

PRESS STATEMENT

7 May 2021

LIBERTY Ostrava has received 100 % of the proceeds from the sale of excess CO2 certificates. All employees have been paid their 70th anniversary bonus

The Ostrava steelworks can confirm it has received the full amount of 1.24 billion crowns into its accounts from the sale of a million excess CO2 certificates to its sister company at LIBERTY Galati. The profit from the sale, 260 million crowns, was used to pay all employees a bonus to celebrate the 70th anniversary of the plant's existence. The bonus of CZK 13,070 net per employee, totalling to CZK 134 million, has already been sent to all of the steelwork's employees, including interims. The remainder of the proceeds will be used on future investment projects at LIBERTY Ostrava.

The company will have an opportunity to buy back the credits at a fixed lower price in the future irrespective of the market price at the given time. Through this legal and highly profitable transaction the company has fulfilled its commitment that the plant's CO2 certificates would continue to be used for the sole benefit of LIBERTY Ostrava.

"In common with other large industrial companies, LIBERTY Steel Group businesses trade carbon credits as part of the usual course of business. That includes transactions to buy and to sell credits according to their business requirements and according to the market price. In this case, credits were bought from LIBERTY Ostrava to ensure that we kept the proceeds within LIBERTY Ostrava," said Ajay Aggarwal, member of the Board of Directors of LIBERTY Ostrava.

"In Q1 LIBERTY Ostrava achieved the best results since 2016, with production of 550 thousand tonnes and EBITDA of CZK 1.6 billion. It is vital that we continue our business as usual and focus on production, our customers and making the most of the strongest market we have seen in years. We continue to work on the development and modernisation of our company to ensure the plant, its employees and its local communities have a sustainable future. However, it needs all of the steelwork's stakeholders to work together in a positive manner if we are to achieve this positive future and sustain the profitability into the future," added Vaclav Habura, Director Operations of LIBERTY Ostrava.

Further information:

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MEMBER OF



LIBERTY Ostrava is an integrated steel business with an annual production capacity of approximately 3.6 million tonnes per annum serving primarily construction, machinery and oil & gas industries. The company is a domestic leader in the manufacture of road barriers and tubes. In addition to the Czech market, it supplies its products to more than 40 countries around the world. Together with its subsidiaries in Ostrava, the company has 6,000 employees. The company manufactures its products with a minimum possible environmental footprint. The mill is part of LIBERTY Steel Group.

LIBERTY Steel Group is part of GFG Alliance, a collection of global businesses and investments owned by Sanjeev Gupta and his family. The Alliance is structured into three core industrial pillars: LIBERTY Steel Group, ALVANCE Aluminium Group and SIMEC Energy Group, independent of each other yet united through shared values and a purpose to create a sustainable future for industry and society. GFG Alliance employs c.35,000 people, across 30 countries and has revenues of >USD \$20bn.

www.libertyostrava.cz

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