

PRESS RELEASE

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LIBERTY makes historic investment in Ostrava's GREENSTEEL transformation

- LIBERTY Ostrava signs contract with Danieli for two hybrid electric arc furnaces
- New furnaces will reduce LIBERTY Ostrava's emissions by over 80% by 2027
- LIBERTY to invest CZK 8.6 billion (EUR 350 million) in Ostrava, the largest investment in the steelworks in a generation
- Renewable energy partnership signed with ČEZ ESCO and GFG Foundation launched in Czech Republic

At a special event held today at the Ostrava steelworks, LIBERTY signed a contract with Danieli, a leading global manufacturer of plant and machinery, for the delivery of two state-of-the-art hybrid electric arc furnaces at the centre of Ostrava's GREENSTEEL transformation plan. The CZK 8.6 billion (EUR 350 million) investment, which will be the largest investment in the steelworks for a generation, is a huge step forward in LIBERTY Ostrava's plan to become carbon neutral by 2030 (CN30).

The new furnaces, the first of their kind in Europe, will have a combined capacity of 3.5 million tonnes per annum (mtpa) and will reduce the overall CO₂ emissions of the Ostrava steelworks by more than 80% by 2027. The two 200 tonne furnaces uses the innovative and patented Danieli QONE power electronics technology to control arc current and voltage for a more efficient and stable power delivery to the furnaces. This will allow the furnaces to be more flexible in the charge mix from large quantities of Hot Metal and Direct Reduced Iron (DRI/HBI) and up to 100% scrap in the second phase of the project. In doing so the plant will reduce its reliance on imported coal and iron ore and provide even greater production flexibility. The new furnaces are expected to be operational in 2025 and will be able to melt 100% scrap in 2027 following the planned installation of a 400kV electricity line into the Ostrava steelworks.

LIBERTY has also launched the tender process for similar hybrid electric arc furnaces for Ostrava's sister plant LIBERTY Galati, Romania, as it too transforms to GREENSTEEL technologies and the group targets 10 million tonnes of GREENSTEEL capacity in Europe over the next five years.

At the same signing ceremony LIBERTY Ostrava signed a Declaration of Cooperation with ČEZ ESCO, part of the ČEZ group which is one of Europe's largest energy companies. This partnership will identify and develop the renewable energy and hydrogen technologies required for Ostrava's GREENSTEEL

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transformation. The group also announced the launch of the GFG Foundation in the Czech Republic – a charity founded by Sanjeev and Nicola Gupta aimed at inspiring, encouraging and helping future generations into a career in industry.

Sanjeev Gupta, Executive Chairman of LIBERTY Steel Group said: “The contract we have signed today is a historic milestone for the Ostrava steelworks and a massive step forward towards our GREENSTEEL and carbon neutrality plans here in Ostrava and across Europe. This is the largest investment in Ostrava for a generation and the start of a major transformation across Europe as we move away from older polluting production methods to the latest lower carbon production technologies. This will not only make us a cleaner and more sustainable producer but also a more responsive and dynamic player in the market. Our investment shows our long term commitment to the workforce here at Ostrava, the local community and the future generations that will come to work in what will be a modern, clean steel plant. I’d like to thank the team at LIBERTY Ostrava for all the work that has gone into preparing for this huge investment.”

Giacomo Mareschi Danieli, Chief Executive Officer of Danieli, said: “Danieli is delighted to have been selected by LIBERTY Ostrava as the technology provider for this prestigious project that represents a milestone in European steelmaking history, being the first major project in Europe that will replace carbon based blast furnace technology with the latest electric arc furnace green steel technology. The two new 200 tonne hybrid electric arc furnaces, known as Danieli Digi Melter (DDM) will incorporate the latest design and technological packages in the field of electric arc furnace melting to ensure the lowest CO₂ and NO_x emissions, whilst also providing a significant improvement in liquid steel conversion costs, thereby improving the competitiveness of the LIBERTY Ostrava plant. Safety improvements shall also be derived through a suite of technological packages that automate tasks that have traditionally been carried out manually, hence removing operators away from the hazardous exposure to liquid steel. This contract is an excellent example that decarbonization does not mean a threat, but rather an opportunity for improvement. The new hybrid furnaces will be more efficient, produce high quality steel at a lower cost, with significantly lower emissions. This is an investment for the future of LIBERTY Steel alongside the future of the planet.”

Kamil Čermák, the chairman of the board and the CEO of ČEZ ESCO, said: “The steel industry in Europe stands at an important crossroads. We appreciate LIBERTY Ostrava's decision to switch to low-emission steel production technology based on electric arc furnaces. We look forward to working with the LIBERTY Ostrava team, with whom we will seek and develop low-carbon and carbon-free technologies, especially in the field of renewable energy and hydrogen. Together we want to secure the future of steel mills and contribute to a substantial improvement of the environment in the Ostrava region.”

Notes:

While the tender process for the furnaces has been underway the LIBERTY Ostrava team have also achieved some other important milestones in the company's move towards carbon neutrality:

- Invested CZK 88 million, including CZK 28 million from the Czech Government's Operational Environment Programme, on the installation of a new exhaust pipeline at its sinter plant north, aiming to reduce fugitive emissions by around 46%.
- Received approval for an amended Environmental Impact Assessment (EIA) to incorporate the new furnaces and submitted many applications for the required zoning, demolition and building permits.
- Launched a tender for the pipe & pipe bridge, sewerage, cable and railway relocations required before ground-breaking can start for the furnaces.

- Completed the tender for a General Designer which will responsibility for the integration of the many different transformation projects, other than that of the furnaces' installation.

In addition to the modernisation of the steel shop, LIBERTY Ostrava's 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. LIBERTY Ostrava has already announced extensive modifications worth almost a billion Czech crowns to its Hot Strip (Steckel) mill, the only producer of hot rolled strip steel in the Czech Republic. 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.

LIBERTY Ostrava initiated the tender process in November 2020 and has evaluated offers from a number of global technology providers.

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Note to the editors:

LIBERTY Ostrava

LIBERTY Ostrava is an integrated steel business with an annual production capacity of approximately 3.6 million tonnes per annum serving 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. www.LIBERTYostrava.cz

Danieli

Danieli is a leading plantmaker and its portfolio includes production processes ranging from reduction of iron ore to long and flat products finishing lines. Danieli is developing and improving technological processes to reduce greenhouse gases, increase energy efficiency and enhance the protection of the environment.

ČEZ ESCO

ČEZ ESCO (Energy Service Company), member of ČEZ Group, focuses on modern energy solutions related to energy efficiency, decarbonization and climate change mitigation for industrial customers, municipalities and institutions. These include energy audits and energy efficiency products, construction and operation of photovoltaic plants and cogeneration units, implementation of metering systems, HVAC and renovation of heating systems. ČEZ ESCO is also a supplier of services related to public and

corporate electromobility. It also provides electricity, gas and heat to its customers. It has about 2000 employees. ČEZ ESCO's subsidiaries include AirPlus, AZ KLIMA, CAPEXUS, ESCO Distribution Systems, ČEZ Energetické služby, ČEZ ENERGO, ČEZ LDS, Domat Control System, E-Dome, EP Rožnov, ENESA, HORMEN and KART. More at