA | million EUR | −68.9 | 191.6 | 217.0 | −40.9 | −119.8 |
| EBITDA | million EUR | −99.0 | 200.0 | 188.8 | −102.2 | −35.5 |
| EBIT | million EUR | −272.7 | 108.7 | 73.0 | −199.8 | −136.6 |
| Earnings before taxes | million EUR | −321.6 | 64.1 | 21.3 | −287.7 | −212.7 |
| Group result | million EUR | −310.2 | 50.3 | 9.4 | −294.8 | −197.2 |
| **Cash flow/investments/depreciation/amortization** | | | | | | |
| Cash flow before changes in net working capital | million EUR | −85.2 | 199.0 | 150.0 | −127.8 | −156.9 |
| Cash flow from operating activities | million EUR | −21.9 | −135.8 | 46.6 | 162.6 | −142.3 |
| Cash flow from investing activities | million EUR | −77.9 | −87.9 | −100.3 | −77.2 | −31.0 |
| Free cash flow | million EUR | −99.8 | −223.7 | −53.7 | 85.4 | −173.3 |
| Investments | million EUR | 87.4 | 107.1 | 115.1 | 114.3 | 94.2 |
| Depreciation, amortization and impairments | million EUR | 173.7 | 91.3 | 115.8 | 97.6 | 101.1 |
| **Net assets and financial structure** | | | | | | |
| Non-current assets | million EUR | 557.4 | 575.6 | 568.5 | 578.6 | 578.2 |
| Current assets | million EUR | 1,158.2 | 1,651.9 | 1,817.5 | 1,354.6 | 1,098.0 |
| Net working capital | million EUR | 698.1 | 1,040.6 | 1,112.4 | 826.2 | 769.3 |
| Balance sheet total | million EUR | 1,715.7 | 2,227.4 | 2,386.0 | 1,933.2 | 1,676.2 |
| Shareholders' equity | million EUR | 166.1 | 448.9 | 530.9 | 234.4 | 322.8 |
| Non-current liabilities | million EUR | 882.2 | 894.8 | 736.8 | 824.0 | 738.2 |
| Current liabilities | million EUR | 667.3 | 883.7 | 1,118.3 | 874.8 | 615.2 |
| Net debt | million EUR | 639.9 | 720.5 | 848.2 | 828.6 | 711.4 |
| **Employees** | | | | | | |
| Employees as of closing date | Positions | 9,950 | 9,914 | 9,857 | 8,812 | 7,450 |
| **Value management** | | | | | | |
| Capital employed | million EUR | 1,218.0 | 1,588.6 | 1,646.8 | 1,372.4 | 1,309.2 |
| **Key figures on profit/net assets and financial structure** | | | | | | |
| Gross profit margin | % | 33.5 | 34.9 | 28.3 | 26.7 | 30.6 |
| Adjusted EBITDA margin | % | −3.0 | 6.0 | 5.4 | −1.3 | −4.8 |
| EBITDA margin | % | −4.3 | 6.3 | 4.7 | −3.2 | −1.4 |
| Equity ratio | % | 9.7 | 20.2 | 22.2 | 12.1 | 19.3 |
| Gearing | % | 385.2 | 160.5 | 159.8 | 353.5 | 220.4 |
| Net debt/adj. EBITDA LTM (leverage) | x | n/a | 3.8 | 3.9 | n/a | n/a |
| Net working capital/revenue (L3M annualized) | % | 28.9 | 31.1 | 29.0 | 30.5 | 34.8 |

| | Unit | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| **Key share figures at reporting date** | | | | | | |
| Number of registered shares issued | Shares | 2,028,333,333 | 3,058,857,471 | 3,058,857,471 | 3,058,857,471 | 30,799,288 |
| Share capital | million EUR | 221.7 | 361.4 | 361.4 | 361.4 | 446.3 |
| Result/share [1] | EUR/CHF | −0.15/-0.16 | 0.02/0.02 | 0.00/0.00 | −0.10/-0.10 | −7.59/-7.23 |
| Shareholders' equity per share [1] | EUR/CHF | 0.08/0.09 | 0.15/0.16 | 0.17/0.17 | 0.08/0.08 | 10.48/9.85 |
| Share price high | CHF | 0.340 | 0.478 | 0.348 | 0.230 | 18.800 |
| Share price low | CHF | 0.126 | 0.234 | 0.202 | 0.060 | 1.170 |
| Closing share price | CHF | 0.235 | 0.344 | 0.207 | 0.084 | 4.520 |

[1] 2024 considering the reverse share split at a ratio of 200:1 implemented on May 28, 2024.

# Five half-year overview

| | Unit | H2 2022 | H1 2023 | H2 2023 | H1 2024 | H2 2024 |
|---|---|---|---|---|---|---|
| **Key operational figures** | | | | | | |
| Production volume | kilotons | 746 | 925 | 618 | 821 | 493 |
| Sales volume | kilotons | 726 | 756 | 619 | 629 | 484 |
| Order backlog | kilotons | 454 | 386 | 355 | 325 | 264 |
| **Income statement** | | | | | | |
| Revenue | million EUR | 1,906.8 | 1,857.3 | 1,386.9 | 1,379.2 | 1,132.0 |
| Average sales price | EUR/t | 2,629 | 2,460 | 2,244 | 2,194 | 2,335 |
| Gross profit | million EUR | 483.4 | 550.2 | 317.3 | 447.2 | 320.4 |
| Adjusted EBITDA | million EUR | 46.1 | 70.0 | −110.9 | −20.9 | −98.9 |
| EBITDA | million EUR | 31.7 | 58.5 | −160.7 | 71.7 | −107.2 |
| EBIT | million EUR | −40.2 | 17.0 | −216.8 | 28.0 | −164.6 |
| Earnings before taxes | million EUR | −68.2 | −23.0 | −264.7 | −7.9 | −204.8 |
| Group result | million EUR | −64.6 | −30.0 | −264.8 | −4.1 | −193.1 |
| **Cash flow/investments/depreciation/amortization** | | | | | | |
| Cash flow before changes in net working capital | million EUR | 38.4 | 22.1 | −149.9 | −76.7 | −80.2 |
| Cash flow from operating activities | million EUR | 187.8 | −22.7 | 185.3 | −157.5 | 15.2 |
| Cash flow from investing activities | million EUR | −67.4 | −40.0 | −37.2 | 45.2 | −76.2 |
| Free cash flow | million EUR | 120.4 | −62.7 | 148.1 | −112.3 | −61.0 |
| Investments | million EUR | 72.8 | 44.9 | 69.4 | 35.4 | 58.8 |
| Depreciation, amortization and impairments | million EUR | 71.9 | 41.5 | 56.1 | 43.7 | 57.4 |
| **Net assets and financial structure** | | | | | | |
| Non-current assets | million EUR | 568.5 | 556.6 | 578.6 | 571.5 | 578.2 |
| Current assets | million EUR | 1,817.5 | 1,861.4 | 1,354.6 | 1,374.2 | 1,098.0 |
| Net working capital | million EUR | 1,112.4 | 1,149.1 | 826.2 | 918.1 | 769.3 |
| Balance sheet total | million EUR | 2,386.0 | 2,418.0 | 1,933.2 | 1,945.7 | 1,676.2 |
| Shareholders' equity | million EUR | 530.9 | 498.7 | 234.4 | 518.2 | 322.8 |
| Non-current liabilities | million EUR | 736.8 | 807.4 | 824.0 | 654.5 | 738.2 |
| Current liabilities | million EUR | 1,118.3 | 1,111.9 | 874.8 | 773.0 | 615.2 |
| Net debt | million EUR | 848.2 | 942.0 | 828.6 | 630.8 | 711.4 |
| **Employees** | | | | | | |
| Employees as of closing date | Positions | 9,857 | 9,639 | 8,812 | 7,565 | 7,450 |
| **Value management** | | | | | | |
| Capital employed | million EUR | 1,646.8 | 1,675.0 | 1,372.4 | 1,452.6 | 1,309.2 |
| **Key figures on profit/net assets and financial structure** | | | | | | |
| Gross profit margin | % | 25.4 | 29.6 | 22.9 | 32.4 | 28.3 |
| Adjusted EBITDA margin | % | 2.4 | 3.8 | −8.0 | −1.5 | −8.7 |
| EBITDA margin | % | 1.7 | 3.1 | −11.6 | 5.2 | −9.5 |
| Equity ratio | % | 22.2 | 20.6 | 12.1 | 26.6 | 19.3 |
| Net debt/adj. EBITDA LTM (leverage) | x | 3.9 | 8.1 | n/a | n/a | n/a |
| Net working capital/revenue (L3M annualized) | % | 29.0 | 32.2 | 30.5 | 35.1 | 34.8 |

# Swiss Steel Holding AG individual financial statements

## Income statement

| million CHF | Note | 2024 | 2023 |
|---|---|---|---|
| Income from investments | | 4.8 | 0.0 |
| Other income | | 0.0 | 0.7 |
| Financial income | | 103.1 | 81.3 |
| **Total operating income** | | **107.9** | **82.0** |
| | | | |
| Personnel costs | | – 5.5 | – 4.4 |
| Other expenses | | – 30.5 | – 12.7 |
| Depreciation and amortization of non-current assets | | – 0.1 | – 0.6 |
| Impairments on investments and receivables, Group | | – 67.0 | 0.0 |
| Financial expense | | – 58.3 | – 56.5 |
| Unrealized translation losses | | – 6.1 | 0.0 |
| **Total operating expenses** | | **– 167.5** | **– 74.3** |
| | | | |
| **Annual result** | | **– 59.6** | **7.7** |

# Balance sheet

| million CHF | Note | 31.12.2024 | 31.12.2023 |
|---|---|---|---|
| Other current receivables, Group | | 18.2 | 27.8 |
| Other current receivables, third parties | | 1.7 | 0.4 |
| Current receivables, Group | | 66.7 | 173.9 |
| Accrued income and prepaid expenses, Group | | 74.5 | 14.0 |
| Accrued income and prepaid expenses, third parties | | 9.7 | 0.7 |
| **Total current assets** | | **170.8** | **216.8** |
| Non-current receivables, Group (subordinated) | 1 | 589.1 | 268.6 |
| Investments | 2 | 308.2 | 473.8 |
| Property, plant and equipment | | 0.0 | 0.1 |
| **Total fixed assets** | | **897.3** | **742.5** |
| **Total assets** | | **1,068.1** | **959.3** |
| Other current liabilities, Group | | 19.9 | 0.5 |
| Other current liabilities, third parties | | 2.0 | 0.5 |
| Current interest-bearing liabilities, Group | | 51.5 | 156.4 |
| Current interest-bearing liabilities, shareholder | | 0.0 | 55.7 |
| Current interest-bearing liabilities, third parties | | 0.3 | 0.0 |
| Accrued liabilities and deferred income | | 8.0 | 11.7 |
| Current provisions | | 1.9 | 0.0 |
| Lease liabilities | | 0.0 | 0.1 |
| **Total current liabilities** | | **83.7** | **224.8** |
| Non-current interest-bearing liabilities, shareholder | | 155.0 | 88.2 |
| Non-current interest-bearing liabilities, third parties | | 89.9 | 128.9 |
| Provisions | | 0.0 | 0.1 |
| **Total long-term liabilities** | | **245.0** | **217.2** |
| **Total liabilities** | | **328.7** | **442.1** |
| Share capital | 3 | 492.8 | 458.8 |
| Statutory capital contribution reserves | 3 | 1,176.0 | 928.2 |
| Treasury shares | 3 | 0.0 | –0.1 |
| Loss carried forward | 3 | –869.8 | –877.5 |
| Annual result | 3 | –59.6 | 7.7 |
| **Total equity** | | **739.4** | **517.2** |
| **Total liabilities and equity** | | **1,068.1** | **959.3** |

# Notes to the financial statements

## Basis of preparation

The financial statements of Swiss Steel Holding AG with its registered office in Lucerne were prepared in accordance with the principles set out in the Swiss Code of Obligations. The main accounting policies applied are described below.

## Translation of balance sheet and income statement

Since January 1, 2024, the financial records of Swiss Steel Holding AG are maintained in EUR. Transactions denominated in other currencies are translated at the monthly average rate in effect at the date of the transaction. Balances denominated in other currencies are translated at the exchange rate prevailing as of the balance sheet date. The resulting exchange differences are recorded in the income statement. Unrealized exchange gains on non-current assets and liabilities are deferred until their realization.

The financial statements are presented in CHF. The amounts have been translated into CHF at the following rates:

| | | 2024 |
|---|---|---|
| Current assets and liabilities at the closing rate | CHF/EUR | 0.94 |
| Non-current non-monetary assets and equity at | | historical rate |
| Income and expenses at annual average rate | CHF/EUR | 0.95 |

Net translation losses are included in "Unrealized translation losses" in the income statement. Net gains resulting from the translation of the financial statements from EUR into CHF are deferred and shown as "Provision for unrealized translation gains" in the balance sheet.

## Investments

Investments are recognized at acquisition cost less appropriate valuation allowances.

## Positions with valuation at market prices

Assets and liabilities with observable market prices are valued at the respective rate on the balance sheet date. These are currency derivatives with positive or negative market values and are included in the position “Other current receivables, third parties” and “Other current liabilities, third parties”, respectively.

## Treasury shares

Treasury shares are recognized at cost at the acquisition date and deducted from equity without any subsequent remeasurement. Any gain or loss arising from the subsequent sale of treasury shares is posted to retained earnings.

## Share-based compensation

Swiss Steel Holding AG has share-based payment plans in place for members of the Board of Directors, for the Executive Board and for the senior leadership team. Expenses for these share-based payment plans are recognized in the income statement in the period in which they were granted. The gain or loss results from the difference between the acquisition cost of the treasury shares and their fair value as of the grant date.

## Going concern

Throughout 2024, market demand from our main customer industries, namely automotive as well as mechanical and plant engineering, remained depressed. Excluding Ascometal, the sales volume was 1,056 kilotons (2023: 1,112 kilotons), which corresponds to a year-over-year decline of 5.1 %. This in turn put pressure on the Group's profitability and cash generation. The Group responded to low demand by adapting its production schedule and reinforcing its cost and net working capital reduction efforts to safeguard profitability and liquidity. Moreover, EBITDA in the first half-year 2024 was supported by a gain on the divestment of land and buildings, effects from changes in the scope of consolidation as well as insurance claim settlement proceeds recognized in other operating income and expenses. Nevertheless, the financial effect of these measures and transactions was not sufficient to offset the missing fixed cost absorption caused by the low sales volume. On a full-year basis, the Group realized a negative Group result of EUR -197.2 million (2023: EUR -294.8 million), of which EUR -193.1 million are attributable to the second half-year.

Swiss Steel Group's and Swiss Steel Holding AG's ability to continue as a going concern is mainly dependent on adherence to the agreed financial covenants in connection with its debt financing. Despite the capital increase of EUR 287.8 million (net of transaction costs) settled in April 2024, shareholders' equity was strongly impacted by the negative Group result largely generated in the second half-year. As a result, shareholders' equity decreased from EUR 518.2 million as of June 30, 2024 to EUR 322.8 million as of December 31, 2024 and consequently dropped below the value specified in the Group's financing agreements. However, the relevant lenders agreed to suspend the respective financial covenant temporarily until March 31, 2025 to provide the necessary time such that the relevant parties have formed a common view on additional measures to be taken.

The Group presented a performance-improving business plan, validated by an external restructuring expert, that assumes a slight market recovery and specifies additional restructuring measures. In return, and subject to certain conditions, the relevant lenders agreed to new financing agreements with, amongst others, extended terms until December 2029 and an increase in financial commitment of EUR 170.0 million (gross). Conditions include but are not limited to obtaining a declaration of goodwill from relevant trade credit insurers.

Despite the commitments of the relevant lenders, there is a material uncertainty regarding the complete and timely fulfillment of the parties' conditions, the realization of the restructuring measures and the materialization of the anticipated slight market recovery. This may cast significant doubt upon the Group's and Swiss Steel Holding AG's ability to continue as a going concern.

When preparing the individual financial statements, the continuation of Swiss Steel Holding AG as a going concern was assessed as positive by the Board of Directors and by the Executive Board. The Board of Directors and the Executive Board assumed that the market environment will not deteriorate further and that the Group will execute the additional measures if required by the economic circumstances. Furthermore, they assumed that the conditions set out by the relevant lenders will be met timely such that the Group can obtain sufficient funding and remain compliant with the applicable financial covenants in order to continue its business activities over the next twelve months. Therefore, these individual financial statements have been prepared on a going concern basis.

## 1. Non-current receivables

On October 10, 2023, Swiss Steel Holding AG signed a subordination agreement regarding the loan receivable in favor of its subsidiary Swiss Steel Edelstahl GmbH for a principal amount of EUR 600.0 million plus interest. As of December 31, 2024, the carrying amount of the loan receivable amounted to CHF 589.1 million and is recognized as a non-current receivable due from Group companies on the balance sheet.

## 2. Investments

The table shows the investments of Swiss Steel Holding AG as of December 31, 2024 and December 31, 2023:

| | Domicile of investments | Currency | Share capital 31.12.2024 | Share capital 31.12.2023 | Voting rights and capital share 31.12.2024 | Voting rights and capital share 31.12.2023 |
|---|---|---|---|---|---|---|
| Steeltec AG | Emmen (CH) | CHF | 40,000,000 | 40,000,000 | 100.00 % | 100.00 % |
| Swiss Steel France S.A.S. | Cluses (FR) | EUR | 262,885 | 262,885 | 100.00 % | 100.00 % |
| Swiss Steel Edelstahl GmbH [1] | Düsseldorf (DE) | EUR | 10,080,000 | 10,060,000 | 100.00 % | 100.00 % |
| Swiss Steel Technology Holding GmbH | Düsseldorf (DE) | EUR | 25,001 | 25,001 | 100.00 % | 100.00 % |
| Ascometal France Holding S.A.S. [2] | Hagondange (FR) | EUR | 0 | 60,000,000 | 0.00 % | 100.00 % |

1) Capital increase as of September 26, 2024 and October 18, 2024

2) On March 27, 2024, Ascometal's management informed Swiss Steel Holding AG that, following the termination of negotiations with Acciaierie Venete S.p. A. and after having examined all strategic options, it had decided to seek court protection by requesting the opening of judicial reorganization proceedings (procédures de redressement judiciaire) for Ascometal France Holding S.A.S. and its subsidiaries. The court acceded to the request and opened the proceedings on March 27, 2024, which resulted in Swiss Steel Holding AG losing control over the respective entities.

The information on the indirectly owned subsidiaries is included in note 38 of the consolidated financial statements of this Annual Report.

## 3. Statement of changes in shareholders' equity

At the Extraordinary General Meeting on April 4, 2024, the shareholders of Swiss Steel Holding AG approved the ordinary share capital increase proposed by the Board of Directors to strengthen the balance sheet of Swiss Steel Group. The capital increase consisted of the issuance of 3,101,000,000 newly registered and fully paid-up shares at an issue price of CHF 0.0925 per share after a reduction in the nominal value of all shares from CHF 0.15 to CHF 0.08.

Net proceeds amounted to CHF 286.8 million, composed of a CHF 248.1 million increase in share capital and a CHF 38.7 million increase in additional paid-in capital, reduced by CHF 5.1 million in transaction costs.

In addition, at the Annual General Meeting on May 23, 2024, the shareholders of Swiss Steel Holding AG approved a reverse share split at a ratio of 200:1, as proposed by the Board of Directors. In order to allow for the share consolidation, the Annual General Meeting approved the proposed ordinary capital increase by a small amount of CHF 10.32.

As a result of the reverse share split, each holder of 200 registered shares of Swiss Steel Holding AG with a par value of CHF 0.08 (par value of the shares before the reverse share split), as held on May 28, 2024, received one new registered share with a par value of CHF 16.00 (par value of the shares after the reverse share split).

| in CHF million | Share capital | Statutory capital contribution reserves | Treasury shares | Loss carried forward | Annual result | Total equity |
|---|---|---|---|---|---|---|
| **01.01.2024** | **458.8** | **928.2** | **– 0.1** | **– 869.8** | **0.0** | **517.2** |
| Capital decrease | – 214.1 | 214.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital increase | 248.1 | 38.8 | 0.0 | 0.0 | 0.0 | 286.8 |
| Transaction costs | 0.0 | – 5.1 | 0.0 | 0.0 | 0.0 | – 5.1 |
| Purchase of treasury shares | 0.0 | 0.0 | – 0.3 | 0.0 | 0.0 | – 0.3 |
| Allocation to BoD | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.3 |
| Annual result | 0.0 | 0.0 | 0.0 | 0.0 | – 59.6 | – 59.6 |
| **31.12.2024** | **492.8** | **1,176.0** | **0.0** | **– 869.8** | **– 59.6** | **739.4** |

The final approval of the statutory capital contribution reserves of CHF 247.8 million from the capital decrease/increase has not yet been granted by the Swiss Federal Tax Administration.

## 4. Contingent liabilities and pledges

There are contingent liabilities in favor of:

| million CHF | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Group companies | 587.8 | 454.6 |

The following collaterals were pledged to lending banks and bond creditors in the form of pledges of company shares and assignments of receivables:

| million CHF | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Investments | 92.3 | 255.8 |
| Current receivables, Group | 3.3 | 9.0 |
| **Total** | **95.6** | **264.8** |

## 5. Significant shareholders

The holding percentages shown below for shareholders with share capital and voting rights above the 3 % threshold are based on the share register of Swiss Steel Holding AG. Notifiable changes in significant shareholders since the balance sheet date are published by the company on the electronic publication platform of the SIX Swiss Exchange at www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html. The notifications published during the financial year 2023 can also be found there.

| | 31.12.2024 | | 31.12.2023 | |
|---|---|---|---|---|
| | Shares [1] | in percent | Shares [1] | in percent |
| GravelPoint Holding AG [2] | 20,250,000 | 65.75 | 1,001,284,739 | 32.73 |
| Liwet Holding AG / AO Komplekssprom [3/4] | 3,958,965 | 12.85 | 791,793,054 | 25.89 |
| PCS Holding AG / Peter Spuhler | 3,113,384 | 10.11 | 622,676,856 | 20.36 |

[1] Percentage of shares issued as per the share register of Swiss Steel Holding AG
[2] In prior year: BigPoint Holding AG. GravelPoint Holding AG is fully owned by Martin Haefner.
[3] Shareholder Agreement between Liwet Holding AG and AO Komplekssprom
[4] Based on regular information by Liwet
Viktor Felixovich Vekselberg is a beneficiary of a discretionary trust which indirectly owns less than 4 % of Swiss Steel Holding AG

# 6. Shareholdings

## 6.1 Shares owned by members of the Board of Directors

The following members of the Board of Directors own shares in Swiss Steel Holding AG:

| | | Number of shares | | Number of restricted share units |
|---|---|---|---|---|
| **Board of Directors** | | **31.12.2024** [1] | **31.12.2023** | **31.12.2024** |
| Martin Lindqvist (SE) [2] | Chairman | 0 | n/a | 0 |
| Jens Alder (CH) | Member / former Chairman | 9,425 | 1,885,133 | 0 |
| Barend Fruithof (CH) [3] | Former member | 0 | 0 | 0 |
| Dr. Alexander Gut (CH) | Member | 0 | n/a | 0 |
| Dr. Karl Haider (AT) | Member | 0 | n/a | 0 |
| David Metzger (CH/FR) | Member | 2,040 | 308,072 | 0 |
| Mario Rossi (CH) | Member | 745 | 149,106 | 0 |
| Dr. Michael Schwarzkopf (AT) [5] | Former member | 2,655 | 531,054 | 0 |
| Oliver Streuli (CH) [3] | Former member | 0 | 0 | 0 |
| Emese Weissenbacher (DE) [4] | Former member | 0 | 111,830 | 0 |
| **Total amount** | | **14,865** | **2,985,195** | **0** |

[1] After reverse share split (200:1)
[2] Chairman of the Board of Directors since October 30, 2024
[3] Member of the Board of Directors until March 25, 2024
[4] Member of the Board of Directors until May 23, 2024
[5] Member of the Board of Directors until August 31, 2024

## 6.2 Shares owned by members of the Executive Committee

The following members of the Executive Board own shares in Swiss Steel Holding AG:

| | | Number of shares | |
|---|---|---|---|
| **Executive Board** | | **31.12.2024** [1] | **31.12.2023** |
| Frank Koch (DE) | CEO | 80,000 | 16,000,000 |
| Thomas Löhr (DE) | CFO | 275 | n/a |
| Marco Portmann (CH) | former CFO | 0 | 0 |
| Dr. Florian Geiger (CH/DE) | former CCO | 1 | 2,381 |
| Patrick Lamarque d'Arrouzat (FR) | former CCO | 0 | 22,938 |
| **Total Executive Board** | | **80,276** | **16,025,319** |

[1] After reverse share split (200:1)

## 7. Treasury shares

| | Date | Share price in CHF | Share |
|---|---|---|---|
| **Treasury shares as of 31.12.2022** | | | **244,693** |
| Purchase | - | - | 0 |
| Allocation to BoD | - | - | 0 |
| **Treasury shares as of 31.12.2023** | | | **244,693** |
| Reverse share split (200:1) | May 24 | - | – 243,470 |
| Purchase | May - Jul 24 | 11.18-14.81 | 21,434 |
| **Treasury shares as of 31.12.2024** | | | **22,657** |

## 8. Share-based compensation

For the years 2024 and 2023, the allocation of shares to the members of the Board of Directors for the period from the Annual General Meeting (AGM) 2024 to AGM 2025 and from AGM 2023 to AGM 2024 was waived by resolution of the Board of Directors.

## 9. Other statutory disclosures

The number of full-time equivalent employees is less than ten (2023: less than ten).

## 10. Lease obligations

Payments under existing leases extend over the following maturity profile:

| in CHF million | 31.12.2024 | 31.12.2023 |
|---|---|---|
| < 1 year | 0.0 | 0.1 |
| 1 to 5 years | 0.0 | 0.0 |
| > 5 years | 0.0 | 0.0 |
| **Total** | **0.0** | **0.1** |

# Proposal of the Board of Directors to the Annual General Meeting of April 24, 2025, regarding the netting and carry forward of the accumulated loss

| million CHF | 2024 | 2023 |
|---|---|---|
| Loss carried forward | –869.8 | –877.5 |
| Annual result | –59.6 | 7.7 |
| Netting with statutory capital contribution reserves | 214.1 | 0.0 |
| **Balance to be carried forward** | **–715.3** | **–869.8** |

# Report of the statutory auditor

To the General Meeting of Swiss Steel Holding AG, Lucerne

Zurich, 18 March 2025

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Swiss Steel Holding AG (the Company), which comprise the balance sheet as at 31 December 2024 and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 161 to 168) comply with Swiss law and the Company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note "Going Concern" of the financial statements, which indicates that the Company's ability to continue as a going concern is dependent on the timely fulfillment of the parties' conditions for the financing measures, the realization of the restructuring measures and the materialization of the anticipated slight market recovery. As stated in the note "Going concern", these events or conditions, along with other matters as set forth in the note "Going concern", indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

## Recoverability of investments and receivables from subsidiaries

**Risk**

The Company holds direct and indirect investments in various subsidiaries with a carrying amount of CHF 308.2 million as of 31 December 2024. An overview can be found in note 2 to the financial statements. Moreover, the Company has amounts due from subsidiaries totaling CHF 748.5 million as of 31 December 2024. The Company calculates the recoverable amount of its investments based on net asset values or values in use. To determine value in use Management performs a DCF valuation which requires assumptions and estimates. Estimates and assumptions are based on business plans approved by the Board of Directors, the expected volatility in quantity and in steel and energy prices, as well as the discount rate used. Moreover, internal operational changes and ongoing improvements initiated by Management have an influence on budgeted numbers. Due to the significance of investments and receivables from subsidiaries and the uncertainties relating to significant estimates and assumptions, impairment of investments and receivables from subsidiaries is a key audit matter in our audit.

**Our audit response**

We tested the analyses prepared by Management, which in some cases consisted of comparing the carrying amount with the subsidiary’s equity. If the assessment of the recoverability of investments and receivables from subsidiaries was done using values in use, our audit comprised a comparison of Management’s estimates to available market data and historical information, a discussion with Management of the business plans, and the assessment of the significant estimates made by Management by means of sensitivity analyses based on various scenarios and assessment of these for consistency. In performing these procedures, we were supported by internal specialists. We further involved internal valuation specialists in the assessment of the appropriateness and the mathematical accuracy of the models used in the impairment tests and the discount rates. Our audit procedures did not lead to any reservations regarding the impairment of investments and receivables from subsidiaries.

## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

## Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors (page 169) complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

| | |
|---|---|
| Christoph Michel | Roman Ottiger |
| Licensed audit expert<br>(Auditor in charge) | Licensed audit expert |

# Glossary

## A |

**Adjusted EBITDA margin (%)** Ratio of adjusted EBITDA to revenue

**Adjusted EBITDA** Operating profit before depreciation, amortization and non-recurring effects

## C |

**Capital employed** Net working capital plus intangible assets (excl. goodwill) plus property, plant and equipment

**Cash flow before changes in net working capital** Cash flow from operating activities excluding changes in net working capital

## E |

**EAT** Group result, earnings after taxes

**EBIT** Earnings before interest and taxes

**EBITDA** Earnings before interest, taxes, depreciation and amortization

**EBITDA leverage** Ratio of net debt to adjusted EBITDA

**EBITDA margin (%)** Ratio of EBITDA to revenue

**EBT** Earnings before taxes

**Equity ratio** Ratio of shareholders' equity to total assets

## F |

**FCFaIL** Free cash flow after interest and lease payments

**Free cash flow** Cash flow from operating activities plus cash flow from investing activities

## G |

**Gearing** Ratio of net debt to shareholders' equity

**Gross margin** Revenue plus change in semi-finished and finished goods less cost of materials

**Gross margin (%)** Ratio of gross margin to revenue

## I |

**Investment ratio** Ratio of investments to depreciation/ amortization

## N |

**Net financial expense** Financial expense less financial income

**Net debt** Non-current financial liabilities plus current financial liabilities less cash and cash equivalents

**Net working capital/revenue** Ratio of net working capital as of reporting date to annualized quarterly revenue

**Net working capital** Inventories plus trade accounts receivable less trade accounts payable

## O |

**Operating free cash flow** Adjusted EBITDA +/– change in inventories, trade accounts receivable and payable less segment investments less capitalized borrowing costs

## R |

**ROCE** Return on capital employed

# Legal notice

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This Annual Report contains forward-looking statements, including – without limitation – statements relating to our financial condition, results of operations and business, and certain of our strategic plans and objectives, presentations of developments, plans, intentions, assumptions, expectations, beliefs and potential impacts, as well as descriptions of future events, income, results, situations or outlooks.

These are based on the company's current expectations, beliefs and assumptions, which are subject to risks and uncertainty and may differ materially from the current facts, situation, impact or developments. Actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Swiss Steel Holding AG's control or ability to estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors. Readers are cautioned not to put undue reliance on forward-looking statements.

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