



PRESS RELEASE

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GFG Alliance completes its 100 day strategic review of LIBERTY Ostrava and pledges €750 million in transformational investment

- €750m transformational investment to create a regional steel champion
- New flexible hybrid steel making technology to be installed between 2021 - 2024
- Major modernisation of the steel rolling mills
- Aim to expedite a new high voltage connection within five years

Following the completion of its 100 day strategic review, GFG Alliance has today announced plans to transform LIBERTY Ostrava into a regional champion in quality steel production and to start its journey towards carbon neutrality. The €750 million (nearly CZK 19 billion) 10-year investment programme will allow the business to install new hybrid steel-making technology - a first in Europe – and start a major modernisation of its rolling mills.

Commenting on the announcement, Sanjeev Gupta, GFG Alliance Executive Chairman, said: *“Through this substantial investment package we are preparing LIBERTY Ostrava to become a regional champion in steel production and kick starting its journey towards carbon neutrality, which we aim to achieve by 2030. Our focus is on investing in the latest technology for steel-making and rolling to ensure LIBERTY Ostrava is competitive and sustainable over the long term, so it can reinvest and continue to provide high quality local employment for generations to come.”*

The new hybrid steel-making technology will allow the business to utilise higher volumes of local steel scrap to reduce the reliance on imported natural resources, lower CO₂ emissions and enable greater flexibility by switching or blending Blast Furnace and Electric Arc Furnace steel-making.

A key enabler for the longer-term regeneration of LIBERTY Ostrava is the installation of a high voltage power line to support further electrification of processes to reduce emissions. LIBERTY Ostrava intends to work collaboratively with the Czech Government to expedite a new high voltage connection within five years.

The strategic investment plans are the result of a detailed 100 day strategic review of operations following Ostrava’s acquisition by GFG Alliance in July 2019, during a very difficult year for steel producers globally due to lower demand, competition from cheap imports and high prices of CO₂ allowances.

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Pascal Genest, CEO for Liberty Ostrava, said: *“We have worked hard to develop our long-term plan while tackling the current significant market difficulties and integrating with LIBERTY’s global steel business. We now have a clear plan to regenerate our business over the long term and make LIBERTY Ostrava a leading producer of high quality GREENSTEEL. I look forward to working with the team to deliver on the ambitious plans for the future which will allow us to better serve our regional market and, through steelmaking, be a partner of choice for employees, customers and local communities.”*

LIBERTY Ostrava continues its integration into LIBERTY Steel Group’s international business, which now covers 200 manufacturing locations in ten countries, making it the 8th largest steel company outside China.

Neil Barrell, GFG Alliance Global Chief Operating Officer said: *“Since we acquired the business in July last year we’ve worked closely with the team in LIBERTY Ostrava to understand the business in detail and implement a range of initiatives, from restarting and upgrading processing lines to identifying opportunities to install energy-improvement projects. These changes together with the transformational investment programme we’re announcing today will greatly enhance our operational performance and help deliver our carbon neutral plans. I look forward to working with Pascal and his team to help realise LIBERTY Ostrava’s huge potential.”*

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Notes to Editors:

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 35,000 people, across 10 countries and has revenues of USD \$20bn. GFG Alliance is a leader in sustainable industry with a mission to become Carbon Neutral by 2030.

Liberty Ostrava was acquired by GFG Alliance in July 2019, along with six other major steelworks and five service centres across seven European countries. The €740 million deal made LIBERTY Steel Group the 8th largest steel producer globally, excluding China, with a total steel products capacity of 18 million tonnes covering a wide range of finished products.

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.

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