

PRESS RELEASE

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LIBERTY Ostrava records strongest production levels for years

- **Total production volume of 2.28 million tonnes of liquid steel in 2021 – the highest since 2016**
- **Blast Furnaces produced 1.93 million tonnes of hot metal last year, up 35% on 2020**
- **Total downstream production of 2.16 million tonnes, an increase of 29% on 2020**

LIBERTY Ostrava, the leading steel producer in the Czech Republic, has reported its strongest annual production levels since its acquisition in July 2019 with production levels of 2.28 million tonnes of liquid steel in 2021, up 33% on 2020 and the highest since 2016. The production increases are due to over CZK 2 billion of support in operational and technical improvements implemented under LIBERTY's ownership as well as the significant efforts of Ostrava's employees, who helped maintain production throughout the COVID-19 pandemic. This has allowed LIBERTY Ostrava to make the most of the last year's strong demand for steel, with its high production volumes more than mitigating the impact of the huge rise in energy prices.

LIBERTY Ostrava reported a range of strong production results across the business in 2021:

- Total production volume of 2.28 million tonnes of liquid steel in 2021 – up 33% on 2020 and its highest production level since 2016;
- The plant's two Blast Furnaces produced 1.93 million tonnes of hot metal last year, 35% up on 2020;
- Total downstream production up to 2.16 million tonnes, an increase of 29% on 2020, with flat steel production up 84% to 680,000 tonnes and longs up 19% to 1.48 million tonnes.
- Seamless pipe production exceeded 136,000 tonnes in 2021, giving LIBERTY Ostrava more than 5% of the total European market, it's best result since 2016.

The production gains were underpinned by equally strong quality results. The improvements in the company's production performance were achieved through a combination of excellent employee commitment to the business as well as numerous operational and technical investments since LIBERTY acquired the steelworks in 2019. These include:

- An almost CZK 1 billion investment to modernise and upgrade the plant's Steckel mill, the only producer of hot rolled strip steel in the Czech Republic, to improve its reliability, sustainability and product quality while increasing its capacity utilization to more than 1 million tonnes.
- CZK 80 million to extend the production of threaded bars, a high-added-value product of which Ostrava is the only manufacturer in the Czech Republic and which it believes has the potential to be a major global supplier.
- CZK 15.5 million modernization of the plant's Arnold line, which manufactures the beams used in motorway guard rails. The investment initially allowed the business to widen its product

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portfolio and later to extend the rails by almost 50% to more than 6 meters long, which makes the assembly of its safety retention systems easier and quicker.

- CZK 15 million on the installation of a new tubular piping line, which will significantly improve the automation, the precision and the quality completion process of Ostrava's line pipes, casing and tubing for oil and gas industry.

Paramjit Kahlon, CEO of LIBERTY Steel Group Primary Steel & Mining, stated: *“This is an excellent set of production results and is a testament to the efforts of everyone who works at LIBERTY Ostrava, as they successfully managed to overcome the demands of the pandemic. It also highlights the commitment and resources LIBERTY has invested in the business since 2019 to modernise and improve the future of the plant and of those who work here. Our journey of transformation for LIBERTY Ostrava into a GREENSTEEL champion of the region is now underway as we work towards making it carbon neutral by 2030. It is a very exciting time for all of us who want to be part of the plant's bright, clean future.”*

LIBERTY Steel Group plans to invest billions of Czech Korunas in the LIBERTY Ostrava GREENSTEEL transformation programme over the course of the next eight years so that is carbon neutral by 2030. The key element of the CN30 programme will be the replacement of the steelwork's existing four tandem furnaces with two hybrid electric arc furnaces and the building of a new power line, allowing the use of a higher volume of steel scrap and a range of different charge materials, reducing reliance on imported coal and iron ore and significantly reducing CO2 emissions. The supplier of the new furnaces has now been chosen with the contract expected to be signed shortly.

Aleksandr Ivanov, the Executive Director of LIBERTY Ostrava, said: *“The awaited signature of the contract with the new furnace supplier will be an important step on our GREENSTEEL transformation journey. We will continue in our efforts to increase our production levels further up to more than 3 million tonnes a year. Last year's production highlights the tremendous progress we have made in improving our plant's performance over the last few years and make us confident that we will be able to achieve our CN30 goals in spite of the difficult situation in the commodity markets.”*

In addition to the modernisation of the steel shop, the transformation will also include an extensive modernisation of the steel rolling mills, which will improve the quality of steel and expand the product portfolio with high added value products. The investment programme will also see the creation of a renewable power plants for electricity production as well as the development of the GREENSTEEL Academy, which aims to upskill the plant's current workforce and encourage new people into the industry.

Notes to Editors

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LIBERTY Ostrava is an integrated steel company with an annual production capacity of 3.6 million tons of steel, which is used mainly in the construction, engineering and oil and gas industries. It is a domestic leader in the

production 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, it has 6,000 employees. Thanks to above-standard greening, it manufactures its products with as little environmental footprint as possible. The steel mill belongs to the LIBERTY Steel Group.

LIBERTY Steel Group is part of the global GFG Alliance owned by Sanjeev Gupta and his family. The GFG Alliance has three independent industrial brands: LIBERTY Steel Group, ALVANCE Aluminum Group and SIMEC Energy Group which share the same values and strive for a long-term sustainable future for industry and society. The GFG Alliance operates in 30 countries, with a total of 35,000 employees and a turnover of over \$ 20 billion.

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