

## PRESS STATEMENT

April 30, 2021

### **LIBERTY Ostrava today releases an update regarding the status of its EU ETS emission allowances**

An initial legal proposal to monetise a proportion of the company's excess allocation, with multiple measures to protect the Ostrava business, was unhelpfully obstructed by the unions and the Czech Government earlier this month.

Today we have carried out an amended transaction which is secure and highly beneficial for LIBERTY Ostrava and its employees. LIBERTY Galati in Romania has directly purchased, for cash, one million emission allowances from LIBERTY Ostrava. The purchase has been conducted at today's market price, which will be paid to LIBERTY Ostrava immediately, with an opportunity for it to buy back the allowances at a lower price in the future.

The transaction has earned LIBERTY Ostrava an instant profit of CZK 260 million (€10.05 million), some of which will be used to pay the company's employees a special bonus to celebrate the company's 70<sup>th</sup> Anniversary with the remainder to be used on future investment projects.

GFG Alliance has supported LIBERTY Ostrava with more than CZK 4 billion (€140 million) since it was acquired back in July 2019, which supported the business through the worst steel market in decades as well as the COVID-19 pandemic. The positive results of the efforts made by GFG, the LIBERTY Ostrava management team and its 6,000 employees to transform the business, after years of under-investment, are now clear to see. The production for the quarter ending 31 March 2021 was more than 20% higher than same period in 2020 and more than 70% higher than the COVID-affected second and third quarters last year. LIBERTY Ostrava also forecasts that its EBITDA for the first quarter at €60 million will be its best quarterly performance since the plant was acquired."

#### Further information:

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**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

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#### **LIBERTY OSTRAVA a.s.**

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MEMBER OF



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](http://www.libertyostrava.cz)

[www.libertysteelgroup.com](http://www.libertysteelgroup.com)

[www.gfgalliance.com](http://www.gfgalliance.com)